



# **Prioritization Process for Capital Construction Budget Requests 2017-2019 Biennium**

March 10, 2016 Revision

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**COORDINATING COMMISSION FOR POSTSECONDARY EDUCATION**  
**PRIORITIZATION PROCESS FOR CAPITAL CONSTRUCTION BUDGET REQUESTS**

**Table of Contents**

---

INTRODUCTION ..... 2

CRITERION NO. 1: STATEWIDE FACILITIES CATEGORY RANKING..... 4

CRITERION NO. 2: SECTOR INITIATIVES ..... 6

CRITERION NO. 3: INSTITUTIONAL STRATEGIC AND LONG-RANGE PLANNING ..... 8

CRITERION NO. 4: IMMEDIACY OF NEED..... 10

CRITERION NO. 5: QUALITY OF FACILITY..... 12

CRITERION NO. 6: AVOID UNNECESSARY DUPLICATION ..... 14

CRITERION NO. 7: APPROPRIATE QUANTITY OF SPACE ..... 16

CRITERION NO. 8: STATEWIDE ROLE AND MISSION ..... 18

CRITERION NO. 9: FACILITY MAINTENANCE EXPENDITURES..... 20

CRITERION NO. 10: ONGOING COSTS ..... 22

OTHER PRIORITIZATION CONSIDERATIONS: ESSENTIAL SEQUENCING OF MULTIPLE  
INDIVIDUAL BUDGET REUQUESTS..... 23

DEFINITIONS:..... 24

## INTRODUCTION

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The Coordinating Commission for Postsecondary Education is statutorily responsible to develop from a statewide perspective a unified prioritization of individual capital construction budget requests for which it has recommended approval and submit such prioritization to the Governor and the Legislature for their consideration. In establishing its prioritized list, the Commission may consider and respond to the priority order established by the Board of Regents or the Board of Trustees in their respective capital construction budget requests.

The following pages outline the Commission's process for establishing the sequential order for financing University of Nebraska, Nebraska State College System, and Nebraska College of Technical Agriculture capital construction requests. The process reflects the Major Statewide Facilities Goal in the *Comprehensive Statewide Plan for Postsecondary Education*:

“Nebraskans will advocate a physical environment for each of the state’s postsecondary institutions that supports its role and mission; is well utilized and effectively accommodates space needs; is safe, accessible, cost effective, and well maintained; and is sufficiently flexible to adapt to future changes in programs and technologies.”

**Individual capital construction budget requests will be considered for this prioritization list only after prior approval of the institution’s governing board and the Commission (as required), and only if the institution is requesting State funding through the biennial budget request process. In addition, the Commission’s capital construction budget recommendations and prioritization will identify any other project eligible for State funding that has been previously approved by the Commission, and for which governing boards are not requesting State funding in their current capital construction budget request.**

The prioritization process involves the use of ten weighted criteria. The percentage resulting from these criteria’s cumulative point total establishes the recommended funding order of individual capital construction budget requests. The following outline provides a synopsis of each criterion, including the maximum point total for each. Individual criteria are explained in greater detail within this document.

### **1. Statewide Facilities Category Ranking**

The Commission will determine statewide ranking of broad facilities request categories as part of a continual evaluation of the State's needs.

30 points

### **2. Sector Initiatives**

Governing boards may designate initiatives that promote immediate sector capital construction needs for the coming biennium.

10 points

### **3. Institutional Strategic and Long-Range Planning**

Governing boards may display the need for individual capital construction requests through institutional strategic and long-range

10 points

planning.

