

NYAPPA Winter Conference

February 4, 2025



State University
Construction Fund

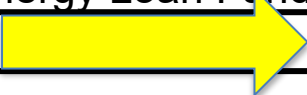
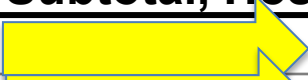
CAPITAL BUDGET



STATE UNIVERSITY OF NEW YORK

2023 through 2026 ENACTED / EXECUTIVE CAPITAL BUDGETS

IN MILLIONS

Program	2023/24 Enacted	2024/2025 Enacted	2025/26 Executive
Educational Facilities			
- Critical Maintenance	\$650.0	\$550.0	\$550.0
- Building Enhancements & New Construction	470.0	160.0	-
- Research Facility Improvements	200.0	-	200.0
- Green Energy Loan Fund	-	-	25.0
 Subtotal, Educational Facilities	1,320.0	710.0	775.0
Hospitals			
- Maintenance & Initiatives	150.0	150.0	150.0
- Downstate University Hospital (for modernization and revitalization)	-	-	450.0
- Downstate University Hospital (for construction and equipment)	-	-	5.0
- Upstate University Hospital (for modernization and revitalization)	-	-	200.0
Subtotal, Hospitals	150.0	150.0	805.0
Residence Halls, Pay-as-you-go Capital 	75.0	75.0	100.0
Community Colleges, 50% State Share 	106.0	138.2	130.5
TOTAL	\$1,651.0	\$1,073.2	\$1,810.5

NOTES:

The 2025/26 Executive Capital Budget recommends reauthorization of all available prior year appropriations, totaling \$5.9B for SUNY's capital programs.

\$1.0B in appropriations for the Hospital Safety Net Hospital Transformation Program.

\$1.0B provided under Miscellaneous Funds for a Sustainable Future Program. Further research will be required to determine applicability to SUNY campuses.

Hospital Capital Funding Notes

Downstate Community Advisory Board was created to develop a transformational plan for a sustainable Downstate University Hospital

Downstate University Hospital, 2024 funding for modernization and revitalization	\$300.0
Downstate University Hospital 2025 funding for modernization and revitalization	\$450.0
TOTAL	\$750.0
Upstate Medical Center 2025 funding for design, planning, and construction to expand emergency department and operating room capacity, and modernize/upgrade the burn unit	\$200.0
TOTAL	\$200.0
No hospital debt service relief in 2025; prior year debt relief support was \$65.4M	
TOTAL	\$0.0

2025/26 Executive Budget, Educational Facilities



RESTRICTED:

**SUBOA ALLOCATION
TO CAMPUS**

Existing facilities

RESTRICTED:

FUND-DISTRIBUTED

**High priority critical maintenance
existing facilities**

LESS RESTRICTED:

FUND-DISTRIBUTED

**New construction, additions,
or existing facilities**

Capital Projects Funds - Other
Capital Projects Fund - 30000
Preservation of Facilities Purpose

37. For services and expenses related to alter-
38. ations and improvements to existing facil-
39. ities for capital maintenance, including
40. but not limited to capital design,
41. construction, reconstruction, rehabili-
42. tation, in-kind replacement of accessory
43. and support structures as well as equip-
44. ment; for in-kind replacement of buildings
45. and facilities upon demonstration, through
46. multi-factor benefit-cost analysis of
47. capital costs and life-cycle operating
48. costs comparing existing facility, reno-
49. vated facility, and new construction, that
50. replacement is more cost-effective and
51. energy-efficient than full renovation and
52. does not exceed existing square footage
53. except incidentally where necessary to
54. provide accessibility, mechanical effi-
55. ciency, or required accessory and minor

- 56. support structures; for health and safety,
- 57. preservation of facilities, program
- 58. improvement or program change, environ
- 59. mental protection, energy conservation,
- 60. accreditation, facilities for the phys-
- 61. ically disabled, preventative maintenance

STATE UNIVERSITY OF NEW YORK
(APPROPRIATED TO THE STATE UNIVERSITY CONSTRUCTION FUND)
CAPITAL PROJECTS 2025-26

- 1. and related projects, including costs
- 2. incurred prior to April 1, 2025 and
- 3. subject to a plan developed and submitted
- 4. annually by the state university of New
- 5. York and approved by the director of the
- 6. budget, and which may include, but not be
- 7. limited to, projects in the following

- 8. schedule (28F12503) (45913)

550,000,000

10	Project Schedule	
11	PROJECT	AMOUNT
12	-----	
13	(thousands of dollars)	
14	Albany	
15	Campus-wide maintenance projects	9,799
16	Alfred Ceramics	
17	Campus-wide maintenance projects	765
18	Alfred State	
19	Campus-wide maintenance projects	2,154
20	Binghamton	
21	Campus-wide maintenance projects	11,199
22	Brockport	
23	Campus-wide maintenance projects	4,848
24	Brooklyn Health Science Center (HSC)	
25	Campus-wide maintenance projects	3,279
26	Buffalo College	
27	Campus-wide maintenance projects	5,230
28	Buffalo University	
29	Campus-wide maintenance projects	20,126
30	Canton	
31	Campus-wide maintenance projects	1,703
32	Cobleskill	
33	Campus-wide maintenance projects	1,797
34	Cornell	
35	Campus-wide maintenance projects	9,142
36	Cortland	
37	Campus-wide maintenance projects	4,581
38	Delhi	
39	Campus-wide maintenance projects	1,818
40	Empire State	
41	Campus-wide maintenance projects	422
42	Environmental Science and Forestry	
43	Campus-wide maintenance projects	2,220
44	Farmingdale	
45	Campus-wide maintenance projects	5,592
46	Fredonia	
47	Campus-wide maintenance projects	3,110
48	Geneseo	
49	Campus-wide maintenance projects	3,005
50	Maritime	
51	Campus-wide maintenance projects	1,652
52	Morrisville	
53	Campus-wide maintenance projects	2,130
54	New Paltz	
55	Campus-wide maintenance projects	4,547
56	Old Westbury	
57	Campus-wide maintenance projects	2,990
58	Oneonta	
59	Campus-wide maintenance projects	3,823
60	Optometry	
61	Campus-wide maintenance projects	872

