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To: Ithaca Campus College Officers and Division Finance Officers
From: Paul Streeter, Vice President for Budget and Planning
Date: September 23, 2019
Subject: Call for FY2021 Submissions for the Annual Capital Budget and Five-Year Capital Plan

I am writing to begin the FY2021 capital budget process with our annual call for capital project submissions. The specifics of the submission process are detailed below, but I want to highlight a change I have made within the Division to align work flow and responsibilities. This change should not have significant impact on your work, but I thought some explanation would be helpful as the primary points of contact for the annual submission process has changed.

The annual capital planning input process provides key data necessary for my Division to fulfill two primary responsibilities:

- Develop a realistic and accurate annual capital budget, and
- Conduct on-going capital planning to identify and understand capital needs and, where appropriate, help to define future capital projects working in partnership with Units and Facilities and Campus Services colleagues.

Please keep in mind, capital planning is related, but separate from capital budgeting. Our overall objectives remain as they have in the past, and include:

- Implementing appropriately scaled planning for capital needs to size scope and budget for projects early in development;
- Establishing a prioritized list of needs that can shape the plan and planning decisions in future years, and
- Improving alignment of funding resources with priority needs.

The change I have made is to shift the lead responsibility for managing the annual capital submission process from Mary-Lynn Cummings, Director of Capital and Space Planning, to Davina Desnoes, Assistant Vice President and University Budget Director. Since the primary immediate use of the submitted data is to formulate a one-year and five-year capital budget, I'm shifting the lead responsibility to align with this purpose.

Davina will take the lead on managing the annual capital submission process through the Longview Capital Planning Tool (CPT). Courtney Leckey, Financial Specialist in the Budget Office, will work closely with Davina in this effort. The objective of the submission process is to capture necessary information for current and anticipated projects that will have expenditures in FY2021 as well as future capital projects expected to begin within the next 5 years. The Budget Office will use this information to build the initial draft FY2021 capital budget as well as five-year budget projection.

Mary-Lynn will continue to lead our capital planning efforts, and remains the point person in the Division to discuss current and emerging capital needs as well as discussions around scope and scale of potential and planned capital projects.

Again, I don't expect that this change will have a significant impact on your work, but since the point of contact for the submission process is changing I wanted to provide some context.

Annual Capital Budget Submission details are below:

The Longview Capital Planning Tool (CPT) will be open for approximately 4 weeks starting on Monday, September 23, 2019, closing *Friday, October 18, 2019*. During this time Colleges and Units are encouraged to submit capital needs and projects into Longview CPT which will inform the development of the FY2021-FY2025 five-year capital plan and FY2021 one-year capital budget with associated five-year spending.

For the FY2021 submission, units are asked to 1) review and modify those items already included in Longview CPT; 2) enter any newly identified needs and projects; and 3) prioritize the full list of unit needs and projects.

Any needs or projects already entered into the Longview CPT in past years remain in the system and do not need to be re-entered, although many may require updated descriptions, schedules, or budgets if the unit intends to keep them active.

The FY2021 five-year plan will continue to focus on strategic renewal and will be guided by the following principles and criteria:

- Program needs should be met through the re-use and redevelopment of existing space without the addition of net new space.
- Plans and projects should consider synergies and coordination between needs and resources, including addressing maintenance and renewal needs.
- Needs and projects may be submitted with undefined funding plans for capital, operating, and renewal costs. Need identification and prioritization begins an important conversation that can then resolve funding concerns.

Gauges of importance to keep in mind are health, life safety, risk reduction, compliance, asset protection, critical maintenance, cost savings/avoidance, and select "mission critical" programmatic and infrastructure improvements.

Please don't hesitate to contact Davina Desnoes (dad327) or Courtney Leckey (cml73) should you have an urgent question or issue that may delay your unit submission processes.

Specific Instructions for Capital Plan Submissions

All capital needs and projects with an estimated budget of \$250,000 or greater should be entered into Longview CPT. Note: We are no longer collecting capital leases through Longview CPT.

All anticipated capital spending activity for FY2021 that will be funded by the operating budget will need to be clearly identified and funded in the FY2021 operating plan. The University Budget Office will provide drafts of the FY2021 one-year capital budget with associated five year spending with the operating budget planning assumptions in early February.

All projects should include a total project budget, using an estimate if the total is not currently firm. If the funding source is not yet identified or only partially identified, then the amount of the uncertain budget amount should be entered under "Third Party Developer" as the source. A note should also be added to the description field that indicates that some or all of the funding sources are TBD.

Debt is not available as a funding source in FY2021 except for those projects explicitly identified by the Provost. Future availability of debt remains uncertain, so debt should not be entered as a funding source for any future year. In such cases where a project may need to rely on debt for some or all of the total project budget, that amount the unit wants to apply to debt should be entered under "Third Party Developer" as noted above.

Technical Resources:

- Questions regarding Longview CPT functionality, including any technical problems, should be sent to cp-help@cornell.edu.
- Information about Longview CPT, including the user guide, upcoming training and workshop sessions, and links to FY2020 reports can be found at:
<http://dbp.cornell.edu/home/offices/capital-budget-integrated-planning/capital-planning/longview-for-capital-planning/>.

Units should submit planned capital activity into Longview CPT **no later than 5 pm, October 18, 2019**. The capital budget planning team will review submissions and reach out to units as needed.

cc: R. Burgess
ML. Cummings
D. Desnoes