

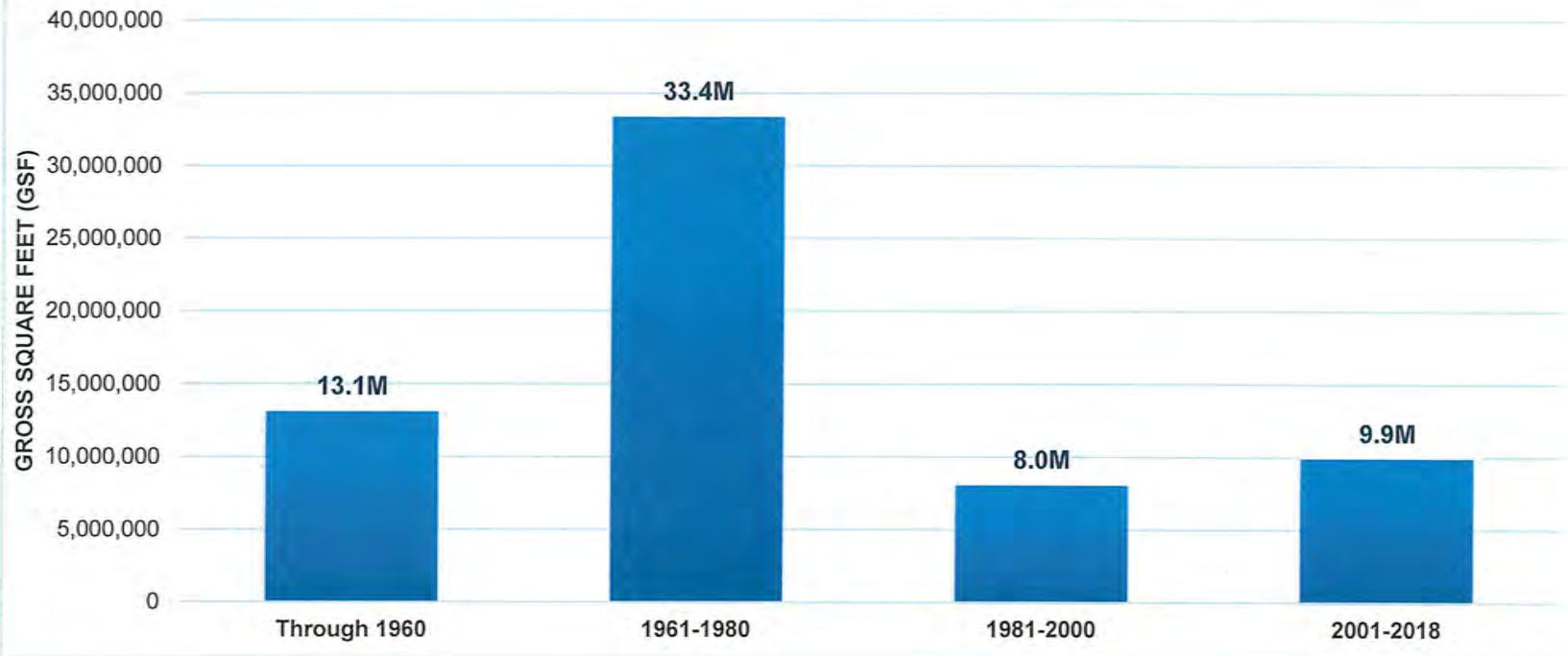
SUNY and the State University Construction Fund's (Fund) capital planning process is now based on data-driven decision making that utilizes the FMPs, the new life cycle modeling software, and programmatic enrollment trend data to plan future projects that balance key areas: advance the long-range plan, address academic needs, and renew aging infrastructure and buildings. This ensures that capital investment is targeted for those projects that can have the greatest impact on each campus, and throughout the SUNY system.