587

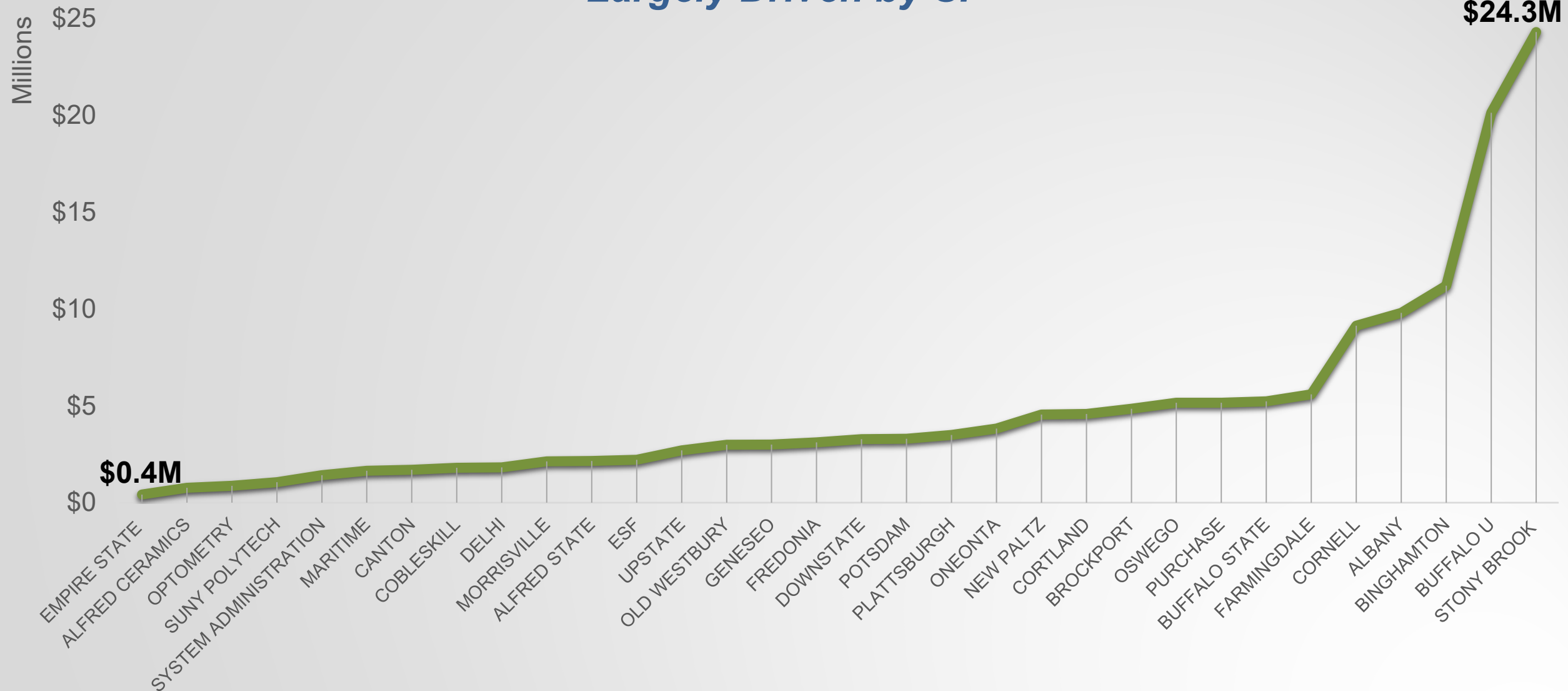
STATE UNIVERSITY OF NEW YORK
(APPROPRIATED TO THE STATE UNIVERSITY CONSTRUCTION FUND)

CAPITAL PROJECTS 2025-26

1	Oswego	
2	Campus-wide maintenance projects	5,159
3	Plattsburgh	
4	Campus-wide maintenance projects	3,494
5	Potsdam	
6	Campus-wide maintenance projects	3,301
7	Purchase	
8	Campus-wide maintenance projects	5,164
9	State Univ Plaza	
10	Campus-wide maintenance projects	1,411
11	Stony Brook, incl Health Science Center	
12	(HSC) and Long Island State Veterans Home:	
13	Campus-wide maintenance projects	24,299
14	Syracuse Health Science Center (HSC)	
15	Campus-wide maintenance projects	2,705
16	SUNY Polytechnic	
17	Campus-wide maintenance projects	1,063
18	University-wide Alterations and Improvements	
19	Maintenance undistributed	
20	For priority capital maintenance or	
21	capital improvement projects to support	
22	the preservation of facilities	296,600
23		-----
24	Total	550,000
25		-----

