1. 2. FACILITIES – REVISED EFFECTIVE June 18, 2025

1. 2. 1. Contents

1. 2. 2. Definitions

Alternative Means of Financing - funding for capital projects using sources other than traditional capital outlay appropriations of the legislature to provide necessary facilities for an institution.

Auxiliary Enterprise – an entity associated with the operation of an institution and often essential to campus life such as housing, food service, union, bookstore, and the athletic department that operates like a business, with separate budget and operation.

Business Plan - a written financial strategy for a capital project funded with self-generated or alternative means of financing for the construction and operation of a facility throughout its useful life. It shall include a business plan pro forma.

Business Plan Pro Forma - a spreadsheet depicting all income by source, itemized operational expenses, net income, and income distribution for a project by year for the life of the financing.

Capital Construction Program - the planned process by which the physical plant of any institution or campus is altered to provide the physical facilities necessary for that institution to carry out its assigned role, scope and mission. That process includes campus facilities master planning, the development and submittal of Capital Budget Requests through its management board, legislative action, facility design, construction administration, and thereafter, the periodic preventive and major maintenance of such facilities.

Capital Construction - the construction of physical facilities including but not limited to: construction of new facilities, additions to existing facilities, demolition of existing facilities, the renovation, refurbishment, restoration, functional alterations, code imposed modifications, remodeling, face-lifting, and/or enhancement of existing facilities, maintenance of facilities including utilities infrastructure (except for the day to day maintenance of facilities), waterproofing, major repairs and re-roofing, and preventive maintenance.

Capital Outlay Budget Recommendations – an annual budget recommendation approved and submitted annually by the Board of Regents that recommends priorities for capital construction and improvements for all institutions of postsecondary education.

Capital Outlay Request – a submittal that requests a project for inclusion in the annual Board of Regents' Capital Outlay Budget Recommendations. A prepared written (or electronic) submittal using procedures and format as directed by the Board of Regents and the Facility Planning and Control section of the Division of Administration, which describes and requests projects to be provided within the capital construction program for any institution, without regard to the means of financing or methods by which such facilities shall be acquired and/or funded.

Capital Outlay Process - the process of obtaining the necessary funding for the purpose of carrying out the capital construction program of an institution. The process includes annual staff activities to formulate and evaluate capital projects.

Capital Outlay Project - a construction project in excess of $500,000 to provide necessary facilities for an institution, and equipment acquisitions, master planning, feasibility studies, and other one-time endeavors funded through the capital outlay process.

Capital Project – a planned undertaking to provide physical facilities or equipment for an institution to carry out its assigned role scope and mission, utilizing capital from any source.

Design-Build Team - an entity, typically comprised of an architect or design professional, his consulting engineers and/or other consultants, and a contractor, formed for the purpose of designing and constructing a facility under one contract.

Facilities Master Planning - a four-step process to develop strategies for providing adequate facilities to enable an institution to accomplish its assigned role, scope, and mission. A plan shall include (1) an inventory of existing physical facilities, (2) analysis of its academic programmatic needs combined with enrollment and demographic data, (3) facilities needed to accommodate the academic programs and enrollment, and (4) a graphic depiction portraying the highest and best utilization of space and real property available to the institution.

Feasibility Study - an analysis or review that considers the need for an individual, specific project concept in order to conclude whether it can and/or should be done. The study considers the need and the type, size, and quality of facility necessary to meet that need, project economics, and other factors that may have bearing on the decision to proceed with the project. It does not include detailed programming of individual spatial functions and design relationships within the facility. Such studies may be of limited scope, performed in-house, or performed by acknowledged experts in the specific area to which the proposed project relates. The completion of eCORTS documents is considered to meet the requirements for a feasibility study.

Feasibility Study (Detailed) - a project specific study that includes as a minimum: (1) an evaluation of the educational curriculum and related needs, (2) demographic projections for the geographic vicinity, (3) unique aspects related to the proposed project, and (4) resultant space and/or type facility conclusions. Detailed feasibility studies typically involve the contractual services of acknowledged professionals.

Institution – a public state-supported institution established for postsecondary education in Louisiana.

Job Order Contracting – an alternative project delivery method designed to offer a flexible and efficient framework by using competitively awarded, indefinite delivery/indefinite quantity (IDIQ) contracts with pre-priced construction tasks.

Leased Facilities - real estate and/or improvements that are (1) owned by others and leased by them to any university and/or management board for any use, (2) real estate and/or improvements owned by any institution and leased to others for any use, and (3) property owned by any institution leased to a 3rd party and then leased back to the institution.

Maintenance - the care and upkeep of facilities or equipment. Specific categories or types of maintenance are as follows:

Routine Maintenance - the day-to-day upkeep of physical facilities and grounds, including repairs, cleaning, service work and/or service contracts. It may be scheduled or unscheduled. Routine maintenance typically is paid for from the operating budget of the institution.

Preventive Maintenance (PM) - work and services done over the life cycle of facilities, building or utility systems and components, and equipment to extend their useful life, thereby precluding the inconvenience, down-time, and/or catastrophic consequences of premature failure of such components. PM maintains items in working order.

Major Repairs and Re-roofing (MR&R) – maintenance program on the component parts and systems of physical facilities that should have been performed but was delayed due to insufficient funding. Such lack of maintenance may result in further deterioration or breakage that becomes critical, threatening to cause even greater damage and eventual expense if not remedied in a timely manner. MR&R maintains items that are no longer in serviceable condition or working order and does not apply to problems that require new construction to resolve.

Deferred Maintenance (DM) - the term synonymous with Major Repairs and Re-roofing work.

Maintenance Reserve Account (MRA) - funding established at the start of a construction project or accumulated from income derived from the operation of income producing facilities deposited into an interest earning account from which the maintenance of the facility may be accomplished over its life.

