

Office of the Chief Operating Officer

MEMORANDUM

TO: Board of Trustees – Audit, Budget, & Finance Committee

FROM: David A. Franklin, Chief Operating Officer

DATE: September 13, 2022

SUBJECT: FY23 – FY28 Capital Improvement Plan (CIP) Budget Amendment #1

The University of the District of Columbia presents its amended FY23 – FY28 Capital Improvement Plan (CIP) for Board of Trustees approval.

The University submitted its original FY23 – FY28 request of \$422,000,000 that was approved under UDC Resolution No. 2021-38. DC Council has approved a final FY23 – FY28 CIP allocation to the University of **\$219,500,000**.

This represents:

- A \$56.0 million increase in six-year capital funding, relative to UDC's FY22 – FY27 approved CIP.

Table 1. Comparison of FY23-28 Approved CIP to FY22-27 Approved CIP (USD 000's), by Fiscal Year

CIP Allocation	FY22	FY23	FY24	FY25	FY26	FY27	FY28	CIP Total
Council Approved, FY23-28	-	\$50,000	\$60,000	\$51,000	\$31,000	-	\$27,500	\$219,500
Council Approved, FY22-27	\$32,550	\$60,500	\$37,000	\$23,000	\$3,000	\$7,500		\$163,550
Variance (FY23-FY28 CIP compared to FY22-27 CIP)	N/A	-\$10,500	\$23,000	\$28,000	\$28,000	-\$7,500	\$27,500	\$55,950

In particular, more funding was added to FY2024 (\$23M), FY2025 (\$28M), FY2026 (\$28M), and FY2028 (\$27.5M). In FY2024, the additional funds will allow the University to continue its

renovations of 4250 Connecticut Ave. NW; its MEP, HVAC, and IT upgrades; and its exterior/plaza paver restorations. In FY2025, the additional funds will support the purchase of the leasehold interest in Old Congress Heights (OCH) and the continuation of infrastructure work as well as improvements to classrooms and labs. The additional funds in FY2026 and in FY2028 will continue to support infrastructure and classroom/lab improvements. As with all District allocations, it is funding for future fiscal years is subject to change.

In addition to increasing the funding in the University's FY23-28 CIP, the Council chose to represent the University's capital projects as individual projects in the CIP instead of consolidating all projects into one set of pooled projects, which is how the FY22-27 CIP was represented. The table below shows how the Council broke out the University's CIP projects and includes the approved amount for each project they funded and included in their final FY23-28 approved CIP for the University.

Table 2. FY23-28 CIP by Project, as Funded by FY23-28 Council-Approved CIP

Capital Budget: FY 2023 - 2028 CIP (\$ in Millions)								
<i>Project</i>	<i>Project Number</i>	<i>FY2023</i>	<i>FY2024</i>	<i>FY2025</i>	<i>FY2026</i>	<i>FY2027</i>	<i>FY2028</i>	<i>FY23-28 Total</i>
4250 Connecticut Renovation	GF0-UG712	\$12.0	\$28.0	\$0.0	\$0.0	\$0.0	\$0.0	\$40.0
Backus Expansion	GF0-UG713	\$15.0	\$20.0	\$0.0	\$0.0	\$0.0	\$0.0	\$35.0
Roof, Windows, & Elevators	GF0-UG714	\$4.5	\$2.0	\$3.0	\$2.0	\$0.0	\$0.0	\$11.5
MEP, HVAC, and IT Upgrades	GF0-UG715	\$13.5	\$5.0	\$5.0	\$15.0	\$0.0	\$24.5	\$63.0
Purchase OCH (3100 MLK, Ave. SE)	GF0-UG717	\$0.0	\$0.0	\$28.0	\$0.0	\$0.0	\$0.0	\$28.0
Classroom & Lab Reno/Modernizations	GF0-UG718	\$0.0	\$0.0	\$10.0	\$10.0	\$0.0	\$3.0	\$23.0
Exterior/Plaza Paver Restoration	GF0-UG716	\$5.0	\$5.0	\$5.0	\$4.0	\$0.0	\$0.0	\$19.0
Total								\$219.5

For a full list of the University's individual projects that make up the FY23-28 CIP, please refer to Exhibit A.

