DEPARTMENT OF CORRECTIONS

Policy Number:	**104.120**
Title:	**Capital Budget**
Effective Date:	**1/21/20**

PURPOSE: To provide procedures for the preparation of capital budget requests.

APPLICABILITY: All facilities

DEFINITIONS:
Capital Asset Preservation and Replacement Account (CAPRA) – defined by Minn. Stat. § 16A.632, funding that provides rapid financial assistance to state agencies for emergencies and unanticipated hazardous material abatement needs related to the state's capital grants.

PROCEDURES: The following steps are general guidelines for preparing the department's capital budget request, which includes identifying needs such as new buildings, major remodeling/renovation projects, and improvements. Each facility must use the capital budget process to identify its needs for the next capital budget legislative session. For specific instructions, refer to the Minnesota Department of Administration (Admin) and Minnesota Management and Budget (MMB) instructions.

A. The department designs future correctional facility construction using progressive correctional concepts to promote security and offender rehabilitation through facilitating contact and interaction between staff and offenders. All new construction and/or remodeling must follow the Department of Administration's design guidelines, including state building codes, and American Correctional Association (ACA) guidelines.

B. The capital resources administrator must send out a request to each facility for a prioritized list of capital budget projects.

C. The warden from each facility works with facility staff to compile a prioritized list of capital budget projects. Requests from each facility are maintained on the department-wide asset preservation list. Original requests are maintained by the capital resource administrator.

D. The deputy commissioner and the deputy commissioner's staff must prioritize the list of capital budget requests submitted by each facility and the capital resources administrator according to department-wide needs.

E. Each project identified as a department initiative during the next capital budget bonding legislative session must have a completed, predesign study to develop a clear, concise project scope and cost plan.
   1. The capital resource administrator prepares and maintains an electronic Project Initiation Form (PIF) to initiate predesign studies.

   2. The capital resource administrator sends the PIF to the real estate and construction services financial officer.

3. Predesign studies are initiated for all capital budget requests that are to be presented during the next legislative session. The capital resource administrator must contact legislative leadership regarding all predesign studies.

4. The original PIF is retained by the capital resource administrator who sends a copy of the original PIF to the physical plant directors at the requesting facilities.

F. Finance staff and the capital resource administrator must enter each capital budget request approved by the deputy commissioner using the appropriate forms and instructions provided by Admin and MMB into the capital budget system.

1. The financial management director must review completed capital budget requests to ensure all requests include operational costs and employee full time equivalent (FTE) information.

2. Finance staff print a complete set for review by the capital resources administrator, who authorizes the submission of all requests to MMB via the capital budget system.

3. The capital resource administrator must maintain all requests.

INTERNAL CONTROLS:

A. The official PIF forms are retained by the capital resource administrator.

B. Requests from each facility are retained on the department-wide asset preservation list, and the original requests are retained by the capital resource administrator.

C. The complete set of capital budget requests is retained by the capital resource administrator.

ACA STANDARDS: 4-4025, 4-4029, 4-4123, 4-4124, 4125, 4-4127, 4-4128, 4-4132, 4-4134, 4-4135, 4-4137, 4-4137-1, 4-4138, 4-4138-1, 4-4139, 4-4139-1, 4-4141, 4-4145, 4-4146, 4-4147, 4-4147-1, 4-417-2, 4-4149,4-4151, 4-4152, 4-4156, 4-4158, 4-4169, 2-CO-2B-01, 2-CO-2B-02, 2-CO-2B-03, 4-JCF-6B-03

REFERENCES: Minn. Stat. §§ 16B.35, subd. 1a; 16A.11; and 16A.632
Minnesota Department of Administration Design Guidelines
Minnesota Department of Administration construction project forms

REPLACES: Policy 104.120, "Capital Budget," 2/20/18.
All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: None

APPROVED BY:
Deputy Commissioner, Community Services
Deputy Commissioner, Facility Services
Assistant Commissioner, Operations Support
Assistant Commissioner, Facility Services