Maintenance Reserve Account Use Schedule (MRA Use Schedule) – a spreadsheet documenting (1) initial and/or periodic deposits to a MRA, (2) growth of the fund based on estimated interest rates, (3) projected repair and replacement of building system components over time and their future cost based on the schedule of values and projected inflation, and (4) projected use of the account over time.

Master Plan – the product or end result of Facilities Master Planning.

Net Assignable Square Feet (NASF) - space available to be utilized for a specific function, such as for classroom or laboratory, and includes the entire floor area within the walls of a room or other type of space.

Non-Traditional Projects - projects funded by any method other than by traditional appropriations of the legislature in the capital outlay bill.

Not-for-Profit 501(c)(3) Corporation - a private corporation formed for philanthropic pursuits, permitted to conduct business but not for the purpose of financial gain.

Operational expenses - ordinary costs related to the functioning of a facility. The following expenses are typical: personnel costs, janitorial services, utilities, maintenance supplies and contracts, insurance, repair and replacement costs, maintenance reserve deposits, and debt service.

Performance-Based Energy Efficiency Contract – a contract between an institution and/or management board or another party on behalf of the institution and an energy services contractor in which the contractor builds or installs certain energy conservation measures. The measures, being technologically advanced and therefore more energy efficient than the items being replaced, save energy and therefore utility costs. The contractor is paid from the savings. Often, the outcome is specified, but not the means to that end. The contractor guarantees the outcome and must make up any shortfall.

Physical Facilities - real estate and improvements, including land and property, buildings, fixed and movable equipment related to buildings, utilities infrastructure, communications, underground improvements, site and surface improvements, and related physical entities.

Physical Plant - the physical facilities that as a group comprise any institutional campus or subdivisions thereof. It is the "place" which houses and thereby facilitates the delivery of the education process.

Pro Forma - see Business Plan Pro Forma.

Projects Utilizing Alternative Means of Financing - the process by which facilities are obtained for an institution outside of the traditional capital outlay process.

Public/Private Partnership - arrangements in which public institutions join with private entities to accomplish goals that are mutually beneficial, and are more readily accomplished through the joint talents, expertise, and efforts of both than would be the case working individually.

Request for Proposal (RFP) - a process by which an institution or management board, or private entity established to act on their behalf, may solicit services in a competitive environment. Respondents typically include résumés, business plan, their approach to design, financing plan, management plan, and outline of relevant contractual arrangements, relevant experience, and availability.

Request for Qualification (RFQ) - a process by which an institution or management board, or private entity established to act on their behalf, may solicit services in a competitive environment. It differs from an RFP in that it focuses on selecting an entity acceptable in connection with a project to be developed thereafter. Respondents typically include résumés, relevant experience, and availability.

Self-Generated Funding - student generated revenues; user fees; "non-governmental gift, grant, and/or contract" income; restricted, non-appropriated revenues generated by an institution; private, non-public revenues. Self-generated funding may also include federal grants and income generated from the operation of certain income producing facilities.

Small Capital Project - capital construction costing less than $1,000,000 that falls under an exception to the normal capital outlay process in accordance with LA. R.S. 39:128.

Space Factor - the net assignable square footage of an area divided by the student contact hours conducted in that space per week. S. F. = NASF/SCH.

Student Contact Hour - one hour of instruction delivered to one student.

Suggested Practices – the term used to suggest a course of action that, while not a requirement of the BOR, would seem prudent to use based on past experiences.

Third Party – the term used to describe an existing entity, or an entity created specifically for the purpose, that serves to benefit an institution by performing a capital project(s). Such entities may be public or private, either a for-profit or not-for-profit corporate structure, and include other departments of government and 501(c)(3) corporations.

Third Party Project – a project performed by a third party.

Traditional Projects – projects utilizing state general fund dollars, general obligation bonds (GOB) and/or self-generated sources funded by appropriations of the legislature in the capital outlay bill.

1. 2. 3. Intent of the Facilities Policy

The Board of Regents (BOR hereinafter) intends that physical facilities of sufficient kind, design, size and quality shall exist or be acquired to complement the process of delivering quality postsecondary education to the citizens of Louisiana.

The BOR recognizes the direct relationship between an institution's academic role scope, and mission and its physical facilities. Academic programs drive the need for facilities. These guidelines are intended to establish and/or maintain a strong link between long range academic planning, master planning and capital outlay needs.

1. 2. 4. Purpose of the Facilities Policy

The BOR is constitutionally mandated by Article VIII, Section 5, of the Constitution of the State of Louisiana, to plan, coordinate and have budgetary responsibility for all public postsecondary education and shall have other powers, duties and responsibilities provided in that Section or by law. Section 5(D) further outlines the powers, duties, and responsibilities of the BOR:

"To formulate and make timely revisions of a master plan for postsecondary education. As a minimum, the plan shall include a formula for equitable distribution of funds to the institutions of postsecondary education."

"To require that every postsecondary education board submit to it, at a time it specifies, an annual budget proposal for the operational needs and for capital needs of each institution under the control of each board. The BOR shall submit its budget recommendations for all institutions of postsecondary education in the state. It shall recommend priorities for capital construction and improvements."

1. 2. 5. General Facilities Policy

Each institution within postsecondary education shall have a capital construction program in accordance with its demonstrated need for physical facilities as set forth in its campus facilities Master Plan, and shall submit annually through its appropriate management board, in accordance with law and established procedures, a capital outlay request to the BOR for review, prioritization, and recommendation.

Changes to any institution or management board's physical facilities that add to, subtract from, or alter such facilities will be submitted to the BOR for review and approval prior to beginning any such project, regardless of the source of funds utilized to effect such change, and regardless of approvals received from any other entity, unless excepted by the BOR or its policies.

By approving an annual capital outlay budget recommendation, the BOR adopts the intent, purpose, nature, scope, and budget for specific projects developed by the management boards and institutions as set forth in relevant documentation. Thereafter, changes to a project that would have the effect of increasing any aspect of the project by more than 25% shall not be sought or implemented without the written approval of the BOR. This includes requests to the Interim Emergency Board, Facility Planning and Control, and the State Bond Commission.

