

DATE: January 23, 2023

TO: Presidents

FROM: Steve Relyea 
 Executive Vice Chancellor and
 Chief Financial Officer

Action Required:	
March 1, 2023	Preliminary Proposals Due
May 5, 2023	Revised Proposals Due

SUBJECT: 2024-2025 through 2028-2029 Five-Year Capital Improvement Plan

This memorandum is to initiate the capital planning process for the Five-Year Plan covering the 2024-2025 through 2028-2029 budget years in support of the 2024-2025 budget request. The memorandum also provides the submittal schedule (Attachment 1) and a list of necessary documents (Attachment 2) to ensure that campus input can be timely incorporated into the final CSU Five-Year Plan.

The Five-Year Plan, required by Education Code 67501, represents the campuses' forward thinking long-term development program. The campuses' capital priorities are displayed in the order in which they intend to initiate projects to meet the campus needs and align with the Board of Trustees priorities.

Capital Planning, Design and Construction (CPDC) is requesting project submittals in two phases. The first phase will include debt-financed academic facility and self-support projects for large projects over approximately \$10 million. The second phase submittals will be smaller capital and infrastructure improvement projects as well as deferred maintenance projects.

The submittal dates are different from previous years. The purpose of the change is to provide more time for legislative advocacy activities between plan approval by the Board of Trustees, expected in September 2023, and the Governor's Budget Proposal in January 2024.

Although the systemwide need to address critical infrastructure and modernization continues to grow, funding levels for the 2024-2025 capital program is uncertain. This call for campus projects aims to ensure we adequately document our need, support advocacy efforts, and best position the CSU for available funds.

Phase One Submittals – March 1, 2023

Each campus may submit one major debt-financed academic facility or self-support project for the 2024-2025 budget year. They may also submit up to three major debt-financed academic facility or self-support projects for years 2025-2026 through 2028-2029. These projects should

CSU Campuses
 Bakersfield
 Channel Islands
 Chico
 Dominguez Hills
 East Bay

Fresno
 Fullerton
 Humboldt
 Long Beach
 Los Angeles
 Maritime Academy

Monterey Bay
 Northridge
 Pomona
 Sacramento
 San Bernardino
 San Diego

San Francisco
 San José
 San Luis Obispo
 San Marcos
 Sonoma
 Stanislaus

align with the Board of Trustees established priorities, addressing critical infrastructure deficiencies, providing for modernization and renovation of existing buildings, and finally providing for limited growth if necessary. Over the next several weeks, CPDC university planners will work closely with campus staff and provide training to help develop the documents that are due on March 1, 2023.

Review Process March 1 – March 30, 2023

After the initial submittal, CPDC staff will continue to work with campus planning staff to refine project documents in preparation for the submittal to the Board of Trustees, the Department of Finance (DOF), and the Legislature. During this period campuses should begin to prepare their list of smaller capital and infrastructure improvement projects as well as their list of deferred maintenance projects.

During the spring 2023 budget hearings, better information should be available to estimate the level of funds for deferred maintenance or capital improvements for the system to enable an estimated allocation amount for each campus. This information will help the campus confirm the priority deferred maintenance and infrastructure improvement projects to be funded in 2023. This will allow campuses to revise the 2024-2025 list to reflect projects funded in 2023-2024 as part of the Phase Two Submittals process described below.

Phase Two Submittals – May 5, 2023

Phase Two submittals will include all campus projects to be included in the 2024-2025 through 2028-2029 Five-Year Plan. Submittal requirements are outlined in Attachment 2 and are necessary in order to support the major academic and self-support projects as well as the smaller capital and infrastructure improvement and deferred maintenance projects. Projects included in the May 5 submittal will be included in the CSU Preliminary Capital Outlay Plan in the item presented to the Board of Trustees at their July 2023 meeting and provided to the DOF on September 1, 2023. The Final Capital Outlay Plan will be presented to the Board of Trustees at their September 2023 meeting with project documents submitted to DOF by December 1, 2023.

Project Priority Setting

The Board of Trustees has established Categories and Criteria for priority setting of the Five-Year Plan that should be considered while developing the campus plan.

