State of Ohio

Capital Planning and Budget Submission Guidance

Fiscal Years 2013 - 2018

Institutional Agencies

Ohio Office of Budget and Management

Office of Budget and Management

John R. Kasich
Governor

Timothy S. Keen
Director

MEMORANDUM

TO: Directors and Fiscal Officers of All Departments, Agencies, Boards and Commissions

FROM: Timothy S. Keen, Director

DATE: November 14, 2011

RE: State Capital Improvements Planning for FYs 2013-2018 and the Capital Budget for FYs 2013-2014

Attached to this memorandum is the Office of Budget and Management's (OBM) guidance to state agencies for capital improvements planning for fiscal years (FYs) 2013-2018 and for preparing the capital budget requests for FYs 2013 and 2014. This guidance deals only with the new capital budget and your agency's six-year capital improvements plan. OBM will also prepare a capital reappropriations bill, on which you will receive separate written guidance in the near future.

Capital bill appropriations directly impact operating budgets via debt service payments on the bond issuances used to support capital expenditures. Therefore, consistent with Governor Kasich's commitment to restrain government spending, it is imperative that the FYs 2013-2014 capital bill also be restrained in size. Accordingly, the bill will focus on necessary maintenance and upkeep of the state's current capital assets with an extremely high threshold that would have to be met in order to fund new construction. Under these circumstances, the bill will contain no community projects. Thus, all state agencies, colleges, and universities should use the preparation of their six-year capital plan and their two-year capital funding request as an opportunity to carefully review their capital needs and only request funding for those projects that are most essential.

Capital Planning and the Capital Bill for New Projects
In order to prepare a new capital appropriations bill and comply with the capital planning provisions of Section 126.03 of the Revised Code, agencies must prepare and submit to OBM their six-year capital improvements plans. After reviewing the plans, the Administration will develop a two-year capital budget and capital-related legislation. This two-year budget will be ready for introduction to the General Assembly early next year according to OBM's current timetable. More information about the timetable is included in the attached guidance.

Previously authorized capital appropriations will expire June 30, 2012 and to the extent that agencies request, may be considered for reappropriation for FYs 2013-14 as part of the afore-

mentioned reappropriations bill process. In a process that will differ from the practice in prior years, agencies will be directed to thoroughly review their existing capital appropriation balances and to coordinate any requests for reappropriations with the six-year capital plan that will be submitted for FYs 2013-18.

Questions About the Guidance

You will notice that a number of changes have been made to the capital improvements planning guidance from previous years. Should you have any questions about the guidance and the changes that have been made to it, please contact your OBM budget analyst. Thank you in advance for your help and cooperation.

Attachment

cc: John R. Kasich, Governor
        Beth Hansen, Chief of Staff
        Wayne Struble, Governor's Office Director of Policy
        Christopher A. Whistler, Assistant Director, OBM

CAPITAL IMPROVEMENTS PLANNING AND BUDGETING TARGET DATES

November 14, 2011	Distribution of guidelines, sample Table C-1, and instructions for preparation of the Capital Budget and long-term Capital Improvements Plan (CIP).
December 16, 2011	CIP requests due to OBM from all agencies.
December 16, 2011 – March 2012	OBM reviews and analyzes agency requests and submits recommendations to the Governor.
Spring 2012	Capital Improvements Budget Legislation for FYs 2013 and 2014 submitted to and considered by the Ohio General Assembly.
90 days after filing the signed bill with the Secretary of State	Anticipated effective date of new capital budget.

Executive Summary of the Guidance for Institutional Agencies

All agencies that anticipate capital needs during FYs 2013-2018 must submit a long-term capital improvements plan for the period beginning July 1, 2012 and ending June 30, 2018**.**

The purpose of the capital improvements plan is to communicate in a clear and concise manner the capital needs of the agency. It is used by OBM and the Governor to make allocation decisions.

While agencies have some discretion as to how they present their six-year capital plans, all requirements contained in these guidelines must be met. Agencies may meet with OBM analysts to discuss alternative formats to facilitate analyst review and agency preparation.

As in the past, OBM may schedule follow-up meetings after agencies have submitted their requests.

Agencies must complete and submit:

- *Introductory Narrative*
- *Agency Overview*
- *Institutional Profile and/or Community Project Profile*
- *Table C-1 for Each Project*
- *Narrative for Each Project*
- *Appropriate Supporting Documents*
- *Summary of Departmental Priorities*
- *Response to Capital Facilities Management Survey*

Once the capital improvements plan has been reviewed by OBM for completeness, agencies will be notified to submit two additional copies. These copies are for internal OBM use and for distribution to the Legislative Service Commission.

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I. Introduction

Every two years, state agencies must submit to the Office of Budget and Management (OBM), in accordance with Section 126.03 of the Ohio Revised Code, a six-year capital improvements plan (CIP) and a two-year capital budget request. The capital improvements plan and two-year capital budget request are intended to ensure that the state's previous investments in existing infrastructure are maintained and to address the need for capital projects that may be warranted for other reasons. The capital budgeting process is designed to allocate limited resources for the rehabilitation, renovation, and construction of facilities that are integral to the operations of state government.

For the purpose of this process, "capital" is defined as the cost of acquiring, constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, improving, and/or equipping facilities. A more specific explanation of how capital appropriations can be used is found in– Section 249.10 of H.B. 562, the most recent capital appropriations bill. If an agency is not sure whether a particular project is a capital project, the agency should consult with its OBM analyst.

The following guidelines provide both a general framework and detailed instructions for agencies' use in preparing their capital improvements plans. The plan the agency submits should be as clear and complete as possible because it is intended to communicate the agency's needs to OBM.

The Role Of OBM   Typically, as in any budget process, the demand for funds exceeds the amount available. The role of OBM, therefore, is to determine the amounts available for capital appropriations, and create a capital budget proposal that reflects the Governor's priorities and addresses the needs of state agencies within available resources.

The OBM budget analyst assigned to your agency is the key OBM resource regarding an agency's capital request. Each analyst's knowledge is dependent on the ability of the agency to communicate its vision, environment, and needs. Requests should be structured so that they may be clearly understood by the analyst, and agencies should work closely with the analyst to provide any necessary supplemental information.