This policy shall apply to any institution and any of its subdivisions, including all auxiliary enterprises and/or related entities, and campus-related quasi-public and private entities for capital construction on land owned by any institution and/or any of its subdivisions, unless excepted by the BOR or its policies.

Included in this policy is construction to permanently replace facilities or parts of facilities which have been destroyed or damaged by fire or other disaster and which will be rebuilt in kind or replaced using insurance proceeds.

Exceptions to this policy may be granted by the BOR to facilitate the process in certain instances where appropriate. Clarification shall be sought from the BOR with respect to any questions of exception to this policy.

Specifically included in this policy are projects utilizing alternative means of financing. No action by the university other than preliminary work necessary to prepare a proposal shall be taken and no final documents shall be executed that conflict with Section 1.2.6 of this policy without first receiving the written approval of the BOR.

Projects that may be performed at postsecondary education institutions that are funded through statewide appropriations and administered by the Office of Facility Planning and Control, such as Statewide Roof Repair/Replacement, Americans with Disabilities Act Compliance Implementation, Asbestos and/or Hazardous Materials Abatement, Energy Conservation projects, and Sprinkler Protection System Installations in Hi-Rise Buildings are not included in this policy. Projects in this category that exceed $250,000 in construction costs shall be reported to the BOR in a quarterly report.

Routine maintenance is not included under the provisions of this policy.

Facilities and real estate may be acquired by institutions by act of donation without BOR approval. However, institutions must consider the cost of ownership and its impact on their resources of any such donations.

1. 2. 6. Submittal and Approval Process

The BOR normally meets on the fourth Wednesday of each month. Board staff makes agendas and executive summaries for mail-out to the Board members approximately ten days prior to the scheduled meeting date. Institutions should allow approximately one week prior to the mail-out to provide staff time to review the requests, resolve any issues, and formulate a recommendation to the Board.

BOR staff review of submittals shall include confirmation of compliance with policies, budgetary impact of the project on the institution and state, appropriateness to the role, scope, and mission of the institution and system, and relevance to the Facilities Master Plan for that institution. Information submitted by institutions should include justification and demonstration of need, description of proposed construction, and relevant cost data to permit comprehensive review by the BOR staff.

Submittals should follow a prescribed sequence, from institution to management board, and then to the BOR. Communications and coordination between the management board and its institutions, and the Division of Administration (DOA), Office of Facility Planning and Control (FP&C), or the Bond Commission need not involve the BOR so long as the scope and cost of the project remains consistent (including over-run provisions) with that previously approved by the BOR.

Submittals for review and approval of a project utilizing alternative means of financing may be in two parts at the option of the management board and/or institution. The first part may consist of the concept, project finances, and business plan to get a preliminary indication as to the BOR's inclinations relative to the project. The second submittal would include remaining project data. This sequence should facilitate the progress of the project.

The BOR acknowledges that certain work and resultant developmental costs can occur on a capital project prior to obtaining Board approval. Submittals must include sufficient information from which to make an informed decision. The Board's deliberations must not be encumbered by advanced work and cost such that it is left with no reasonable choice. Irreversible steps such as bond sales must not be executed prior to BOR's approval. Work that may precede BOR approval includes but is not limited to the services of design professionals, an RFP and/or RFQ processes, and the services of financial consultants.

1. 2. 7. Emergency and Expedited Approval Procedure

Immediate and temporary actions related to emergency conditions of a non-recurring nature such as from fire or disaster necessary to protect life, limb, and property may be taken without the approval of the BOR.

Subsequent construction or reconstruction of a temporary nature related to emergency conditions of a non-recurring nature such as from fire or disaster may be taken if certified as such by the campus President/Chancellor, management board president, and the Commissioner of Higher Education. Any such action taken will be reported to the Facilities and Property Committee at its next meeting.

Projects undertaken to rebuild or repair facilities and property damaged as a result of an emergency, and funded solely through proceeds from the Office of Risk Management (ORM) and/or the Federal Emergency Management Agency (FEMA), do not require BOR approval.

Projects of a non-emergency nature may receive expedited approval with the concurrence of the Commissioner of Higher Education, the Chair of the BOR, and the Chair of the Facilities and Property Committee. In general, such approvals would facilitate accomplishing projects where a unique opportunity exists or timing has become critical and where waiting for the next scheduled meeting of the Board could clearly jeopardize the beneficial nature of the project. Expedited approval shall be reported to the Facilities and Property Committee at its next scheduled meeting.

Requests to the Interim Emergency Board (IEB) for funding to respond to emergency situations shall be submitted to the Commissioner of Higher Education for approval ~~only~~ before submitting to the IEB.

1. 2. 8. Maintenance Reserve Accounts (MRA)

The purpose of a Maintenance Reserve Account (hereinafter MRA) on projects is to guarantee the long-term uninterrupted maintenance for the facility and preclude the state from future maintenance liability.

The actual amount of the deposits shall be based on an anticipated facility life, and projected repair and replacement work for the specific facility in accordance with the MRA Use Schedule. A one-time up-front deposit into the MRA of approximately 10% of the construction cost is required. Optionally, for facilities that generate income from their operation, annual deposits into the MRA of approximately 1.5 % of the original construction cost, with computations incorporating provisions for projected annual inflation, can be substituted for the one-time up-front deposit.

Not every project requires an MRA. Projects that are primarily maintenance in nature do not have to establish an MRA. Projects that renovate space previously maintained by the institution and in effect reduce maintenance costs borne by the institution do not have to establish an MRA. Projects that require less maintenance such as a parking garage may be proposed with a reduced MRA if supported with evidence of actuarial soundness. Projects funded with appropriations of the legislature utilizing General Obligation Bonds (GOB) are not required to have an MRA unless the state appropriation provides funding for it. Projects that are funded with a combination of funding types need only establish an MRA consistent with the non-state percentage. The requirement to establish an MRA applies to new construction including self-generated projects that go through the legislative appropriation process but could also apply to renovations of existing facilities.