The categories remain as follows:

- I. Existing Facilities/Infrastructure**
 - A. Critical Infrastructure Deficiencies
 - B. Modernization/Renovation
- II. Growth/New Facilities**

Feasibility Studies

Campuses are required to provide funding for the completion of feasibility studies for their complex and likely debt-financed projects. Any 2024-2025 action-year capital requests shall include comprehensive feasibility study documentation to help ensure that campus programming is complete, and the budget request accurately reflects the proposed scope of the work. Renovation projects should address the facility's programmatic needs, seismic safety, facility renewal backlog, accessibility, hazardous materials, fire safety, etc., and how the renovation will be accomplished (vacate building, lease space and/or phased construction). The completion of the feasibility study also aims to ensure the project proposed costs are reasonable in light of the Board of Trustees continued concern on the cost of construction.

In 2021, CPDC developed a new feasibility study guideline which can be found on our references page at:

<https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Pages/references.aspx>

Enrollment Projections and Campus Physical Capacity

Enrollment and space capacity companion reports to the 2023-2024 Five-Year Plan are key tools used for project planning and prioritization. Those reports will be available soon on the CPDC website. Any campus proposing projects to increase seat capacity for lecture, labs and/or faculty offices need to demonstrate the specific deficiency that the request is aiming to overcome and are to submit projected enrollment increases by discipline which will be used to update the below reports for the 2024-2025 program.

- 1) *2023-2024 Summary of Campus Capacity Report* with enrollment projections at:
<https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Pages/space-management.aspx>
- 2) *2023-2024 Laboratory Enrollment FTES versus Laboratory Capacity FTES Report* at:
<https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/operations-center/Pages/space-management.aspx>

Key inputs for the development of the space capacity companion reports come from the Academic Planning Database (APDB). In recent years there have been some significant reporting and data quality issues with the APDB. This affects the analysis of campus capacity and utilization resulting in faulty reports and possibly an inaccurate representation of campus space needs. These reports allow us to communicate our facilities needs to the Board of Trustees and the Legislature. Over the next few months we will be working with Academic and Student Affairs and campuses to improve this data and the resulting reports. It may be that the transition to remote instruction due to COVID and continued use of hybrid instruction to serve student demand is part of the reporting challenge.

Questions

Submittal forms required to respond to this call letter are available online. Several forms have been modified to facilitate streamlined project development.

All 2024-2025 program submittals, including projects previously submitted, should be updated using current forms. Access the information via our website: <http://www.calstate.edu/cpdc/>. Select Resource Library, then either Call Letters, Forms, or Reference Documents, as needed.

For specific program area questions, contact:

Facilities Renewal and Capital Improvement submissions or questions

Paul Gannoe, Chief of Planning and Design, Capital Planning, Design and Construction
(562) 951-4146, or your assigned CPDC Planner

Financial documentation required for self-support funded submissions

Robert Eaton, Assistant Vice Chancellor, Financing & Treasury/Risk Management
(562) 951-4572

Please submit all documents to Elvyra F. San Juan, Assistant Vice Chancellor,
Capital Planning, Design and Construction.

We thank you and your staff for your efforts to help prepare the 2024-2025 plan to address facility renewal and capital outlay improvements. Staff will continue to identify process and policy changes to streamline the program production and facilitate project delivery.

SR:ESJ:PG:mc

Attachment 1: Schedule of Submissions and Process Calendar

Attachment 2: Major Capital Outlay Program List of Submittals

Distribution:

Chief Financial Officers

Vice Presidents, Academic Affairs

Vice Presidents, Student Affairs

Executive Facilities Officers

Directors of Facilities Operations

Directors of Planning, Design and Construction

Energy Managers

Financing & Treasury Managers

Sustainability Officers

CPDC Planners

Facility Planners

Robert Eaton, Assistant Vice Chancellor, Financing & Treasury/Risk Management,
CSU Office of the Chancellor

Elvyra F. San Juan, Assistant Vice Chancellor, Capital Planning, Design and Construction,
CSU Office of the Chancellor

Paul Gannoe, Chief of Planning and Design, CSU Office of the Chancellor

SCHEDULE OF SUBMISSIONS and PROCESS CALENDAR

This schedule identifies the development milestones and reflects the iterative process used to develop the facilities budget requests and Five-Year Plan.

