

Section Title: Financial Policies

Policy Title: Capital Projects

Policy Number: F4.0

4.0.10 **Scope and Purpose.** As the coordinating body for higher education in Tennessee, the Commission engages with institutions and governing boards on capital investment and real estate transactions through its role to develop and approve recommendations for capital outlay and maintenance funding.

4.0.20 **Authority.** The Commission is empowered to identify, prioritize, and make recommendations and decisions upon capital investment and real estate transactions for institutions of higher education in its execution of the Master Plan, approval of institutional master plans, and oversight of the state's comprehensive strategic financial plan for higher education.

4.0.30A **Procedures.** The Commission shall identify capital investment needs and determine priorities for those investments for consideration by the Governor and the General Assembly as part of the annual appropriations act.

4.0.30B The Commission shall consider capital and infrastructure issues, as well as higher education efficiency, performance, and return on investment, as part of its comprehensive strategic financial plan for higher education.

4.0.30C The Commission reserves the right to not rank or approve projects for capital outlay or maintenance funding that are not identified in an institution's current and approved facility master plan.

4.0.30D The Commission authorizes the Executive Director to make adjustments to the capital outlay and capital maintenance recommendations as necessary on behalf of the Commission.

4.0.40A **Capital Outlay.** In accordance with funding request guidelines annually disseminated by Commission staff, the Commission shall receive a prioritized list of capital outlay projects from each governing board.

4.0.40B Commission staff shall make a recommendation to the Commission consisting of one prioritized list of projects. When reviewing projects, Commission staff may employ the assistance of external reviewers and may consider, but shall not be limited to:

- 1) State goals;
- 2) Campus master and strategic plans;
- 3) THEC Space Guidelines and facility assessments;
- 4) Program and business plans; and
- 5) External funding.

Commission staff may consider these factors differently by sector, project scope, or institutional type and mission.

4.0.40C The Commission shall review and approve a recommendation for the funding of capital outlay projects. The Commission's actions and a prioritized list of capital projects shall be transmitted to the Department of Finance and Administration for review and consideration in the annual appropriation request.

4.0.40D The Commission reserves the right to rank, not rank, alter a recommended ranking, or take any other action(s) it deems fit to advance state goals.

4.0.50A **Capital Maintenance.** In accordance with funding request guidelines annually disseminated by Commission staff, the Commission shall receive a prioritized list of capital maintenance projects from each governing board.

4.0.50B Commission staff shall make project recommendations to the Commission in accordance with a capital maintenance formula. The formula may include, but not be limited to, the age, gross Education & General (E&G) square footage, usage, and conditions of institutions' facilities.

4.0.50C The Commission shall review and approve a recommendation for the funding of capital maintenance projects. The Commission's actions shall be transmitted to the Department of Finance and Administration for review and consideration in the annual appropriation request.

4.0.60A **Disclosed Projects.** Institutions may choose to construct, demolish, maintain, renovate, or otherwise engage with capital projects funded in

part by the Tennessee State School Bond Authority (TSSBA) or sources other than state appropriations.

4.0.60B The Commission authorizes the Executive Director to receive, compile, and report a list of disclosed capital projects from School Bonds and other Sources that are listed in the Capital Outlay and Facilities Program in the Appropriations Act. These projects shall be disclosed in accordance with T.C.A § 4-15-102(e).

Approved: April 22, 1988
Revised: January 27, 1989
July 26, 1996
July 25, 1997
April 18, 2002
April 17, 2003
November 17, 2005
November 20, 2008
May 11, 2017
August 17, 2023

Applicable Statute

T.C.A. § 4-15-102, state building commission
T.C.A. § 4-15-107, state building commission
T.C.A. § 49-7-132, state building commission
T.C.A. § 49-7-202, capital investment needs
T.C.A. § 49-7-1002, higher education funding requests
T.C.A. § 49-8-203, capital and real estate transactions

Section Title: Financial Policies

Policy Title: Master Plans

Policy Number: F4.1

4.1.10 **Scope and Purpose.** The purpose of a campus master plan is to articulate the multi-year facility needs of an institution or group of institutions to accomplish the vision, goals, objectives, and direction established within an approved academic or strategic plan and mission statement for the institution(s). The campus master plan provides guidance for future development of the physical campus necessary to provide quality instructional and service facilities.

