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**AGENDA**  
**BOARD OF REGENTS, COMMITTEE as a WHOLE**  
**(Facilities & Property Items)**  
**October 26, 2017**  
**SOWELA TCC – Regional Training Center – Lake Charles, LA**

**Appendix A**  
**BoR FY2018-19 Capital Outlay Budget Recommendation**

**III. CONSENT AGENDA**

Mr. Chris Herring, Assistant Commissioner for Facilities and Planning, reported on the Consent Agenda Small Capital Projects Report containing the small capital projects staff approved since the previous meeting:

**Small Capital Projects**

- a. **LSU A&M: Natatorium Toilet Suite Renovations, Baton Rouge, LA** - Louisiana State University A&M, Auxiliary Revenues \$300,000
- b. **LSU A&M: School of Veterinary Medicine Annex 193A – Cage Washer Renovations, Baton Rouge, LA** - Louisiana State University A&M, Operational Funds \$275,000
- c. **LSU A&M: Tiger Field Improvements 2017, Baton Rouge, LA** - Louisiana State University A&M, Auxiliary Revenues \$400,000
- d. **LSU A&M: Welcome Center Renovations, Baton Rouge, LA** - Louisiana State University A&M, Operational Funds \$350,000
- e. **LSU Ag Center: Warehouse Renovation for Food Incubator Bottling Line, Baton Rouge, LA** - Louisiana State University Agricultural Center, Self-Generated Revenues \$495,000

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#### **IV. Facilities & Property Policy Revision: Section 1.2.19**

The BoR frequently receives 3<sup>rd</sup> party projects that are simple in nature and typically involve the replacement of athletic facility surfaces, replacement of athletics related scoreboards and digital sound systems, along with minor facility renovations. Projects of this type do not issue debt to finance project delivery. A key component of this type of 3<sup>rd</sup> party project relates to project financing and the fact that these projects are typically done utilizing private donations, grant funding, etc. (i.e. funds are on hand when the project is initiated). These projects are usually time sensitive in terms of the targeted completion dates, and the start date can be delayed while awaiting BoR approval.

BoR staff recommends revising the BoR Facilities & Property (F&P) Policy to provide for approval of this type of project as a staff function - similar to the approval process for small capital projects. 3<sup>rd</sup> party projects approved via the revised F&P Policy would be reported back to the Board under the Consent Agenda during a subsequent Board meeting after the initial staff approval.

The criteria for approval will be determined by the funding source utilized, financing structure, and the type of MRA fund required (if applicable). Revising the F&P Policy to allow for staff approval of these types of 3<sup>rd</sup> party projects will expedite the delivery of said projects and institutions will no longer have to wait on an upcoming Board meeting to replace the artificial turf on the baseball infield, replace the scoreboard in the football stadium, etc.

Projects for which an institution and management board will be issuing debt to fund the project, and/or projects whereby an institution requests a reduction to the Maintenance Reserve Account (MRA) will continue to require Board approval.

#### **V. Board of Regents FY2018-2019 Capital Outlay Budget Recommendation**

Due to very few projects moving forward during the FY2017-18 funding cycle, the Board of Regents' FY2018-19 Capital Outlay Budget Recommendation (C.O. Rec.) used the project list submitted for the FY2017-18 cycle as a starting basis. There were few changes year to year with the exception of a few new emergency projects. For FY2018-19 there continues to be a focus on emergency projects, Major Repairs/Deferred Maintenance, the renovation of existing space, and

infrastructure improvement projects. However, there are a few requests for new construction under the “5 Year Plan” category as there are instances now where building a new facility is more economical than renovating an existing facility. With better economic times the goal is to construct certain new facilities. The need for new facilities on various campuses are based on the current condition of existing buildings, an institution’s master plan, and/or enrollment increases for a school as a whole or within various academic offerings. For the time being and as during the previous year, the renovation of existing space and adaptive reuse of facilities through functional modifications, infrastructure improvements, and mechanical/electrical/HVAC system upgrades remain viable in light of deteriorating facilities/systems across all campuses.

Chris Herring and Matt Adams conducted site visits to many institutions between August and late October. In addition to BoR staff and members, there was a great turnout from staff at the various management boards and legislators from an institution’s local delegation. The increased exposure allows for legislators to gain a better understanding of an institution’s capital outlay needs and see first-hand the condition of facilities in their districts. The site visits again validated the need to maintain Higher Education’s current facilities. Roofing system repairs and replacements continue to be a dire need across the state. The BoR will again seek funding for roofing and Major Repair/Deferred Maintenance needs in the current submission.

As required by law, institutions submitted project requests through their respective management boards who in turn prioritized the projects among all member institutions and forwarded the system request to staff. In addition, eCORTS documents were prepared and submitted by each system electronically for each project contained within their capital outlay request. Staff began with the projects recommended last year in order to maintain consistency from year to year, then modified the C.O. Rec. to update for any new or completed projects, etc. In some instances priorities changed, resulting in projects appearing lower in the BoR prioritization compared to FY2017-18 C.O. Rec., or projects were simply no longer requested by the management boards. The full BoR FY2018-19 C.O. Rec. is attached separately with this Executive Summary.

The BoR's FY2018-19 C. O. Rec. will be loaded separately in the Division of Administration's (DOA) electronic system and sent to the Office of Facility Planning and Control (FP&C) by the November 1<sup>st</sup> deadline.

**VI. Other Business**

There was no further business.