

**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**

**SECTION: V. FINANCIAL AFFAIRS**

**SUBSECTION: K. Construction Projects**

**October 2023**

1. Authorization Limits

Before any institution or agency under the governance of the Board begins to make capital improvements, either in the form of alteration and repair to existing facilities or construction of new facilities, it must be authorized based on the limits listed below. “Alteration” means a limited construction project for an existing facility that comprises the modification or replacement of one or a number of existing building systems or components. “Repair” means work that corrects deterioration or damage to a facility or to existing building systems or components in order to restore it to its condition prior to the deterioration or damage.

Projects requiring executive director or Board approval must include a project budget detailing the estimated project costs, including costs for architects, engineers, and construction managers and engineering services. Alteration and repair projects funded entirely by an appropriation through the permanent building fund are approved through the Board’s annual approval of an institution’s or agency’s operating budget and do not require separate approval under this policy, except as may be required under Paragraph 5.

Project Originally Authorized By	Original Project Cost	Cumulative Value of Change(s)	Aggregate Revised Project Cost	Change Authorized By
Local Agency	< \$1 million	Any	< \$1 million	Local Agency
Local Agency	< \$1 million	Any	\$1 – 2 million	Executive Director
Local Agency	<\$1 million	Any	> \$2 million	SBOE
Executive Director	\$1 -\$2 million	<= \$1 million	<= \$2 million	Local Agency
Executive Director	\$1 – 2 million	Any	>\$2 million	SBOE
SBOE	> \$2 million	<\$1 million	Any	Local Agency
SBOE	> \$2 million ,	\$1-\$2 million	Any	Executive Director
SBOE	> \$2 million	>\$2 million	Any	SBOE

2. Major Projects - Capital Construction Plans

- a. Institutions and agencies under the governance of the Board wishing to undertake construction projects involving construction of new facilities or significant, long-term renewal improvements to existing facilities shall submit annually to the Board for its approval a six-year capital construction plan (the “Plan”). The Plan shall span six fiscal years going forward starting at the fiscal year next. The Plan shall include only capital construction projects for which the total cost is estimated to exceed two million dollars (\$2,000,000) (“Major Projects”), without regard to the source of funding. Alteration and repair to existing facilities are not required to be included on the Plan but such projects shall be reported to the Board when undertaken. Inclusion on the Plan shall constitute notice to the Board that an

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institution or agency may bring a request at a later date for Board approval of one or more of the projects included in its approved Plan. Board approval of a Plan shall not constitute approval of a project included in the Plan.

b. If a Major Project is not included in a Plan and an institution or agency under the governance of the Board desires to obtain approval of the Major Project, before seeking approval, it shall first bring an amended Plan to the Board for approval at a regularly scheduled meeting of the Board. If a potential donor offers an unsolicited gift to an institution or its affiliated foundation in support of a Major Project which is not in an institution's or agency's Plan, prior to acceptance of the gift, the institution or agency shall notify the Board's executive director in writing of the offer, which notice shall include a detailed statement of purpose and fiscal impact, and a summary of the terms and conditions of the gift. This notice shall also certify to the executive director that the donor understands and acknowledges that construction of the Major Project is subject to the review and approval of the Board.

**3. Major Projects Approval Process - Design-Bid-Build Projects**

**a. Planning and Design**

Board approval is required before any institution or agency begins planning and design on a Major Project carried out under the traditional "design-bid-build" method. For design-bid-build projects, planning and design encompasses the preparation of architectural and engineering documents and associated budget and schedule information through the completion of the construction documents for bidding. As part of the Board's approval process for planning and design, the institution or agency may submit a preliminary project budget and financing plan (including pro forma financials, debt/operating expenses ratios, pledges, strategic facilities fees, and other material financial information).

**b. Project Budget and Financing Plan**

Board approval of a project budget and financing plan (including pro forma financials, debt/operating expenses ratios, pledges, strategic facilities fees, and other material financial information) is required for a design-bid-build Major Project. This approval may be requested only after completion of the design and planning process but may be requested concurrently with approval for construction.

**c. Construction**

Board approval is required to proceed with the construction of a Major Project. In order to obtain Board approval for construction of a Major Project, the Board must approve the project budget and financing plan. Construction approval may be requested concurrently with approval of the project's budget and financing plan.

**d. Financing and Incurrence of Debt**

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Board approval for the financing of Major Projects via the issuance of bonds, or incurrence of any other indebtedness, is required pursuant to Board policy V.F. This approval may be requested concurrently with approval of the project's budget and financing plan and construction approval.

**4. Major Projects Approval Process - Design-Build Projects**

Although design--build projects are performed by one team, design-build contracts can also allow a series of options to proceed (or not) after completion of the design phase and before construction. For design-build Major Projects, Board approval shall be required prior to issuance of a design-build solicitation, including approval to utilize the design-build method. The approval process for major projects using a design-build contract shall be the same as the approval process required for a design-bid-build contract. For purposes of such approval, a preliminary project budget and financing plan shall be submitted. No additional approval shall be required unless the preliminary budget and financing plan is exceeded. Approval of debt issuance as part of the financing plan is required as provided in Policy V.F. An institution may seek approval from the permanent building fund advisory council for use of design-build delivery method prior to or following Board approval, as long as both agencies approve, if required, prior to issuance of a bid.

**5. Fiscal Revisions to Previously Approved Projects**

If a project budget increases above the total Board or executive director-authorized amount by 5% or more, then the institution or agency shall be required to seek further authorization based on the limits established in paragraph 1, above. Regardless of the authorization level required, the institution shall provide the Board with the amount and reason(s) for the cost overruns and the source of funds.

**6. Project Acceptance**

Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the State of Idaho and all contracts and acquisition of goods and services are acquired through the Department of Administration as applicable. Projects conducted through the Department of Administration shall not require approval other than as required under this Policy V.K. Projects under the supervision of an institution or agency are accepted on behalf of the Board and the State of Idaho by the institution or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

**7. Statute and Code Compliance**

- a. All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance

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with applicable state and local building and life-safety codes as provided in Chapter 41, Title 39, and applicable local land-use regulations as provided in Section 67-6528, Idaho Code.

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- b. In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

**8. Campus Master Plans**

Each institution shall develop a seven (7) to fifteen (15) year Campus Master Plan (CMP). The CMP shall serve as a planning framework to guide the orderly and strategic growth and physical development of an institution's campus. The CMP shall be consistent with and support the institution's current mission, core themes, strategic plan, and six-year capital construction plan. The CMP and substantive updates thereto must be approved by the Board.