The materials below consist of regulations of the State University of New York Board of Trustees. However, it is not the Official Compilation of the Codes, Rules, and Regulations of the State of New York. Readers are advised to refer to the Official Compilation (8 NYCRR Part et seq)in case of questions.

PART 603

THE COLLEGE CAPITAL BUDGET

Sec.

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§ 603.1 State assistance for capital costs.

(a) The maximum amount of State financial aid for capital costs of community colleges shall be limited to one-half of the amount of capital expenditures approved by the State university trustees. Such expenditures shall be deemed to include the value of any property or services furnished by a local sponsor or sponsors as its or their share of capital costs as fixed by the State University trustees with the approval of the Director of the Budget in accordance with law. Proposed capital expenditures shall be submitted for approval in the form of capital budgets. In their determination on such proposals, the State University trustees will give due consideration to the master plan, the relationship of the proposed expenditures to the facilities to be furnished thereby and the need for such facilities with respect to the potential number of students and the area to be served by the community college concerned. In any case, where a local sponsor has received State financial assistance based on expenditures for capital facilities of a community college and shall thereafter dispose of such facilities either by sale, other than in part payment for a new article, or by discontinuance of their use for community college purposes, State financial assistance for costs of any new capital facilities shall be limited by crediting to such assistance otherwise payable an amount computed as follows: one half, or if the State contributed less than one half, such lesser percentage of original capital costs as may have been paid by the State, of the value of such facilities at the time so disposed of as fixed by the State University trustees with the approval of the Director of the Budget, but in no event shall such value be fixed for such purpose at more than the original cost of such facilities nor less than the amount actually received by the local sponsor upon sale thereof.

(b) Upon approval by the State University trustees, the capital construction budget shall be forwarded to the Governor with a request for inclusion in the Executive Budget request to the Legislature. Where an appropriation is passed for a construction project, the local sponsor may arrange for financing and construction with the Dormitory Authority of the State of New York with the approval of the State University trustees and the Director of the Budget. The State University trustees will not approve any application or agreement for financing unless an appropriation has been made for the project. The capital construction will be financed by the local sponsor with the approval of the Dormitory Authority or pursuant to the terms of an agreement between the local sponsor and the Dormitory Authority with the approval of the Director of the Budget and the State University trustees. The State shall annually' thereafter appropriate and pay to the local sponsor 50 percent of the costs of financing, to be disposed of pursuant to the foregoing agreements or approvals.

§ 603.2 Form of the capital budget.

Capital budgets shall be prepared in accordance with procedures and in the form required by the State University and the local sponsor.

§ 603.3 The capital budget, a continuing budget.

Capital budgets, unlike operating budgets, do not terminate annually but are continuing. Once approved by the local sponsor and the University trustees, capital budgets can be amended by action of the sponsor and State University

trustees. A separate capital budget is required for each project. The following items are properly included in a capital budget. The list is not intended to be all-inclusive. Other items necessary for the creation of new or additional facilities may be considered for inclusion.

(a) Acquisition of real property.

(b) Site selection studies, surveys, appraisals, relocation of tenants and owners, demolition and other costs of acquiring real property.

(c) Preparation of plans and specifications.

(d) Supervision and inspection of construction.

(e) Construction of new facilities.

(f) Major changes in the function, use or capacity of existing facilities.

(g) Alterations and improvements to existing facilities.

(h) Identification, design and specification of capital equipment.

(i) Acquisition and installation of equipment in new construction.

G) Acquisition and installation of equipment in projects involving major changes.

§ 603.4 Architectural fees for design and supervision of construction of buildings and

sponsor services.

The fees for architectural services shall not exceed the amounts determined from the schedule of fees established by the chancellor or designee. In addition, the college shall not be charged for duplicate administrative, design, or construction supervision services associated with the project. , Any such fees must be approved by the college trustees.

§ 603.5 Real property.

(a) Acquisition of real property. Real property may be acquired for community college facilities by gift only after the State University trustees have approved the selection of the site, and by purchase or condemnation only after an appraisal has been prepared and the State University trustees have approved the selection of the site, the educational value of the property and a capital budget which includes the acquisition costs.

(b) Appraisal of real property. Any appraisal of real property required by this Subchapter shall be prepared by an appraiser selected by the State University, approved by the college trustees and engaged by the college or sponsor. Prior to the enactment of an appropriate capital budget, appraisal costs shall be paid in the first instance by the sponsor or the college. Any appraisal required by this Subchapter shall be dated within one year of the date of the transfer of title of the real property.

(c) Title to real property. Title to the real property shall be vested with the sponsor, and the real property shall be dedicated to be held in trust for the college with a resolution of the governing legislative body of the sponsor, which resolution shall describe the parcel by a metes and bounds description. The description shall be incorporated into a deed which shall place the property in trust on behalf of the community college, which deed shall be filed and recorded in the office of the county clerk in which the property is located.