\$153.4M SUBOA Allocation, Executive Budget

Largely Driven by SF

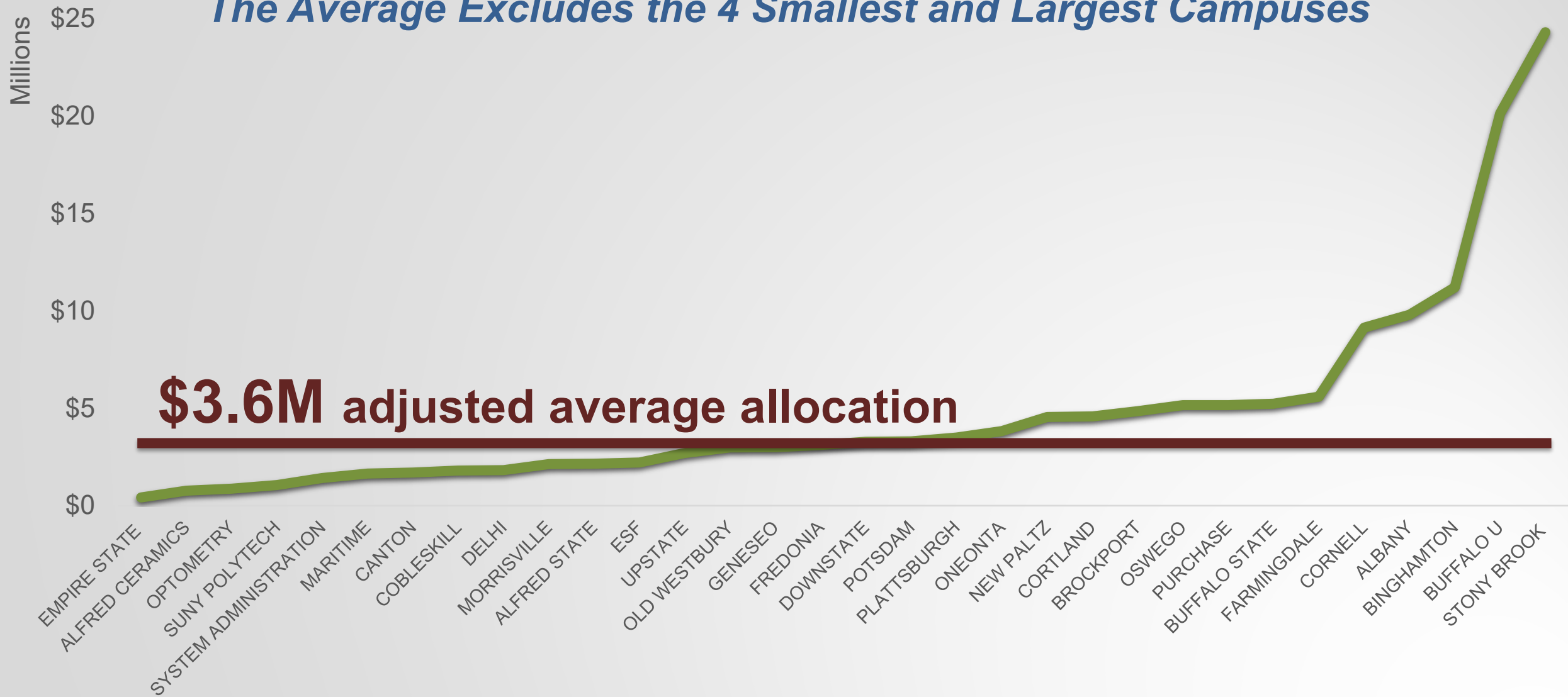


\$153.4M SUBOA Allocation, Executive Budget

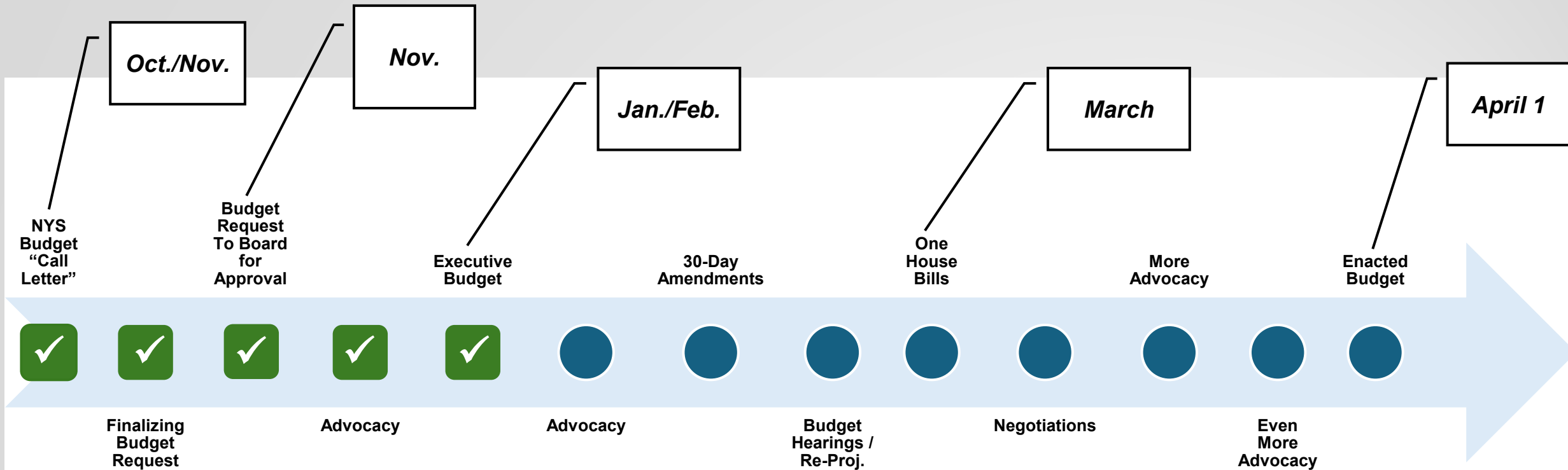
Largely Driven by SF ~

The Average Excludes the 4 Smallest and Largest Campuses

\$3.6M adjusted average allocation



New York State Budget Process Timeline



Not Shown:

- Potential outside impacts (Federal, Natural, Local, Electoral, Media)
- Financial Concerns / Windfalls

