



THEC

**CAPITAL BUDGET
INSTRUCTIONS
FY 2024-25**

01.30.2023

Introduction

- Projects evaluated and scored, presented to THEC for action at **November 9, 2023** meeting
- Projects are evaluated by Governor as part of State Budget process, presented at State of the State January 2024.
- Final approval of projects funding and State FY24-25 budget is by the State Legislature, **late spring, 2024.**

THEC Review Process

- Projects are evaluated on basis of materials submitted, and response to written instructions.
- THEC reserves right to visit campus to review the project with campus constituents prior to final scoring, but not required.
- Strive to have fair and consistent review process based on both qualitative and quantitative elements, addressing balance of academic and facility needs.

FY2024-25 – Capital Outlay

- New construction, renovations with additions, or renovations only
- Match requirement is the same as previous year
- Demolitions may be included in scope if required for the project completion or is directly related to the project. Unrelated demo's may be requested separately.
- All submittals must follow the FY2024-25 instructions, including resubmittals.

Outlay Requests for FY2024-25

- One (1) capital outlay project per each of the 6 LGIs
- Three (3) projects from the University of Tennessee System
- Three (3) projects from the Tennessee Board of Regents
- THEC Policy reserves the right to limit or revise the number of projects reviewed and scored in a given funding cycle.

Deadlines:

- Master Plan Amendment requests:
Thursday, June 1, 2023
- Outlay, Maintenance, Disclosure and Demolition projects:
Friday, June 30, 2023

Submittal Requirements

- Hardcopies
 - Two (2) hardcopies of full Outlay submittal to THEC
- Email – all Excel docs
 - Capital Summary workbook
 - Outlay excel workbook and
 - DB70's for Maintenance and Disclosures
- OwnCloud
 - Upload all required documents in OwnCloud (see instructions).
- Project naming formats for electronic files
- Department of Finance & Administration Requirements
 - Additional F&A required materials, September 2023, date to be confirmed (data entry into F&A Access)

Capital Outlay Out-Years

- List in order of priority; priority may be modified from year-to-year.
- List estimated total project cost and source of funds
 - Total costs include hard construction costs, construction contingencies, soft costs such as fees, FFE, AV equipment, owner testing, programming if required, commissioning, IT equipment/infrastructure if purchased separately, administrative costs.
 - Total costs listed in inflated projected costs as though funded in Budget Year 2024-25.

Submittal Tips

- Develop with cross-discipline team, academic programmatic development, grant writers, facilities planning and facilities services.
- Executive leadership are strongly encouraged to review submittal in detail.
- Do not leave anything blank.
- Details. Tell the story.
- Numbers, data, references, should be consistent throughout the document. Such as - Headcount vs. FTE, enrollment projections, costs references to construction cost vs total cost, programs served, present conditions vs future aspiration.
- Project development from previous year(s).

0. Intro

- Not scored
- Executive reference for the project
 - Project scope summary,
 - Academic programs served (enrollment and programs), and
 - Economic impact and workforce development.
 - Executive summary – Why is this capital outlay project a priority need?
- Shared with state executive leadership

Tennessee Higher Education Commission

Capital Outlay Request - FY 2024/25

Institution: State University

Campus Location/Address:

Project: Classroom Building

City/County: City / County

Project Data

Total Project Cost	\$	-
Total External Funds	\$	-
Federal Funds	\$	-
TSSBA 5-Yr Bond Funds	\$	-
Gift Funds	\$	-
Plant funds, Other External Funds	\$	-
Previous Funding	\$	-
State Funding Request	\$	-
Total New Gross SF		-
Total Reno Gross SF		-
Total Demo Gross SF		-