Recognizing there is a limit on the overall amount available for capital appropriations agencies should focus their requests on projects of the highest priority. OBM may, for some agencies, impose limits on the dollar amounts included in an agency's request. As a result, OBM may, for some agencies, impose limits on the dollar amounts included in an agency's request. Alternatively, some agencies may be asked to present capital funding "scenarios" for the first biennium (FY 2013-2014). These scenarios will be structured around specific dollar amounts and are designed to help OBM more fully understand an agency's priorities. These

scenarios or limits should not be interpreted to mean that an agency is guaranteed any particular level of funding, but instead that OBM needs to know the impact on agency needs at various funding levels. For more information see "Scenarios and Limits" on page 11.

Each agency is encouraged to work closely with its budget analyst to determine if there is any information the analyst requires in order to better understand the agency's request and plan.

Multi-Agency Projects
From time to time, capital projects that involve more than one agency are raised for consideration. Agencies interested in pursuing or continuing projects that involve multiple agencies should inform their OBM budget analyst as soon as this information is available. OBM will then coordinate discussions to determine the proper submission of the request.

Due Dates and Effective Dates
- **All Agencies: Due December 16, 2011**

Appropriations for capital expenses are effective 90 days after the Governor signs the bill and it is filed with the Secretary of State. The last capital bill went into effect August 2008 (signed by the Governor in May 2008). It is likely the next capital bill will be introduced in the spring of 2012 with an effective date in the summer of FY 2012.

Capital Reappropriations
The capital reappropriations process involves identifying which *current* capital projects need to be reappropriated. OBM will be sending instructions to agencies regarding the reappropriations process in the near future and expects requests to be return in mid-January 2012. The reappropriations bill will most likely be introduced in late-February or early-March of 2012 so that may be enacted and signed by the Governor by March 31, 2012 in order to be effective July 1, 2012. As mentioned in the cover letter from the Director of Budget and Management, not only will extra scrutiny be given by OBM to requests for reappropriation of capital balances, but as part of their capital planning process, agencies should revisit existing capital appropriations and determine the extent to which appropriations still exist for projects that are no longer priorities. Agencies should then take the availability of such balances into account when developing their two year capital budget request and six year capital plans.

II. KEY POINTS

There are several key points that agencies should pay particular attention to as they prepare their requests.

Table C-1 covers all bienna. Table C-1, which is described in more detail on page 1 of Appendix B, covers all three capital planning bienna. Funding requests for projects that span more than one biennium should be made on one Table C-1.

Request new appropriations only. Agencies should only submit requests for new capital appropriations. The reappropriations process will be handled separately. Instructions for reappropriations will be sent to agencies in the near future.

Administrative office space is requested by DAS. All agencies seeking funding for additional administrative office space (excluding administrative office space on institutional property) should submit the administrative office space requests to the Department of Administrative Services (DAS). DAS will then review and submit the requests to OBM. Agencies that think they need additional space should contact the office of the State Architect, at (614) 644-7969.

Cost estimates should include all funding sources in FY 2012 dollars. Estimated cost information provided on Table C-1 should include all funding sources for the project. The cost estimates, which include all costs relevant to the project, should be given in FY 2011 dollars. OBM strongly encourages the use of the State Architects' Office to evaluate project scope and develop cost estimates. Cost estimate methodologies will need to be included in project description narratives. Agencies needing assistance should contact William Ramsey, Capital Planning Manager, at the State Architect's Office (614) 995-3719. The web address for the State Architect's Office is:
http://www.das.ohio.gov/Divisions/GeneralServices/StateArchitectsOffice/tabid/305/Default.aspx

State Architect fees are on a sliding scale. Fees charged by DAS' State Architects' Office are assessed on a sliding fee schedule. Agencies must include these fees in their project cost estimates. Refer to the Estimated Costs Section in Appendix B for more detailed information concerning these charges.

Contingency cost varies by project type. The rule of thumb is that contingency costs as a percentage of the construction costs for new construction usually amount to 5 percent of construction costs and fall in the 8 to 10 percent range for renovation projects. The State Architect's Office can assist agencies in evaluating contingency costs for their specific projects.

Agencies should not include Percent for Arts Costs in project costs. Funding for the Percent for Arts program (see Ohio Revised Code Section 3379.10) should not be included on the Table C-1. OBM will calculate this amount once funding recommendations are final. (See Appendix G for a summary of the Percent for Arts Program.)

Introductory narrative should focus on priorities and choices. The agency's introductory narrative should focus on the key decisions made by the agency in putting its capital request together. The introductory narrative should address the choices and/or trade-offs that were made by the agency in deciding its funding priorities and how the needs of the agency's constituents are

reflected in the capital request. The State Architect's Office can assist agencies with the evaluation of their current long term capital plan, review and prioritization of capital projects, and development of supporting rational for the capital request. Agencies requesting assistance should contact William Ramsey, Capital Planning Manager at the State Architect's Office (614) 995-3719.

Funding scenarios may be required. Due to the size and complexity of some agencies' capital requests, certain agencies may be asked to provide scenarios of which projects an agency could or would include at various funding ceilings.

III. REQUEST COMPONENTS

Institutional agencies should prepare their capital improvements plans to cover the information outlined below.

CAPITAL BUDGET REQUEST COMPONENTS
(Checklist for Institutional Agencies)

☐ **Introductory Narrative**
☐ Issues and challenges
☐ Decisions, choices and tradeoffs
☐ Changes in the number or types of clients

☐ **Profile for Each Institution**
☐ Physical facilities (map)
☐ Population served
☐ Annual operating cost

☐ **Community Capital Projects**
☐ Description of community capital needs and projects
☐ Justification for state capital assistance
☐ Explanation of funding methodology
☐ Implications for state subsidies

☐ **Table C-1 for Each Project**

☐ **Narrative for Each Project**
☐ Description
☐ Justification
☐ Project Phasing Illustration
☐ Cost Estimate Methodology
☐ Additional Information

☐ **Priority List**

☐ **Response to Capital Facilities Management Survey**

Early in the process, agencies and their OBM analyst will discuss whether there is any additional information that should be provided as part of the agency's capital request. Analysts may ask that information be presented in alternative formats, or in aggregated formats that will help gain a better understanding of the request. Any information that an analyst and agency agree can be provided should be submitted as part of the request.

Introductory Narrative

The introductory narrative should be written to help OBM understand the thought process behind the agency's capital budget request and priorities. Agencies should prepare an introductory narrative that includes the information listed below in whatever format is appropriate.

Agency Strategy and Goals — Describe the strategy behind the agency's capital request. What are the agency's immediate and essential capital needs? What are the long-term goals for the capital budget?

Agency Priorities: Decisions and Trade-offs — Describe the decisions, choices, and tradeoffs the agency made in putting together its capital request and in assigning priority rankings to projects. What will be the consequences of these decisions and choices for the agency? What factors were considered in prioritizing projects?

