

The Basis of the Five-Year Plan

The primary objective of the Five-Year Plan for the California State University (CSU) is to provide facilities appropriate to the CSU's approved educational programs to create environments conducive to learning, and to ensure that the quality and quantity of facilities at the 23 campuses serve the students equally well.

The campuses and the CSU Office of the Chancellor (Chancellor's Office) have enlisted broad participation by administrators, faculty, and students in the development of the Five-Year Plan. The Five-Year Plan has the following basis:

1. Approved Academic Master Plans

The Board of Trustees has adopted dynamic planning policies designed to promote orderly curricular development, guide the distribution of programs in the system, and facilitate the progress of each campus in fulfilling the mission of the CSU as expressed in the statewide master plan for higher education. These policies, first published in the *1963 Master Plan for the California State Colleges*, are still in effect. The policies are summarized below:

- Curricula are to reflect the needs of students and of the state.
- The foundation program for each campus in the system consists of the liberal arts and sciences, business administration, and education. (The Board of Trustees specified subject areas that were to be regarded as the "Broad Foundation Program".)
- Programs in applied fields and professions other than those listed above are to be allocated within the system on the basis of (1) needs of the state, (2) needs of the campus service area, and (3) identification of employment opportunities.
- "All campuses cannot be all things to all people." Curricula in the applied fields and professions are therefore to be located in a systemwide pattern that will achieve an equitable and educationally sound distribution of programs throughout the state.
- Although many campuses may wish to offer the same programs, the Board of Trustees exercises great selectivity in final approval of new curricula.
- Specialized, high-cost programs are to be allocated on the basis of review and study of the individual subject area.

Subsequent policies adopted by the Board of Trustees include the following:

- Degree programs are to be broadly based and of high academic quality.
- Unnecessary proliferation of degrees and terminologies is to be avoided.
- A formal review of existing curricula is to be conducted by each campus as part of the overall planning process.
- The Academic Master Plans serve as the basis for campus master planning of facilities.
- The ability to accommodate the latest instructional technology will be included in the planning for construction of all new and renovated instructional buildings.

2. Approved Campus Physical Master Plans

The Board of Trustees has long recognized the importance of each campus developing a physical master plan, in concert with the consulting campus architect and members of the local community. The Board of Trustees requires that every campus have a physical master plan showing existing and anticipated facilities necessary to accommodate a specified academic year full-time equivalent student (FTE) enrollment at an estimated target date, in accordance with approved educational policies and objectives. Each master plan reflects the ultimate physical requirements of academic programs and auxiliary activities on the campus. In developing the plan, the campus considers costs and benefits, functionally related disciplines and activities, instructional support needs, and environmental impact, including vehicular and pedestrian traffic flow.

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3. Full-Time Equivalent Student Enrollment Allocations

The program is based on the annual full-time equivalent student college-year enrollment targets that are prepared by the Chancellor's Office in consultation with the campuses. College-year FTE enrollment targets include state-supported summer term enrollments, in accordance with Board of Trustee policy. A full-time equivalent student is based on student level and credit units attempted for a term: an undergraduate and post baccalaureate student is defined as 15 units of coursework and a graduate student is defined as 12 units of coursework.

4. Approved Space and Utilization Standards

Instructional space needs are calculated in conformity with space and utilization standards approved in September 1966 by the Coordinating Council for Higher Education (replaced by the California Postsecondary Education Commission) as modified in March 1971 and June 1973. In keeping with these established space standards, classroom station size is defined as 15 square feet per station. The table below displays the currently approved utilization standards:

	<u>Hours/Week</u>	<u>Station Occupancy</u>	<u>Station Use</u>
Lecture Classrooms	53.0	66%	35.0
Teaching Laboratories, Lower Division	27.5	85%	23.4
Teaching Laboratories, Upper and Graduate Divisions	22.0	80%	17.6

Detailed standards can be found at: <https://calstate.policystat.com/policy/6874149/latest/>.

5. Space and Facilities Database

The database is an inventory maintained by each campus to manage and plan for space and facilities. The facilities data includes (but is not limited to): the facility number, name, number of floors, gross (GSF) and assignable (ASF) square feet, master plan status, and cost. The space data file describes the current use of the space and includes space type, discipline, instructional level, station count and type, and department code (among others). CSU policy in regards to station size follows the California Building Code (CBC) occupant load factors per the programmed space function (15 ASF/Station Classroom, 20 ASF/Station Flexible Lab, 50 ASF/Station Wet Lab).