Fund & SUNY Capital Plan Timeline

STEPS LEADING TO THE EXECUTION OF THE CAPITAL PLAN ONCE THE BUDGET IS ENACTED

The Capital Plan is
submitted to DOB
and approved

FUND & DOB

A SUNY BOT
resolution is
approved

**CHANCELLOR
&
SUNY BOT**

Final plan
developed

**CHANCELLOR'S
OFFICE &
SUNY BOT**

Capital
scenarios are
reviewed

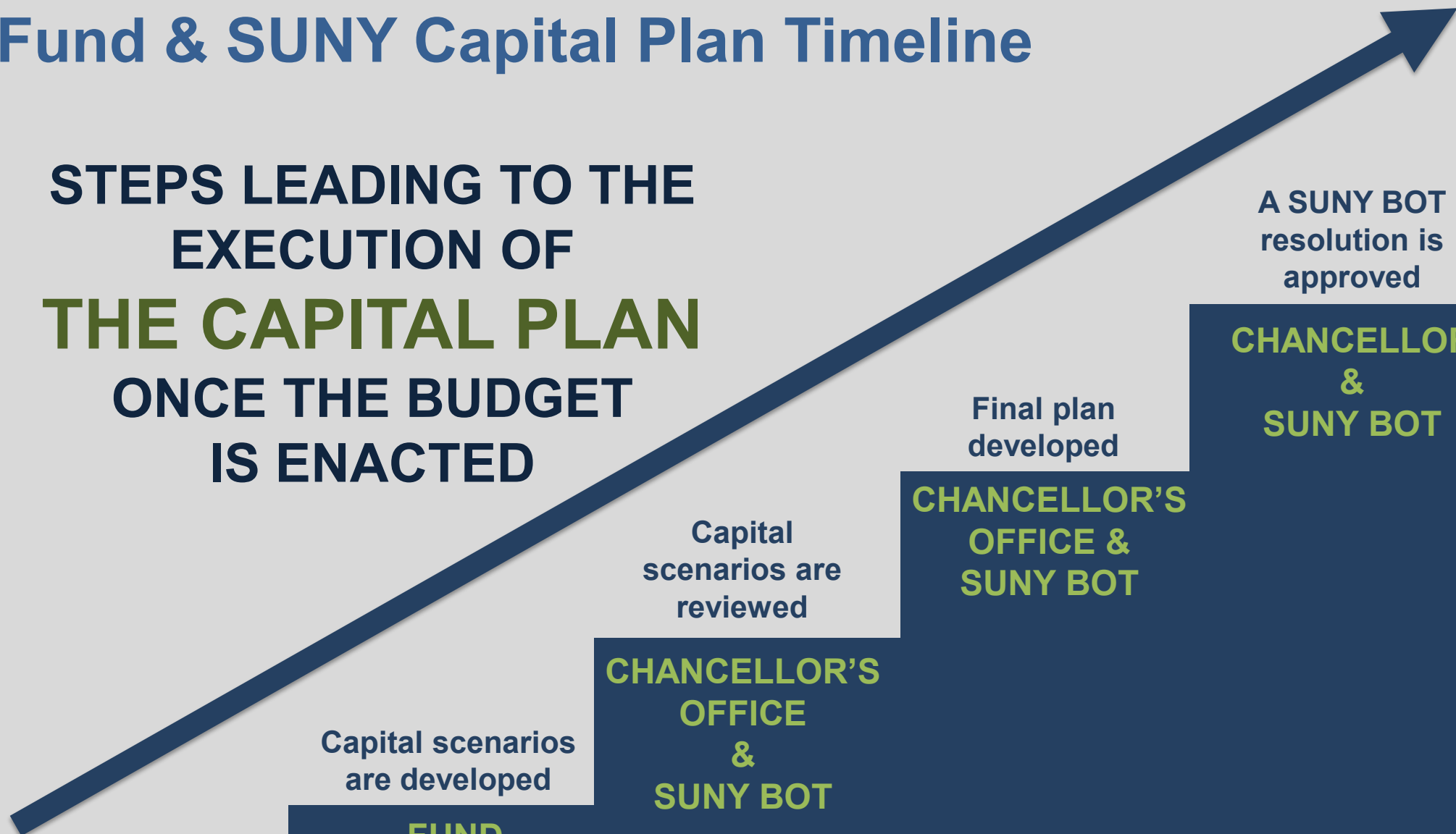
**CHANCELLOR'S
OFFICE
&
SUNY BOT**

Capital scenarios
are developed

**FUND
&
CHANCELLOR'S
OFFICE**

Projects are
evaluated

FUND



A photograph of a snowy forest path. The path is covered in a thick layer of snow, and the trees on either side are bare, with their branches also covered in snow. In the distance, a small figure of a person can be seen walking away from the viewer down the path. The overall atmosphere is quiet and wintry.

PROPOSED LEGISLATION & ADVOCACY ITEMS

Executive Budget Proposed Legislation: MWBE/SDVOB

1. Extends the authorization of the Minority and Women Owned Business Program from July 2025 to **July 2027**
2. Increases discretionary procurement threshold without a formal competitive process for Minority and Women-owned Business Enterprises and Service-Disabled Veteran Owned Businesses, from \$750,000 to **\$1,500,000**

Executive Budget Proposed Legislation: Three Changes to the Infrastructure Investment Act

The Infrastructure Investment Act is amended to:

- Authorize the **Construction Manager as Contractor (CMAC)** delivery method, in addition to the **Design/Build** delivery method for eligible entities, **expanding** the list of eligible entities to include **SUNY State-Operated Campuses**.
- **Permit** eligible entities (**including SUNY State-Operated Campuses**) to **pre-qualify contractors** when awarding any contract for public work, pursuant to established guidelines.

Executive Budget Proposed Legislation: CM as Contractor

The CMAC delivery method:

- ✓ Streamlines project delivery and enhanced communication as the CM manages all aspects of a project from design to execution.
- ✓ Cost optimization is achieved by having a contractor take the lead who is more knowledgeable about costs.
- ✓ Establishes a Guaranteed Maximum Price.
- ✓ Reduces risk to the Owner and puts the onus on the CMAC.

Existing SUNY Design and Construction Procurement Threshold Requirements and Legislative Advocacy

		Legislation	up to \$25,000	\$25 to \$50,000	\$50 to \$100,000	over \$100,000
1	Most Qualified Selection (Design) ✓	SFL §136-A	Not Required	Required	Required	Required
2	Competitive Bid Process (Construction) ✓	EDN §376	Not Required for < \$20K	Required	Required	Required
3	NYSCR Advertisement ✓	COM §142	Not Required	Not Required	Required	Required
4	Newspaper Advertisement (Construction)	EDN §376	Not Required	Not Required	Required	Required
5	External Agency Approvals - OSC/OAG	EDN §376	Not Required	Not Required	Required for \$75K and above for campuses	Required for \$150K and above for hospitals
6	MWBE & SDVOB Goals, \$25K for Design \$100K for Construction	EXC 15-A EXC 17-B	Not Required	Not Required	Not Required	Required



PROJECT LABOR AGREEMENTS

Section 1. Section 370 of the education law is amended by adding a new

4. subdivision 6-a to read as follows:

5. 6-a. "Large-scale construction project" shall mean any project for
 6. which the total estimated cost of the contract or contracts is ten
 7. million dollars or more that is:

8. (a) a project performed under the approved master plan of the state
 9. university submitted pursuant to subdivision thirteen of section three
 10. hundred fifty-five of this chapter; or

11. (b) which involves the construction, acquisition, reconstruction,
 12. rehabilitation or improvement of academic buildings, dormitories and
 13. other facilities, with respect to university-related economic develop-
 14. ment projects authorized by law pursuant to section three hundred seven-
 15. ty-two-a of this article.

(a) § 2. Section 376 of the education law is amended by adding a new
 (b) subdivision 11 to read as follows:

(c) 11. (a) Each contract involving the awarding of a large-scale
 (d) construction project shall require the use of a project labor agreement,
 (e) as defined in subdivision one of section two hundred twenty-two of the
 (f) labor law, for all contractors and subcontractors on the project,
 (g) consistent with paragraph (a) of subdivision two of section two hundred
 (h) twenty-two of the labor law, except as otherwise provided in paragraph
 (i) (b) of this subdivision.