- |   |           |
|---|-----------|
| <b>4. Immediacy of Need</b>   | 10 points |
| Urgency of need for a capital construction request will be considered.  |           |
| <b>5. Quality of Facility</b>   | 10 points |
| The condition and function of a program or service's facility(s) will be considered in the development of priorities.   |           |
| <b>6. Avoid Unnecessary Duplication</b>   | 10 points |
| Unnecessary duplication will be evaluated in this process by reviewing the ability to increase access and/or serve a valid need while avoiding unnecessary duplication. |           |
| <b>7. Appropriate Quantity of Space</b>   | 5 points  |
| An institution can show how a capital construction request provides an appropriate quantity of space for the intended program or service.                               |           |
| <b>8. Statewide Role and Mission</b>  | 5 points  |
| Broad statewide role and mission categories will be considered.   |           |
| <b>9. Facility Maintenance Expenditures</b>   | 5 points  |
| Ability of an institution to maintain its existing facilities is considered.  |           |
| <b>10. Ongoing Costs</b>  | 5 points  |
| Potential long-term costs (or savings) associated with a capital construction budget request will be considered.  |           |

## CRITERION NO. 1: STATEWIDE FACILITIES CATEGORY RANKING

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**Maximum Possible Points:** 30 points

### Process for Awarding Points:

This criterion ranks the types of facilities request categories based on the Commission view of overall statewide needs. The table that follows lists statewide priorities for broad capital construction categories used in developing capital construction budget requests. The Commission places a high priority on the safety of facility occupants and maintaining the State's existing physical assets.

<b>Facilities Category Rankings</b>		
<b>LB 309 Task Force for Building Renewal Classifications*</b>	<b>All Other Types of Facilities Request Categories</b>	<b>Max. Points</b>
Fire & Life Safety - Class I		30 pts.
Deferred Maintenance - Class I	or	Partially-funded Requests
Amer. w/ Disabilities Act - Class I or Energy Conservation - Class I	or	24 pts.
Fire & Life Safety - Class II	Instructional Tech. & Telecom.	21 pts.
	Master Planning/Programming or Renov./ Remdl./Replacement or Infrastructure Repair/Replacement	18 pts.
	Infrastructure Expansion	15 pts.
Deferred Maintenance - Class II	or	New Construction or Land Acquisition - Program Needs
Energy Conservation - Class II		9 pts.
Amer. w/ Disabilities Act - Class II		6 pts.
	Land Acquisition - Future Expansion	3 pts.

\* Definitions of Task Force for Building Renewal classifications are included at the end of this document.

Individual capital construction budget requests that include combinations of two or more of the listed categories will be weighted to attain an average point total. The Commission will only weight multiple categories in a request when each category comprises a minimum of

5% of the request. The weighting of requests will use square foot comparisons where possible, with an institution's cost estimate used as an alternate method when necessary. For example, if one-third of a renovation request addresses Fire & Life Safety - Class I needs, then the request would receive 10 points (1/3 of 30 pts.) for its fire & life safety component and 12 points (2/3 of 18 pts.) for its renovation component for a total of 22 points. It is the institution's responsibility to inform the Commission of requests that may receive points from two or more categories and to provide supporting information. Possible sources for identifying this information may include the LB 309 Budget Requests, program statements, or institutional capital construction budget request forms.

Partially funded requests will be defined as follows: Individual capital construction requests previously approved by the Commission that have received partial funding (including appropriations from the Legislature and confirmed grants or pledges) for design and/or construction within the past two years. The Commission places a high priority on completing projects to prevent disruptions in programs or services. A high priority is also placed on approved capital construction budget requests with substantial amounts of alternate funding available.

Requests that qualify for the partially funded classification will be weighted based on the percentage of the request that is partially funded to attain an average point total. For example, a new construction request approved by the Commission with 50% of the design or construction funds pledged by a donor would receive half the weighted points for this criterion from the partially funded category and half from the new construction category.

Replacement space will be defined as follows: Replacement of a program or service's existing space with new construction, or relocation and renovation, due to the insufficient quality of its existing space. The request includes removal of the program or service's existing space by demolition or sale. The need for replacement space may be appropriate when it is more economically feasible than renovation. Additional functional issues that are considered in the decision whether to renovate or to replace would include: net-to-gross square footage ratios, actual useable space, floor-to-floor height needs, flexibility of floor plans, utility service needs, etc.

### **Comments and Possible Future Refinements to the Process:**

The Commission will review these broad statewide facilities category rankings at the beginning of each biennial budget cycle. Changes in the postsecondary education environment such as enrollment or budgetary fluctuations, governmental mandates, and technological advances will have a significant impact in establishing the priority needs of the State's public postsecondary institutions.