Scope of Work

Academic Programs Served

Page 1

Economic and Workforce Development

Executive Summary



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2024-25 CAPITAL OUTLAY

State Goals

Overview

1 Section Scoring

2 THEC Master Plan

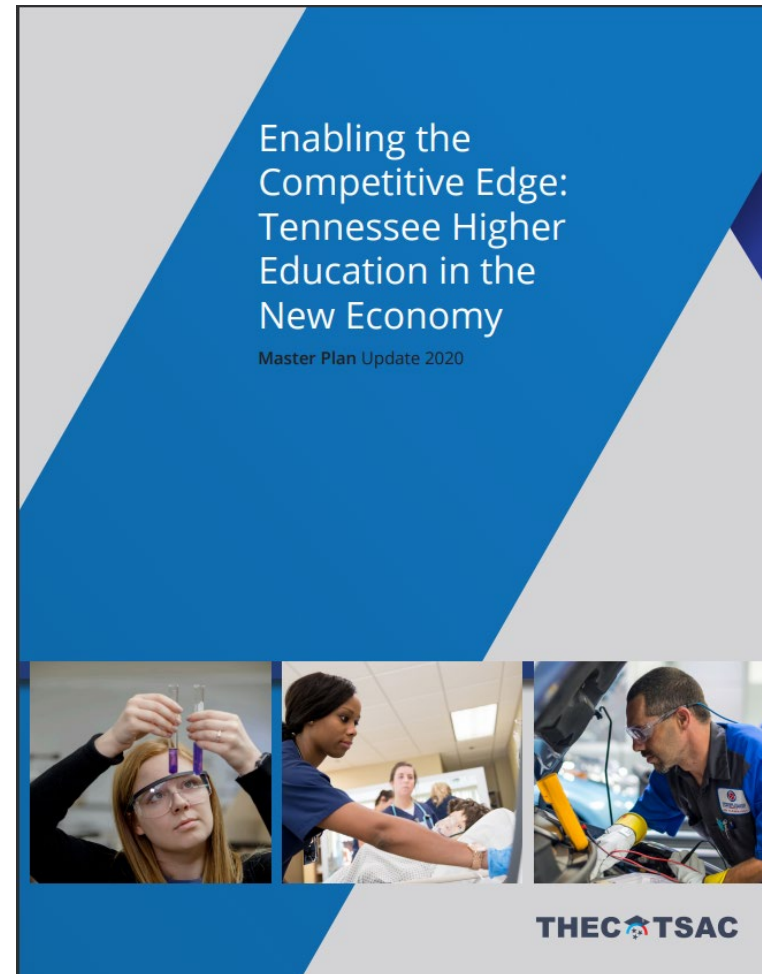
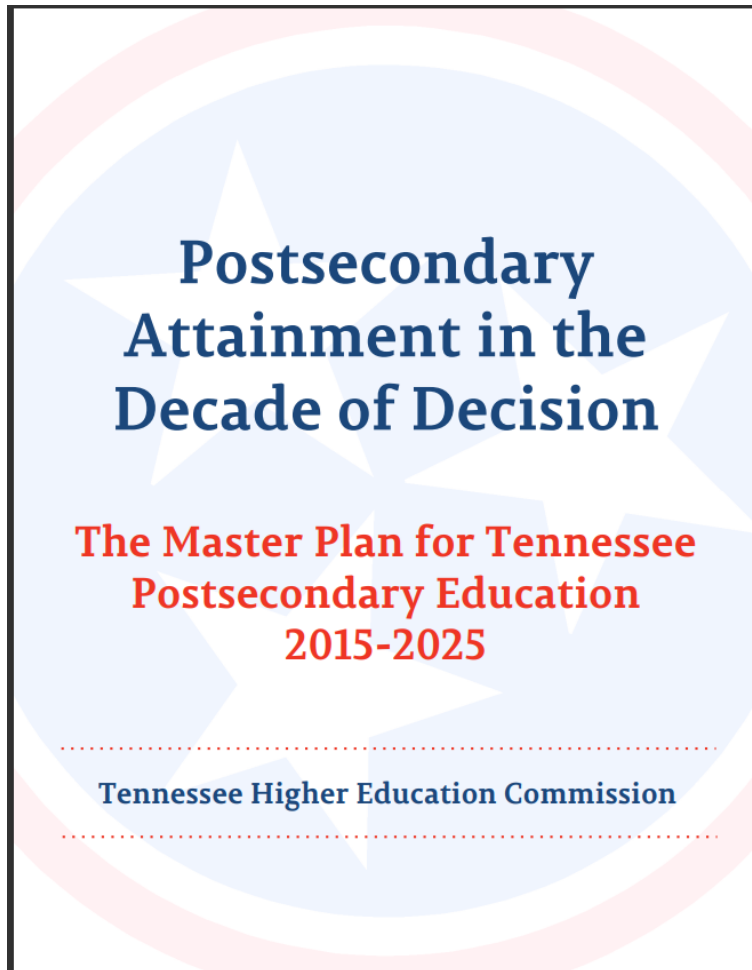
3 Best Answers ...