Exceptions to this MRA policy may only be made on an individual basis. Any institution seeking an exception for a specific project must submit a written request with detailed documentation and justification (**See Section 1.2.20 for P3 MRA requirements**).

Institutions that fail to establish and sustain the maintenance reserve accounts required by this policy may not submit additional self-generated capital project requests until such time as required MRA's are funded in accordance with the original approval or modified by the BOR.

Each MRA account shall relate to a specific, individual capital project. However, accounts may be commingled in an MRA Fund for investment and cash flow purposes. Internally "borrowed" funds shall be repaid to the pooled account, with interest calculated at the average rate of earnings on the MRA investment in accordance with a financially sound repayment schedule that does not exceed five years.

The MRA revenues shall be deposited in an account with said funds conservatively invested in available instruments as prescribed by law. Interest earnings must be reinvested in the account since the actuarial calculations for account growth and MRA Use Schedule are based on doing so.

Funds may only be withdrawn from the MRA account in accordance with work items contained in the MRA Use Schedule. However, the timing of the line items of work on the Use Schedule may be adjusted as situations dictate. Daily maintenance and operating expenses may not be financed with funds from the MRA account. To the maximum extent available under law the MRA investment account shall be structured to prevent funds from being used for any purpose inconsistent with this policy.

Maintenance Reserve Accounts shall be established such that the account remains with the entity having responsibility for maintenance. If, at the end of the agreement, the facility reverts to the institution, so shall the MRA.

1. 2. 9. Facilities Master Planning

Each institution of postsecondary education shall develop a facilities master plan.

The BOR shall maintain a database, updated annually, that inventories all facilities and documents the utilization in accordance with the space standards provided herein of all space at each institution. Information shall be published in an annual report entitled Facilities Inventory and Utilization Study, available on the BOR website.

1. 2. 10. Space Standards

Space standards, as adopted by the BOR, shall be applied to the master planning process and requests for capital projects. Space standards relate to the quantity and type of space but not the condition or quality of space. Space standards consider overall space on a campus, not departmental space, and no distinction is made between types of institutions. Space standards will be updated periodically.

The classification of traditional space types for postsecondary education is listed in the BOR's Facilities Inventory and Space Utilization Study. Where an institution statistically has sufficient space, but lacks a certain type of space, it should request projects that convert excess space of a type not needed, or unused space into the type of space that is needed if such projects are cost effective and excess or unused space is suitable for the new use.

The BOR adopts as a guideline for space standards the widely used formula as promulgated by the Western Interstate Commission for Higher Education (WICHE). These standards apply only to classrooms and laboratories. Numbers less than the standard indicate good utilization, while numbers exceeding the standard indicate poor utilization.

In classrooms, there should be 15 NASF per student station, rooms should be used 30 hours per week, and when in use, rooms should be 60% of capacity. The resultant formula is: SF = 15/(30x0.6) = 0.83. Calculated another way, S. F. = NASF/SCH = 0.83.

In laboratories, there should be 40 NASF per student station, rooms should be used 20 hours per week, and when in use, rooms should be 80% of capacity. The resultant formula is: SF = 40/(20x0.8) = 2.50. Calculated another way, S. F. = NASF/SCH = 2.50.

With regard to office space, no ratio of student contact hours to NASF of office space exists. The quantity of office space shall be based on the type of occupant and the degree of privacy the occupant requires. Faculty and administrators should be provided with a space, either office or enclosure, conducive to the conduct of assigned duties.

With regard to resource space, the Association of College and Research Libraries (ACRL) standards have been used to determine library size and book volume capacity based on the role, scope, and mission of each individual institution.

With regard to special use, general use, supporting facilities, medical facilities, and residential facilities, no statistically supported data exists to quantify the need for such facilities. The BOR will evaluate requests for these types of spaces on an individual basis.

1. 2. 11. Feasibility Studies

All projects submitted for capital outlay consideration are required to include a feasibility study. eCORTS documentation as promulgated by Facility Planning and Control meets the legal requirement for standard feasibility studies.

When a more detailed feasibility study is required or otherwise deemed necessary for a project, the scope and content of such study will be specific to the project but will typically include an evaluation of the educational curriculum and related needs, demographic projections for the geographic vicinity, unique aspects related to the proposed project, and resultant space and/or type facility conclusions. Detailed feasibility studies typically involve the contractual services of acknowledged professionals.

When a detailed feasibility study is performed, and especially in those instances where the study must be funded through the capital outlay process, the funding of the study shall not qualify the project as a continuing project, nor shall the categorization and/or prioritization of the study itself establish a category or priority for any resulting project. No simultaneous funding shall be requested for the project itself through the Capital Outlay process. Funding shall not be requested for a subsequent capital outlay cycle until the study has been completed, submitted to, analyzed by, and approved or adopted by the appropriate management board and the BOR.

1. 2. 12. Capital Outlay Projects

Annually, the BOR shall call for the submittal of Capital Outlay Requests by the management boards on behalf of their member institutions. The call shall include pertinent information for the upcoming year, schedule of site visits, guidelines for the preparation of submittals, and submittal dates.

Institutions of the postsecondary educational systems in Louisiana shall submit requests for capital outlay projects to be considered through their appropriate management board only. Management boards shall submit projects they recommend to the BOR for consideration.

The BOR staff will visit campuses as appropriate for presentations by the institutions' staff relative to their capital construction needs. Tours of campuses will allow familiarization with the institution, existing facilities that may be relevant to requests, and projects under construction or recently completed.

Institutions and management boards will have the opportunity to review the BOR capital outlay recommendation and submit additional comment and justification for projects prior to final approval. The BOR may also schedule a public hearing to permit institutions to present their capital outlay needs directly to the Facilities and Property Committee.