Institutional Profile

An institutional profile should be completed for each institution and should include a description of the physical facilities, population served by the facility, and annual costs associated with operating the facility. The State Architect's Office can assist Agencies in developing or updating their facilities assessment. Agencies needing assistance in developing or updating their institutional profiles should contact William Ramsey, Capital Planning Manager, at the State Architect's Office (614) 995-3719.

Physical Facilities — This section should describe the institution's physical facilities and provide the information listed below:

- The year the institution was created and its original purpose.

- The current design capacity of the institution.

- The number of buildings, their use, age, general condition, and the type of construction. For example: The facility includes six buildings. The administration and foodservice building is a brick structure with a flat roof constructed in 1965 and is in good overall condition. The two dormitories and the gymnasium are pre-fabricated concrete block and metal structures with gable (slanted)

roofs constructed in 1972 and are in need of a roof replacement. The remaining two buildings are small wood structures used for counseling and education, were constructed in 1988 and are in good condition.

- A brief description of the major capital renovations or additions currently underway at the facility or completed during the last six years. (For example: "A new roof is currently being installed on the administration building. Two new pre-fabricated dormitories were completed in 1996.")

- A map of each institution's grounds and buildings. A key that identifies all major buildings should accompany the maps.

Population Served   This section should describe the institution's client composition and provide the information listed below:

- The average daily client population at the facility during FY 2011. (If the average daily population is not available cite the population as of July 1, 2011.)

- The type of client served. Note factors that would distinguish clients in the institution from clients in the agency's other institutions. For example: *The institution is a short-term transitional facility, serving clients who are expected to begin living independently.*

Operating Costs   This section should describe the costs involved in operating the facility.

- The actual FY 2011 per diem cost at the facility. (Per diem = FY 2011 operating expenses divided by FY 2011 average daily population divided by 365)

- If the per diem is significantly higher or lower than other facilities explain why. For example: Costs at this facility are higher than at other facilities because it is a maximum-security institution requiring a high staff-to-inmate ratio.

Agency Community-Based Capital Projects

The Departments of Rehabilitation and Correction, Youth Services, Mental Health, and Developmental Disabilities, should submit the following information for any agency community based programs included in the capital budget submission such as Community-Based Correctional Facilities; Local Juvenile Community Correctional Facilities; Local Juvenile Detention Centers; Local Jails; Halfway Houses; and Community Assistance Projects.

Program Overview
- State the goal(s) of the program and the type of clients served.

- Outline the implications that each program has for its respective agency in terms of the number of clients to be diverted or transferred to community-based facilities.

- Summarize the qualifications necessary for community agencies to participate in the programs.

- Provide an inventory of community facilities funded under the program that are either operational or will be built with existing appropriations. Include their capacity (number of beds and/or annual number of clients served) and location (by county).

- For community-based residential facilities, state the average occupancy rate (or use the most recent data available) of existing facilities in FY 2011 and compare the operating cost of maintaining a client in community-based facilities with the cost of maintaining a client in a state-owned and operated facility.

Outstanding Needs
- Provide an estimate by county or region of the number of people that need services but will not receive them due to a lack of capacity in existing facilities and facilities to be built with existing appropriations.

- Summarize the data and assumptions used in generating the above estimate of community capital needs.

Proposed New Projects
- Agencies are reminded that very limited resources will be available for new capital projects. Funding will likely be focused on the repair and maintenance of current facilities and the continuation of existing projects. OBM requires the use of the State Architect's Office to evaluate new construction versus renovation for capital projects for all agencies not specifically exempted in statute.

- For proposed new projects, estimate the amount of the requested funding that will go to each facility each biennium. Describe the type of facility, the number of beds and/or clients the facility serves or will serve, the type of work to be completed, the current condition of buildings to be renovated, and the location of the facility (by county).

- Estimate the effect of the proposed community project on state subsidies.

Project Statements (Table C-1)

Table C-1 provides detailed information on each capital project requested by an agency. A Table C-1 and detailed instructions on completing the table are provided in Appendix B.

The Table C-1 is available online in Excel format at OBM's website (http://www.obm.ohio.gov/sectionpages/budget) under the capital budget tab, capital budget materials FY 2013-14. Agencies may also contact their OBM analyst to obtain the file.

Agencies will need to print the completed Table C-1s and submit them to OBM, as part of their capital plan submission.

Table C-1 Narrative

Agencies must complete a narrative for each Table C-1. The narrative should consist of a project description and a project justification, which are described below. In addition to the information requested below, agencies should use the narrative to tell OBM anything else that should be known and considered when OBM evaluates the project. Since agency capital needs vary in size, complexity and in the nature of projects, agencies should work with their budget analyst to clarify specifically what needs to be included in the Table C-1 narrative.

Description:
What is the purpose, dimension, components, capacity, and location of the project?

The project description should be a general discussion of the project that includes the general purpose(s), the overall dimensions, a list of the major components, some indications of the capacity (number of beds, work stations, etc.), and the specific location of the project. For a renovation project, the description should also include the age and current condition of the building as well as the date of the last renovation.

An example would be: *Construction of a three-story 36,000 square foot classroom facility on the southeastern portion of the campus which includes sixteen 50 seat classrooms, 5,000 square feet of laboratory space and 1,000 square feet of administrative office space.*

Justification:
What is the need for, benefits of, funding impact of, and alternatives to the project?

The project justification should answer the following questions: Why is the project needed? What are the benefits of the project? What will be the impact of not funding the project? If the proposed project represents one of several solutions to a need or a problem, what other alternatives were considered and why weren't they chosen?

Certain projects will be readily justifiable because the need will be immediately apparent. For example, if a plumbing system needs to be replaced because it is 30 years old, leaking, and replacement would be more cost effective than repair, then a justification stating those facts would suffice. Energy efficiency projects may be justified by meeting the

criteria for capital funding, demonstrating how the project will help achieve operational cost savings (see *Special Project Information* below).

Project Phasing: Can the project be completed and funded in phases?

Frequently, when OBM must recommend funding levels that are less than what an agency requested, the suggestion of phasing certain projects is offered as a solution. These projects are typically large renovations and new facilities. The agency should identify in its request which of those projects being requested in the first biennium could be phased in over two or more capital bienna. The agency should answer the following questions: Could this project be completed in phases? Does it make sense to approach the project this way? What is the impact of this project being phased over more than one biennium?

Cost Estimate Methodology: What method is being used to estimate project costs?

