

State University Administrative Manual

Appendix A: Definitions

Academic Year (AY): College year excluding summer term.

Appropriation: Funds made available through Budget Act authorization or other special legislation.

Assignable Area or Square Feet: The floor area in any building or structure. Sometimes referred to as net square feet or usable square feet.

Builders Risk Insurance Program (BRIP): Trustees have procured course of construction coverage for all projects with estimated construction cost of \$600,000 or greater. Program is administered by Alliant Insurances Services in conjunction with CPDC construction management. For more information, access the CSU BRIP website: <http://www.calstate.edu/cpdc/CM/BRIP.shtml>.

Building Official: The senior building official in the Office of the Chancellor (the Chief of Architecture and Engineering) who is responsible for the overall administration and operational control of the building code. See also, Deputy Building Official.

California State University Contract Law: Public Contract Code, Chapter 2.5, Sections 10700 et seq.

Board of Trustees (BOT): The Board of Trustees of the California State University and their authorized representatives who act on behalf of the Trustees.

Campus: The California State University campus upon which the project is located, the campus president and other campus officials acting within the scope of their designated duties.

Campus Consulting Master Plan Architect/Consulting Landscape Architect: Professional firms appointed annually by the campus President to advise the campus, Chancellor's Office and the Board of Trustees on the physical development of the campus. See Trustees' Policy on the Roles in the Physical Development of CSU campuses at <http://www.calstate.edu/cpdc/Executive/>.

Capital Outlay Budget Change Proposal (COBCP): Describes in detail the nature of the program requested and supplies the detailed information demonstrating the need for the project. Reference SAM Section 6818 at <http://sam.dgs.ca.gov>.

Capital Planning, Design and Construction (CPDC): The department within the Division of Business and Finance of the Office of the Chancellor of the California State University, responsible for all major and minor capital outlay projects. There are six organizational units within CPDC: 1) Executive, 2) Facilities Planning, 3) Architecture & Engineering, 4) Construction Management, 5) Plant, Energy & Utilities, and 6) Land Use Planning & Environmental Review.

Capital Renewal Program: The program is to provide systematically for the renewal of infrastructure and facilities passed the subsystems maintenance. Reference: EO 757.

Certified Access Specialist (CASp) Review: A review of project plans and/or project construction prior to punch list by an inspector certified by the Division of the State Architect to assess the project's ability to satisfy all aspects of the Americans with Disabilities Act and regulations for accessibility per the current edition of the C.C.R., Title 24, California Building Standards Code.

College Year (CY): Includes enrollments for summer, fall, winter and spring.

CY Main Campus Projected Enrollment: The main campus annualized FTE planning estimates for fall, winter, spring and summer approved by Analytic Studies in the Chancellor's Office.

Constructability Review: A review of the project construction documents by an independent third party (apart from the project architect/design team) for completeness and clarity of the documents, and the ability of a competent contractor to build the public improvement based on the documents prior to bidding. Reference PCC Section 10720.

Construction Administrator: The person delegated by the Trustees to manage the construction phase of the project, and who is authorized to approve changes to the contract.

Construction Contingency Funds: Funds included in the construction appropriation, that are calculated as a percentage of the basic construction cost. These funds are budgeted to cover any unforeseen construction contract change order costs that occur during the construction phase.

Construction Inspector of Record: The Inspector of Record on the project site who receives technical direction from the design professional and administrative direction from the construction administrator. See SUAM XII, Section 9785.

Contract: A binding agreement set forth in writing and enforceable by law between the State of California and a contractor for "public work." A "public works contract" involves the erection, construction, alteration, painting, repair, or improvement of any state structure, building, road, or other state improvement of any kind regardless of total cost. See also Service Agreement.

Custodial Square Footage:

State funded gross square footage: facilities and structures constructed, leased, or both with state funds, and that house instructional, administrative, and/or support functions.

State supported gross square footage: portions of a non-state supported building that houses instructional, administrative, or support programs.

Non-state supported square footage: facilities or structures constructed with non-state monies, and house non-state supported functions, i.e. student unions, bookstores, alumni organizations.