At its October meeting, the BOR will adopt its Capital Outlay Budget Recommendation in final form. Thereafter, not later than November 1, the Board staff will submit the final Board recommendation to the Division of Administration.

In those years where natural disaster(s) or other events preclude these specific procedures and schedule from being met, staff may make such modifications as are necessary to meet the intent of this section.

Regents will consider amendments to its capital outlay recommendations prior to the beginning of the annual legislative session or thereafter as necessary.

Recommended projects receiving an appropriation of the legislature will typically be administered by the Facility Planning and Control (FP&C) section of the Division of Administration. FP&C will make recommendations to the Bond Commission relative to obtaining lines of credit or the sale of bonds relating to specific projects. FP&C will solicit services for design professionals and may delegate authority for the administration of certain qualifying projects to management boards under the provisions of La. R. S. 39:128.

Projects not recommended by the BOR that receive an appropriation of the legislature in the capital outlay bill in the postsecondary education portion, under another department of state government, or as a local project shall be submitted to the BOR for approval before the project may be initiated.

1. 2. 13. Small Capital Projects

Institutions may submit requests for Small Capital Projects costing less than $1,000,000 for construction to the BOR through their management boards for review and approval. The BOR delegates to its staff the authority and responsibility for small capital projects program implementation, review, approval action, and notification. Staff shall report approved projects to the Facilities and Property Committee at a subsequent meeting and periodically provide a small capital project status report.

Small Capital projects shall be processed using the Louisiana BOR' Capital Projects Record and Approval Form.

Small Capital Projects whose cost of construction (or contract for demolition) is less than $250,000 are delegated to the appropriate management board.

Small Capital Projects that overrun the funding amount approved by the BOR by not more than 25% may proceed without re-approval as long as they do not exceed the $1,000,000 maximum limitation.

1. 2. 14. Minimum Construction Standards

Facilities constructed and/or renovated for use by postsecondary education shall be of such quality that they can adequately perform the intended service, can be maintained and operated at reasonable cost, will be safe for occupants, and conducive to the learning process.

Minimum construction standards applicable to facilities for institutions shall be developed and promulgated by institutions and their management boards and submitted for review by the BOR staff.

1. 2. 15. Act 959 of 2003 Projects (La. R. S. 39:128)

La. R. S. 39:128 permits certain capital projects to be performed by an institution without going through the traditional capital outlay process. Administration of such projects may be delegated to the institution by Facility Planning and Control. Projects not exceeding $10,000,000 funded from self-generated revenues, auxiliary income, grants, donations, local or federal funds and building use fees are permitted if approved by the appropriate management board, the BOR, the Division of Administration Office of Facility Planning and Control, and the Joint Legislative Committee on the Budget. No debt may be incurred in connection with such projects.

Institutions proposing projects under the provisions of Act 959 shall prepare supporting documentation for the project consistent with typical initial capital outlay requests (i.e. project summary and other BOR forms but not eCORTS) for approval by the appropriate management board. That board shall submit approved requests to the BOR for its consideration. The BOR shall forward approved requests to Facility Planning and Control. FP&C should forward approved requests to the Joint Legislative Committee on the Budget.

For the purposes of Act 959 projects, funds from the operating budget, ~~or~~ Major Repairs and Re-Roofing, and Act 751 of 2024 are not considered self-generated.

After approval by the BOR and the Joint Legislative Committee on the Budget, the Office of Facility Planning and Control may delegate the administration of such projects to the appropriate management board through a cooperative endeavor agreement provided a written request to do so is made through the appropriate management board for the planning, design, and construction of such project. Systems or institutions shall demonstrate an ability to adequately administer such projects to Facility Planning and Control through appropriate staff and prior experience with projects of the size anticipated in order to qualify for this delegation of authority.

Projects delegated to an institution shall be administered, to include contract review, design review, project oversight, record-keeping, and on-site periodic meetings and inspection, and shall comply with all relevant laws with regard to architect selection, bidding, and project administration.

The Act 959 project exemption applies only to those projects that otherwise could not be accomplished in the normal capital outlay process due to timing or funding constraints.

No contractual obligations shall be entered into until all approvals have been completed and written notification has been received by the institution.

Act 959 projects that overrun the funding amount approved by the BOR by not more than 25% may proceed without re-approval from the BOR as long as they do not exceed the $10,000,000 limitation. Note however that this automatic overrun provision cannot be extended by BOR policy to other entities having jurisdiction.

1. 2. 16. Dormitories, Apartments, and Residence Halls

Institutions that choose to have and operate on-campus residence facilities for students shall provide facilities of sufficient quality, comfort, cleanliness, and accommodation consistent with current expectations of students, their parents, and the general public.

No dormitory, apartment, and/or residence hall operated by or on behalf of any postsecondary educational institution shall operate in a state of non-compliance with the applicable edition of the National Fire Protection Association (NFPA) 101, Life Safety Code. In those instances where the Louisiana State Fire Marshal has issued a citation for deficiencies, a plan of correction shall be developed in a manner to comply with the requirements and schedule of the state fire marshal.

All residence hall accommodations for postsecondary educational institutions shall be brought into compliance with the applicable edition of the NFPA 101 Life Safety Code as it applies to existing facilities. Each institution shall develop a plan and schedule for achieving compliance.

Each residence hall occupant shall be provided with connectivity to the internet.

Residence halls shall be limited to students, faculty, and staff of the institution and/or sister institutions of postsecondary education. However, rooms may be rented to others for camps, workshops, seminars, etc. sanctioned by the institution during various times of the year.

1. 2. 17. Major Repairs and Re-roofing

Major Repairs and Re-roofing (also known as Deferred Maintenance) shall be performed by institutions utilizing funding from the institution or from capital outlay appropriations. Institutions must not rely solely on special appropriations for the correction of long-standing maintenance issues.

BoR staff shall administer the Major Repair and Re-Roofing program by working with FP&C, the management boards, and each institution to determine priority projects within each system. Major Repair and Re-Roofing appropriations from the legislature will continue to reside with FP&C with BoR staff serving as the point person(s) between FP&C and the institutions.

