UNIVERSITY OF ALASKA

FY16 CAPITAL BUDGET DEVELOPMENT GUIDELINES

INTRODUCTION

Guidance from the Governor for the FY16 Capital Budget is expected to come in placing emphasis on a decreased capital budget and a reduction of deferred maintenance (DM). FY15 was the last year of the Governor's five-year, $100 million annual commitment toward reducing deferred maintenance across the State. However we will be working with the Governor's office to see if the Governor will continue the deferred maintenance investment funding. The funding has provided a predictable dollar stream for deferred maintenance projects and increased efficiencies and momentum in the construction planning process. With these things in mind, **the FY16 capital budget requests should identify what level of strategic investment is needed to implement Shaping Alaska's Future objectives and reduce DM backlog.**

Deferred Maintenance (DM) and Renewal & Repurposing (R&R) is, and will continue to be, the Board of Regents' highest overall priority. Annual Renewal and Repurposing funding at a consistent level is necessary to realize UA's sustainment funding goal… an annual investment of $50 million. Different methods for obtaining the funding are being discussed including the possibility of establishing the Alaska Sovereign Education fund. Annual R&R funding helps extend the life of older buildings that need major system replacements before the systems deteriorate below their intended functionality. A large deferred maintenance backlog ultimately leads to a loss in safe, effective facility support for education program delivery, which is mission failure. The University Building Fund (UBF) legislation was recently passed, authorizing a tool that, once implemented, can ensure existing and new buildings will not add to the backlog of deferred capital reinvestment. **The capital budget request and long range Capital Improvement Plan (CIP) will attempt to reflect UA's intent to position the University for UBF implementation.**

UA's Capital Improvement Plan

- Capital priorities must consider spa