IV. CHALLENGES AND OPPORTUNITIES WITHIN SUNY'S CAPITAL PROGRAM

Size of Physical Plant/Age of Facilities/Conditions

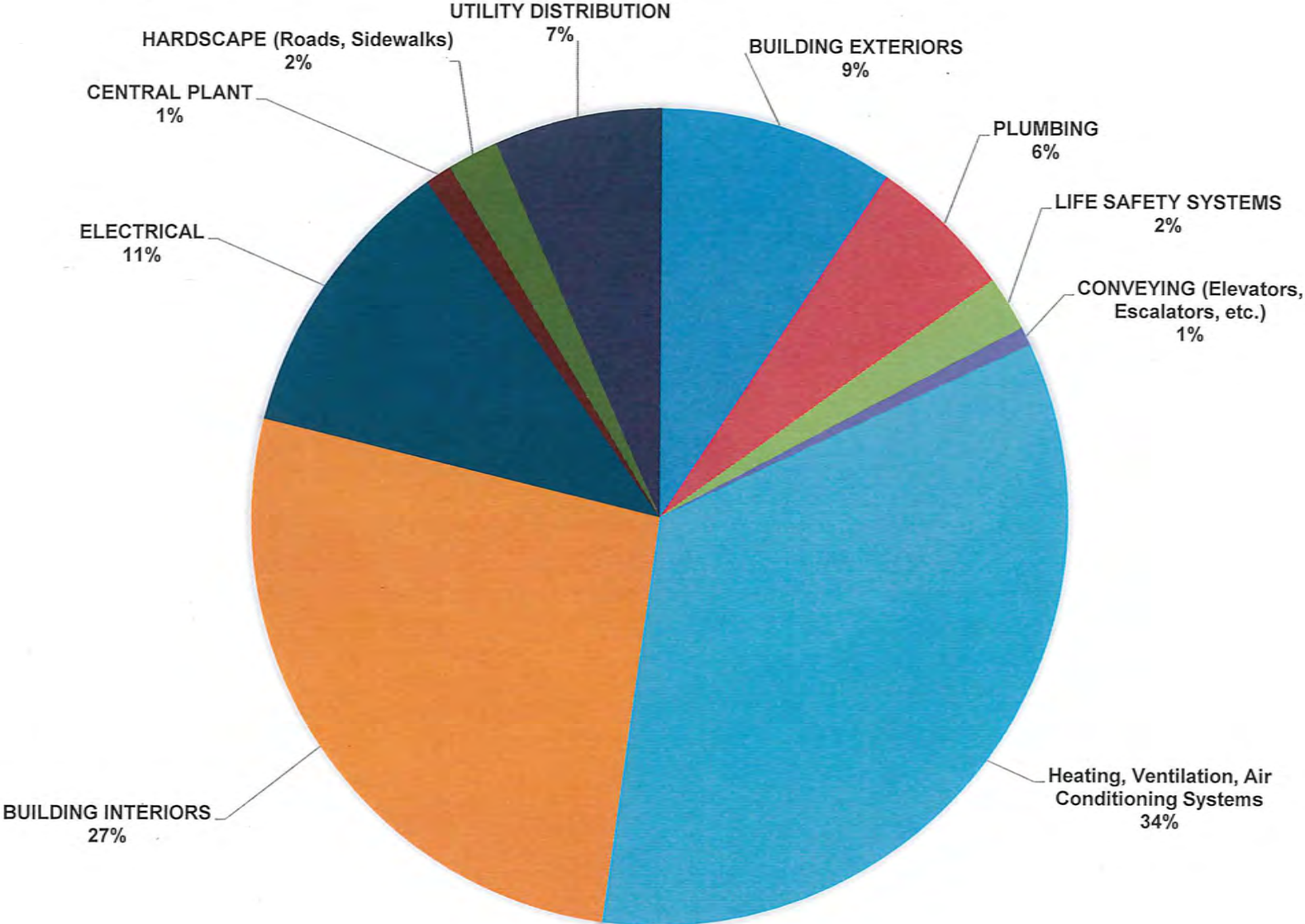
SUNY's educational and hospital facilities have evolved greatly from their beginnings. These facilities became assets of SUNY, and by extension, the State, in two major periods. The first was at the creation of the SUNY system, spanning 1948 to 1953, following the findings of the *Temporary Commission on the Need for a State University System* in 1948. During this brief period, a total of 24 campuses were moved from stand-alone institutions, and began life as SUNY system-related entities. The second, between the 1960's and the 1980's, saw either the transition or establishment of eight campuses to the State-operated and statutory components that comprise today's SUNY system. Today, SUNY campuses account for 40 percent of all State-owned building assets (excluding infrastructure and land), with the Educational Facilities alone accounting for more than 1,800 academic buildings covering over 62 million gross square feet (GSF). The maintenance of these campus facilities continues to grow in cost, a direct result of their inherent age. Over the past 60 years, the passage of time and the impact of heavy annual use have left a mark on SUNY's physical condition. As shown in the following chart, approximately 72 percent (46 million GSF) of all educational and hospital facilities, are more than 35 years old and date back to nearly the formation of SUNY itself. SUNY has, however, invested significant resources to address the renewal needs of these aging facilities.