(j) (b) The fund shall not be required to use a project labor agreement
 (k) where it determines that such agreement would be inconsistent with para-
 (l) graph (a) of subdivision two of section two hundred twenty-two of the
 (m) labor law or state competitive bidding laws. Any such determination
 (n) shall be provided in a written explanation for a particular project
 (o) contract by the solicitation date. The goals and requirements of arti-
 (p) cle fifteen-A of the executive law and article three of the veteran
 (q) services law shall apply to all project labor agreements.

(r) (c) An agency may require the use of a project labor agreement on
 (s) construction projects where the total cost to the fund is less than that
 (t) for a large-scale construction project, if consistent with paragraph (a)
 (u) of subdivision two of section two hundred twenty-two of the labor law.

(v) § 3. This act shall take effect January 1, 2025 and shall apply to all
 (w) large-scale construction projects for which a bid advertisement has not
 (x) been published in the contract reporter as of such effective date.

2024 PLA Legislation for Certain SUNY Projects:

Part CC of the 2024-25 Education, Labor and Family Assistance Article VII Budget Bill

The “IF/THEN” of the PLA Process

IF YES:

Is a Project Labor Agreement required for this project?

Does the PLA study confirm that a PLA is justified?
(if no, provide written explanation)

THEN:

Develop a feasibility study scope

Procure consultant and conduct feasibility study after completion of the schematic phase

Draft and negotiate a PLA via study consultant or construction manager

Advertise and include PLA requirements in the bid documents

Execute the PLA as part of the construction contract(s)

Next Steps

- ✓ Work with NYS Building Construction & Trades Development Council to develop standard PLA template for Fund and other agencies, accounting for regional variations
- ✓ Resolve differences between upstate and downstate agencies
- ✓ Monitor construction bid results
- ✓ Monitor impact on MWBE/SDVOB
- ✓ Monitor compliance with the PLA

**Consider the
cost impact of
a planned
Construction
Manager vs.
not planned**

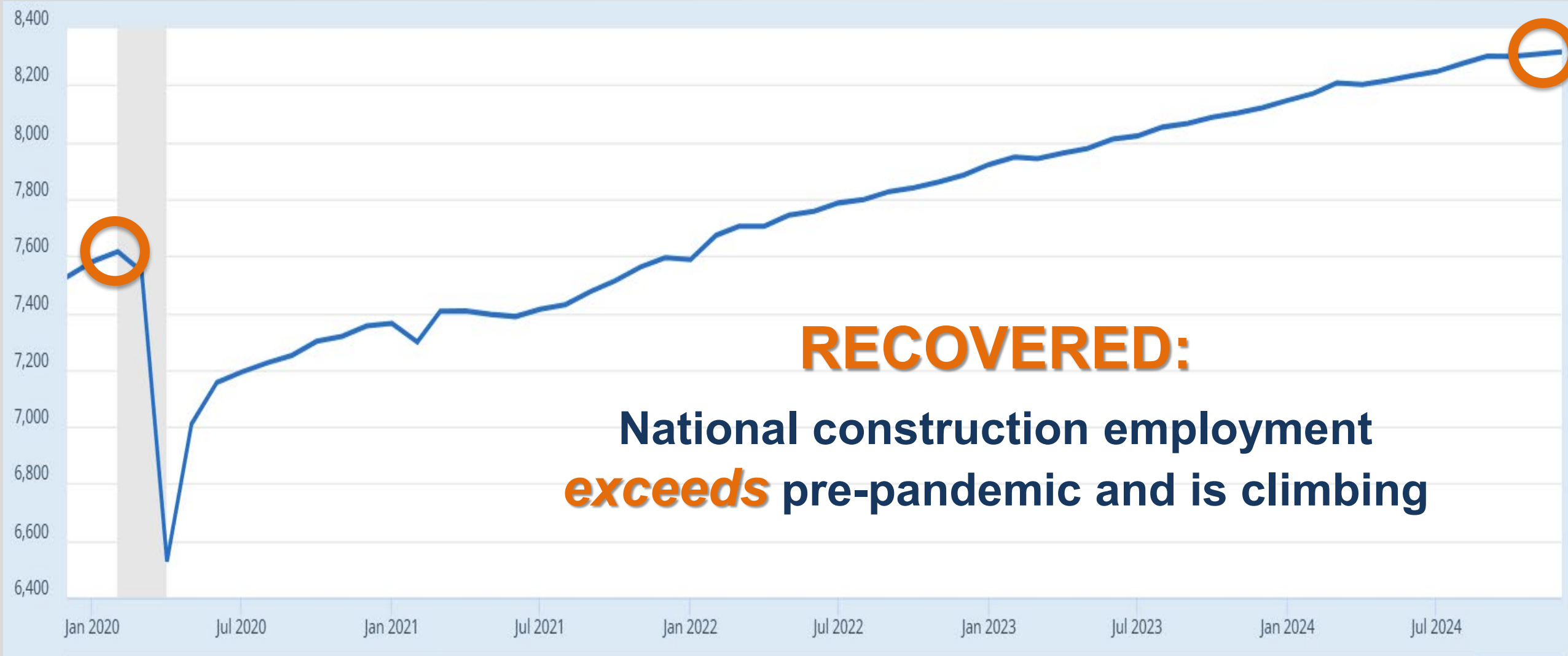
MARKET CONDITIONS AND COMPETING PRESSURES