4 Overview of each section

2023-24 Capital Outlay Scoring Criteria

State Goals and Drive to 55	
Criteria	Points
1.1 State Goals	8
1.2 Institutional Mission and Strategic Plan	6
1.3 Academic Program and Credential Production	6
1.4 Enrollment Data	5
TOTAL	25

THEC Master Plan & Supplement



THEC Master Plan

Increase educational attainment levels of Tennesseans

Address economic development, workforce development, and research needs.

Ensure increased degree production

Use institutional mission differentiation to realize statewide efficiencies.

Supplement

Student Success

- Academic Readiness
- Access to Higher Education
- Completion

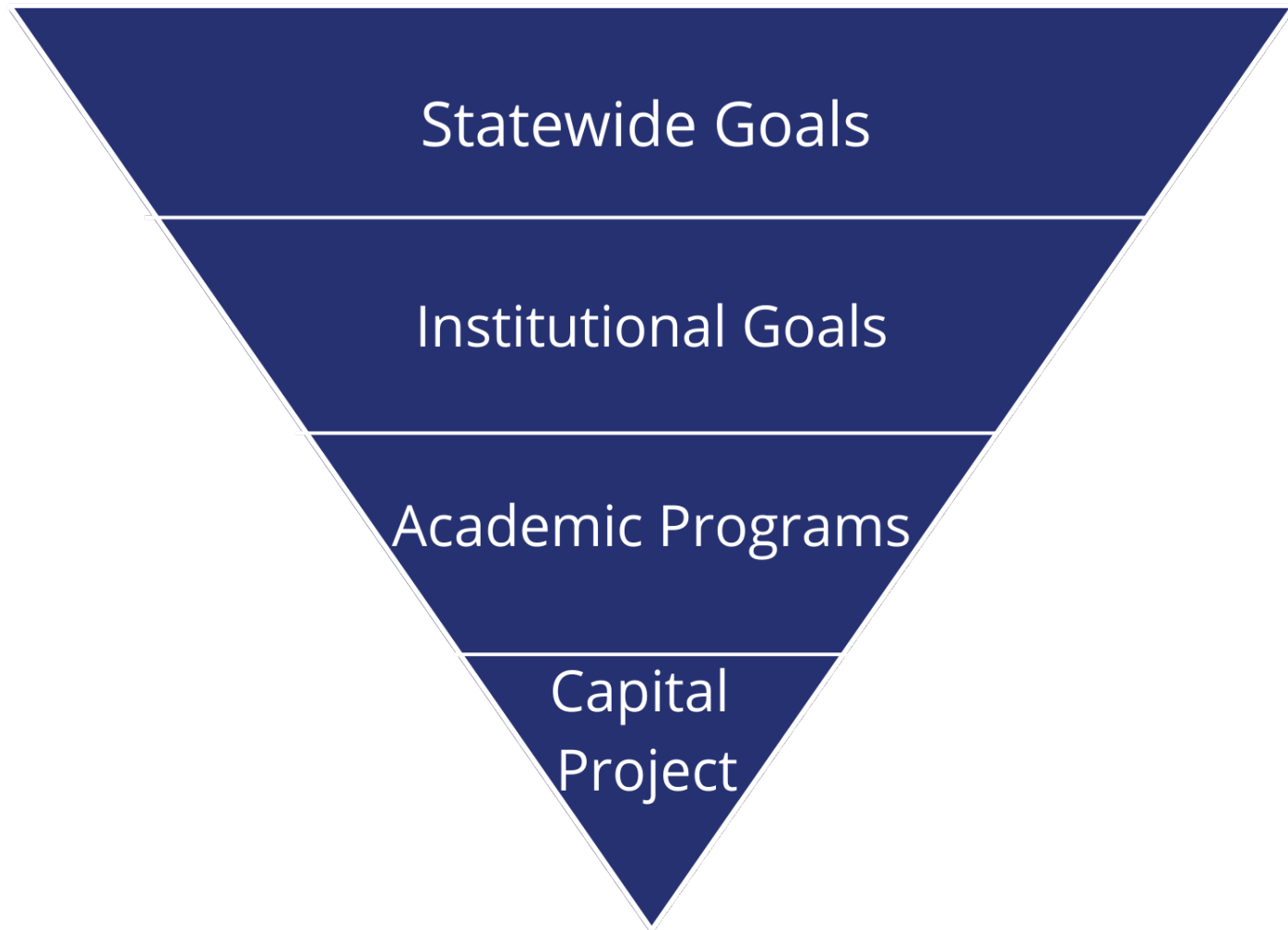
Family Prosperity

- Affordability
- Transparency
- Outreach to Adults

The Future Workforce

- Future of Work
- CTE and Work-Based Learning
- Academic Program Approval

THEC Master Plan & the Capital Proposal



The best answers will ...

Respond

Make sure to *respond* to every prompt and/or question.

Connect

The project must *connect* directly to the state and institutional goals.

Further

Identify how the proposal *further*s the state and institutional goals.

Impact

Detail the *impact* of the proposed project on the academic programs served by the project.

Explain

Explain rather than state.

Data

Use relevant *data* to support key claims.

Support

Enlist the *support* of on campus offices/shareholders.

1.1 State Goals

- **A. Increasing Student Persistence and Attainment**
 - Demonstrate how the capital project supports the goal of “increasing the education attainment levels of Tennesseans.”
- **B. Economic and Workforce Development**
 - Demonstrate how the capital project advances the state’s economic and workforce development goals.
Address each of the following:
 - Describe how the capital project is linked to the local/regional/state workforce needs,
 - Explain how the capital project will increase economic development in the community and support community outreach programs,
