

## PERMANENT IMPROVEMENTS

Permanent improvement projects are defined as:

- (1) any acquisition of land, regardless of cost;
- (2) any acquisition (as opposed to the construction) of buildings or other structures, regardless of cost;
- (3) construction of additional facilities and any work on existing facilities including their renovation, repair, maintenance, alteration or demolition in those instances in which the total cost of all work involved is \$100,000 or more;
- (4) architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement project. Master plans and feasibility studies are not permanent improvement projects and are therefore not to be included;
- (5) capital lease purchase of any facility acquisition or construction; and
- (6) equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract should be included as a part of a project.

All permanent improvements that meet the above definition must become a project, regardless of the source of funds. However, any agency that has been authorized/appropriated Capital Improvement Bond, Capital Reserve Fund or specific state appropriated funds by the General Assembly for capital improvements must process a permanent improvement project, regardless of the amount. In addition, any agency proposing to transfer state appropriated operating funds to a permanent improvement must also process a permanent improvement project, regardless of the amount.

Expenditures for projects costing less than \$100,000 under current policies are not subject to Board approval or Bond Committee review. As a part of the Annual Permanent Improvement Program process, however, each agency may be required to report on expenditures in the under-\$100,000 category in an annual report to the Board and the Committee due each year in September. In addition, this information will be required to be provided as the Committee or Board requests it.

The \$100,000 cost cut-off level in the definition of a permanent improvement is subject to adjustment by joint action of the Bond Committee and the Budget and Control Board.