4.1.20 **Authority.** The Commission is empowered to make recommendations and decisions upon capital investment and real estate transactions for institutions of higher education in its execution of the Master Plan, approval of campus master plans, and oversight of the state's comprehensive strategic financial plan for higher education.

4.1.30A **Procedures.** A campus master plan, once approved in compliance with the policies and procedures of a respective governing board, must be submitted to the Commission for review and approval prior to submission to the State Building Commission. A new campus master plan confirms and updates, as appropriate, all aspects of the prior master plan and includes additional information as may be warranted by the higher education institution's strategic plan. A new campus master plan must be completed for each institution at least once every ten (10) years.

4.1.30B Once approved in compliance with the policies and procedures of a governing board, all subsequent amendments to existing campus master plans must be submitted to the Commission for review and approval.

The Commission authorizes the Executive Director to review and approve amendments to campus master plans previously approved by the Commission.

A **Master Plan Amendment** is consistent with the objectives of the original master plan and involves revisions of limited scope, which may include, but shall not be limited to:

- 1) Property acquisitions;

- 2) Plans for traffic, parking, or vehicular or pedestrian circulation;
- 3) Refinement of a building program or site;
- 4) Space needs studies;
- 5) Studies of regional demographics or workforce development; or
- 6) Operation of auxiliary enterprises, including, but not limited to, athletics, recreation, housing, and food services.

4.1.30C Commission staff may solicit information from each institution to assess whether or not—in the judgment of the Executive Director—substantive changes have occurred to the campus environment, that warrant revisions to a campus master plan before the next regularly scheduled master plan review.

4.1.30D All capital project requests and transactions shall be reviewed by Commission staff for conformity with the campus master plan. The Commission reserves the right to not rank or approve capital projects for facilities that are not identified in an institution's current and approved master plan.

4.1.40A **Master Plans.** When evaluating and approving new and amended campus master plans, the Commission and Executive Director may consider, but are not limited to, the following:

- 1) Academic mission;
- 2) Strategic plan
- 3) Enrollment;
- 4) Student services;
- 5) Capital projects;
- 6) Parking;
- 7) Space needs, as defined by the Commission's Space Allocation Guidelines, and space utilization;
- 8) Building conditions
- 9) Land acquisition and disposal; and
- 10) Site, environmental, and infrastructure issues.

4.1.40B The development, execution, timeliness, and scope of campus master plans shall be performed in accordance with Master Plan Guidelines. The Guidelines shall be developed, maintained, and updated by Commission staff.

Approved: January 26, 1990
Revised: November 14, 2002
May 11, 2017

January 26, 2018
August 17, 2023

Applicable Statute

T.C.A. § 49-7-202, capital investment needs

T.C.A. § 49-7-1002, higher education funding requests

T.C.A. § 49-8-203, capital and real estate transactions

Current Applicable Policies

THEC Space Allocation Guidelines

THEC Master Plan Guidelines

Section Title: Financial Policies

Policy Title: Lease Space Funding and License Agreements

Policy Number: F4.2

4.2.10 **Scope and Purpose.** As the coordinating body for higher education in Tennessee, the Commission engages with institutions and governing boards on capital investment and real estate transactions, including the lease or licensing of space for academic and service programs.

4.2.20 **Authority.** The Commission is empowered to make recommendations and decisions upon capital investment and real estate transactions for institutions of higher education in its execution of the Master Plan, approval of institutional master plans, and oversight of the state's comprehensive strategic financial plan for higher education.

4.2.30A **Procedures.** The Commission may review, analyze, and recommend action on all leases, rent, and licenses for all public, state institutions of higher education in accordance with current State Building Commission (SBC) policy and applicable statutes. The Commission authorizes the Executive Director to take such actions as deemed appropriate.

Approved: April 22, 1988

Revised: May 11, 2017

August 17, 2023

Applicable Statute

T.C.A. § 4-15-102, state building commission powers

T.C.A. § 12-2-112, surplus state lands

T.C.A. § 12-2-114, leases by state agencies and institutions of higher education

T.C.A. § 12-2-115, leases involving states approval

T.C.A. § 49-7-132, state building commission approval of expenditures

T.C.A. § 49-7-202, capital investment needs

T.C.A. § 49-7-1002, higher education funding requests

T.C.A. § 49-8-203, capital and real estate transactions

Current Applicable Policies

State Building Commission Policy, Item 7, Procurement of Leases Where the State is the Lessee

State Building Commission Policy, Item 8, General Acquisition and Disposal of Real Property