 - Cite specific workforce data that aligns with the academic programs affected by the proposed capital project.

1.2 Institutional Mission & Strategic Plan

- **C. Alignment of Mission and Project**

- Demonstrate alignment between the institutional mission and the proposed capital project by providing a detailed explanation of how the proposed capital project and associated academic program(s) advance the institution's mission.

- **D. Advancement of the Strategic Plan**

- Demonstrate how the capital project advances the institution's strategic plan by providing a detailed explanation of how the proposed capital project and the associated academic program(s) help the institution meet benchmarks of the strategic plan.

1.3 Academic Program & Credential Production

- **E. Description of Academic Programs Served**
 - Identify the specific academic programs – both existing and new – that will be served by the proposed capital project.
 - Explain why those academic programs are a priority for the campus and the region/state.
 - Detail any additional faculty and staff needed to support the academic programs.
 - Identify how the program(s) will continue during the proposed construction,
 - Describe temporary accommodations for use of programmatic equipment and potential impact on program delivery during construction.

1.3 Academic Program & Credential Production (cont.)

- **F. Improvements to Academic Programs**
 - Describe how the capital project will affect academic programs on campus, including potential shifts in academic program delivery methods,
 - Explain what the unique strengths of the academic program(s) are that will be enhanced by the proposed capital project,
 - Identify how credential production will be expanded, more efficient, or of higher quality as a result of this capital project,
 - If an institution is seeking to increase credential production, it should detail how additional students will be recruited into the academic program(s).

