

Capital Project Priorities



Discussion of the Capital Investment Workgroup of the Commission to Develop a Maryland Model of Funding Higher Education

June 10, 2008

Three Drivers of Capital Budget

- Program / enrollment
- Physical deterioration
- Outside influences

Goals

- Durable
- Balanced over the long-term



Definition: Project Priority

- The position (year) of a project within the capital funding queue relative to other projects within the queue.

Capital Budget “Climate”

- Multiple requests competing for Limited funds



Balanced Approach

Technical



Collaborative

Process must be

- Transparent
- Consistent



3 Levels of Capital Priorities

- Annual (Asking Year)
- Governor's 5-Year CIP
- Regents' 10-Year CIP

Asking Year

- Logical project progression



Governor's 5-Year CIP

- Established queue
- Effective approach
- Consistent
- Regents intent: Honor the Queue



Regents 10-Year CIP

- Focus on yrs 6-10 and beyond
- Incorporate Governor's CIP
- Establish funding targets
- Consistency (adjustments to queue)



Focus on Regents 10-Year CIP

Three step process

1. Select an appropriate pool
2. Place in tentative priority
3. Review, modify, confirm



1. Select Candidate Projects

- Consistent with Regents initiatives
- Priority in facilities master plan
- Clearly documented need

Result:

Pool of justified projects for consideration



2. Place in Tentative Priority (year)

- Begin with previous 10-Yr CIP
- Requests prioritized by institution
- Board respects those priorities
- Board (staff) integrates these priorities
- Priorities relative (e.g., paired rankings)

Result:

Working Draft designed to
facilitate discussion



3. Review, Modify, Confirm

- Collaboration key to success
- Working draft flexible by design
- Involves multiple cycles of
 - Presentation
 - Review
 - Comment
 - Discussion
 - Debate
 - Revision
 - Presentation (etc.)



3. (continued)

Major Review Milestones

March	Institution Submissions
April	Review outcome of FY09 CIP (Presidents, VPs)
May	Initial Draft to Presidents, VPs and Staff
May	Feedback from Presidents
May	Capital Budget Workshop (Regents, Chancellor and Presidents)
May	Follow-up discussion with VPs
June	Follow-up discussion w/Presidents, VPs
June	Regents' Finance Committee (including Presidents feedback)
June	Board of Regents (Vote)

Result:
Ten-Year Capital Program