Annual companion reports to the Five-Year Plan are the "Summary of Campus Capacity" and the "Laboratory Enrollment FTE vs. Laboratory Capacity FTE".

6. Phasing Out of Leased and Temporary Facilities

Board of Trustees policy is to phase out all leased and temporary facilities on campus as soon as funding can be secured for replacement structures.

7. Estimates of Cost Based on the ENR California Construction Cost Index 10461 and EPI 5000

Cost estimates are based on the *Engineering News Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco as published in the *Engineering News Record*. The CCCI is the index required by the Department of Finance (DOF).

8. Seismic Policy and Program

- It is the policy of the Board of Trustees that, to the maximum extent feasible by present earthquake engineering practice, the CSU acquire, build, maintain, and rehabilitate buildings and other facilities that provide an acceptable level of earthquake safety for students, employees, and the public who occupy these buildings and other facilities at all locations where university operations and activities occur.

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- Independent technical peer reviews of the seismic aspects of all new and renovated construction projects will be performed, starting from their design initiation, for conformance to good seismic resistant practices consistent with this policy.
- The CSU Seismic Review Board (SRB) was established in 1992. The SRB advises the CSU of actions necessary to provide reasonable life safety protection and to achieve an acceptable level of seismic risk for CSU buildings. The SRB performs surveys and has identified buildings that need seismic investigation, prioritizes that list based on the structure and local site conditions, and updates the list based on new information or code changes. Buildings in the Five-Year Plan that contain a seismic-strengthening component are denoted in the title “(Seismic)”.
- A 10-year summary of past and proposed projects is prepared as part of the Five-Year Plan to identify priority projects previously funded and the campus priorities to strengthening facilities.

9. Sustainable Building Practices

The Board of Trustees has established policies to ensure that all CSU new construction, remodeling, renovation, and repair projects will be designed with consideration of optimum energy utilization and minimizing carbon emissions resulting in low life cycle operating costs, and compliance with applicable energy codes and regulations. Progress submittals during design are monitored for individual envelope, indoor lighting, and mechanical system performances. The CSU Mechanical Review Board (MRB) was established in February 2004. The MRB considers proposed building designs for conformance with code and energy efficiency practices. The peer review and consultation on individual capital projects promotes effective design and sustainable operations. This goal is further advanced by the calculation and reporting of the effect of individual projects on Greenhouse Gas (GHG) production. The Five-Year Plan reporting forms provide for the tracking of project related GHG on an annual basis. Progress towards attainment of the 2020 and 2040 emission reduction goals is reflected in these projections of the five-year capital improvements such as renovations that incorporate enhanced building metering and controls.

10. Projects Included in the Five-Year Plan

- Each year the Board of Trustees approves projects to be included in the Five-Year Plan. The list of approved projects is then submitted to the Department of Finance for their approval. Projects funded with CSU debt financing or reserves require only those two approvals. Projects to be funded with state-supported bond funds require the additional step of being included in an enacted California State Budget. Due to the limited funding available for both academic projects and the infrastructure improvement projects, not all of the approved projects are funded. Projects included in the current version of these lists that are in *italics* have previously received approval from the Board of Trustees, and projects in *red italics* have received prior approval from both the Board of Trustees and Department of Finance. Because these projects have already been approved, they are included in the current Five-Year Plan in order to identify their need for funding and provide information on the current outstanding systemwide priority needs and not for specific project approval.

Expanded Finance Authority

1. General

In November 2014, the CSU Board of Trustees approved revisions to the CSU Policy for Financing Activities (RFIN 03-02-02) in order to implement capital financing authorities granted by state statute in June 2014 (Education Code Section 89770). The authority enables broader use of operating funds to pay for, or finance, capital outlay projects. It also establishes a streamlined process for the state and legislature’s review of proposed projects. While authority was increased, there were limited new revenues provided to the CSU to pay for the backlog of deferred maintenance and capital outlay needs across the 23-campus system.

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To enable the CSU to finance academic and instructional support projects, the authority permits the CSU to pledge its annual general fund support appropriation and any other revenues to secure CSU debt issued pursuant to the State University Revenue Bond Act of 1947 (Bond Act). Under this provision, CSU can use the existing Systemwide Revenue Bond (SRB) program in support of all forms of capital improvements and to refinance State Public Works Board bond debt.