1.4 Enrollment Data

- **A. Student Impact**

- Describe how students enrolled in the associated academic programs will be supported by the proposed capital project, and if applicable, detail any impact on academic research,
- List all academic programs *directly impacted* – both existing and new – by the proposed capital project.
- Describe other non-credit programs or services that may occupy the building.
- Define the total full-time enrollment (FTE) for students served (directly and indirectly) by the proposed capital project.
 - $FTE = \text{credits produced} / 30$

1.4 Enrollment Data (cont.)

• B. Enrollment and Graduation Data

- Complete the Academic Programs – Enrollment and Graduation Data worksheet, for the academic programs *directly served* by the proposed capital project.

Academic Program Totals							
Academic Program Data	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Fall FTE Enrollment - On Ground	-	-	-	-	-	-	-
Fall FTE Enrollment - Online	-	-	-	-	-	-	-
Graduates	-	-	-	-	-	-	-
Academic Program A:							
Degree:							
10 Digit CIP Code:							
Academic Program Data	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Fall FTE Enrollment - On Ground							
Fall FTE Enrollment - Online							
Graduates							
Academic Program Information							
Academic Program B:							
Degree:							
10 Digit CIP Code:							
Academic Program Data	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Fall FTE Enrollment - On Ground							
Fall FTE Enrollment - Online							
Graduates							

THEC TSAC

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2. Campus Master Plan and Project Development

- If project is not identified in Master Plan, send amendment request letter and site proximity plan to THEC no later than **June 1, 2023**, for consideration.
- 2.1 A - Master Plan Project Description, Goals, Links to Master Plan
- 2.1 B - Master Plan Progression of Projects
- 2.1 C - Master Plan Space Needs and Facility Conditions – quality and quantity
- 2.2. D - Project Development since Master Plan
- 2.2 E - Architectural Program and Planning, Status, Progress (Program Required Y/N)
- 2.2 F - Alternatives Considered to Meet Objective

3. Project Description and Impact on Campus

- 3.1 DB70 Form – Project Request*
- 3.2 Project Support Documentation -1*
- 3.3 Project Support Documentation – 2
- 3.4 Schedule of Movable Equipment*
- 3.5 Business Plan (Previously “First- Year Operating Costs”)
 - Operations Overview
 - Revenue Sources, Fundraising and Partnerships
- 3.5b First Year Operating*
- 3.6 Bond Questionnaire*

* Required by F&A

3. Project Description and Impact on Campus – DB70 *F&A Required

3.1 DB70											
1 Department:	Tennessee Higher Education Commission										
Institution:	State University										
Project:	Classroom Building										
City/County:	City / County										
2 Fiscal Year:	2024/25										
3	<input checked="" type="checkbox"/> Capital Outlay <input type="checkbox"/> Capital Maintenance <input type="checkbox"/> Disclosure <input type="checkbox"/> Designer Required	<table border="1"> <thead> <tr> <th>New</th> <th>Reno/Main</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>Gross Sq.Ft. 0</td> </tr> <tr> <td>0</td> <td>Net Sq.Ft. 0</td> </tr> <tr> <td>0.00</td> <td>Cost/Sq.Ft. 0.00</td> </tr> </tbody> </table>	New	Reno/Main	0	Gross Sq.Ft. 0	0	Net Sq.Ft. 0	0.00	Cost/Sq.Ft. 0.00	
New	Reno/Main										
0	Gross Sq.Ft. 0										
0	Net Sq.Ft. 0										
0.00	Cost/Sq.Ft. 0.00										
4 Project Description:											
Proj. Type	Improvement	If new const., is it in the Master Plan	No								
		Will the project add to E&G area?	Yes								
5	Total Project	This Request	Estimated Building Construction Cost: 0								
	0	0	Building Construction								
	0	0	Site & Utilities								
	0	0	Built-in Equipment								
	0	0	Bid Target								
	0	0	Contingency: n/a n/a percent								
	0	0	MACC (Maximum Allowable Construction)								
	0	0	Fee: 35/LogP-1.15= n/a New								
	0	0	Movable Equipment								
	0	0	first other								
	0	0	second other								
	0	0	Administration & Miscellaneous								
	0	0	Total Cost								
6 Funding Request: THIS REQUEST											
	0	0	STATE funds								
	0	0	FEDERAL funds								
	0	0	Local and Institutional Funds								
7 Previous SBC Approved Funding											
	already approved for existing SBC project	0	fund year								
	0	0	description								
	0	0									
	plus This Request	0									
	0	0									
8 SBC Action: If an existing project, SBC Project No.: NA											
9 Designer: NA											