#ThrowbackThursday

FEDERAL Construction Employment Data

November 2019 to December 2024



NEW YORK STATE Construction Employment Data

November 2019 to December 2024



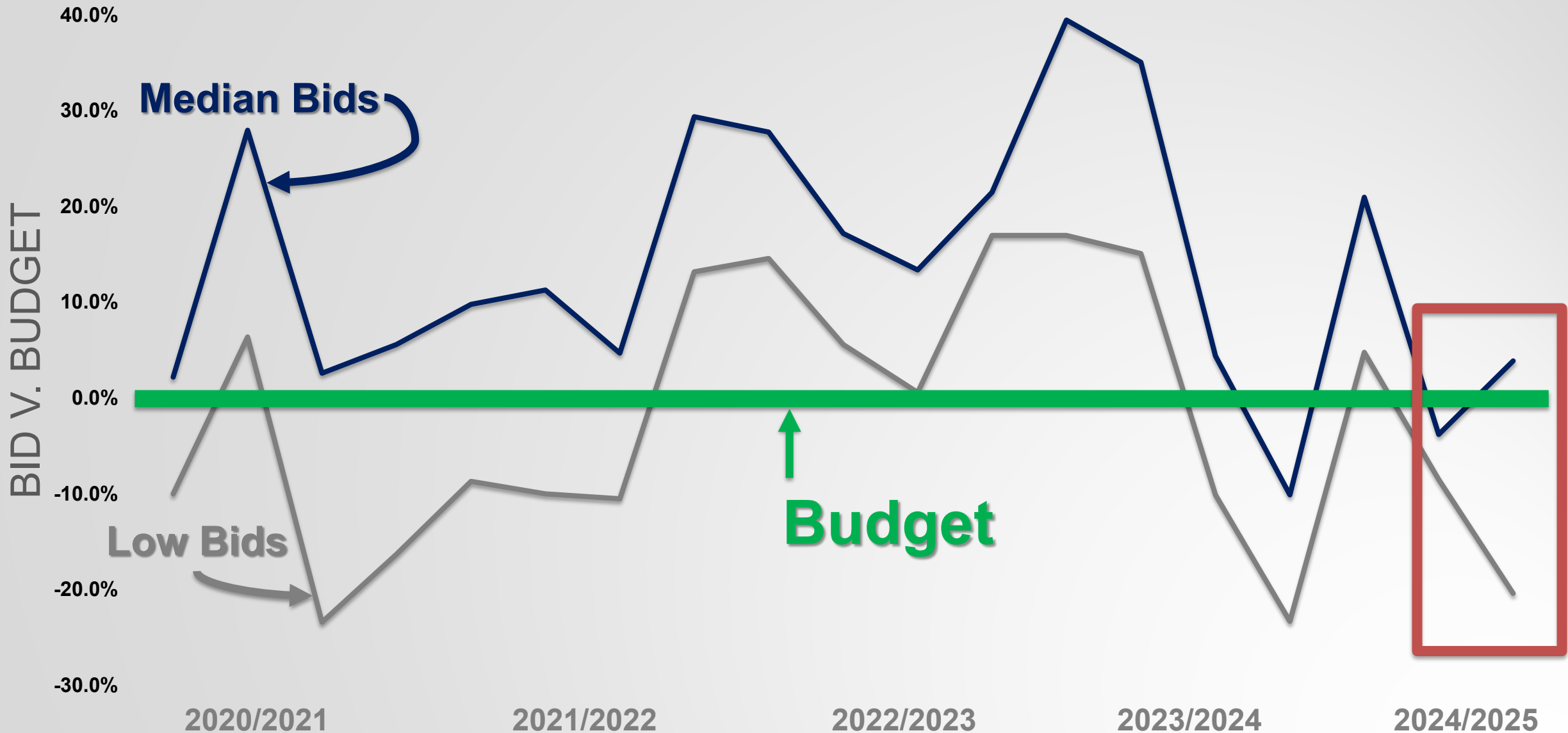
NOT RECOVERED:
NYS construction employment is
below pre-pandemic and trending downward