## CRITERION NO. 2: SECTOR INITIATIVES

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**Maximum Possible Points:** 10 points

### Process for Awarding Points:

This criterion allows each sector to identify programmatic initiatives related to capital construction budget requests that are a high priority to the institution and the State. The need for a facility cannot be determined solely on how much space an institution requires or the facility's condition. Facilities should also be evaluated on the basis of whether they address strategic initiatives for postsecondary education or respond expeditiously to meet Nebraskans' educational, economic, and societal needs. Evaluation must also be concerned with meeting the qualitative requirements of programs. This criterion allows each sector to identify its immediate or short-term initiatives that relate to capital construction. A "sector initiative" should result in the identification of clearly focused requirements. It is not intended to identify broad sector role and mission assignments as identified in statutes.

The following table provides the method for distribution of points for each capital request:

Sector Initiatives	Max. Points
The request promotes a designated "sector initiative"	10 pts.

No one request may earn more than the maximum ten points. Governing boards that would like Commission consideration for this criterion should identify "sector initiatives" in their capital construction budget request to the Governor, Legislature, and Commission. These designations must be limited to no more than three initiatives for the University of Nebraska System and no more than two initiatives for the Nebraska State College System.

Points will not be awarded to or counted against Nebraska College of Technical Agriculture at Curtis (NCTA) requests. Unlike other University campuses, NCTA submits a separate capital construction budget request to the Governor, Legislature, and Commission. NCTA is a small campus that generally submits few requests in its capital construction budget request. By excluding NCTA requests from this criterion, it prevents penalizing any institutional requests.

Governing boards may designate "sector initiatives" to promote issues they determine are a priority for the coming biennium. The following examples are provided for illustrative purposes only:

- 1) Designating a specific academic program or service offered by one or more institutions within a sector;

- 2) Designating a college or school within an institution or sector;
- 3) Designating a specific research, public service or support area at one or more institution; or
- 4) Designating system-wide initiatives such as classroom or class laboratory improvements, enhancing instructional technology, or addressing the deferred maintenance backlog on campuses.

Initiatives may be used to enhance specific instructional capabilities, improve economic development for the State, or provide better service to Nebraska residents. The only restriction to be placed on these designations is that they cannot be so broad as to incorporate a sector's role and mission assignment, such as general improvements to instruction, research, or public service.

The Commission will award points to requests containing a "sector initiative" based on the percentage of space or funding that relates to the designation. For example, if half a renovation request's space is for a college designated as a "sector initiative," then that request would receive five points.

**Comments:**

Inclusion of this criterion allows governing boards to inform the Governor, Legislature, and Commission of "sector initiatives" involving institutional programs or services that will affect capital construction needs for the coming biennium. This criterion incorporates institutional strategic issues affecting capital construction into the priority process.

## CRITERION NO. 3: INSTITUTIONAL STRATEGIC AND LONG-RANGE PLANNING

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**Maximum Possible Points:** 10 points

### Process for Awarding Points:

This criterion quantifies the degree to which an individual capital construction budget request supports the institutional Strategic Plan and Comprehensive Facilities Plan. Postsecondary education must take a long-range view of its facilities needs and create a vision of the institution's direction, mission, array of programs, and physical facilities. The Commission recognizes existing institutional strategic and long-range planning efforts and encourages continued planning by institutions and governing boards. Strategic and long-range planning is one tool that enables institutions to meet such objectives as promoting access to education, improving the economic development potential for Nebraska, and improving our quality of life. Therefore, all capital construction budget requests that conform with existing governing-board-approved plans may receive up to six points as shown in the table below. Additional points may be allocated based on the inclusion of other critical planning elements.