3. Project Description and Impact on Campus

– Project Support Doc 1 *F&A Required

- 3.2 A – Program Objectives and Architectural Program Scope – Describe the scope of work included in the project.
- 3.2 B - Evidence of Physical Facility Need – Describe deficiency being remedied by the project, whether space needs, technical requirements for program, poor repair, etc. How does the project address quantity and/or quality of space.
- 3.2 C - Historical Profile – Related history of the facility and program. For existing structures, specify dates of construction, additions and renovations, and any prior major events related to the project.
- 3.2 D – Related Requirements - external factors (infrastructure upgrades, property transfers, other projects, etc.) that may have an impact on this project.
- 3.2 E - Summary Results and Date of Physical Facilities Survey; external review.

3. Project Description and Impact on Campus – Project Support Doc 2

- 3.3 F - Cost Information – Basis for construction cost estimates, methods for determining the estimate, equipment, AV, IT costs. Provide information on similar projects in the region recently bid if available.
- 3.3 G - Project Schedule – Milestone dates and project sequence or phasing
- 3.3 H - Other Campus or Program Impact – Direct or indirect impact of the project

3.4 Schedule of Movable Equipment

- 3.4 A - Explanation of equipment costs – method of determining costs, i.e. based on detailed itemization, costs for other projects, etc.
- 3.4 B ***F&A Required** - List of equipment by category, i.e. furnishings for office, classroom loose equipment, AV, IT (describe what is included), site furnishings, signage, contingency; provide detailed list with additional pages, or in appendix.

3.5a Business Plan

3.5a Business Plan

Institution: State University

Project: Classroom Building

	Existing Budgeted Salaries	Estimated Future Salaries		Existing Budgeted Positions Count	Estimated Future Position Count
Total Salaries:			Full-Time:		
			Part-Time:		

This information applies to this project

- 3.5 A – Operations Overview
- 3.5 B – Revenue Sources, Fundraising and Partnerships

3.5b First Year Operating Costs *F&A Required

- Information required by F&A in Access
- Support documentation for 3.5
- List NEW additional costs only – existing costs not included

3.6 Bond Funds Questionnaire *F&A Required

- Information required by F&A in Access
- Support documentation for 3.5

4. Space Needs

- THEC Space Guideline Calculations - Consistent with Schedule D areas, Fall 2022
- E&G space - Note any variance from Schedule D totals for Formula space
- Space Needs sections may consider changes or reductions in campus space due to an increase in fully online or hybrid coursework, need for more flexible active learning environments, reduction or change in offices, and overall reduction of space inventory.
- Renovations: Preservation of existing space and space improvements to address program delivery needs
- Rebalance of campus space needs
- Demolitions

4.1 Space Needs

A Provide Data From Entire Campus Where Project is Located Date of Data

Summary NASF - Info from THEC Space Guideline					This Project	SF Results	
	Equip FICM	Modeled	Exist E&G SF	Difference from Model	Net Change NASF	Result Net E&G SF	Difference from Model
I	Classrooms	1xx	0	0	0	0	0
II	ClassLab	210, 215	0	0	0	0	0
III	Open Lab	220, 225	0	0	0	0	0
IV	Research	250, 255	0	0	0	0	0
V	Office	3xx	0	0	0	0	0
VI	Library	4xx	0	0	0	0	0
VII	Phys Ed	520 523 525	0	0	0	0	0
Totals:			0	0	0	0	0
		Input Data from THEC Guideline	Input Data from PFI	- Shows Space under Guideline	Data will Import from the SpaceTab "Net Change NASF"		- Shows Space under Guideline

