

Summary of Capital Budget Request 2020 - 2021

of the

Tennessee Board of Regents



June 20, 2019

Summary of the Capital Budget Request for Fiscal Year 2020-2021
for the Finance and Business Operations Committee of the Tennessee Board of Regents.

The Capital Budget Request includes recommendations for a combined list of community college, and colleges of applied technology projects in three (3) classifications as follow:

A. Capital Outlay Projects

Projects for which the primary objective is expansion of plant by adding new construction and renovations involving extensive changes in functional use.

B. Capital Maintenance Projects

Projects for which the primary objective is correction of identified deficiencies in existing facilities. This classification includes building codes, safety, roof and envelope replacements, building system and sub-system improvements, and energy conservation projects.

Project Disclosures (utilizing School Bonds and other funding sources)

Includes projects for which no state capital appropriations are requested. These projects identify funding from campus funds, grants, gifts, donations, Tennessee State School Bond Authority financing (school bonds), etc.

Classification A: Capital Outlay

\$126,150,000 (last year: \$175,480,000) is recommended for the fiscal year 2020-2021, which is comprised of five (5) prioritized projects. One project of the nine (9) projects was funded from the FY 19/20 Capital Outlay priority list. The five-year average of Capital Outlay funding is \$56,488,060 which includes special appropriations outside our Capital Outlay request.

Capital Outlay Projects: The recommendation for **\$126,150,000** is for full funding of five (5) projects shown on Page 5. After the match, the state request is for \$118,364,554. The THEC Capital Outlay Prioritization Criteria is on Page 4; and match requirements are on Page 6. Recommended projects not funded in the FY20/21 Capital Outlay budget would need to be resubmitted in the next year's budget cycle to be considered in the next fiscal year budget. Any projects not recommended for funding by THEC in this request, as well as the un-ranked projects submitted and disclosed on Page 13, are considered as potential candidates for the un-ranked balance of a five-year estimate.

Capital Outlay Prioritization

Projects will be submitted for capital outlay funding consideration annually. The unranked priorities listed as Potential Out-Year Projects may be identified in the Capital Budget Request.

THEC Prioritization Criteria	CC	TCAT
State Goals & the Drive to 55	22	28
Campus Master Plan & Strategic Plan	18	18
Project Description and Impact on Campus	28	28
Space Needs *	24	26
External Funding	8	0
Total	100	100

* Space Needs include current facilities assessment and the general condition of any existing building that will be impacted by this project, including demolitions and migration plans. Also includes the condition of any major systems that will be identified and addressed by the project.

Projects were reviewed by the TBR Central Office utilizing the THEC prioritization criteria.

Capital Outlay Projects

	Campus	Standard Projects	Activity	2020-2021	State Request
1	CoSCC	Williamson County Technology Building	Plan & Construct	27,500,000	25,825,000
2	TCAT Chattanooga	New Advanced Manufacturing Building	Plan & Construct	21,900,000	21,700,000
3	NaSCC	Clarksville Addition	Plan & Construct	19,000,000	17,100,000
First Band				68,400,000	64,625,000
4	VSCC	Wilson County Campus	Plan & Construct	15,500,000	13,500,000
5	TCAT/CoSCC	Center for Health Sciences & Industrial Technologies	Plan & Construct	42,250,000	40,239,554
Second Band				57,750,000	53,739,554
Capital Outlay Total:				126,150,000	118,364,554
Unprioritized					
	Campus	Standard Projects	Activity	2020-2021	State Request
	TCAT Pulaski	Campus Expansion	Plan & Construct	8,500,000	8,500,000
	TCAT Elizabetht	New Classroom and Shop Building	Plan & Construct	5,240,000	5,240,000
	JSCC	Regional Educational Advancement Development Center	Plan & Construct	4,630,000	4,398,500
	MSCC	Rutherford Teaching Site Addition Building 4	Plan & Construct	23,500,000	21,145,000
	RSCC	Knox County Campus Expansion	Plan & Construct	27,500,000	25,000,000
	WSCC	Health Professions and Physical Activity Center	Plan & Construct	42,000,000	41,160,000
	TCAT Dickson	Workforce Development Training Expansion	Plan & Construct	6,750,000	6,750,000
	TCATMcMinnvi	New Classroom Building and Renovations	Plan & Construct	12,500,000	12,500,000
	TCATNashville	Cockrill Bend Aircraft Hangar Parking Lot Addition	Plan & Construct	7,430,000	7,430,000
Total Unranked Capital Outlay:				138,050,000	132,123,500