Exhibit A. Full FY23 – FY28 CIP, by Project

Capital Budget: FY 2023 - 2028 CIP (\$ in Millions)									
<i>Project</i>	<i>Project Number</i>	<i>Rank</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY23-28 Total</i>
4250 Connecticut Renovation	GF0-UG712	1	\$12.0	\$28.0	\$0.0	\$0.0	\$0.0	\$0.0	\$40.0
Backus Expansion	GF0-UG713	2	\$15.0	\$20.0	\$0.0	\$0.0	\$0.0	\$0.0	\$35.0
Roof, Windows, & Elevators	GF0-UG714	3	\$4.5	\$2.0	\$3.0	\$2.0	\$0.0	\$0.0	\$11.5
MEP, HVAC, and IT Upgrades	GF0-UG715	4	\$13.5	\$5.0	\$5.0	\$15.0	\$0.0	\$24.5	\$63.0
Purchase OCH (3100 MLK, Ave. SE)	GF0-UG717	5	\$0.0	\$0.0	\$28.0	\$0.0	\$0.0	\$0.0	\$28.0
Classroom & Lab Reno/Modernizations	GF0-UG718	6	\$0.0	\$0.0	\$10.0	\$10.0	\$0.0	\$3.0	\$23.0
Exterior/Plaza Paver Restoration	GF0-UG716	7	\$5.0	\$5.0	\$5.0	\$4.0	\$0.0	\$0.0	\$19.0
Firebird Farms Dev.	GF0-UG706*	8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Student Housing	GF0-UG706*	9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
WMATA Land Acquisition	GF0-UG706*	10	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Project Contingency and Mgmt	GF0-UG706*	11	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL			\$50.0	\$60.0	\$51.0	\$31.0	\$0.0	\$27.5	\$219.5

* GF0-UG706 is the project number for the general pool account associated with the University's capital projects.

Fiscal Impact Statement

TO: Board of Trustees

FROM: Managing Director of Finance *David A. Franklin*

DATE: September 13, 2022

SUBJECT: FY23 – FY28 Capital Improvement Plan (CIP) Budget Amendment #1

Conclusion

It is concluded that the University's six-year Capital Improvement Plan (CIP) for FY23 – FY28 has been approved in the amount of **\$219,500,000**. The approved budget will not have a negative financial impact on the institution.

Background

The CIP is created, monitored, and implemented by the University's Office of Facilities & Real Estate Management (OFREM). The plan itemizes all capital expenditures for the next six fiscal years (FY23 – FY28). These expenditures are in addition to annual operating expenditures. The CIP also establishes a schedule and annual spending projection for each capital improvement project according to its priority. The spending plan's projects are evaluated and selected based upon anticipated needs and funding availability.

The capital budget spending plan and its supporting documentation show the amounts approved for each year. A six-year programming period is utilized for overall planning and budgeting purposes; however, the CIP is also updated annually to reflect the University's current priorities and financial capabilities.

The University submitted its original FY23 – FY28 request of \$422,000,000 that was approved under UDC Resolution No. 2021-38. DC Council has approved a final FY23 – FY28 CIP allocation to the University of \$219,500,000.

Fiscal Impact

Compared to the FY22-27 approved CIP, the FY23 – FY28 CIP reflects an increase in the capital budget of \$56.0 million, particularly in fiscal years 2024, 2025, 2026, and 2028, with an increase of \$23.0M, \$28.0M, \$28.0M, and \$27.5M, respectively.

In FY2024, the additional funds will allow the University to continue its renovations of 4250 Connecticut Ave. NW; its MEP, HVAC, and IT upgrades; and its exterior/plaza paver restorations. In FY2025, the additional funds will support the purchase of the leasehold interest in Old Congress Heights (OCH) and the continuation of infrastructure work as well as improvements to classrooms

and labs. The additional funds in FY2026 and in FY2028 will continue to support infrastructure and classroom/lab improvements. Overall, these increases translate to the University being able to complete six of its seven top capital project priorities by the end of fiscal year 2028.

As with all D.C. Government allocations, it is possible that future years' amounts will change due to shifts in District priorities. That said, this request is approved per the information provided.

**BOARD OF TRUSTEES
UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC RESOLUTION NO. 2022-**

SUBJECT: APPROVAL OF A PROPOSED FY2023—FY2028 CAPITAL BUDGET AMENDMENT #1

WHEREAS, pursuant to D.C. Code §38-1202.06(4), the Board of Trustees (“Board”) of the University of the District of Columbia (“University”) is “required to prepare and submit to the Mayor an annual budget request for each fiscal year”; and

WHEREAS, pursuant to 8B DCMR §400.2, the President of the University shall prepare an operating and capital budget for Educational and General activities of the University; and

WHEREAS, pursuant to 8B DCMR §400.1, the Board shall approve all budgets for expenditures of the institutions of the University and, pursuant to 8B DCMR §400.4, any expansion in operations that would necessitate any substantial change in the approved budget shall be submitted to the Board for its approval; and

WHEREAS, the President has prepared a six-year project plan corresponding to Capital Improvement Plan funding of \$219,500,000 approved in D.C. Act 24-486, the “Fiscal Year 2023 Local Budget Act of 2022,” a copy of which supplement is attached hereto as **Exhibit A** (“FY23 – FY28 CIP, by Project”); and

WHEREAS, the proposed FY2023-FY2028 Capital Budget Spending Plan is consistent with prudent fiscal and accounting practices and is in line with the President’s and the Board’s vision for the University.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves the proposed FY2023-FY2028 Capital Spending Plan, attached hereto as **Exhibit A**.

Submitted by the Operations Committee:

September 13, 2022

Approved by the Board of Trustees:

September 27, 2022

Christopher D. Bell
Chairperson of the Board

Exhibit A
FY23 – FY28 CIP, by Project

Capital Budget: FY 2023 - 2028 CIP (\$ in Millions)									
<i>Project</i>	<i>Project Number</i>	<i>Rank</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY23-28 Total</i>
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