U.S. Producer Price Index for CONSTRUCTION MATERIALS

December 2019 to December 2024



Construction Fund Bids v. Budget – Last 5 Years

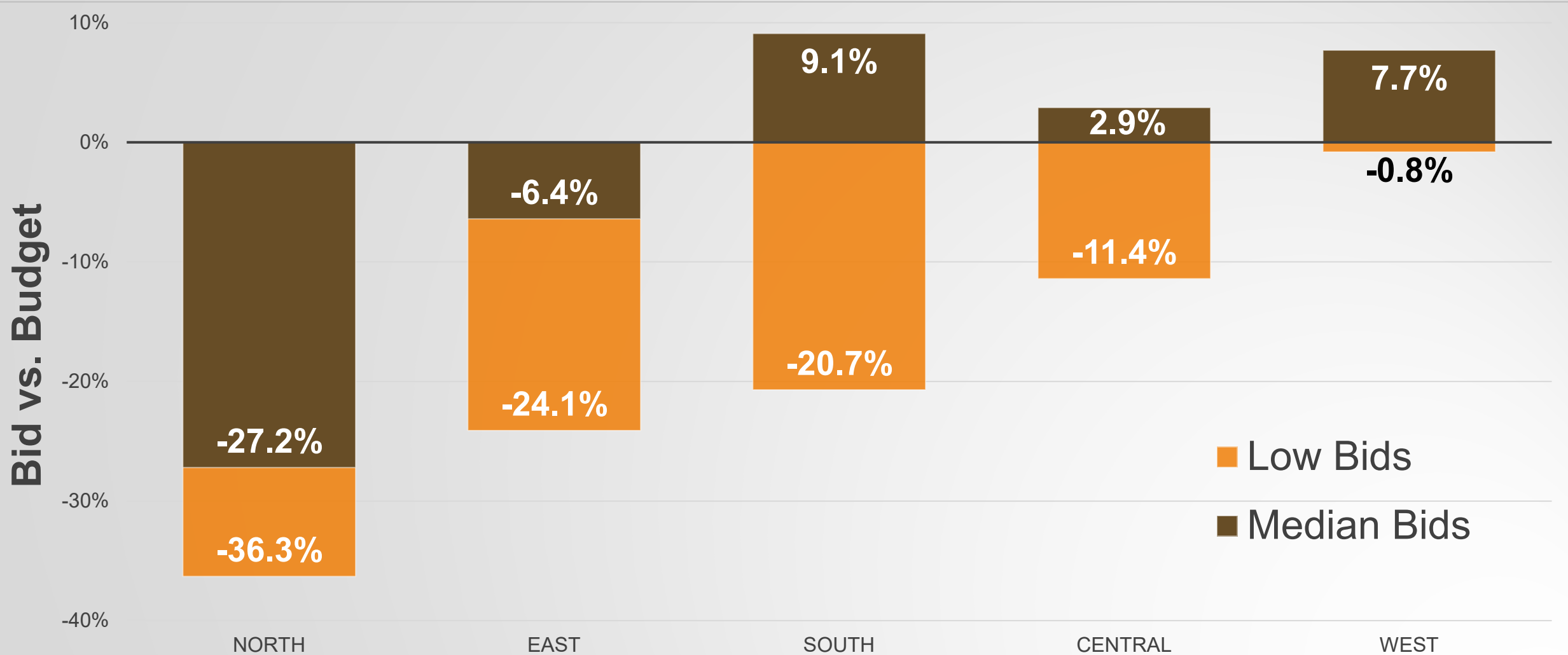


Construction Fund Bids v. Budget, Last 12 Months

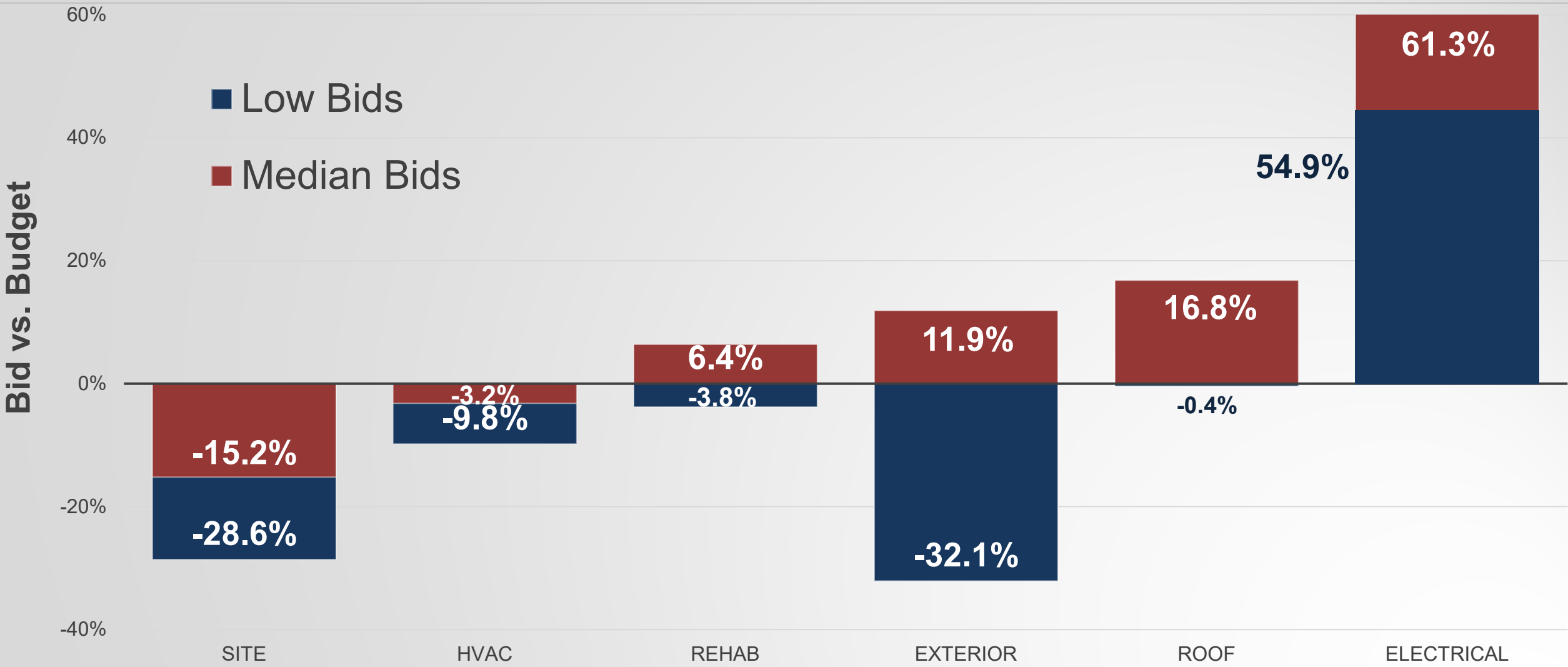
through December 2024

No. of Projects	35
Project Budget	\$446.5
Low Bid Amount	\$421.9
Low Bids vs. Budget, by Dollar Value	-\$24.6
Low Bids vs. Budget, by %	-5.5%
Average No. of Bidders	5

Construction Fund Bids v. Budget by Region, Last 12 Months



Construction Fund Bids v. Budget by Project Type, Last 12 Months



PROPER USE OF CAPITAL FUNDING





WHY HAVE THIS DISCUSSION?

- Staff turnover
- Operating budget pressures placed on capital
- SUNY's extremely complex regulated operating environment
- Especially capital funding, MCM is a lifesaver for the campuses
- Your words, not mine
- Recent scrutiny over capital expenditures

OPERATING

VERSUS

CAPITAL



Operating budget funds the campus' daily business
(Recurring, with new appropriation)

and...

- Source of funds are tax dollars



Capital budget funds physical infrastructure
(One-time)

and...

- Source of funds are bond proceeds
- Appropriations are permissive
- DOB approves projects over \$1M
- NYS pays debt service on behalf of SUNY

Examples of Operating Expense v. Capital Expense

Operations and Maintenance

- Operating staff payroll
- Utilities
- Office supplies and janitorial supplies for regular operations
- Dispose hazardous waste from academic or research activities
- Lease surge space

Capital

- Planning and Program Studies
- Design Services
- Construction Services
- Construction Manager Services
- Equipment - Fixed

Proper Use of NYS Capital Program Appropriations

Use of Bond Proceeds Considers:

1. Term of the Bonds
2. Useful Life of the Project
3. Annual Private Use Survey
4. Tax Requirements/Limitations



\$25M Student Center at Farmingdale



\$6.4M Campus Center at SUNY Poly

Minor Critical Maintenance ~ Protecting This Lifesaver

MCM is for smaller capital projects that are very important to the campus. Monies are provided in a very flexible manner by setting up a single account.

For the most recent bond sale, tax counsel asked for a review of SFS data, in particular charges to MCM. Inappropriate charges included:

- Reference Books
- Magazine Subscriptions
- Custodial Expenses
- Book/Media Purchases

“Don’ts” From SUNY MCM Procedure 7563

1. **Grouping** of independent or **unrelated tasks into one project**, such as a single project for a series of miscellaneous summer tasks;
2. **Establishing a project** to accommodate **cost overruns**, contingencies, or other costs relating to **a separate project**;
3. New construction, additions, or facility upgrades that are **not a critical maintenance** project as previously defined within this procedure;
4. Projects related to office, program, or **departmental relocations** to support program enhancements or new program initiatives;
5. **Studies** or stand-alone design services **unrelated to a qualifying minor critical maintenance** project;

“Don’ts” From SUNY MCM Procedure 7563

6. Routine or recurring **maintenance or operational expenses**, such as the following, when they are not an integral component of a qualifying minor critical maintenance project:
- Moving expenses
 - Painting
 - Landscaping
 - Office remodeling for program enhancement, adaptations or accommodations for new initiatives
 - Small scale hardware replacement
 - Disposal of chemical, radioactive or other hazardous waste from routine and typical academic or research activities

“Don’ts” From SUNY MCM Procedure 7563

7. The acquisition, replacement or repair of moveable **furniture, equipment, and carpeting**
8. **Parking** facility and parking area maintenance and operations, including **resealing, resurfacing, and restriping**
9. Projects established solely for staff (refer to SUNY Procedure 7302 “Charging Campus Staff to Capital Appropriations), including:
 - **Indirect labor charges** (management and administrative support);
 - General summer work crews to supplement staff for **routine maintenance**;
 - **General allocations** of departmental wages.

