To: Ithaca Campus Deans, Vice Presidents, Vice Provosts, Weill Cornell Medical College Provost

From: Tom Cole, Director of Capital Budget

Date: July 31, 2013

Re: 2014-15 Capital Plan

The Capital Planning Group is beginning the process of creating the FY 14-15 one-year capital budget and five-year capital plan, as well as getting an updated view of plans for capital activity during the current (13-14) fiscal year. The plan for capital activity in FY 14-15 will be a true capital budget, a set of priorities, projects, funding plans, and use of resources that we will live within and measure progress against as we go through the fiscal year. The plan should include projects for which activity is planned in the next five fiscal years. We recognize that planning certain types of projects in out years may be difficult, but we ask that you estimate the normal annual investment by type of activity at an aggregated level if the specific projects are unknown.

The focus for the next five year period will remain on projects which are already underway or approved, projects which meet certain criteria of importance – health, life safety, compliance, asset protection and critical maintenance, cost savings/avoidance, and select strategic “mission critical” programmatic and infrastructure improvements – and projects which have clearly identified and complete funding sources. The Capital Funding & Priorities Committee (CF&PC) will be discussing the institutional priorities, parameters, and criteria that will be applied to the development of the capital plan.

CF&PC will also be considering for future planning purposes the desires and needs for capital activity that has been outside the criteria for inclusion in the approved capital plans in recent years. Specifically, the committee is interested in understanding the desire for gift fundraising and the need for debt financing to fund capital projects in the five years beyond the capital plan horizon.

We are asking for information on planned capital activity at this time so that we can understand capital cost pressures as we begin to shape the FY 14-15 operating budget. Capital planning will be an iterative process given that FY 14-15 operating resources are not yet defined and we will work with you and your staff to review and adjust plans as budget planning progresses, ensuring that the operating and capital budgets are linked and aligned.

Attached for your reference are the current “Capital Project Spending Guidelines” as well as a document, “Managing Capital Activity,” which further describes the process for creating and approving the capital plan and approval of individual capital projects.
Specific Instructions for Capital Plan Submissions

We are asking that you provide your submission of planned capital activity by October 4, 2013 in order that there be time to consolidate and review the capital plans so that a draft capital budget can be considered as major budget planning assumptions are reviewed and approved by the Trustees in January. As part of the review and creation of the draft capital plan this fall, we may ask to meet with your college or unit to discuss your particular capital needs.

Please submit your capital plans electronically to me (tec2@cornell.edu) by October 4, 2013. The plan should include projects for which activity is planned in the next five fiscal years. The minimum budget threshold for individual projects or project groupings for inclusion in the capital plan is $250,000. The data required for each project or activity grouping are shown in the attached “Capital Plan Statement of Need” and “Capital Plan Financial Data” documents. In addition, please provide the information shown on the attached “Proposed Future Capital Activity” for major projects being contemplated in fiscal years 2019-20 through 2023-24 that would require debt financing and/or gift fundraising.

In addition to the usual capital projects, we would also like to know about any planned future commitments on space leases. If you have plans to enter into a new lease or extend an existing lease with a net present value of $250,000 or greater during the next five fiscal years, please provide the information on the attached “Capital Plan Lease Data” document.

Templates for submitting the necessary data, as well as electronic versions of the materials attached to this memo, are available at: http://dbp.cornell.edu/offices/capital-budget/capital-planning-2. If you have any questions about the process or the specific information needed for your capital plan submission, please contact me. Thank you very much for your assistance with this important effort.

cc: Capital Planning Group Members