

A Review of the University Master Planning Process for Capital Outlay Projects

CONCLUSION: PEER defined university capital outlay projects as projects with a cost of at least \$50,000. Projects may include sidewalk repair/replacement, building demolition, repair/renovation projects, significant maintenance projects, and planning for and constructing a new building. Each university is responsible for identifying its own methods for best assessing the needs and capacity of its facilities and determining the extent to which its facilities are utilized by the university as a whole. PEER determined no single entity tracks expenditures for university capital outlay projects, although DFA attempts to track components of the state's capital outlay project expenditures. To ascertain the total state expenditures for university capital outlay projects, one must survey each of the state's eight public universities as well as the University of Mississippi Medical Center. This lack of information impedes the Legislature from determining the full scope of funding for university capital outlay projects when making funding decisions.

Background:

According to APPA (formerly the Association of Physical Plant Administrators), campus master plans guide the physical development needed to support the mission and strategic plan of an institution of higher education. According to Section 903A of the IHL Board of Trustees *Policies and Bylaws*, universities must submit updated master facilities plan (i.e., campus master plans) every ten years to the IHL Office of Real Estate and Facilities for review and approval.

DFA reported it does not play a role in the development or oversight of campus master plans. However, DFA does utilize a process outlined in statute and the DFA *BOB Manual* to annually evaluate capital needs and report its recommendations to the Legislature.

Total Number of Authorized General Obligation Bond Projects for University Capital Outlay Projects, by Project Type, 2016 to 2021 Legislative Sessions

Institution	New Construction	Repair & Renovation	Total Bond Projects
Alcorn State University	2	4	6
ASU-Division of Agriculture	1	2	3
Delta State University	0	7	7
Jackson State University	2	6	8
Mississippi State University	3	0	3
MSU-Division of Agriculture, Forestry, and Veterinary Medicine	2	3	5
Mississippi University for Women	1	4	5
Mississippi Valley State University	0	5	5
University of Mississippi	2	1	3
University of Mississippi Medical Center	0	5	5
University of Southern Mississippi	1	6	7
USM-Gulf Coast Campuses	1	2	3
Total	15	45	60
Percentage	25%	75%	100%

Total General Obligation Bonds Authorized for University Capital Outlay Projects, by University, 2016 to 2021 Legislative Sessions

Institution	Amount (\$)	Percentage
Alcorn State University	31,845,000	7.2%
ASU-Division of Agriculture	4,275,000	1.0%
Delta State University	34,062,500	7.7%
Jackson State University	34,750,000	7.9%
Mississippi State University	59,320,000	13.5%
MSU-Division of Agriculture, Forestry, and Veterinary Medicine	44,095,000	10.0%
Mississippi University for Women	35,210,000	8.0%
Mississippi Valley State University	33,755,000	7.7%
University of Mississippi	70,850,000	16.1%
University of Mississippi Medical Center	45,180,000	10.2%
University of Southern Mississippi	37,550,000	8.5%
USM-Gulf Coast Campuses	9,700,000	2.2%
Total	\$440,592,500	100.0%

Funding Sources for University Capital Outlay Projects

State Funding:

- General Obligation Bond Funds
- Capital Expense Fund

Non-State Funding:

- Institutional Funds (including Self-Generated Funds)
- Grant Funds
- Private Funds
- Public-Private Partnership
- Educational Building Corporation Bonds

Planning for University Capital Outlay Projects

IHL Board Policy 903A requires universities to update the master plan every 10 years, but does not specify minimum criteria to include.

According to the IHL Office of Real Estate and Facilities, each university is responsible for identifying its own methods for best assessing the needs and capacity of its facilities and determining the extent to which its facilities are utilized by the university as a whole. University methods for conducting needs assessments and tracking campus space utilization vary.

The IHL Board of Trustees approves projects greater than \$1 million, while authority for projects \$1 million or less is delegated to universities, except in certain occasions (e.g., building name, demolition).

IHL and DFA's Process for Developing Funding Recommendations for Capital Outlay Projects

DFA utilizes a process outlined in MISS. CODE. ANN. § 31-11-27 (1972) and the DFA *BOB Manual* to evaluate capital needs and make funding recommendations to the Legislature.

IHL utilizes its internally developed 4-Year Bond Plan to make funding recommendations to the Legislature.

No Single Entity Tracks Expenditures for University Capital Outlay Projects

PEER determined no single entity tracks expenditures for university capital outlay projects, although DFA attempts to track components of the state's capital outlay project expenditures. This lack of information impedes the Legislature from determining the full scope of funding for university capital outlay projects when making funding decisions.

To ascertain the total state expenditures for university capital outlay projects, one must survey each of the state's eight public universities as well as the University of Mississippi Medical Center. Total funding for university capital outlay projects from FY 2016 to FY 2021 was \$1,322,990,778, including approximately \$431 million in state funds and \$892 million in non-state funding.

Recommendation

1. In order to better inform the Legislature regarding capacity and resource allocations, which inevitably contribute towards the universities' master planning efforts, the Legislature should require the IHL Board of Trustees to provide information regarding the full scope of funding for university capital outlay projects.

The Legislature should require the IHL Board of Trustees, in conjunction with the eight universities and UMMC, to develop a mechanism to compile existing data sources (e.g., DFA BOB BRICKS database on state-funded projects, IHL records for Board-approved projects greater than \$1,000,000) and annually report to the Legislature the following:

- a. Cumulative expenditure totals for university capital outlay projects for each institution, by revenue source (e.g., bond funding, capital expense funds, self-generated funds);
- b. Total number of university capital outlay projects by kind of capital outlay (i.e., number of new construction projects, repair and renovation projects, and planning projects); and,
- c. Category of university capital outlay projects by type of facility (e.g., residence hall, athletic facility, administrative/university support facility, classroom/academic facility, etc.).