(d) Disposal of real property. A local sponsor may dispose of real property if the college board of trustees and the State University have passed resolutions declaring that the property is no longer useful or required for community college purposes and the minimum rental and the market value at the time of disposal has been determined by an appraisal and approved by the State University trustees. The following methods of disposal are approved:

(1) sale to the sponsor for not less than the market value;

(2) sale by competitive bidding to the highest bidder as approved by the local sponsor and State University;

(3) by method applicable to local sponsor and approved by the State University trustees. In the event the disposal cannot be prudently considered or no buyer can be found, the sponsor shall endeavor to lease the property in the following manner:

(4) rental to the sponsor for not less than the minimum rental;

(5) rental to a third party for not less than the minimum rental. In any case, where a local sponsor has received State financial assistance based on expenditures for community college capital facilities and the local sponsor shall thereafter dispose of such facilities by sale or by discontinuance of their use for community college purposes, State financial assistance for costs of any new capital facilities shall be reduced by crediting to such assistance otherwise payable an amount computed as follows:

(6) one half of the value of such facilities at the time so disposed of as fixed by the State University trustees with the approval of the Director of the Budget; or

(7) if the State contributed less than one half, such lesser percentage of original capital costs as may have been paid by the State; and

(8) in no event shall such value be fixed for such purpose at more than the original cost of such facilities nor less than the amount actually received by the local sponsor upon the sale thereof.

Where disposal of the real property is in part payment for a new capital article for community college purposes, this section shall not apply.

§ 603.6 Amendment to the capital budget.

Action to amend an approved capital budget shall be initiated by the college administration and be approved by the college trustees, sponsor(s) and State University trustees. In requesting action by the State University trustees, the college administration shall submit copies of the official resolutions requesting the amendment and the amount of the amendment as enacted by the college trustees and sponsor(s).

§ 603.7 Capital cost chargeback for nonresident students.

(a) Monies received from the chargeback to the counties of residence of nonresident students of amounts on account of capital costs of the local sponsor shall be deposited in the community college fund in accordance with subdivision 5-b of section 6304 of the Education Law and shall be separately accounted for within said fund, and be used:

(1) to meet the sponsor's share of the costs of acquisition of land and the acquisition, construction or rehabilitation of buildings;

(2) to reduce indebtedness of the sponsor incurred for capital costs of a community college;

(3) to pay the sponsor's costs of financing such indebtedness; and

(4) for the sponsor's share of such other purposes as are normally permitted within an approved capital construction budget.

(b) Capital chargeback monies may be expended to pay for up to one-half the purchase price of equipment. Such purchases shall be limited to those items of equipment which require significant expenditure of funds. For purposes of this section, equipment shall include only those articles that:

(1) are a tangible asset;

(2) Possess a useful life of at least two years;

(3) have a unit cost of $1,000 or more; or

(4) are purchased in quantity for a single educational or administrative purpose, have a unit cost of $500 or more, and an aggregate value for all units purchased for such single purpose of $10,000 or more.

In no event shall expenditures for equipment, made with capital chargeback monies, qualify for State operating aid.

(c) Payment of said monies for the foregoing purposes shall be made to the sponsor of the community college from the community college fund.

(d) The term year shall be defined to mean an academic year with respect to the chargeback of amounts on account of capital costs.

(e) Effective with the academic terms commencing on or before January 1, 1976, the annual charge to the counties by the college, up to a maximum of $300, shall be apportioned according to the following schedule:

(1) for full-time students-one half of the approved charge per term for those colleges operating on the semester system up to the approved amount, and one third per term for those colleges on the quarter system up to the approved amount; and

(2) for part-time students where the approved rate is $300 -$10 per semester credit hour or $6.67 per quarter hour; where the approved rate is $200 -$6.67 per semester credit hour or $4.43 per quarter credit hour.

(f) Each community college with the submission of its annual budget shall request a capital chargeback rate. Such application shall include justification for approval of the charge, which shall indicate the amount of the approved capital expenses of the college and the chargeback reserves on hand. Determination of chargeback amount shall be based on the following guidelines:

(1) any community college which has received State University trustee authorization for a capital project as included in the capital construction budget request for purposes set forth in subdivision (a) of this section, may charge $300 annually until the fund equals the local share and the State's share if the local sponsor is authorized to finance the State's share of any such approved project. Such college may deduct the amount of the local share and the State's share of such approved project from the accumulated fund prior to calculating the additional capital charge referred to in paragraph (2) of this subdivision; and

(2) any college which is using at least 50 percent of the capital charge monies collected in the current year for the sponsor's share of expenditures as set forth in subdivision (a) of this section may charge $300 during such year; provided that if the fund exceeds $500,000 but is less than $1,000,000 the college may charge $200 annually, and if the fund is equal to or greater than $1,000,000 no charge may be collected. Any college using less than 50 percent of the monies currently collected may not collect a capital charge.

§ 603.8 Campus reporting system.

The university has developed a reporting system for all capital construction projects at community colleges. This system is known as State University of New York Procedures and Standards for Community College Capital Construction.