The three digit numbers are from the "Postsecondary Education Facilities Inventory and Classification Manual (FICM)" 2006

4.2 Space Needs – Tabulation of Affected Space

4.2 Tabulation of Affected Space

Institution: State University
Project: Classroom Building

FICM Space Use Category	Space Description	Net Assignable Square Feet					Net Change NASF
		Demolition	Renovation		Constructio n		
			Former Use	New Use			
100's	Classrooms	0	0	0	0	0	
210, 215	Studio	0	0	0	0	0	
220, 225	Laboratories	0	0	0	0	0	
250, 255	Research	0	0	0	0	0	
300's	Offices	0	0	0	0	0	
400's	Study facilities	0	0	0	0	0	
520, 523, 525	education	0	0	0	0	0	
Subtotal THEC Formula Space		0	0	0	0	0	
510,515, 530- 590	Special Use facilities	0	0	0	0	0	
600's	General use facilities	0	0	0	0	0	
700's, 800's	All other Assignable SF	0	0	0	0	0	

Page 1

	Demolition	Former Use	New Use	New Const	Net Change
Sub-Total Net Assignable:	0	0	0	0	0

Efficiency:

	Demolition	Total Reno	New Const
Enter Total Gross SF:	0	0	0



5.1 External Funding

- Pass/Fail
- May review with THEC in advance of submittals.
- If there are elements of the project with various institution types, such as TCAT and University, then please provide a grouper defining the costs for each type to determine the percentage of total cost to be assigned accordingly.
- See revised Grouper sheet for project types, phasing, and/or institution types with varied match funding.
- No more than one-third (1/3) of the total pledged institutional match shall consist of Tennessee State School Bond Authority (TSSBA) financing, the term of which shall not exceed five (5) years.

5.1 External Funding

Capital Outlay Match Requirement FY2024-2025				
Project Type	Community Colleges and Specialized Units	APSU UT Martin TSU	ETSU MISU TTU UT Chattanooga	RI, Very High Research (UT Knoxville, UoM)
Major Renovation - Pass/Fail, no gift minimum	2%	4%	4%	6%
New Construction Match - Pass/Fail	4%	6%	8%	17%
Gift Minimum - New Construction Only	0%	33% of 6%	33% of 8%	50% of 17%

- Match requirement is Pass/Fail.
- No Match requirement for TCATs.
- No minimum gift component for renovations

5.1 External Funding

5.1 External Funding - Outlay			No Match Funding required for TCATs	
Department: Tennessee Higher Education Commission				
Institution: State University				
Project: Classroom Building				
	0	Total Match Funding	Pass	0
	0	Total Required Match		
Amount	Non-Appropriated Category		Specifics of Source	
#DIV/0!	\$ -	Plant Funds (Auxiliary)		
#DIV/0!	\$ -	Plant Funds (Non-auxiliary)		
#DIV/0!	\$ -	Land Sale Proceeds		
#DIV/0!	\$ -	Access Fees		
#DIV/0!	\$ -	Student Fees		
#DIV/0!	\$ -	Gifts		
#DIV/0!	\$ -	Local Government		
#DIV/0!	\$ -	Federal Funds		
#DIV/0!	\$ -	5-Year Bond Funds		
#DIV/0!	\$ -	Other: Specify		
Community Colleges and Specialized Units				
		Total Project Cost		
		Total Match	(No Gift Minimum)	Required Total Match
		Renovation	100%	-
Match Requirement		New Construction	0%	-
2%		Renovation		-
4%		New (Gift minimum is 0%)	Eligible Check - Pass/Fail	Pass
			Over/Under Required Match	-
APSU TSU UTM				
		Total Project Cost		
		Total Match	Gift Minimum	Required Total Match
		Renovation	100%	-
Match Requirement		New Construction	0%	-
4%		Renovation	Pass	-
6%		New (Gift minimum is 33% of 6%)	Eligible Check - Pass/Fail	Pass
			Over/Under Required Match	-