In order to properly allocate and effectively utilize capital dollars, cost estimates must accurately reflect complete project costs. Unless an agency has a specific statutory exemption OBM thus requires the use of the State Architects' Office as a resource for determining project costs and selecting a reasonable cost estimate methodology.

Two suggested cost estimating techniques are detailed construction cost and historical cost estimating, briefly described below:

Detailed estimating methods are employed whenever adequate design information is known or can be reasonably assumed. Detailed construction estimates are calculated knowing that the sum of the cost of the parts must equal the cost of the whole. Therefore, every cost associated with the project is estimated and the results are totaled.

When such information is not available, historical cost estimating can be utilized. When details cannot be reasonably assumed, then prices for similar work already completed can be updated using published factors to account for inflation and reapplied to new estimates. Adjustments should be made using professional judgment to account for various factors such as differences in construction site location and significant variations in the magnitude of quantities.

Additional Information: Is there anything else that needs to be known?

There may be additional information that is important to understand the value of the project. If this is the case, include it in the justification section of the narrative. Some examples of pertinent information include job creation and economic development and contribution to program goals and objectives.

Special Project Information

If any box in the *Special Project Information* section of the Table C-1 is marked, the justification should explain how the project addresses these special conditions. See Appendix B for a detailed description of each

Special Project Information box. Certain Special Project Information categories should include specific information in the C-1 narrative and are listed below.

Energy Efficiency: If the Energy Efficiency box is marked, document how operating costs will be affected over the period of the investment and indicate when payback will occur. These projects should be coordinated with the DAS Office of Energy Services. Agencies planning energy efficiency projects should contact the State Architect at (614) 644-7969.

Life & Safety: If the Life and Safety box is marked, provide details on how current conditions pose imminent threats to the health and safety of Ohio's citizens, and how the project will correct them.

Legally Mandated: If the Legally Mandated box is marked, attach supporting documentation (e.g., copy of the mandate).

ADA Funding: The ADA box should be checked if an agency is requesting a project exclusively for compliance with the requirements of the Americans with Disabilities Act and provide supporting information in the Table C-1 narrative.

Prior Funding: If the Prior Funding box is checked, the narrative should include: the fiscal year in which the first appropriation for this project was made, total funds appropriated for the project since the original appropriation, and how these funds were or will be used.

For example: *Funds were originally appropriated in the FY 09-10 biennium. A total of $3.4 million has been appropriated, including transfers. These funds were used to complete Phase 2, which involved replacing all the chillers and steamlines in the North Building.*

Priority Summary

Agencies must prepare a list of their requested projects in priority order. Agencies must use the spreadsheet format that OBM has prepared. It can be obtained from your OBM analyst (along with the Table C-1). If using the OBM spreadsheet is impractical due to system or software incompatibility, the agency should contact its budget analyst to find an alternative means to produce the Priority Summary. A printed copy of the list and copy of the spreadsheet file must be submitted as part of the agency's capital plan submission.

Scenarios and Limits

Those agencies that have a significant number of capital projects and have historically requested

significantly more than what has been made available, may be asked to provide information that will help OBM better understand what projects would be funded at specified dollar amounts. These agencies will be asked to create a scenario for one or two specified dollar amounts. The scenario should be included in the appropriate column on the Priority Summary discussed above. Scenario amounts will be made available several weeks prior to an agency's submission due date. For some agencies, an overall funding request limit may be imposed.

Capital Facilities Management Survey

Appendix F consists of several questions that agencies should answer as part of their capital budget submission. The questions pertain to the agency's facility inventory, condition assessment practices, and how the agency determines and schedules facility maintenance.

APPENDIX A
ELEMENTS OF AN EFFECTIVE REQUEST

This appendix highlights common elements found in effective capital budget requests. It has been written especially for agencies and staff preparing a capital budget request for the first time, however, agencies and staff with considerable capital experience may also find it useful. While some factors outside the agency's control determine whether or not a request or project is funded, including the elements discussed below in your agency's request will likely increase the chance that a proposal will be considered favorably.

It is important that your proposal be timely, complete, informative, and concise. Succinctness and clarity are key factors. If it takes lengthy documentation to identify the public need and justify your solution, provide the detail as clearly cross-referenced attachments.

➢ Give the request a succinct descriptive project name. It is helpful to have an easily identifiable project name for reference purposes for questions and discussions. This name is used by OBM and in various levels of the Administration's budget discussions.

➢ Provide a clear and concise summary of the request. This should be a brief statement of what is being requested and why. This description should provide the minimum level of detail necessary for request discussion and decision meetings. An effective request summary is brief, yet clear enough so that it can stand-alone. Additional detail should be contained in the request documentation.

➢ Request documentation provides additional information needed by OBM and others to effectively evaluate the request. Items that should be included in the detailed analysis and documentation of the request include:

A. Nature of Request
- What is the public need for the request?
- What is being done now by your department and others to address the problem/need?
- What resources are being expended currently in the budget related to the request, i.e., dollars and positions?
- Why can the problem not be resolved within existing resources?
- What are the adverse impacts if this proposal is not approved? (Be realistic in this assessment.)
- Why are current efforts insufficient?
- How will the project be coordinated with other similar activities?
- What is the priority of this request versus other activities in which the department is involved?

B. Background/History

- What is the authority (state/federal law, regulation, master plan, etc.) for the program activity/service?
- What capital appropriations have previously been authorized for this project/activity and what is the status of the project if it is ongoing in nature?
- What clientele are being served; who benefits?
- What other (similar) activities, past and present, address this general area and are they effective/efficient?
- How does this project/activity relate and fit into the agency's broader capital plan over the next six years?

C. Justification

- Will this proposal actually solve a problem, and how?
- Is each component in the proposal essential or just desirable (i.e., needs versus desires)?
- Is this a high-priority long-term need; if so, how does the proposal affect the long-term problem?
- Why is the recommended program level the correct one? Why does this have to be done now? Can it wait?
- Are or can other non-state funding sources be made available?
- Are there any legal considerations?
- Is the proposal technologically sound?
- What type of cost estimation methodology was used?
- Has the State Architects' Office been consulted about the project?
- Will the proposal result in operational efficiencies and/or savings? If so, please provide a detailed description of these operational efficiencies/savings.

The request should identify what goal/objective is to be achieved and include a discussion or provide the criteria by which the success of benefits of the request can be judged.
(NOTE: *This may be more relevant for some projects than others but certainly should be a consideration*.)