The prioritization of campus projects eligible for financing under the new authorities will remain a centrally managed function of the Chancellor's Office, which will evaluate campus needs and provide recommendations to the Board of Trustees on project priorities.

The Board of Trustees has authorized two multi-year financing plans to support CSU's ongoing capital improvement program; one in November 2016, and one in November 2018.

These multi-year financing plans will provide up to \$2.1 billion dollars toward funding projects.

The projects included in this Five-Year Plan will exceed the total Board-approved funding levels.

2. 2023-2024 Priority List Project Funding

- **Academic Projects** – On-campus and off-campus projects, including academic, administrative, and infrastructure support projects may be approved as funded with CSU designated reserves or debt financing. Projects may be financed through a multi-source structure under the authority of the Bond Act. Per Board of Trustees policy, campuses are encouraged to contribute at least 10 percent of project costs from campus reserves to help stretch the system's limited resources to fund deferred maintenance and capital improvement needs, help to expedite completion of the project design and/or facilitate a project's inclusion in a future bond sale. Campus funds may be used to co-fund project design (preliminary plans and working drawings), construction and/or provide furnishings, fixtures and/or moveable equipment. A campus president may also propose academic projects financed by donor or grant funds, or with an auxiliary organization or third-party financing.
- **Self-Support Program** – To use the resources of CSU in the most cost effective and prudent manner, all revenue-based on-campus student, faculty, and staff rental housing, parking, student union, health center, and continuing education capital projects will be financed by the Board of Trustees using a broad systemwide multi-source revenue pledge under the authority of the Bond Act in conjunction with the respective authority of the Board of Trustees to collect and pledge self-support revenues. Projects that primarily serve student support functions and are supported by mandatory fees, user charges, gifts, and bonds issued by the Board of Trustees or auxiliary organizations will be classified as Self-Support projects in the Five-Year Plan, thereby replacing the historical term of "Non-State" used to describe projects not appropriated by the legislature. Planning guidelines for self-support projects require financial plans and market studies, when applicable, to establish the operational viability of proposed self-support funded capital outlay projects.
- **Fund Types** – The Five-Year Plan may thus propose project funding from multiple sources including designated campus maintenance and capital reserves funds, state funds, donor funds, third-party funds and/or self-support program funds. The list of categorical fund types has been expanded to help track the various fund sources. The expanded list incorporates the use of campus reserves designated for capital use per the change in CSU's funding authority in June 2014.

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3. Categories of Project Funds

To help track the various types of available funding sources, we have expanded the number of categories. The Fund codes now include:

ASH	Student Housing Grants – State
ASI	Associated Students Incorporated
Aux	Auxiliary/Foundation
Campus-I	Designated Campus Reserves – Improvements
Campus-M	Designated Campus Reserves – Maintenance
CE	Continuing Education
CSU	CSU Reserves
DM	Deferred Maintenance – State
Don	Donor
Eng	Energy/Power Purchase Agreements
FH	Faculty/Staff Housing
Gra	Grants
Hlth	Health Center
OTS	One-Time State Funding
Pkg	Parking
PPP	Public-Private/Public Partnership
S	General Obligation Bond and Public Works Board Revenue Bond – State
SH	Student Housing
SRB-AP	Systemwide Revenue Bonds – Academic Program
SRB-SS	Systemwide Revenue Bonds – Self-Support
TRP	Total Return Portfolio

4. Delegation of Capital Outlay Project Approval and Schematic Design Approval

In March 2018, the Board of Trustees revised its Standing Orders for delegated authority for capital outlay projects to include the following:

- A. *Authorize the chancellor to approve the capital outlay project scope, budget, and schematic design for projects with a value of \$40 million or less.*
- B. *Authorize the chancellor to approve the schematic design for all remodels, parking structures, and utilitarian projects, regardless of cost, unless the project requires an Environmental Impact Report or includes significant unavoidable environmental impacts.*

The campus shall submit all major capital projects up to \$40 million to the Assistant Vice Chancellor, Capital Planning, Design and Construction, for consideration of delegated review and approval of scope, budget, schematic design, insurance coverage, master plan revision, CEQA action, and amendment to the annual capital program, as applicable.