Facility problems or concerns that are needed but do not involve existing construction, and would therefore require new construction to resolve, are not eligible.

Once capital funding for Major Repairs and Re-roofing is appropriated and actual funding granted, institutions may work directly with BoR staff and Facility Planning and Control to accomplish the work items. The BOR staff will provide program oversight and will approve individual projects in conjunction with FP&C. Institutions are instructed to accomplish Major Repair and Re-Roofing projects based on any need/priority that may exist. The purpose of Major Repairs and Re-roofing is to resolve long-standing problems, not as a substitute for, or supplement to, current operating budgets.

1. 2. 18. Act 751 of 2024

Act 751 of the 2024 Louisiana Regular Session created the College and University Deferred Maintenance and Capital Improvement Program to address the deferred maintenance and capital improvement needs that exist for facilities located on public postsecondary educational institution campuses in Louisiana.

The Program allows all public postsecondary educational institutions to pursue projects related to the complete renovation of buildings with significant deferred maintenance needs; utility infrastructure; drainage, street, sidewalk, and site infrastructure; the demolition of public facilities; and any other improvements to address deferred maintenance needs. New buildings or building additions, other than minor additions required for code compliance or improved access to a public facility, are not allowed.

Per statute, FP&C administers the Program, and project management authority is delegated to each management board through a cooperative endeavor agreement. Each management board has the authority to enter into a third-party project management agreement to assist with the implementation of projects.

The Joint Legislative Committee on the Budget must approve all projects to be initiated by a management board prior to the commencement of work on any project. The BOR will compile a list of all public postsecondary education projects to be submitted for approval on an annual basis from each management board. Undoubtedly, needs will arise throughout the year that were not approved by the Joint Legislative Committee on the Budget during the annual submission. Management boards may submit individual projects to FP&C for Joint Legislative Committee on the Budget consideration during the year for project needs as they arise.

The selection of any designers, architects, or engineers for any project pursuant to the Program shall be qualification-based selections and in accordance with the provisions of LA R.S. 38:2318.1.

Act 751 also requires semi-annual reporting to the Joint Legislative Committee on Capital Outlay. The BOR will assist each management board in compiling the requisite information for a single higher education-wide report submission submitted by the BOR. FP&C will provide project specific information as contained within the cooperative endeavor agreement.

1. 2. 19. Job Order Contracting

Act 88 of the 2025 Louisiana Regular Session authorized public postsecondary institutions to utilize the Job Order Contracting (JOC) project delivery method as a means to support the implementation of projects pursuant to Act 751 of 2024 (**See Section 1.2.18**). JOC is a project delivery method designed to streamline the delivery of small to mid-sized renovation and repair projects that are recurring in nature but variable in scope, timing, and location. The approach allows public postsecondary education institutions to respond rapidly to facility needs, reduce procurement lead times, and ensure cost transparency while maintaining compliance with public contracting standards.

Each management board shall submit to the BOR on an annual basis a report identifying the number of projects completed utilizing a JOC master agreement, the amount expended on JOC projects, and the time required to complete JOC projects.

See Appendix A of this policy for the BOR Job Order Contracting Manual.

1. 2. 20. Performance-Based Energy Efficiency Contracts

Performance-Based Energy Efficiency Contracts are provided for in Louisiana R. S. 39:1622. It permits institutions to enter into contracts to improve the mechanical and/or electrical infrastructure of building or campus systems that consume energy so that they consume less energy.

Institutions shall seek out opportunities to reduce energy consumption, thereby decreasing utility costs, as well as seeking to reduce rates or mitigate rate increases through prudent energy acquisition programs. To that end, institutions should conduct energy audits, develop an energy plan, and periodically report utility data as called for by its management board or the BOR.

Projects that involve cleaning, improvements to operation, or the direct replacement of inefficient equipment with new more efficient equipment (except lighting retrofits) need not obtain the approval of the BOR. Projects that involve major equipment replacement, the installation of new equipment where none previously existed, lighting retrofits, and those involving new construction to house and/or install such equipment shall obtain approval of the BOR prior to submission to FP&C and before the execution of any contract.

Louisiana R. S. 39:1622 is prescriptive, and institutions seeking to perform projects that fall under that law shall be guided accordingly.

1. 2. 21. Projects Utilizing Alternative Means of Financing

This section establishes parameters and guidelines as well as suggested practices for Projects Utilizing Alternative Means of Financing. The BOR acknowledges the benefits of this method of obtaining needed facilities for an institution. Advantages include the ability to react to current needs without having to wait for entry into the annual capital outlay process and expedited project administration. Due to reduced public oversight, it is imperative that all involved take all necessary steps to ensure that the public institutions receive the same optimum value, benefit, and protection as with other methods of financing.

The BOR trusts that all applicable laws will be followed by the management boards. It is further confident that each system board will adhere to the provisions of all laws governing ethics of public officials as well as seek assistance from the Ethics Commission if necessary. The BOR believes that while it is necessary to recognize a private entity's non-public status, it is equally important to maintain public confidence in all of higher education's endeavors.

Projects utilizing alternative means of financing must be submitted to the BOR for review and approval before any contracts are executed (except as provided in section 1.2.6) or construction is initiated. BOR staff's review will consider appropriateness to the role, scope, and mission of the institution; compliance with the institution's master plan, budgetary impact including operational costs, and compliance with this BOR policy. If significant changes are made after the original approval is made, the BOR must be advised of these changes and those changes shall be approved prior to work being done pursuant to those changes. A significant change would include a change that increases the total value of the project by 20% or more, changes the use of the proposed facility; or changes the parties involved in the project.

Projects performed utilizing alternative means of financing typically involve contractual agreements, cooperative endeavor agreements, or other legal instruments executed with a third party. The organization and activities of third parties are set forth in relevant law. Relevant law includes but is not necessarily limited to La. R. S. 17:3361 et. seq. and La. R. S. 17:3390.