A well-documented proposal also provides alternatives and presents an analysis on why the selected recommendation best meets the problem/need, and indicates what, if any, adverse action would result if the request were not funded. Such analysis should incorporate the assumptions/constraints, impact on benefits or quantifiable measures of effectiveness, risks and uncertainties (probability of success).

➢ **Common pitfalls to avoid include the following:**

- Untimely submission of requests.
- Lack of detail relating to actual needs.
- Insufficient quantification of project need and benefit.
- Objectives unachievable, of unreasonable dimension, or not feasible.
- Expected results are too general/not specific.
- No/little discussion of viable, alternative solutions.
- Insufficient documentation and cost justification.
- Lack of overall planning or coordination.
- Lack of sound cost estimate methodology.
- No indication of priority of the request.
- Too many technical or esoteric terms.

APPENDIX B
INSTRUCTIONS FOR COMPLETING TABLE C-1

Agency Name: Enter the agency name.

Agency Code: Enter the three-digit agency code. (e.g., DMH)

Division/Institution Name: Enter the agency's division or institution name, if applicable.

Fund: Enter the four-character code for the fund from which funding for the project is being requested. (e.g., 7026, or 7034, or 7035)

Line Item Number: Enter the appropriation line item (ALI) number in the form CXXXXX. The "X" characters are determined by the agency code and which of the following applies with respect to the project:

➢ Previously Funded Line Item - Funding is requested for a project that has an ALI already established in the Ohio Administrative Knowledge System (OAKS). For these requests use the number that is established in OAKS. Therefore, if a project in the Department of Youth Services already has an existing line item of C47001 that is the line item that should be used.

➢ No Existing Line Item - Funding is requested for a project that does not have an ALI established in OAKS. For these requests an agency should enter the characters #* after the agency code. In the event that the project is funded it will then be assigned an actual line item number by OBM. For example, if projects in the Department of Youth Services request do not have existing line items, they should be numbered as "C470#*".

Line Item/Project Name: Enter a name that describes the project.

Please keep the project name short. Do not exceed 30 spaces. The name should describe the project being requested (e.g., Renovate Central Power Plant). Please avoid non-descriptive project names such as "Phase IV Construction."

Appropriation Requested: Specify the state appropriation being requested for each biennium.

Department Priority Number: Assign a different priority to each project requested.

Institution Priority Number (Institutional Agencies Only): Each institution should prioritize its projects.

County Name: Enter the county name.

County Location Code: Use the number in Appendix C that corresponds to the location of the proposed project. Code multi-county and statewide projects as "99".

Category of Capital Improvement for 1st Biennium that Funding is Requested:

Check the one category that best describes the project in the first biennium in which appropriations are requested. Those categories are listed below.

New Construction	Capital Equipment
Subsidy Capital	Planning
Renovation	New Construction/Major Renovation
Site Development/Land Acquisition	*Other_____

* When using the "Other" category, please briefly explain in the space provided or as a separate attachment if needed.

Special Project Information for 1st Biennium that Funding is Requested:

Special project information provides OBM with additional information that may be important when evaluating capital requests. This section of the form will not apply to all projects and the absence of "special information" will not reduce the chance of a project being funded. If a project is needed for one or more of these reasons listed under special project information, check the appropriate boxes and *include an explanation of the special information in the narrative portion of the Table C-1 request.*

Agencies should use the descriptions listed below to determine whether or not a box should be checked.

➢ *Energy Efficiency:* This box should be checked if a project or a project component is intended to increase the energy efficiency of the building or facility. These projects should be coordinated with the DAS Office of Energy Services.

➢ *Legally Mandated:* This box is for projects that are the result of a legal mandate. Examples of legally mandated projects may include EPA-related, handicapped access, and court-ordered capital improvements.

➢ *Community Project:* This box applies mainly to DMH and DMR, but may apply to other institutional agencies as well. These are projects that are partially or fully-funded by state appropriations, but will be owned by the local community.

➢ *Life & Safety:* Life and safety projects must address imminent threats to the health and safety of Ohio's citizens. Projects that are needed to correct safety code violations or protect against asbestos exposure are possible examples of life and safety projects.

➢ *Other Funds:* Agencies that are able to leverage federal or other non-state funds as a result of this project should check the "Other Funds" box.

➢ *Prior Funding:* The Prior Funding box should be marked if the project received an appropriation in the most recent capital bill (H.B. 562) or previous capital bills. If the Prior Funding box is checked, the C-1 narrative should include: the fiscal year in which the first appropriation was made, total funds appropriated for the project since the original

appropriation, and an explanation of how existing funds were or will be used.

➢ *ADA:* This box should be marked only if the project is being requested *exclusively* to comply with the requirements of the Americans with Disabilities Act.

Estimated Project Target Dates - Month and Year:

Estimate (a) the month and year that contracts for the project will be awarded; (b) the month and year that construction will be completed; and (c) the month and year of full operation of the project. Assume the appropriations bill will become effective July 1, 2012. The Office of the State Architect (SAO), within the Department of Administrative Services (DAS), is available to assist with determining project target dates based on project size and complexity. Contact the State Architect's Office at (614) 466-4761 for further assistance.

Operating Impact for First Full Year of Operation:

A. "Savings" Column - Estimate and enter the savings expected to result from reduced operating costs for personnel, maintenance, and equipment associated with the project in the savings column. Enter the total on the total line.

B. "Cost" Column - Estimate and enter the normal, continuing, and additional operating costs for personnel and maintenance/equipment associated with the project in the cost column. Enter the total on the total line.

C. "Funding Source" Line - Identify the source (the ALIs) of additional operating costs, if applicable. If operating costs will be saved, indicate the agency's ALIs where the savings will occur.

D. Indicate the number of additional full-time and part-time employees that will be needed as a result of the project. If the number of employees will decrease as a result of the project, indicate that loss by using parentheses [e.g., (3) FTEs].

Estimated Costs: Indicate all costs in the biennium for which the appropriation is being requested.

All capital requests should be in FY 2012 dollars. Estimated costs should include all funding sources. The State Architect's Office is available to assist agencies in estimating the planning, design, and construction costs with consideration of appropriate related costs and contingencies. Contact the State Architect's Office at (614) 466-4761 for further assistance. Additional cost estimate information is available on DAS's website at:
http://www.das.ohio.gov/Divisions/GeneralServices/StateArchitectsOffice/tabid/305/Default.aspx

A.   Include all design and planning costs (including feasibility studies, engineering analyses, and all architectural work) in this item.