Farm square footage: a farm building, sitting on farm acreage, that has a roof and is used for the processing of farm products, for the processing of foods or seeds to

provide shelter for animals. This includes barns, and structures that house animals and their corresponding agricultural programs.

Space: the assignable square footage (ASF) in any facility or structure.

Department of Finance (DOF): Financial control agency for the State of California.

Deputy Building Official: A campus appointed individual responsible for campus-specific building code administrative and operational control as identified in the approved Delegation management Plan for each campus. This individual acts as a deputy under the authority of the CSU Building Official.

Design Professional: The person or organization, including the authorized representatives thereof, commissioned by the campus or Trustees for the design of the project.

Donor Funds: Donor funds and non-state reserves are those contributions to facility construction which are not financed through tax-exempt bonds. Under the Internal Revenue Service (IRS) rules relating to tax-exempt debt, donor funds and non-state reserves may be allocated as equity to the areas of tax-exempt bond funded facilities used by private Lessees and, therefore, allocate all proceeds of tax-exempt borrowings to areas of the facilities not used by the Lessees.

Encumbrance (Fiscal): A legally binding commitment of appropriated funds usually committed through a contract.

Equipment: Equipment when associated with a capital outlay project shall include Group I and Group II equipment.

Group I Equipment: Group I equipment is defined as built-in equipment installed as a part of the construction project. Examples of Group I equipment items include science laboratory benches, fume hood, distilled water systems, wind tunnels, theater rigging, etc. Included in the Group I are the program-specific build-in items.

Group II Equipment: Group II equipment also is program-specific but generally is movable and does not require significant utility connections. Group II items are not a part of the construction contract and are budgeted in a separate budget phase. Group II equipment examples include tables, chairs, microscopes, hand-held electric tools, computers, cameras, etc. Reference: SUAM Section X 9226.

Expired Funds: Funds that are no longer available for encumbrance pursuant to the Budget Act.

Extra Service Authorization: A written authorization for additional work required to be provided beyond the original professional service agreement. Examples of extra services include, but are not limited to; provision of specialty design consultants (laboratory, theater, food service designers), additional field investigations, revisions to work previously approved, etc.

Grants/Research Limitations: The IRS limits placed on tax-exempt bond funded facilities to ensure that there are no material restrictions placed by research grants operating in these facilities such that the grantor or private entity sponsoring the work owns the product

or results of the research or grant. Note: the Federal government is seen as a private entity for these IRS limits.

Gross Square Feet (GSF): The area within the building walls that is not assignable. Sometimes referred to as outside square feet, or building “footprint”. Reference: SUAM V, Section 9050.02.

Infrastructure: The basic facilities, equipment, and installations needed for the functioning of a system.

Leased Area Limitations: The IRS limits placed on leased areas including subleased areas subject to control by operating or management agreement by outside parties in tax-exempt bond funded facilities. Applicable leased areas are defined spaces situated within the building envelope of a tax-exempt bond financed campus facility.

Liquidation Period: The liquidation period is the two year period after the funds expire regardless of term of initial availability. During these two years, all contract encumbrances made prior to the fund expiration date must be expended. Reference: Government Code Section 16304.1.

Major Capital Outlay: Construction project where the estimated total project cost exceeds \$600,000. State site acquisition projects regardless of amount, are funded in major capital outlay.

Minor Capital Outlay (MCO): Construction project where the estimated total project cost is \$600,000 or less. Typically limited to the betterment of academic facilities, including improvements to comply with regulations of the Americans with Disabilities Act (ADA).

Non-State Facility: A non-state facility is a project or program that is not directly funded by state funds, for example enterprise programs such as housing, parking, student unions, health centers, continuing education, and auxiliary organizations. The IRS regulations and restrictions regarding private use pertain to all non-state and auxiliary organization facilities, as well as state facilities, which have tax-exempt bond financing, such as Systemwide Revenue Bonds.

Non-State Reserves: See Donor Funds.

Non-Streamlined Projects (301): These projects must be submitted to the Board of Trustees for schematic approval, are governed by Section 2 of the Budget Act, require the DOF approval of allocation of funds for each phase, and require PWB approval of 100% preliminary plans and at 95% working drawings.