THEC Instructions for Governing Board Priorities

Governing boards must report projects in descending priority order. Priority orders will not be altered. Governing boards that serve multiple institutions (Tennessee Board of Regents and the University of Tennessee System), however, may identify a band of their top projects (up to three) so that, in the event that the third-ranked project within the band scores higher than the second-ranked project within that same band, the third-ranked project may be prioritized by THEC above the second-ranked project. TBR and UT may create subsequent bands—banding up to three projects in each—for projects prioritized after the initial band.

Capital Outlay Match

Projects submitted by Community Colleges must meet a minimum match requirement to be evaluated. The minimum match requirement differs by project type, as detailed below. There are no match requirements for TCATs. The external funding component of the rubric will be based upon a ratio of the project’s minimum match requirement to the project’s maximum scorable match. Match funds may include private gifts, grants, student fees, and institutional funds. No more than 1/3 of the total pledge shall consist of Tennessee State School Bond Authority financing, the term of which shall not exceed five (5) years. Each Community College will be required to submit a plan outlining the type and timeline for match funds when the project is submitted for consideration.

Project Type	Minimum	Maximum
Major Renovation, no gift minimum	0%	5%
New Construction, including a gift minimum	2%	10%
New Construction Gift Minimum	30% of 2%	30% of 10%

Proposed Match Plan

Institution	Project	FY 20/21 Request	State Request	Match	Match %	Gifts	Gift %	Additional Funding	
Band 1	* 1 CoSCC	Williamson County Technology Bldg.	27,500,000	25,825,000	1,675,000	8%	675,000	41%	Plant funds & gifts
	2 TCAT Chattanooga	New Advanced Manufacturing Bldg. (TCAT 5)	21,900,000	21,700,000	200,000	1%	200,000	100%	Local Government
	3 NaSCC	Clarksville Addition	19,000,000	17,100,000	1,900,000	10%	570,000	30%	Plant funds & gifts
Band 2	4 VSCC	Wilson County Campus	15,500,000	13,500,000	2,000,000	13%	500,000	32%	Plant funds & gifts
	** 5 TCAT/CoSCC	Center for Health Sciences and Industry Technologies	42,250,000	40,239,554	2,010,446	8%	1,250,000	63%	Plant funds & gifts

* Note: \$6,682,000 for TCAT relocation and expansion is included in the project. There is no match requirement for TCATs.

** Note: \$22,156,351 for TCATs Pulaski and Hohenwald is included in the project. There is no match requirement for TCATs.

Classification B: Capital Maintenance Annual Renewal Projects

This recommendation is a part of an ongoing effort to improve the Capital Maintenance funding for the Tennessee Board of Regents institutions to maintain the safety, structural integrity, functionality, and quality of aging facilities.

Annual Renewal: This year's request, **\$43,660,000** (last year: \$42,820,000), reflects TBR's system-wide annual maintenance target. THEC's annual target, for TBR is \$30,240,000, which is a pro-rated amount of their total appropriation for all institutions. The FY 20/21 annual request is recommended to address forty-three (43) Capital Maintenance annual renewal priorities at thirty-six (36) Tennessee Board of Regents institutions, including all thirteen (13) community colleges, and twenty-three (23) colleges of applied technology. TCAT campuses that submitted projects with equivalent scope are grouped together into "Statewide" projects. The list of projects begins on Page 9, after the Annual Renewal Target Funding Formula on Page 8.

Notes are provided to the right of the line items, indicating if the request is for an ongoing project, is a phased project already requested higher on the list, is a first phase of many, and so forth. No subsequent phases are guaranteed for multiple-phase projects, as such out-year requests are subject to determination in their normal annual cycle.

Five-Year Estimate: THEC requires a five-year estimate of Annual Renewal, subject to change, and does not require individual projects beyond the first year. The estimates for the second through fifth years are based on a general escalation of this year's Target and are shown on Page 12.