<b>Institutional Long-range Planning</b>	<b>Points</b>
The request is in compliance with governing-board-approved Strategic Plan and Institutional Comprehensive Facilities Plan submitted to the Commission	6 pts.
The governing-board-approved Strategic Plan identifies major external and internal environmental trends, forecasts, and assumptions that affect the capital construction budget request's program or service	2 pts.
A clear link is shown between the program or service's direction and needs in both the Strategic Plan and Institutional Comprehensive Facilities Plan	2 pts.
<b>Sum of points allocated for institutional long-range planning</b>	<b>10 pts.</b>

External and internal environmental trends, forecasts, and assumptions may include such determinates as key social, demographic, educational, economic, and technological issues affecting an institution's programs and services. Trend data and analysis should go back an appropriate length of time. Forecasts should similarly cover an appropriate length of time to adequately implement strategies in the Institutional Comprehensive Facilities Plan.

An institution's Strategic Plan is the driving force through which its goals are articulated. Any capital construction budget request should not only be justified through the Institutional

Comprehensive Facilities Plan, but should also be linked to the overall direction that the institution moves toward in the Strategic Plan.

**Comments:**

Inclusion of this criterion allows for significant participation by the institutions and governing boards in identifying institutional direction.

## CRITERION NO. 4: IMMEDIACY OF NEED

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**Maximum Possible Points:** 10 points

### **Process for Awarding Points:**

This criterion quantifies the degree of immediacy of need for individual capital construction budget requests. The number of capital construction budget requests has always exceeded the ability of the Legislature to fund them. Therefore, requests intended to meet existing needs of a program or service versus projected needs will be given priority. Those requests that would have an immediate impact on unmet programmatic or service needs, or designated statewide initiatives will also be given priority.

The following table provides the method for distribution of points for each individual capital construction budget request:

<b>Degree of Need</b>	<b>Points</b>
Primarily meets short-term needs of program or service (<5 years)	8-10 pts.
Primarily meets mid-term needs of program or serv. (≥5 yrs. to 10 yrs.)	4-7 pts.
Prim. meets long-range needs of program or serv. (>10 yrs. to 20 yrs.)	1-3 pts.
Prim. meets needs of prog. or serv. past long-range needs (>20 yrs.)	0 pts.

This criterion is not intended to discourage proper planning and programming of facilities. The consideration of a program or service's future expansion needs will be recognized when appropriate. Points awarded in this criterion will focus on the primary reason an institution is requesting funding. The Commission recognizes that proper planning of a facility may require long-range expansion space to be incorporated into a request that primarily addresses short-term needs.

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## CRITERION NO. 5: QUALITY OF FACILITY

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**Maximum Possible Points:** 10 points

### Process for Awarding Points:

This criterion quantifies the degree to which the individual capital construction budget request provides a suitable quality physical environment. The quality of facilities available to a program or service can be measured in two areas:

- 1) By the condition of the primary or secondary structural and facility service systems (5 possible points); and
- 2) The functional layout of the facilities (5 possible points).

The following tables provide the method for distribution of points for each capital request:

Condition of Primary, Secondary and Service Systems	Points
Facility in poor condition (cost of repairs >10% of replacement value)	5 pts.
Facility in fair condition (cost of repairs >5% to 10% of facility replacement value)	3 pts.
Facility in good condition (cost of repairs >0% to 5% of facility replacement value)	1 pt.
Facility in excellent condition (cost of repairs is 0% of facility replacement value)	0 pts.

The condition of existing facilities will be determined based on the following sources:

- 1) A recent (within the last five years) *Facilities Audit Survey*;
- 2) *LB 309 Task Force for Building Renewal Budget Request*; or
- 3) Institutional or Commission staff estimates.

The cost of repairs should not consider alterations in room layout or other remodeling costs.

<b>Functional Layout of Space</b>	<b>Points</b>
Addresses inadequate flexibility or layout of existing space	2.0 pts.
Addresses accessibility deficiencies with existing space	1.0 pt.
Addresses inadequate utility services or infrastructure needs (including instructional technology needs) of program	1.0 pt.
Addresses insufficient fixed or specialized equipment needs of program	0.5 pts.
Addresses environmental problems with existing space (acoustical problems, poor illumination, etc.)	0.5 pts.
<b>Sum of points allocated for functional layout of space</b>	<b>5 pts.</b>

Planning and programming requests will be allocated points based on the perceived quality of the spaces where the program or service is presently located.

Points will not be awarded to or counted against LB 309 Task Force for Building Renewal or land acquisition requests.