B.   Indicate the amount of State Architect's fees. For projects administered by the State Architect's Office, the first $250,000 of the construction costs is billed at 7.00 percent, the next $3,750,000 ($250,000 to $4.0 million) spent for construction costs is billed at 3.00 percent, the next $16.0 million ($4.0 million to $20.0 million) is billed at 1.00 percent, and any amount above $20.0 million spent for construction is billed at .75 percent. The local administration fee of 1 percent will no longer be applicable to colleges and universities after they are certified under the program being developed by DAS; however, colleges and universities may voluntarily use SAO services at the new fee schedule. The SAO fee is subject to change with each capital bill cycle.

C.   Indicate the costs for site acquisition. Include amount of land to be purchased and the cost per acre.

D.   Site preparation and improvement costs including the expenses of connecting, placing, or moving utilities, razing structures, and any other activities necessary to prepare a site for construction.

E.   Indicate the costs associated only with the actual construction.

F.   Indicate the costs associated only with the actual renovation. Do not include architectural, engineering, and equipment costs.

G. Indicate the cost of all equipment.
- Fixed equipment should include all permanently attached fixtures.
- Movable equipment should include all items except permanently attached fixtures.

H.   Indicate any other costs that have not been listed.

I.   Indicate the contingency cost percentage and the total contingency amount. Contingency costs for new construction usually amount to 5 percent of <u>construction</u> costs. Contingency costs for renovation projects range from 7 to 10 percent of <u>construction</u> costs.

Indicate the total. This total may not match the appropriation request, because the total represents all funds, while the appropriation request represents only those funds appropriated by the state.

Total Estimated Project Costs by Source of Funds:
➢ Indicate the requested state appropriation for each biennium.

➢ If the total estimated project cost is more than the requested state appropriation, indicate the source(s) of the funds and the dollar amount that will be contributed by those sources.

Reminder: Attach a narrative to each Table C-1. The content of the narrative is described in the section titled "Table C-1 Narrative" and is located on page 9 of the guidance for institutional agencies and on page 6 in the guidance for non-institutional agencies.

APPENDIX C
COUNTY CODE SHEET

CODE	COUNTY	CODE	COUNTY
01	Adams	45	Licking
02	Allen	46	Logan
03	Ashland	47	Lorain
04	Ashtabula	48	Lucas
05	Athens	49	Madison
06	Auglaize	50	Mahoning
07	Belmont	51	Marion
08	Brown	52	Medina
09	Butler	53	Meigs
10	Carroll	54	Mercer
11	Champaign	55	Miami
12	Clark	56	Monroe
13	Clermont	57	Montgomery
14	Clinton	58	Morgan
15	Columbiana	59	Morrow
16	Coshocton	60	Muskingum
17	Crawford	61	Noble
18	Cuyahoga	62	Ottawa
19	Darke	63	Paulding
20	Defiance	64	Perry
21	Delaware	65	Pickaway
22	Erie	66	Pike
23	Fairfield	67	Portage
24	Fayette	68	Preble
25	Franklin	69	Putnam
26	Fulton	70	Richland
27	Gallia	71	Ross
28	Geauga	72	Sandusky
29	Greene	73	Scioto
30	Guernsey	74	Seneca
31	Hamilton	75	Shelby
32	Hancock	76	Stark
33	Hardin	77	Summit
34	Harrison	78	Trumbull
35	Henry	79	Tuscarawas
36	Highland	80	Union
37	Hocking	81	Van Wert
38	Holmes	82	Vinton
39	Huron	83	Warren
40	Jackson	84	Washington
41	Jefferson	85	Wayne
42	Knox	86	Williams
43	Lake	87	Wood
44	Lawrence	88	Wyandot
		99	Multi-county or Statewide

APPENDIX D
INSTRUCTIONS FOR PRIORITY SUMMARY

Agency   Enter the agency three-character code.

Agency Priority   Enter the agency priority number for each Table C-1.

Div/Inst.   Enter the division or institution name.

Div/Inst. Priority   Enter the division or institution priority number for the project as shown on Table C-1.

Fund   Enter the three character code for the fund as shown on Table C-1.

Line Item/ALI   Enter the line item number as shown on Table C-1.

Type   Enter the project type code using the following scheme:
         1 = New Construction
         2 = Subsidy Capital
         3 = Renovation
         4 = Site Development and Land Acquisition
         5 = New Construction/Major Renovation
         6 = Capital Equipment
         7 = Planning
         8 = Other

       See Appendix H for a definition of each type of project.

Project/Line Item Name   Enter the project name as shown on Table C-1.

1st Biennium   Enter the requested appropriation for the 1st biennium.

OBM may give some agencies one or more funding scenarios for the first biennium. Agencies that receive scenarios will need to complete the "Scenario A" column as well as additional scenario columns.

Scenario A   Enter the requested appropriation for the 1st biennium using Scenario A funding, if applicable. This item only applies to the 1st biennium.

Scenario B   Enter the requested appropriation for the 1st biennium using Scenario B funding, if applicable. This item only applies to the 1st biennium.

2nd Biennium   Enter the requested appropriation for the 2nd biennium.

3rd Biennium   Enter the requested appropriation for the 3rd biennium.

County Code   Enter the county code for the county in which the project is located.

Note:
- Agencies must prepare a list of its requested projects in priority order using the spreadsheet format that OBM has prepared. OBM will provide the spreadsheet in an Excel format and agencies should contact their OBM analyst to get this file.
- A printed copy of the priority summary <u>and</u> a copy of the spreadsheet file in electronic format must be submitted as part of the agency's capital plan.

Special Spreadsheet Considerations:
- Please do not change the file's column widths or numeric formatting. Make sure that the spreadsheet file that is submitted to OBM is saved as an Excel file. If you have a problem saving the spreadsheet file as requested, please notify your OBM budget analyst.

APPENDIX E
ALLOWABLE CAPITAL EXPENDITURE GUIDELINES

Overview

The Ohio Revised Code and each capital bill and capital re-appropriation bill (the most recent being H.B. 562 and H.B. 462, respectively) set forth the allowable uses of capital funds. Capital appropriations for buildings or structures, including remodeling and renovations, are limited to:

- Acquisition of real property or interests in real property.
- Buildings and structures, which includes construction, demolition, complete heating, lighting and lighting fixtures, and all necessary utilities, ventilating, plumbing, sprinkling, and sewer systems.
- Architectural, engineering, and professional services expenses directly related to the project.
- Machinery related to the operation or functioning of the building or structure at the time of its initial acquisition or construction.