Unmet Needs: **\$17,940,000** in Unmet Maintenance Needs are also identified. After prioritizing the requests to serve the Capital Maintenance Annual Renewal Request, these projects were beyond the annual renewal target, and many of them can be expected to appear in future years. If additional appropriations become available in excess of Annual Request, the listing and back-up for these projects in the unmet needs category are available upon request.

Capital Maintenance Annual Target Funding Formula

2019 System Statistics

13 Community Colleges, and 27 Colleges of Applied Technology

	Education & General gross square footage E&G GSF	Average Age of Buildings	Median Age of Buildings	Building Replacement Cost
	square feet	years	years	dollars
Colleges	8,060,763	34.77	36.5	2,003,355,270
TCATs	2,277,758	37.26	40.0	504,542,840
Total	10,338,521			2,507,898,110

Formula for Annual Target Funding

Source - FM Data Monthly, August 1997

$$\frac{2}{3} (\text{Building Replacement Cost}) \times (\text{Building Age} / 1275)$$

2020-2021 Target Funding for Capital Maintenance **\$ 43,343,235**

Prioritization Methodology

The formula is run for each institution, setting an institution Target. Each institution's requested projects, in the institution's priority order, are included to approximately the Target. Projects are given priority for addressing the five types of need listed at right. Projects are distributed through the list to achieve proportionate equality among institutions.

- 1) Building Codes & Safety
- 2) Roofs
- 3) Mechanical & Infrastructure
- 4) Building Envelope
- 5) Interiors and Finishes

FY 20/21 Capital Maintenance Annual Renewal Request

Pri	Institution	Project	2020-2021	Notes
1	ChSCC	East Omni Roof Replacement	590,000	
2	WSCC	Sevier County Campus Reroof	1,000,000	
3	VSCC	Roof Replacements & Envelope Repairs	1,160,000	
4	TCAT Paris	Exterior Repairs	280,000	
5	NaSCC	Lighting and Security Updates	410,000	
6	PSCC	Alarm System Upgrades	700,000	
7	NeSCC	Powers Building Foundation Stabilization	360,000	
8	DSCC	Administration Building Electrical Upgrades	400,000	
9	STCC	Central Plant Updates A	1,500,000	First of 2 phases
10	RSCC	Cumberland and Scott Campus HVAC Updates	1,100,000	
11	CoSCC	Mechanical System Upgrades	950,000	
12	MSCC	McMinnville Campus HVAC Upgrades	920,000	
13	JSCC	McWherter HVAC Updates	1,260,000	Second of 2 phases
14	Statewide	TCAT Mechanical, Elec. & Plumbing Updates A	1,890,000	First of 3 phases
15	TCAT Jacksboro	Door and Window Replacements	140,000	
16	Statewide	TCAT Parking Improvements A	1,350,000	First of 3 phases
17	CISCC	Science Building Renovations	1,880,000	
18	Statewide	TCAT Maintenance Repairs A	1,450,000	First of 3 phases
19	ChSCC	Warehouse Roof Replacement	280,000	
20	PSCC	Strawberry Plains Roof replacement	460,000	
21	Statewide	TCAT Mechanical, Elec. and Plumbing Updates B	3,230,000	Second of 3 phases
22	WSCC	Morristown Campus Exterior Building Repair	1,110,000	
23	TCAT Memphis	Security System Updates	140,000	
24	TCAT McMinnville	Communication System Updates	260,000	
25	NeSCC	Powers and Maintenance Roof Replacements	380,000	
26	PSCC	Central Plant Improvements	850,000	
27	WSCC	Mechanical System Updates	1,250,000	

FY 20/21 Capital Maintenance Annual Renewal Request *continued*

Pri	Institution	Project	2020-2021	Notes
28	RSCC	Oakridge Campus HVAC Updates	1,300,000	
29	TCAT Hartsville	Safety and Security Updates	190,000	
30	NaSCC	Parking Updates	870,000	
31	Statewide	TCAT Parking Improvements B	1,430,000	Second of 3 phases
32	ChSCC	CAT Building Renovations	1,790,000	THEC target \$30,240,000
33	Statewide	TCAT Maintenance Repairs B	640,000	Second of 3 phases
34	STCC	Central Plant Updates B	1,500,000	Second of 2 phases
35	PSCC	Mechanical Upgrades	630,000	
36	NaSCC	HVAC Updates	800,000	
37	VSCC	Campus HVAC Updates	1,050,000	
38	JSCC	Nelms Classroom Building HVAC Updates	820,000	
39	CoSCC	Plumbing and Drainage Repairs	750,000	Second of 2 phases
40	Statewide	TCAT Mechanical, Elec. and Plumbing Updates C	3,280,000	Third of 3 phases
41	NeSCC	Blountville Campus Paving Repairs	310,000	
42	ChSCC	Omniplex Envelope Repairs	1,500,000	
43	Statewide	TCAT Exterior Updates	1,500,000	First of 2 phases
Annual Maintenance Request			\$43,660,000	