## CRITERION NO. 6: AVOID UNNECESSARY DUPLICATION

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**Maximum Possible Points:** 10 points

### Process for Awarding Points:

Individual capital construction budget requests will receive the maximum points possible for this criterion if the request contains no unnecessary duplication of facilities. This criterion quantifies the degree to which a request increases access or serves valid needs while avoiding unnecessary duplication. The number of points deducted from the maximum allowed will be based on how much space related to a request constitutes unnecessary duplication.

Unnecessary duplication will not substantially increase access and/or serve valid needs. The Commission will consider unnecessary duplication in existing public and/or private facilities in Nebraska, neighboring states, or consortia such as the Midwestern Higher Education Commission Compact, which are reasonably accessible to the institution.

The following table provides the method for distribution of points for each capital request:

Amount of Unnecessary Duplication	Points
Request contains no unnecessary duplication	10 pts.
Request contains > 0% to 2% unnecessary duplication	8 pts.
Request contains > 2% to 5% unnecessary duplication	5 pts.
Request contains > 5% to 10% unnecessary duplication	2 pts.
Request contains >10% to 15% unnecessary duplication	1 pt.
Request contains >15% unnecessary duplication	0 pts.

### Comments:

This criterion allows the Commission to approve a generally needed request with a small amount of duplication. Minor amounts of unnecessary duplication are then addressed through this prioritization process.

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## CRITERION NO. 7: APPROPRIATE QUANTITY OF SPACE

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**Maximum Possible Points:** 5 points

### Process for Awarding Points:

This criterion quantifies the degree to which the individual capital construction budget request effectively accommodates space needs. The quantity of space proposed for a program can be justified by at least one of the following three methods:

- 1) Use of governing-board-adopted and/or externally mandated space or land guidelines;
- 2) Use of utilization reports; or
- 3) By requirements determined by professional planners.

The following table provides the method for distribution of points for each capital request:

<b>Justification for Quantity of Space Needs</b>	<b>Points</b>
Amount of space required for a program is justified by space or land guidelines as applicable	2 pts.
Amount of space required for a program is justified by utilization reports as applicable	2 pts.
Amount of space required for a program is justified by professional planners in the program statement when space or land guidelines do not apply to a particular type of space	1 pt.
<b>Sum of points allocated for quantity of space needs</b>	<b>5 pts.</b>

Space that does not easily conform to space or land guidelines or utilization reporting formats will not adversely affect the number of points allocated to a request. An example of a type of space that would not conform to both qualitative measures would be research laboratory space. Utilization reports for this type of space are not practical since research space is generally not shared. A request that included only research laboratory space would receive five points if it is verified by appropriate space guidelines and professional planners. The Commission will also consider the adaptability of existing space in renovation requests when comparing space guidelines with the amount of space proposed.

Fire & Life Safety, Deferred Maintenance, Code Compliance, and Energy Conservation requests will not be included in this criterion since they do not address an institution's space needs.

## CRITERION NO. 8: STATEWIDE ROLE AND MISSION

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**Maximum Possible Points:** 5 points

### Process for Awarding Points:

In determining priorities for individual capital construction budget requests, the Commission will consider the relative priorities of role and mission categories from a broad statewide perspective. The priorities are not intended to reflect any individual institution, but the overall role of these areas in meeting the needs of Nebraska residents.

The following table establishes broad statewide priorities for role and mission categories as it is reflected in each capital construction budget request:

Statewide Role and Mission Categories	Points
Undergraduate Instructional Space and Academic Support Space	5 pts.
Graduate or Professional Instructional Space; Student Support Space and Basic or Technology Transfer Research Space	4 pts.
Public Service Space and Applied Research Space	3 pts.
Administrative or Operational Support Space	2 pts.