Third party projects are typically structured such that the project site is leased to the third party by the management board, the third party is contractually bound to construct facilities in accordance with a plan, and then the completed facilities are returned to the institution for its use via additional lease, lease-back agreements, or donation. La. R.S. 17:3361 et. seq. and La. R.S. 17:3390 authorize these projects and govern their status. These projects are private and are not subject to public works administration. These statutes also address auditing and the classification of a third party's documents as public or non-public.

There are numerous variations of projects utilizing alternative means of financing, and the BOR encourages institutions to be creative in proposing such financing (**See Section 1.2.20**).

Documentation supporting such projects must include a comprehensive business plan. Business plans shall include project concept, structure of the project (relationship of the entities involved and probable contractual structure), justification of need, relationship to the institution's campus master plan, appropriateness to the role, scope, and mission of the institution, a business plan pro-forma, provisions for an MRA with MRA Use Schedule, and other relevant information.

Projects utilizing alternative means of financing must have project oversight by the institution and should have a qualified person specifically designated by the institution to oversee the work.

Auxiliary enterprise projects, as contrasted with academic and support projects, shall be entirely self-supporting unless otherwise approved by the BOR.

In some instances, the source of alternative means of financing is from state funds committed to the operating budget of the institution to pay for the leasing of facilities completed by the third party. When such financing occurs, a cooperative endeavor agreement or other legal instrument as may be appropriate must be executed between the State of Louisiana, the management board or other state entity and the third party making the funding of the lease an obligation of the state. It is recommended that any such agreement, contract or other document should contain a provision authorizing an audit of obligations contained therein.

Third-party projects utilizing state line-item appropriated funds for repayment shall be subject to additional project oversight. FP&C has agreed to provide this service and the oversight shall be appropriate to the project. The review and oversight function performed by FP&C shall be conducted in a manner prescribed by them, and lacking that, the project shall not progress to the next step. Services of FP&C may include on-site inspection by field engineers assigned to that region.

The BOR offers the following points as suggested practices that it believes should be utilized when engaging in this type of project. If suggested practices are not followed, project documentation should provide justification for not doing so:

– Project finances should be set up in such a way that, whenever feasible and appropriate, movable equipment, such as furniture, appliances, etc., is acquired by the third party, and architectural and engineering fees should not be applicable to such expenditures. However, in some instances where the services of interior design professionals are used, either as a consultant to the A/E professional or Design/Build team or a direct contract service of the third party, appropriate compensation may be incorporated into the contract.

– Institutions should use and document a competitive proposal process in obtaining the services of a design professional, contractor, and/or design-build team. Where an RFQ or RFP is used to select a design professional, contractor, and/or design-build team, solicitations for services must define the project concept, scope of work, probable site, preliminary budget, purpose of the project, standards to be met, timing of the project and criteria by which responses to the solicitation will be judged. The selection process should leave no doubt that the selection was competitive, fair, impartial and unbiased. At a minimum, such documentation should demonstrate that those selected are competent, experienced, reliable, financially sound and bondable and available for the project. Documentation should also include the scoring process by which one respondent was selected over the others.

– Submittals and/or presentations in response to solicitations for services are speculative in nature and are no guarantee of success. Respondents must accept the expense of such submittals as a cost of pursuing business. There should be no compensation to any respondent for such expenses.

– Contracts or other legal documents used in the project should include provisions addressing the disposition of the facility at the termination of the third-party agreement. There should be provisions for control of the project by the institution and/or management board in the event of a default by the third party. If insisting on such a provision jeopardizes funding or the success of the project, then there should be provisions that restrict the use of the facility to ensure that it is either used for the same purpose or is compatible with the other university facilities and their occupants.

– Actual expenditures for the project including financing and the cost of selling bonds, legal fees, capitalized debt service, interest earnings, the activities of the third party, design fees, construction costs, movable equipment purchases, change orders, and any other costs should be reported to the designated system office quarterly or as needed for proper supervision of the project and its progress. All contracts, cooperative endeavor agreements or other legal instruments should include a requirement for documentation and reporting.

– Relevant relationships involved with these projects must be examined so as to avoid any possible conflicts of interests or the appearance of conflict. For example, if the third party has a board, an inquiry should be made as to whether or not any board member of the private entity will have an interest in the development or building of the facility.

1. 2. 22. Public-Private Partnerships (P3)

Public-Private Partnership (P3) arrangements are agreements entered into by a management board and/or institution with a private party for the purpose of erecting facilities and related improvements necessary and desirable to serve the needs and purposes of the institution. The private party under a P3 agreement will typically be responsible for the construction and capital financing of a facility. For the purposes of P3 agreements, a facility may be any building or other facility and related improvements constructed related to housing, transportation (including parking), healthcare, research or research-related activities, food service, retail sales, athletics, or student activities of the institution on the campus or on other real property directly owned by or under the jurisdiction of the management board, institution, and/or any support entity created under the provision of LA R.S. 17:3390.

The management board and/or institution shall ensure P3 agreements include the following:

- A plan with adequate safeguards in place to reasonably mitigate and manage foreseeable risk of future costs or service disruptions for the institution in the event of material default or cancellation of the P3. For example, restrictive covenants, recognition and subordination agreements, and/or recordation obligations, or other protections may reasonably protect the interests of the management board and/or institution in the facility, and if applicable, the real property owned or controlled by the management board, institution, or support entity on which the facility is located.

- A financing plan sufficient to determine the adequacy and expected type of revenues or assets to service the proposed debt or equity investment of the private party and related covenants or conditions. If the private party intends to use its own assets for the facility, sufficient information must be provided that substantiates the availability of the assets to be used for the facility (i.e. financial statements, etc.). For residence halls, parking facilities, and any other facility where students will be charged a fee for use or occupancy of the facility, an explanation of institutional involvement in establishing and overseeing the assessment of fees, a schedule detailing the proposed fees used to prepare pro-forma cash flows over the term of the P3 and methodology, limits, and approvals for, and circumstances that would allow, increases to such fees over the term.