The State must own the property on which the capital facility will be located. In certain situations such as projects involving higher education institutions and county mental retardation and developmental disability boards, the ownership requirement may be waived if:

(1) The State or higher education institution either owns the property or has a long-term lease (at least 15 years for state agencies and 20 years for higher education institutions), or other interest (such as an easement) in the property;

(2) The Board of Regents on behalf of a higher education institution certifies to the Controlling Board that undue delay will occur if planning does not proceed while the property or property interest acquisition process continues. In this case, capital funds may be released upon approval by the Controlling Board to pay for planning through the development of schematic drawings only; or

(3) If the capital facilities will be owned or be part of facilities owned by a separate nonprofit organization or public body and made available to a higher education institution or state agency for its use, the nonprofit organization or public body either owns or has a long-term lease (at least 15 years in the case of state agencies and 20 years for higher education institutions) of the real property or other capital facility to be improved, renovated, constructed or acquired and has entered into a joint/cooperative use agreement with the state agency or higher education institution that meets the statutory requirements for joint/cooperative use agreements.

Joint/Cooperative Use Agreements -- the Board of Regents has adopted rules (see OAC 3333-1-03(E)) regarding the release of capital moneys for joint or cooperative use projects. The related agreements, among other matters, must:

- Specify the extent and nature of the institution's use over a term of at least 20 years for higher education institutions and at least 15 years for state agencies, with the value of that use or right to use to be reasonably related to the amount of the State capital appropriation.
- Provide for pro rata reimbursement to the State should the arrangement for joint or cooperative use be terminated early.

- Provide that procedures to be followed during the capital improvement process will comply with applicable state laws and rules, including capital bill provisions.

- Provide for payment or reimbursement to the higher education institution (not to exceed 1.5% of the appropriation) of its administrative costs incurred as a direct result of the project. The institution should document those reimbursed amounts by component.

Maintenance/Repairs versus Renovations

- Maintenance and repairs, including maintenance contracts, are not eligible to be paid from capital funds and, thus, must be covered by operating funds.

- Maintenance includes the routine recurring activity that must be undertaken to maintain the operation, functionality, appearance or safety of a building or structure. Repairs are shorter-term, maintenance related projects. Examples of repairs include: replacing a portion of the plumbing system, installing new vents, replacing sections of flooring or ceiling tiles, and glass replacement.

- Renovations are more extensive enhancements, renovations, or replacements of buildings or structures or systems and are an appropriate use of capital funds. Examples include renovations of classrooms or other space into computer or research laboratories.

Leases, Lease-Purchase, and Installment Purchases

- Leases and lease-purchases of vehicles or equipment are not allowable capital expenditures.

- Installment purchases while not strictly prohibited are generally not approved as allowable capital expenditures.

Allowable Equipment and Furnishings

To be financed with capital funds, expenditures for equipment or furnishings that are part of a broader project or facility must meet **all** of the following criteria:

- Essential in bringing the facility up to its intended use and necessary for the facility to function. The equipment or furnishing must be an integral part of or directly related to the basic purpose or function of the facility.

- Have a unit cost of at least $100.

- Have a useful life of at least five years.

- Used primarily in the rooms or areas covered by the financed project.

Allowable equipment and furnishings would include computers and computer peripherals, workstations, lab and research equipment, desks, chairs, file cabinets, carpeting/flooring, blinds, and curtains provided that they satisfy all of the above criteria. An appropriation item specifically for equipment is allowable provided the equipment meets the above unit cost and useful life provisions.

Non-Allowable Equipment and Furnishings

- Not integral to the broader project or the facility's intended use.

- Motor vehicles of any kind (e.g., cars, trucks, modified vehicles).

- General supplies and low-cost equipment (unit cost of less than $100).

In most cases, equipment or furnishings being purchased as part of a regular maintenance, upgrade or replacement effort is not appropriate for capital funding. Consumable supplies and low-cost equipment such as adding machines, calculators, phones, common tools, paper stock, staplers, tape dispensers, etc. are not eligible uses of capital funds.

INFORMATION TECHNOLOGY (IT) SYSTEM PROJECTS

Capital funds may be used to support the acquisition, development, deployment or integration (including project management) of information technology systems that constitute or are an integral part of approved capital projects. Capital funds may not be used to support the ongoing operation and maintenance of such projects.

ALLOWABLE

Hardware

Capital funds may be used to purchase computers (including personal computers) and related peripherals such as servers, mainframes, printers, scanners, fax machines, etc.

Software

- Software development and design (akin to facility design and engineering).
- Purchases of packaged "off-the-shelf" software are allowable if they have an expected useful life of at least five years and meet one of the following criteria:
  - ✓ Related to the initial deployment of an agency or university-wide system or other major project deployment (periodic upgrades must be purchased with operating funds); or
  - ✓ When necessary to bring a newly constructed facility or an allowable piece of equipment up to its intended use (e.g. a computer lab).
- Software licenses with a term of at least five years.
- Purchase of perpetual licenses enabling the acquisition of shared electronic resources and databases.

Personnel Expenses

Capital funds may be used to support personnel costs related to the initial development and deployment of an information technology project. Employees splitting time between the new information technology project and other work or only temporarily assigned to the IT project should continue to be funded out of operating funds.

NON-ALLOWABLE

Training and Maintenance

Expenses related to training of personnel on the new IT system or any of its components is generally not an allowable capital expenditure. Additionally, operating, not capital, funds must be used to support the ongoing maintenance and operation of IT systems or other regular, recurring expenses.

Software

Capital funds generally may <u>not</u> be used to purchase standard off-the-shelf software (such as MS Office software, Adobe, and web browsers) or any software package with individual license costs under $500. Additionally, capital funds may <u>not</u> be used to purchase software upgrades.

Personnel Expenses

Capital funds may be used to cover only those labor expenses directly related to the initial development and deployment of a capital project. They may <u>not</u> be used to fund ongoing maintenance and operational expenses of a project once it is developed. In the case of colleges and universities, capital funds may <u>not</u> be used to cover tuition reimbursement or graduate assistantships.

Follow-Up Questions Regarding Proposed Expenditures

- Questions regarding the capital funding eligibility of proposed expenditures should be directed to the agency's operating and capital analysts at the Office of Budget and Management.

- Institutions of higher education should consult with the capital planning Director of the Ohio Board of Regents.

CAPITAL FACILITIES MANAGEMENT SURVEY

Agency: _____   *Contact: _____*
                                         Phone: _____
                                         Email: _____

Please answer the following questions pertaining to your agency's capital facilities management. You may provide answers directly on this form or on a document you create. If you create your own document, please be sure to include the agency name and the name and phone number of a person that can answer any questions about the agency's responses to the survey questions.