Requests that include combinations of two or more of the listed categories will be weighted to attain an average point total. The Commission will only weight multiple categories in a request when each category comprises a minimum of 10% of the request. The weighting of requests will use square foot comparisons where possible, with an institution's cost estimate used as an alternate method when necessary. The following examples are provided for each category:

- Undergraduate Instructional Space - Includes classrooms, class laboratories, classroom service, class laboratory service, and faculty offices used to support undergraduate instruction.
- Academic Support Space - Includes space for learning or student assistant centers (includes tutoring services, study skills services, etc.), libraries, academic computing services, museums or galleries, educational media services, academic administration, etc.
- Student Support Space - Includes space for counseling and career guidance services, social and cultural centers, financial aid services, non-self-supporting intercollegiate athletics, student service administration, etc. The following self-supporting functions are excluded: dormitories or residence halls, student unions, student medical services, student auxiliary services (includes child care services, bookstores, etc.), recreational facilities, etc.

- Graduate or Professional Instructional Space - Includes classrooms, class laboratories, classroom service, class laboratory service, and faculty offices used to support graduate or professional instruction.
- Basic or Technology Transfer Research Space - Includes research laboratories, research laboratory service, and offices used to support all “organized research” as specified in the [Office of Management and Budget \(OMB\) 2 CFR, Part 220](#), including both “sponsored research” (sponsored by federal and non-federal agencies or organizations) and “university research” (institutional research and development separately budgeted by the institution under an internal application of institutional funds).
- Public Service Space - Includes space for direct patient care, community services, cooperative extension services, public broadcasting services, etc.
- Applied Research Space - Includes space for departmental research used for instructional improvement and research that is not separately budgeted by the institution per [OMB 2 CFR, Part 220](#).
- Administrative or Operational Space - Includes space for executive management, administrative computing services, student admissions or records, physical plant administration, facility maintenance services, custodial services, utility services, landscape or grounds services, central stores services, etc.

### **Comments and Possible Future Refinements to the Process:**

A review of the above priorities in the Commission's *Comprehensive Statewide Plan* confirms the Commission's statewide perspective of these role and mission categories.

Existing role and mission statutes for the University of Nebraska lists the following priorities in [Neb. Rev. Stat. § 85-942](#):

“It is recognized that as the state's land grant institution the University of Nebraska is engaged in instruction, research, and public service, and that these three parts of the university's mission are interdependent. However, when viewed in its entirety, the university's first priority will be undergraduate instruction, the university's second priority will be graduate and professional instruction and research, and the university's third priority will be public service.”

Existing role and mission statutes for the Nebraska state colleges lists the following priorities in [Neb. Rev. Stat. § 85-951](#):

“The state colleges, collectively and individually, will have as their first priority the provision of baccalaureate general academic, baccalaureate occupational, and baccalaureate professional degree programs in education. The colleges' second instructional priority will be master's programs in education and other areas authorized by the Legislature. Such colleges' third priority will be the continuation and development of applied research and public service activities. The colleges' fourth priority will be the awarding of the specialist degree in education.”

Similar to the first criterion regarding Statewide Facilities Category Ranking, this criterion should be reviewed on a biennial basis. Commission recommendations may involve statutory revisions.

## CRITERION NO. 9: FACILITY MAINTENANCE EXPENDITURES

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**Maximum Possible Points:** 5 points

### **Process for Awarding Points:**

This criterion quantifies the degree to which an institution supports well-maintained facilities using a formula based on dollars expended for facility maintenance as a percentage of the current replacement value (CRV) of an institution's state-owned and operated facilities. Dollars expended will be determined from the mean average of the most recently completed biennium as reported in the institution's biennial *Operating Budget Request* and Physical Plant Operations and Maintenance Summaries of the *Supplemental Forms* as follows:

- 1) Program Classification Structure (PCS) program number 707-Physical Plant Operations, sub-program summary number 72-Building Maintenance from each institution's biennial *Operating Budget Request* will be included;
- 2) The portion of PCS program 707, sub-program 76-Major Repairs and Renovations of each institution's biennial *Operating Budget Request* used for facility maintenance as reported in the Physical Plant Operations and Maintenance Summaries of the *Supplemental Forms* will be included. Institutions may be requested to identify the amount expended for facility maintenance projects within this sub-program by project and year;
- 3) The portion of departmental or administrative unit funds excluded from PCS sub-program numbers 72 and 76 used for facility maintenance as reported in the Physical Plant Operations and Maintenance Summaries of the *Supplemental Forms* will be included. University campuses will report departmental facility maintenance information from accounts 552630 - R&M Building and Other Structure and 553440 - Construction & Maintenance Supplies. Institutions may be requested to identify the amount expended for facility maintenance by administrative unit and year; and
- 4) Plant Fund Transfer Projects that are primarily (over 50%) facility maintenance projects as reported in the Physical Plant Operations and Maintenance Summaries of the *Supplemental Forms* will be included. Individual Plant Transfer Fund Projects will be identified in each institution's biennial *Operating Budget Request*. These Plant Fund Transfer Projects must be based on the facility maintenance definition in the Association of Higher Education Facilities Officers (APPA) study, *Facilities Performance Indicators*.

Current replacement value (CRV) of state-owned and operated facilities will be determined from the Statewide Facilities Database and institutional reports. The average CRV at an

institution will be determined for the same years from which the maintenance expenditures were taken, and will be verified with sector facilities representatives.

An institution's expenditures for facilities maintenance as a percentage of their current replacement value (CRV) of state-owned and operated facilities will be used to determine the number of points awarded. The following table provides the formula for the distribution of points for each capital request:

<b>Facility Maintenance Formula</b>	<b>Points</b>
Institution's facility maint. expenditures are $\geq 1.00\%$ of CRV	5.0 pts.
Institution's facility maint. expenditures are $\geq 0.95\%$ to $< 1.00\%$ of CRV	4.5 pts.
Institution's facility maint. expenditures are $\geq 0.90\%$ to $< 0.95\%$ of CRV	4.0 pts.
Institution's facility maint. expenditures are $\geq 0.85\%$ to $< 0.90\%$ of CRV	3.5 pts.
Institution's facility maint. expenditures are $\geq 0.80\%$ to $< 0.85\%$ of CRV	3.0 pts.
Institution's facility maint. expenditures are $\geq 0.75\%$ to $< 0.80\%$ of CRV	2.5 pts.
Institution's facility maint. expenditures are $\geq 0.70\%$ to $< 0.75\%$ of CRV	2.0 pts.
Institution's facility maint. expenditures are $\geq 0.65\%$ to $< 0.70\%$ of CRV	1.5 pts.
Institution's facility maint. expenditures are $\geq 0.60\%$ to $< 0.65\%$ of CRV	1.0 pt.
Institution's facility maint. expenditures are $\geq 0.50\%$ to $< 0.60\%$ of CRV	0.5 pts.
Institution's facility maint. expenditures are $< 0.50\%$ of CRV	0.0 pts.

Institutions that expend more than 2.2% (mid-point of a recommended range) of their total general and cash fund appropriation for facility maintenance, as averaged over the same period, will automatically receive 5 points for this criterion. This is intended to account for a reasonable effort by institutions to maintain their facilities based on available resources.

## CRITERION No. 10: ONGOING COSTS

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**Maximum Possible Points:** 5 points

### Process for Awarding Points:

This criterion quantifies the degree to which an individual capital construction budget request will affect ongoing operating and maintenance commitments for State tax funds. The following table provides the method for distribution of points for each capital construction budget request:

Ongoing Costs	Points
Eliminates state funding requirements for facilities operations & maintenance (O&M) costs through use of alternative funding sources or is an LB 309 Energy Conservation - Class I Request	5 pts.
Reduces the level of increased state funding requirements for facilities O&M costs through use of alternative funding sources or is an LB 309 Energy Conservation - Class II Request	4 pts.
Does not increase state funding requirements for facilities O&M costs	3 pts.
Justifiable request for increased state funded facilities O&M costs	2 pts.
Unjustifiable request for increased state funded facilities O&M costs	0 pts.

### Comments:

The Commission supports institutional initiatives to limit the incremental increase for state funding for new and renovated facility O&M costs. This criterion's intent is to maintain an awareness of future State funding obligations created by construction of additional institutional space. An incentive is provided to reduce future State funding obligations.