TBR institutions submitted 21 additional projects at \$17,940,000 of unmet maintenance needs for a total request of \$61,600,000. Listing and back-up for these projects are available upon request.

Classification C: Project Disclosures (utilizing School Bonds and other funding sources)

Five (5) projects are listed below, which have been identified by four (4) community colleges to utilize funding from plant funds, student fees, and grants. These projects do not have a priority order. Projects disclosed in this budget can be brought forward in the next 2 years.

Projects listed with funding from student fees may be dependent upon increases that will require approval at a future Board meeting. Listing such projects acknowledges the institution's intent but does not imply that the Board will approve the requisite fee increase.

FY20/21 Disclosed Projects

Institution	Project	Value	Source of Funds
NeSCC	Student Services Addition	\$480,000	Plant Funds
PSCC	Strawberry ERC Renovation	\$1,250,000	Plant Funds, Gifts, and Federal Funds
STCC	Gill Center Renovations	\$3,400,000	Plant Funds
VSCC	Parking Lot Repairs	\$400,000	Plant Funds
VSCC	Wood Building Dining and Kitchen Remodel	\$1,500,000	Plant Funds
Disclosure Total		\$7,030,000	

FY20/21 Capital Five-Year Plan

	Institution	Project	Activity	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Community College and TCAT Capital Outlay Projects								
1	CoSCC	Williamson County Technology Building	Plan & Construct	27,500,000				
2	TCAT Chattanooga	New Advanced Manufacturing Building (TCAT 5).....	Plan & Construct	21,900,000				
3	NaSCC	Clarksville Addition.....	Plan & Construct	19,000,000				
4.	VSCC	Wilson County Campus	Plan & Construct	15,500,000				
5	Statewide	Center for Health Sciences & Industrial Technologies.....	Plan & Construct	42,250,000				
Capital Outlay Total				126,150,000				
Un-prioritized projects (see Page 13 for institutional priorities that may appear in future requests)			Plan & Construct		75,000,000	75,000,000	75,000,000	75,000,000
Capital Outlay Total:				126,150,000	75,000,000	75,000,000	75,000,000	75,000,000
Capital Maintenance Annual Renewal Total:				43,660,000	45,136,000	46,500,000	47,890,000	49,320,000
Capital Total:				169,810,000	120,136,000	121,500,000	122,890,000	124,320,000

FY20/21 Capital Outlay Potential Out-Year Projects

Institution	Project	Activity	2020-2021
TCAT Pulaski	Campus Expansion	plan and construct	8,500,000
TCAT Elizabethton	New Classroom and Shop Building	plan and construct	5,240,000
JSCC	Regional Educational Advancement Development Center	plan and construct	4,630,000
MSCC	Rutherford Teaching Site Addition Building 4	plan and construct	23,500,000
RSCC	Knox County Campus Expansion	plan and construct	27,500,000
WSCC	Health Professions and Physical Activity Center	plan and construct	42,000,000
TCAT Dickson	Workforce Development Training Expansion	plan and construct	6,750,000
TCAT McMinnville	New Classroom Building and Renovations	plan and construct	12,500,000
TCAT Nashville	Cockrill Bend Aircraft Hangar Parking Lot Addition	plan and construct	7,430,000
Total Potential Capital Outlay			138,050,000

Summary of the Capital Request

This capital budget request for fiscal year 2020-2021 is presented to the Finance and Business Operations Committee of the Tennessee Board of Regents for consideration.

	This Request (including match request)
A ♦ Capital Outlay	
Standard Projects	126,150,000
B ♦ Capital Maintenance	
Annual Renewal	43,660,000
Total Request Outlay + Maintenance	169,810,000