X.1 Multi-Phase Project Grouper

X.1 Multi-Phase Project Grouper				
to show a project in multiple phases and as a total project				
Department: Tennessee Higher Education Commission				
Institution: State University				
Project: Classroom Building				
Budget Line Items	New sub-name	Renovation sub-name	sub-name	Total Project
Buildings	0.00	0.00	0.00	0.00
Sitework	0.00	0.00	0.00	0.00
Built-in Equip	0.00	0.00	0.00	0.00
TARGET	0.00	0.00	0.00	0.00
Contingency	0.00	0.00	0.00	0.00
MACC	0.00	0.00		0.00
Design Fee	0.00	0.00	0.00	0.00
Movable Equip	0.00	0.00	0.00	0.00
<i>first other</i>	0.00	0.00	0.00	0.00
<i>first other</i>	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00
Percent of Mix	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
% Minor New Construction	5.1	External Funding	0.00%	
bldg square footage	0.00	0.00	0.00	0.00
\$ / s.f. estimate	0.00	0.00	0.00	
resulting estimate	0.00	0.00	0.00	0.00
\$ / s.f.	0.00	0.00	0.00	0.00
Contingency Pct				n/a
MACC for Log	\$ -	\$ -	\$ -	
MACC for Mix	\$ -	\$ -	\$ -	
35/LogP-1.15 Fee Rate	0.000000%	0.000000%	0.000000%	
"New" or "Renovation"	New	Renovation	New	
New/Reno Multiplier	1.00	1.25	1.00	
Base Design Fee	\$ -	\$ -	\$ -	
Service Phases	Full Basic Services	Full Basic Services	Full Basic Services	
Percent of service	100%	100%	100%	
Design Fee	\$ -	\$ -	\$ -	
Basic Design Phases: Fee percent per Phase Fee percent per Phase Fee percent per Phase				

Demolitions – In Outlay Projects

- Demolitions may be included in the scope of an outlay project if the demolition is required for the project, such as buildings that are being replaced for the same programs, or use of the same site for construction.

Demolitions – Requests and Disclosures

- Should be ready for the demo to proceed in FY24-25 and the SPA wants to request funding for the project. Complete the requested information in Summary workbook. Provide a DB70 disclosure workbook.
- Demolitions are defined by SBC policy as “improvements” and therefore should be disclosed, either in budget request or disclosure.
- THEC may limit the recommendations for demolitions funding to:
 - major demolitions with total cost over \$100,000,
 - demo’s that may not be included in a disclosed project for an auxiliary function.

Changes for FY2024-25 – Capital Maintenance

- The maintenance state-wide annual target is increased to \$250 million. Each institution is provided a target % share based on Sherman Dergis formula.
- Request that each SPA create at least one project that is the SPA's recommended % share of total state Higher Ed capital maintenance funding of \$50 million
- Project phasing
- Review in advance of deadline

Capital Disclosures

- All anticipated capital projects that are funded from sources other than state appropriations
 - New buildings or space
 - Change in function
 - In excess of \$100,000
 - Maintenance projects in excess of \$500,000
- Disclosure of major projects, new construction, **bonded projects** required for following FY.
- Quarterly submittals of projects expected to proceed during the current fiscal year
- Emergency Projects implemented to avoid immediate danger – may initiate the project but must disclose it in the subsequent quarterly submission (THEC Policy).
Subject to appropriate SBC, F&A and other State Policies.

FY2024-25 – Capital Disclosures, TSSBA

- **LGI's: APSU, ETSU, MTSU, TSU, TTU, UoM**

TBR serves as the project owner for LGI projects with TSSBA funding, **please share your final submittal docs for any planned TSSBA projects directly with TBR.** Outlay projects with bridge short-term TSSBA funding are managed by the SPA, not by TBR.



THANK YOU

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Architect

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