Final Important Notes

- ✓ Projects and account coding are established for known, discrete work items.
- ✓ Redirecting funds from an approved project to another project or purpose equates to subversion of State approval processes.
- ✓ **Follow good account practices** and....
- ✓ **Close out your projects!**



It is **NEVER** OK
to buy rock salt
or library books
with 30-year bonds!
*Call us if you need
someone to say 'NO'!*





CAPITAL PROJECT STAFFING RESPONSIBILITIES

Revisit Staff to Bonds Policy

- Met with workgroup to revisit policy
- Create a more targeted, purposeful policy
- Type of professional staff needed
- Differing perspectives on the definition of Site Representative, Fund vs. Campus
- Figure out a way to cap the number of positions that are funded
- Use campus-allocated capital to pay for staff

Effective Campus Project Management Practices

1. **Coordinate** planning, design, and construction activities with **Campus stakeholders**.
2. Serve as **liaison** between SUCF/Design Consultant and Campus staff.
3. Provide **building or site-specific information** to project team, including documentation as available.
4. Schedule and arrange for **access** to the buildings/spaces/sites for testing, field verification and survey efforts.
5. **Review** planning and design **documents** and provide comments and feedback to SUCF/Design Consultant (timely). Coordinate with and engage other campus disciplines/expertise (especially operational) when necessary.

Effective Campus Project Management Practices

6. **Facilitate**/drive Campus **decision-making** at appropriate times in the design process.
7. Determine/communicate Campus **site access restrictions** and requirements for construction project sites, including routing and wayfinding during construction.
8. **Manage/coordinate/create surge/swing space** needs including necessary design and construction. Negotiate, encourage, cajole, persuade your fellow community members (staff) to relocate as necessary.
9. Attend planning/design/construction **meetings** as necessary.
10. Manage/coordinate campus **Group III equipment - selection, procurement, and installation.**

OVERSIGHT OF REAL ESTATE TRANSACTIONS

Oversight of Real Estate Transactions

- SUNY's enabling statute requires extensive approval of all real estate transactions by the SUNY BOT
- Various BOT resolutions have been passed to delegate some of that authority to the Chancellor or designee
- Real estate transactions that require SUNY BOT resolutions must be supported by extensive documentation including a justification
- The timeframe to obtain approval can be lengthy
- The application to advance real estate transactions is merely an approval to begin due diligence for System Administration to evaluate the merits of the transaction

Summary of Real Property Delegations

DELEGATION	AUTHORITY
Abandonment of Real Property (Sale) March 28, 2012	Limitation: Delegates to the Chancellor, or designee, authority to determine that State-owned real property under the jurisdiction of the State University, not in excess of the lesser of twenty (20) acres or 10% of the total State-owned acreage of the related State University institution , is no longer necessary or useful to the purposes of the State University and to declare the same abandoned.
Authority for the Demolition of Buildings and Improvements January 12, 2016	No limitation: Delegates to the Chancellor or the Chancellor's designee, the approval of the demolition of buildings and improvements on land under the jurisdiction of the State University, or on land leases to it. Such approval shall be limited to buildings that have been determined to be unfit or no longer useful or necessary for the purposes of the State University.

Summary of Real Property Delegations

DELEGATION	AUTHORITY
Easements March 28, 2012	No limitation: Delegates authority to the Chancellor, or designee, to make written requests to the Commissioner of General Services to convey utility, highway improvement and telecommunication easements that benefit the related campus, with respect to State lands under the jurisdiction of the State University, and to execute and approve any other documents necessary to effect conveyance of such easements.
Purchase of Real Property March 28, 2012	Limitation: Delegates to the Chancellor, or designee, authority to purchase real property for the State University for a sum not to exceed \$1 million, as established by appraisal , and to execute and approve any documents necessary to effect acquisition of title to and possession of such property.

Summary of Real Property Delegations

DELEGATION	AUTHORITY
Transfer and Conveyance of Real Property to a Municipality May 4, 2016	Limitation: Delegates to the Chancellor, or designee, authority to apply to the Commissioner of General Services to transfer and convey to a city, incorporated village, town, or county a part or all of any parcel or parcels of state land under the jurisdiction of the State University of New York, but only with respect to such real property that is not in excess of the lesser of 20 acres or 10% of the total State-owned acreage of the related State University institution. Requires notice to the Board of Trustees
Transfer of Jurisdiction of Real Property to Another State Entity March 28, 2012	Limitation: Delegates to the Chancellor, or designee, authority to apply to the Commissioner of General Services to transfer and convey to a city, incorporated village, town, or county a part or all of any parcel or parcels of state land under the jurisdiction of the State University of New York, but only with respect to such real property that is not in excess of the lesser of 20 acres or 10% of the total State-owned acreage of the related State University institution.

Summary of Real Property Delegations

DELEGATION	AUTHORITY
Gift of Real Property June 16, 2009	No limitation: Delegates to the Chancellor, or designee, authority to accept a gift of real property regardless of the value. Approvals for gifts of real property will need to be obtained from Philanthropy and Alumni Affairs, the Controller's Office, and the Office for Capital Facilities (know your donor, know the value, and conduct proper due diligence).

A close-up photograph of a branch covered in white blossoms and dark buds. The background is a blurred image of a building with arched windows, suggesting a historical or institutional setting. The overall tone is soft and contemplative.

A CALL FOR CONTINUED COLLABORATION

- ❖ Build and rebuild Fund/campus relationships, especially considering staff turnover
- ❖ Ask questions and understand our respective roles in executing projects
- ❖ Ask more questions
- ❖ Research and update policies and procedures
- ❖ Training and more training



Brrrrrrrrrr

and enjoy the conference!