- A description of any amounts to be paid to the private party by the management board, institution, and/or support entity, the purpose of the payment, and the timing and source(s) of revenues for such payment.

- If the private party assumes all associated debt for the facility, adequate safeguards in place to reasonably ensure that the institution’s debt rating will not be adversely affected by the construction and operation of the facility.

- If the agreement includes operation and maintenance of the facility by the private party, maintenance, repair and replacement requirements for the facility and monitoring and remedial rights for the institution or support entity to ensure that the facility is properly maintained.

- The provision of an adequate reserve fund for expenses relating to operations, maintenance and renewal or replacement, if applicable.

- If applicable, a description of the method by which the private party proposes to secure the necessary property interests that are required for the facility.

- A plan for disposition of the facility at the end of the P3 agreement or in the event of early termination of the agreement.

All P3 projects shall be approved by the management board and BOR prior to entering into contracts or initiating construction.

<u>1. 2. 23.</u> <u>Leases</u>

In general, there are four types of leases, (1) the management board and/or institution leasing real estate it owns to others, (2) the management board and/or institution obtaining the use of real estate and improvements thereon that is owned by others, (3) the management board and/or institution leasing real estate it owns to a third party with the intent that the third party construct improvements thereon and then lease the completed facility and real estate back to the management board and/or institution for its use, and (4) the management board and/or institution leasing real estate it owns to a private party with the intent that the private party construct improvements thereon and the private party maintains and operates the facility until the debt service associated with the new facility has been satisfied. Leases impact Section 1.2.5 of this policy and may have budgetary impact as well.

With regard to leasing of real estate owned by the management board and/or institution, a management board may lease any property it owns to others, grant utility easements, grant oil, gas, and mineral related leases, and rights-of-ways without the approval of the BOR.

Where the leasing of real estate owned by the management board and/or institution to others has as its purpose the construction of facilities thereon and involves any of the third party or P3 arrangements as provided for in this policy, the leasing of such real estate shall be included in the financial package for such arrangements, and shall be subject to approval by the BOR.

In accordance with the provisions of La. R. S. 39:1641, management boards and institutions may lease real estate with improvements it may need without BOR approval if funding has been included in the operating budget for the institution.

The renewal of existing leases with the same terms as the original or previously approved lease may be renewed for an additional term with the same provisions without additional review and approval by the BOR.

Expenditures for the improvement and/or maintenance of leased facilities owned by others cannot come from state sources. Provisions for future improvements and maintenance of the facility must be built into the lease and the cost borne by the lessor.

Where required by law, leases under this section shall be reviewed and approved by the Office of Contract Review and lease section of FP&C.

1. 2. 24. Condition Assessment

In planning discussions related to the implementation of Act 751 of 2024 (**See Section 1.2.18**), the need to conduct a statewide higher education facilities condition assessment was evident. Working with FP&C, the BOR identified Gordian, LLC as the firm to perform a comprehensive review of all public postsecondary education facilities within the state. The evaluations will be performed by impartial teams of inspectors comprised of individuals versed in specific specialties as follows: architectural, mechanical, plumbing, and electrical. The intent of using one firm to conduct a statewide assessment was to achieve condition inspection and evaluation consistency for all institutions.

The assessment project began in the Spring of 2025 and will be completed in mid-to-late 2026. The end result will be a comprehensive list of deficiencies and needed capital projects for each institution. Projects will be grouped logically into building portfolios that may associate project needs with funding sources. Projects will be prioritized by building condition, timeframe, investment criteria, and value of the building to develop a capital plan so that the most important and impactful projects are executed with the finite dollars each campus has available to invest. The established capital plan will provide all stakeholders with defined priorities as it relates to Act 751 of 2024 (**See Section 1.2.18**).

1. 2. 25. Small Business Participation

Louisiana’s postsecondary institutions do a substantial amount of capital projects that involve millions of state dollars. A goal of the BOR is that as many small, diverse companies as is feasible can participate in these projects. Most importantly, the BOR wants to assure these businesses that higher education is an open, fair and inclusive environment that welcomes their participation. To that end, the BOR encourages each management board to put in place policies and procedures that require those soliciting business from them to demonstrate that they have exercised due diligence in involving small, diverse companies in their projects.

1. 2. 26. Naming of Buildings

The BOR is not involved in the naming of buildings or other facilities at any institution.

1. 2. 27. Land Acquisition Program

The Board of Regents' Land Acquisition program is a unique capital outlay project to provide funding for the acquisition of real estate. Typically, land becomes available in a brief window of opportunity, by owners who have many options. Depending on when such land is put on the market, it is likely to be sold before capital funding can be obtained through the traditional process of requesting that specific parcel of land as an individual project.

To provide funding for land acquisition, the Board of Regents shall include, when appropriate, a project request in its annual Capital Outlay Budget Recommendation in an amount sufficient for projected needs.

Funds made available because of this process may be accessed by public postsecondary educational institutions through their management boards by submitting a request which includes a description of the property and a discussion of the need and anticipated benefit to the institution.

Management boards shall review project requests and if appropriate, forward them to the Board of Regents for its consideration. Projects may be submitted individually to take advantage of a unique opportunity or collected for periodic submission as a group. In the latter instance, the system may elect to prioritize the projects.

The Board of Regents will review land acquisition proposals received from all systems based on criteria set forth in the Guidelines for Capital Outlay Budget Requests and, based on availability of funding, recommend such acquisition to the Facilities and Property Committee of the Board of Regents at a subsequent meeting. Thereafter, if approved by the Board, projects will be forwarded to the Division of Administration for acquisition.

Criteria for review of potential acquisitions at every level must focus primarily on the benefit to the institution. Other criteria to be considered are outlined in the Guidelines for Capital Outlay Budget Requests.