January 10, 2023	Governor's Budget proposed for 2023-24.
March-June 2023	Legislative Committee hearings on the 2023-24 budget.
<u>March 1, 2023</u>	Campuses submit their Phase 1 Submittal , including 2024-25 Form 1-1 and project proposals for major debt-financed projects. Submit self-support program financial plans to Financing & Treasury as appropriate.
March 30, 2023	CPDC* submits to Presidents proposed project revisions and plan comments.
March 30, 2023	Financing & Treasury reviews campus financial plans for projects submitted by March 1.
<u>May 5, 2023</u>	Campuses submit Phase 2 Submittals including revised projects (major debt-financed) and capital and infrastructure improvements and deferred maintenance projects.
Summer/Fall 2023	Campus site visits by Department of Finance (DOF) and other state entities.
June 19, 2023	CPDC submits Preliminary Five-Year Plan Agenda item to Executive Vice Chancellor.
July 1, 2023	Final 2023-24 Budget Act confirms the support budget funding.
July 11-12, 2023	Board of Trustees considers Preliminary Five-Year Plan.
August 4, 2023	Campuses identify edits to Preliminary Five-Year Plan and related project documents.
August 4, 2023	Financing & Treasury approves campus final financial plan for projects to be funded by bonds, including auxiliary projects, for the 2024-25 action year.
August 4, 2023	Projects that require approval of the Land Development Review Committee review (for the Board of Trustees to consider initial concept) should be completing the review process.
August 4, 2023	CPDC submits Preliminary Five-Year Plan to Legislature/DOF.
August 18, 2023	CPDC completes final edits to project proposals and Five-Year Plan considering campus comments.
August 18, 2023	CPDC submits Final Five-Year Plan Agenda item to Executive Vice Chancellor.
Sept. 12-13, 2023	Board of Trustees approves the 2024-25 Five-Year Plan.
October 6, 2023	CPDC submits the final budget request and project proposals to Legislature/DOF.
January 10, 2024	Governor's Budget proposal for 2024-25.
February 1, 2024	DOF provides preliminary list of 2024-25 approved CSU projects to the Legislature.
March-June 2024	Legislative Committee hearings on the 2024-25 budget.
April 1, 2024	DOF submits final list of 2024-25 approved CSU projects to the Legislature.

MAJOR CAPITAL OUTLAY PROGRAM LIST OF SUBMITTALS

Contents of the Capital Outlay Budget Change Proposals (COBCPs) for projects proposed in the Five-Year Plan should be supported by the following information.

ALL SUBMITTALS MUST USE THE FORMS CURRENTLY AVAILABLE ON THE CPDC WEBSITE.
Several forms have been modified from previous versions; all CPDC forms specify a revision date.

I. [CPDC Form 1-1](#)

Summary of all projects in the Five-Year Plan, including:

- Deferred Maintenance – Facility Renewal and Critical Infrastructure
- Capital and Infrastructure Improvements
- Academic Projects
- Self-Support / Other Projects

II. ACADEMIC / STATE FUNDED PROJECTS

Projects in Action Year

- **Feasibility Study**
- [CPDC 1-4](#): Project Description
- [CPDC 1-4.5](#): Greenhouse Gas (GHG) Emissions Worksheet
- [CPDC 2-1](#): Full-Time Equivalent Enrollment Distribution
- [CPDC 2-2](#): Enrollment Distribution by Level and Category of Instruction
- [CPDC 2-3](#): Calculation of Space Requirements for Instructional Projects
- [CPDC 2-4](#): Summary of Space Requirements for a Building
- [CPDC 2-7](#): Capital Outlay Estimate
- [CPDC 2-9](#): Space Calculation for Library

Projects in Years 2 through 5

- [CPDC 2-11](#): Academic Program and Self-Support Out-Year Project Worksheet
- [CPDC 1-4.5](#): Greenhouse Gas (GHG) Emissions Worksheet

Deferred Maintenance and Capital and Infrastructure Improvement Projects (all years)

- [CPDC 2-10](#): Deferred Maintenance and Capital & Infrastructure Improvements Worksheet
- For projects generally not more than \$10 million.

III. SELF-SUPPORT FUNDED PROJECTS

Projects being proposed should include the following information:

Required For All Projects

- [CPDC 2-11](#): Academic Program and Self-Support Out-Year Project Worksheet
- [CPDC 1-4.5](#): Greenhouse Gas (GHG) Emissions Worksheet
- **Project Financial Plan (submitted to Financing & Treasury)**
 - **Funding Source/Pro Forma**

A preliminary 10-year financial plan projection (with an additional two years of actuals) indicating self-support program that will fund the project with revenues, expenditures, reserves, etc., included in the financial plan. Draft plans and project cash flow projections due to Financing & Treasury with COBCPs for projects in the action year. Please contact Financing & Treasury, Rosa H. Renaud, for questions and assistance.