Does the agency maintain a complete inventory of capital facilities?   Yes   No

If so, how often is the inventory updated?

Does the inventory include information about the condition of the facilities?   Yes   No

Does the agency maintain a space utilization inventory of its facilities?   Yes   No

If so, how often is it updated?

Has the agency completed a master plan for its facilities, to include program,   Yes   No
function and occupancy needs?

If so, what is the date of this plan?

Does the agency have pre-determined maintenance schedules for capital facilities?   Yes   No

If so, how are such maintenance schedules determined?

How consistently is capital maintenance performed according to such schedules?

Does the agency track items that could be considered deferred maintenance?   Yes   No

If so, does the agency prepare a dollar estimate regarding the cost to perform such   Yes   No
maintenance?

If the agency tracks estimates of deferred maintenance, what is the current estimate
of the agency's total deferred maintenance?

If the agency has identified deferred maintenance, what are the primary factors
driving it? (e.g. lack of funding, age of facilities, etc.)

Does the agency conduct regular condition assessments of capital facilities?   Yes   No

If so, who conducts condition assessments (e.g. institutional personnel, central office, contractor)?

How often are condition assessments done?

When undertaking a project funded with capital appropriations, does the agency use performance measures to track progress (timelines, cost)? If so, please provide an example.

Does your agency use the OAKS Asset Management System to report fixed asset   Yes   No
inventory information to the Department of Administrative Services?

APPENDIX G
PERCENT FOR ARTS PROGRAM

Purpose of Percent for Arts Program

The General Assembly has declared it a policy of this state that a portion of the money to be spent by state agencies on the construction or renovation of public buildings pay for the acquisition of works of art to be placed in or on such buildings. In pursuit of this policy, the per cent for arts program, has been established under which quality works of art are to be sold to such agencies by the Ohio Arts Council and, in the process, qualified professional artists are to be recognized. (Section 3379.10 of the Revised Code.)

Provisions of Percent for Arts Program

Applicability

The program is applicable, unless otherwise exempted, whenever more than $4.0 million of state money, whether obtained from the sale of bonds or otherwise, is to be spent by a state agency on the construction or renovation of a public building. Certain types of projects do not meet the definitions of public building or renovation listed below.

Responsibility of State Agency

The state agency shall contract with the Ohio Arts Council to use one percent of the state money to purchase works of art from the Ohio Arts Council for display in or on the public building and to make related outlays.

Calculation of $4.0 Million

The calculation of whether $4.0 million is to be spent shall not be cumulative but shall be based on the amount of each appropriation or each designation of non-appropriated state proceeds of bonds, notes, or other obligations authorized to be sold for a project.

Definitions

Appropriation does not include reappropriations.

Public Building means any building, facility, structure, or park built or renovated using state moneys, including any publicly owned lands or space surrounding or integral to the building, facility, structure, or park but not including:
- Parking lots, sidewalks, maintenance sheds, bridges, tunnels, sewers, trails, fishponds and fishways, or warehouses, unless such structures are adjuncts of the principal element of the project;
- Buildings of a temporary nature;
- Projects to correct any deficiencies or violations of a building or housing code enacted by law;
- Highway construction.

Renovation does not include a project of which the principal purpose

is the rehabilitation of plumbing, heating, ventilating, air conditioning, or electrical systems.

Determination/
Reconsideration

The Director of the Office of Budget and Management makes all final decisions about whether a project is subject to the Percent for Arts program. The Director, after consulting with the Ohio Arts Council, may determine that no state money or less than one percent shall be spent for the Percent for Arts program on the basis that:

- Works of art would be out of place in or on the public building or if there would be little opportunity for public appreciation of works of art in or on the public building.
- The value of some features or characteristics inherent in the architectural design of the public building should apply toward the one-percent requirement.
- The public housing is or will be amply supplied with works of art even without works of art purchased from the Council.

A state agency may ask the Director of OBM to reconsider his determination and may submit additional relevant information to the Director as outlined in Rule 126-4-01 of the Administrative Code.

EXAMPLE: $5.0 million is appropriated to a state agency for the construction or renovation of a public building.

$50,000 of the appropriation shall be designated for the Percent for Arts program, unless the Director of OBM, after consulting with the Arts Council, determines that less than one percent or none of the appropriation shall be spent for the program.

Arts Council

Specific questions about the acquisition, commissioning, and installation of works of art under the Percent for Arts program should be directed to the Ohio Arts Council at 466-2613.

APPENDIX H
DEFINITIONS OF PROJECT TYPE

Projects requested and or funded as part of the capital planning and budgeting process generally can be assigned to one of several categories that best describes the type of project that it is. Agencies and institutions should use these project types in completing the Table C-1 as well as the agency Priority Summary. The categories as assigned for the FY 2013-2018 capital planning process are identified and described below:

1) **New Construction** – Appropriations for new facilities or substantial enlargement/addition to existing facilities. Examples are a new mental hospital, a wing added to a university library, or the construction of a new cell block at a state prison.

2) **Subsidy Capital** – These are general capital appropriations provided to non-state entities to undertake capital projects. These appropriations are not made specific to any individual project but are instead made in a lump sum with the agency then allocating the funds to other entities who undertake the project. Examples of this are PWC Infrastructure, School Facilities Commission (SFC) projects, Clean Ohio, and Third Frontier Wright Centers.

3) **Basic Renovations/Major Maintenance of Facilities** – These are appropriations for improvements to existing facilities that are limited to renovations, enhancements, security improvements necessary to keep the facility in good working order. Examples are roof replacement, window replacement, security upgrades, energy improvements, and plumbing and HVAC replacement.

4) **Site Development/Land Acquisition** – These are appropriations for acquisition of either real property or infrastructure. Examples of this would be appropriations for the acquisition of major new equipment for existing facilities, site improvements (including utility lines replacement or installation), and land acquisition.

5) **New Construction/Major Renovations to Existing Facilities** - Appropriations for major overhaul of existing facilities to enhance or increase their usefulness or to modify their use to a new purpose. An example is gutting and remodeling of an office building in order to change its uses.

6) **Capital Equipment** – Appropriations to acquire eligible capital assets necessary in order for a newly constructed or renovated facility or asset to function properly. This would include items such as HVAC systems, loose furnishings in a newly constructed facility.

7) **Planning** – Appropriations that would support planning and design costs necessary to undertake the acquisition or construction of a capital facility or asset.

8) **Other** – Any project not sufficiently defined by any of the above project types.