

**STATE BOARD OF COMMUNITY COLLEGES**  
**Potential Changes to the 3-1/3-2 Construction Project Approval Process**

**Purpose:** Colleges have provided the System Office with feedback that our capital improvement approval processes are confusing and cumbersome. An ad hoc committee of System Office and college staff met to discuss this feedback and identify potential strategies for improving and streamlining our processes. As a result of this review, the State Board is asked to consider changes to the capital improvement project approval process, particularly as it relates to amended projects.

**Background Information:** Colleges' construction and property approval requests are classified in the following three categories.

- 1) **Project Approval – New:** Colleges must submit requests for the following projects:
  - All formal capital improvement projects (projects with total estimated cost of more than \$500,000) that are totally funded with local funds.
  - All capital improvement projects, regardless of estimated total cost, that are either fully or partially funded with State funds.
  
- 2) **Project Approval – Amended:** Colleges are currently required to submit requests for any type of change in project funding. The State Board approves the following types of requests:
  - The change includes an increase in State funding, regardless of the amount.
  - The change includes an increase/decrease in local funding that is over 10%.
  - The change transfers State funds that were previously approved for a capital improvement project to a different approved capital improvement project.
  
- 3) **Acquisition and Disposal of Real Property:** Colleges must get State Board permission to acquire or dispose of any real property.

**Recommendation:** No changes are recommended for the approval of new capital projects, property acquisition, or property disposal (categories 1 and 3 above). However, the System Office recommends the following changes for the approval of amended projects:

- State Board approval would be required for any amended project that requests an increase in State funds with funds that have not previously been approved by the State Board for a capital improvement project (i.e. requests to transfer equipment money to a capital improvement project).
- Approval of all other amendments would be delegated to the Chief College Accounting Officer, including amendments to decrease project funding, increase project funding with local funds, and transfer previously approved State funds to another project.