Occupancy Year: The year the construction is complete. For a streamlined (302) project, this is usually three years after the initial funding appropriation. For a non-streamlined project with a separate appropriation for construction phase, occupancy year is estimated to be two years after the construction appropriation.

Owner Controlled Insurance Program (OCIP): The Trustees have procured general liability for third party bodily injury/property damage, workers compensation/employers liability, products/completed operations liability (for up to 10 years beyond project completion, and professional liability coverage) for all projects that have a construction cost

greater than \$10 million. The OCIP program is administered by Alliant Insurance Services in conjunction with CPDC construction management. Reference the CSU OCIP website: <http://www.calstate.edu/cpdc/cm/constuction-insurance-programs.shtml>.

PCC: California Public Contract Code, Chapter 2.5, Sections 10700 et seq.

Period of Appropriation Availability: The Governor's Budget includes only those projects or project phases for which funds can be encumbered within the appropriation period. Budget Act and provisional language, typically found in Section 2.00 of the Budget Act, specifies that, in general, appropriations and re-appropriations for capital outlay pursuant to that act are available for expenditure for three years (with an additional two years for liquidation, per Government Code Section 16304.1); appropriations for studies, preliminary plans, working drawings, or minor capital outlay are available for encumbrance for a single year only. However, a construction appropriation reverts to its source fund at the end of the first year of appropriation availability if DOF has not allocated the funding through fund transfer or approval to proceed to bid. A capital outlay appropriation provided through special legislation is also available for expenditure for three years (followed by a two-year liquidation period), unless otherwise specified or unless the chapter is codified making the appropriation continuous. Reference: SAM Section 6812.

Permissible Exceptions or "Safe Harbors": The IRS provides several exceptions to activities that might otherwise be considered private activity use in tax-exempt bond financed facilities. The following are some examples of permissible exceptions:

- Qualified Management Contracts - Arrangements with outside parties to operate or manage financed facilities, or subleased areas within them, which limits performance based bonuses and joint ventures. Payments to outside parties are limited by time and forms of compensation.
- Allocating Equity - Donor or non-state reserve contributions available to the project may be allocated to cover the construction cost of the specific area of the Project used by a Private Lessee such as a café or food service vendor. CPDC form 4-2 (Facilities Information Worksheet) is used to report allocated equity.
- Incidental Use – Are capped at 2.5% of GSF, such as for advertising, vending machines, public phones, etc.
- Incidental Services – Are exempt; for example, janitorial, equipment maintenance and repair, or reimbursement contracts.
- Short Term Use – There is a 50 day allowance for commercial use in a tax-exempt bond financed facility for arm's length transactions with fair market value compensation. A 200 day allowance applies for general public use with fair market rates provided for compensation.
- Grants – True grants that do not impose conditions of how an activity is to be performed or conducted and for which there is no right or expectation of making any payment, in money or services to the grantor.
- Joint Research Operations with State and Local Governments – Research agreements that are solely with state or local governments, including their subsidiaries such as the University of California.
- Research Contracts under IRS Revenue Procedure 2007-47 – Research Grant contract agreements that qualify under the Bayh-Dole Act, which allows certain federally funded research agreements to be considered permissible exceptions.

Prequalification: Performed by the Construction Management unit of CPDC; prospective bidders must prequalify with Trustees prior to receiving bid packages for any project estimated to cost \$600,000 or more. See SUAM XII, Sections 9740 et seq.

Private Activity Usage: Private activity use is any arrangement with a commercial entity, an unrelated (to the CSU) nonprofit organization or the US Government for a right to use a facility or any preferential treatment or recognition which includes ownership, leases, management, special legal entitlement, or special economic benefit.

Program Justification: Describes in detail the nature of the program requested and supplies the detailed information demonstrating the need for the project. See also COBCP.

Project Administrator: The university administrator responsible for the total coordination of a project. The project administrator actively monitors the progress of plan development through schematic, preliminary and construction documents to confirm the project is in scope and budget.

Project Architect/Engineer Agreement: See Service Agreement.