Examples of an unjustifiable request for increased state funded facilities O&M costs would include: 1) A request for state funds that exceeds the Commission's estimate for facilities O&M costs by more than 10 percent, or 2) a request for state funding for facilities O&M costs for a type of space that generally utilizes self-supporting or other non-tax funding sources as outlined in the *Statewide Facilities Plan*.

## OTHER PRIORITIZATION CONSIDERATIONS: ESSENTIAL SEQUENCING OF MULTIPLE INDIVIDUAL BUDGET REQUESTS

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**Comments:** Individual capital construction budget requests that require a phasing sequence with other requests in the Commission's prioritized list will be listed in the order required. An example of a phasing requirement would be a utility plant expansion request that would need to be completed before a new facility request could come on line due to insufficient existing utilities capacities. If the priorities established by the process stated in this document do not rank requests in the appropriate phasing sequence, then the individual capital construction budget request rankings will be revised accordingly. This will be accomplished by ranking all other requests involved in the phasing sequence behind the initial phase request. If the second phase request has a higher percentage point total, then it will be moved and ranked immediately after the first phase request. This rationale will continue for the third and subsequent phases.

## **DEFINITIONS:**

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### **Task Force for Building Renewal Budget Request Definitions and Classifications**

**FIRE/LIFE SAFETY:** Requests to correct or repair structural, mechanical, or other defects in a building or its components, or utility systems which endanger the lives or health of state employees or the general public. Such requests bring the facilities, components, or utility systems into compliance with current fire safety, life safety, and hazardous materials abatement requirements, and provide a safer structural environment. Requests for funding to provide fire/life-safety improvements are divided into two classes:

Class I Building or utility system changes/modifications which are required to rectify a situation where the health and well-being of the occupants of a building are immediately, directly, and clearly imperiled, or where local, state or federal code officials have determined certain fire/life-safety improvements are needed immediately in order to ensure the safety of building occupants or users.

Class II Other building changes/modifications which may be necessary to comply with fire/life safety codes and to avoid potential danger to the health and safety of the building occupants.

**DEFERRED MAINTENANCE:** Requests to repair structural or mechanical defects that would endanger the integrity of a building, utility system or their components or allow the unwanted penetration of a building or system by the outdoor elements. Requests for funding of deferred repair projects are divided into two classes:

Class I Items for immediate action to avoid unwanted penetration of a building by outdoor elements and to avoid costly damage to a building, utility system or their components. If these projects are not addressed, it could very possibly stop a program or a service from being achieved due to a building or utility system failure.

Class II Items of imperative need to correct problems that if neglected will quickly deteriorate further into Class I items or that must be done to provide efficient use of the facility or system.

**AMERICANS WITH DISABILITIES ACT (ADA):** Requests provide building and program accessibility for disabled and physically challenged individuals and bring a building into compliance with the 2010 ADA Standards for Accessible Design (2010 ADA). Requests should be limited to structural modifications to buildings or other requests normally handled through the capital construction process. Minor pieces of equipment, computer modifications, and other non-

capital items should be included in the operating budget request. Requests for funding to provide accessibility for the disabled and physically challenged are divided into two classes:

Class I Structural changes/modifications which have been clearly found to be necessary to comply with the 2010 ADA Standards for Accessible Design (2010 ADA) or which have been deemed necessary by physically challenged individuals in order to work or gain program access in a facility.

Class II Other structural changes or modifications which may be necessary to comply with Americans with Disabilities Act (ADA) federal law.

**ENERGY CONSERVATION:** Requests whose primary emphasis is the reduction of energy consumption by a building, utility system or their components. The objectives of the conservation request, along with financing options, should be included in requested projects. Requests for funding of energy conservation projects are divided into two classes:

Class I Items for immediate action to correct deficiencies creating excessive use of energy resources. Projects for which energy conservation measure funding applications have been or are planned to be submitted to the Nebraska Energy Office should be included in this category. Simple payback should be five (5) years or less.

Class II Items which if not addressed will create an additional strain on energy resources and which if accomplished would result in operating expenditure reductions. Simple payback should be five (5) to ten (10) years.

Source: Administrative Services – State Budget Division [Budget Instructions, 2015-2017 Biennium](#).