Project Manager: The on-site representative of the construction administrator, but without the authority to approve changes to the contract. See SUAM XII, Section 9792.04.

Project Specifications: Document that provides detailed instructions to the project architect or engineer for designing a new project.

Public Works Board (PWB): The state board empowered to oversee administration of most state capital outlay projects; exercise eminent domain, make augmentations, and approve project scope through review of preliminary plans.

Public Works Project: The erection, construction, alteration, painting, repair, or improvement of any state structure, building, road, or other state improvement of any kind. Reference PCC Section 10701 and SUAM XII, Sections 9700 et seq.

Re-appropriation: Legislative authorization to extend availability of existing funding for another period of time. Budget Act Control Section 2 and/or the provisional language of the re-appropriation item specify the fund expenditure limitations.

Reverted Funds: Funds remaining in an appropriation at the end of the liquidation period that are automatically returned (reverted) to the source appropriation. Reversion of funds may occur prior to the expiration period by Public Works Board action or by legislation.

State Administrative Manual (SAM): SAM is a reference source for statewide policies, procedures, regulations and information developed by the Governor's Office and other state agencies, and is located on the web at <http://sam.dgs.ca.gov>. Capital outlay matters are found in Chapter 6800.

Scope: The program as it relates to location, site, facility size, shape, and use of assigned program space. The project scope is established initially in the COBCP, with key elements reiterated (or restricted) in Supplemental Language to the Budget Act. The preliminary plans, and later the working drawings, refine scope in terms of the physical characteristics of the project. Reference: SAM Section 6863.

Service Agreement: Agreements in connection with public works construction contracts, including but not limited to agreements for architectural, engineering, planning, testing, and general feasibility studies (executed pursuant to the authority of Public Contract Code Section 10707 and in conformance with SUAM, Sections X and XI, 9200 et seq).

Special Repair Projects: These types of projects are budgeted in the operating expenses of the State Support Budget regardless of the amount. Special repairs are not capital outlay. Special repair projects repair or refurbish existing facilities and include, but are not limited to, repainting, re-roofing, electrical rewiring, plumbing repairs, dredging of river or stream beds to restore original flow capacity, replacing old equipment items, and road repairs. Reference SAM Section 6806 and SUAM XII, Section 9701.02.

Streamlined Projects (302): Streamlined projects typically receive funding for preliminary plans, working drawings, and construction phases within a budget appropriation for a single fiscal year and are governed by specific provisional language in the appropriation. These projects must be submitted to the Board of Trustees for approval of schematics, and completion of each subsequent phase must be submitted to CPDC.

Student/Faculty Ratio: Total student FTE divided by the total Full-Time Equivalent Faculty (FTEF). Unless otherwise noted, the Student/Faculty Ratio (SFR) is taken from the Office of Human Resources.

State University Administrative Manual (SUAM): SUAM is a CSU reference source for policies procedures, regulations, and information from a variety of California statutory codes and Board of Trustees' policy provisions and administrative direction, etc. Capital outlay matters are found in Section 9000. Access at <http://www.calstate.edu/cpdc/SUAM/>.

Summer Projected Enrollment: The approved main campus annualized FTE planning estimates for summer term from Office of The Chancellor, Analytic Studies.

Target Year: Two years after the completion of the project.

Temporary Facilities: Temporary facilities are classified as either 'Modulars', 'Trailers' or 'Other.'

Trailers: mobile structures which are readily movable to other sites.

Modulars: modular-type structures assembled at the site that can be disassembled and moved to other sites.

Other: existing houses, apartments, barracks, farm buildings, Quonset huts and similar structures, including temporary initial buildings acquired or constructed for use for a limited time.

Note: this does not included existing permanent facilities identified in the Space and Facilities Database that are master planned for future demolition.

Trustees: The Board of Trustees of the California State University and their authorized representatives who act on behalf of the Trustees.

University Building Official: Term no longer used - see Building Official.

Year Round Operation (YRO): see Feasibility Study on Year Round Operations, The California State University April 2000 at <http://www.calstate.edu/YearRoundOps/>.