Total SUNY Gross Square Feet by Years of Construction (64M Total) Educational Facilities & Hospitals



With an average age of 47 years, many of SUNY's facilities have an immediate need to renew and replace aging assets. Based on the life cycle model, SUNY's State-operated and statutory colleges have an immediate renewal need of \$3.3 billion. The graph below shows the breakdown of this immediate need by major asset type:

\$3.3B Immediate Asset Renewal Needs

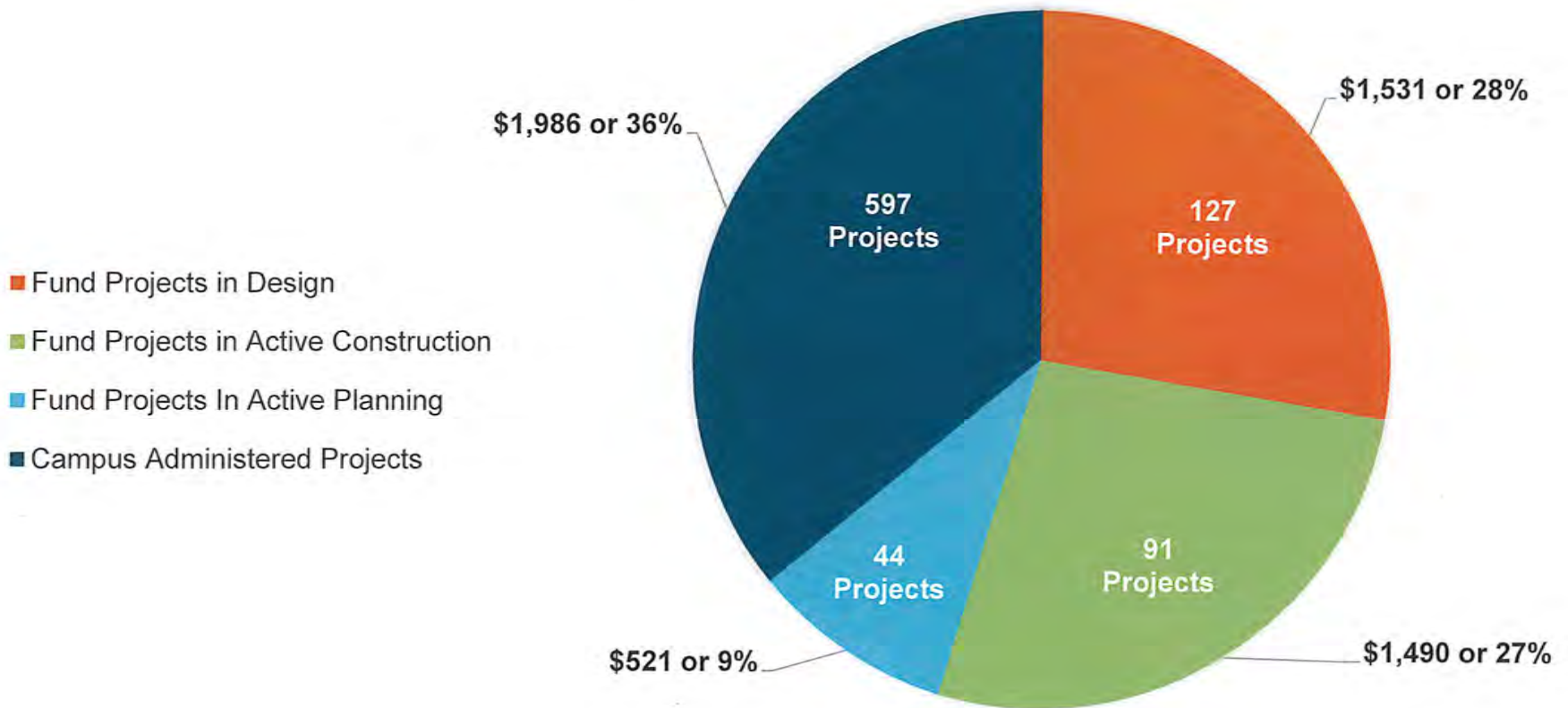


Execution of Master Capital Plan and Multi-Year Capital Program

The SUNY Educational Facilities and Hospital Capital Programs are administered by the Fund. The Fund coordinates funding and capital planning for all capital projects under these programs, while design and construction contracts for these projects can be managed by either the Fund or the campuses. Campuses typically manage smaller, quick-turnaround projects and the Fund manages large scale, longer duration projects.

The timely and effective execution of the Capital Plan requires sufficient staff resources. The ability of the Fund to maintain its current level of services to campuses will be dependent upon securing additional operating resources. Similar to other State agencies, the Fund has not received an increase to its operating budget since 2012/13.

Current Educational Facilities and Hospital Workload
(\$ in millions)

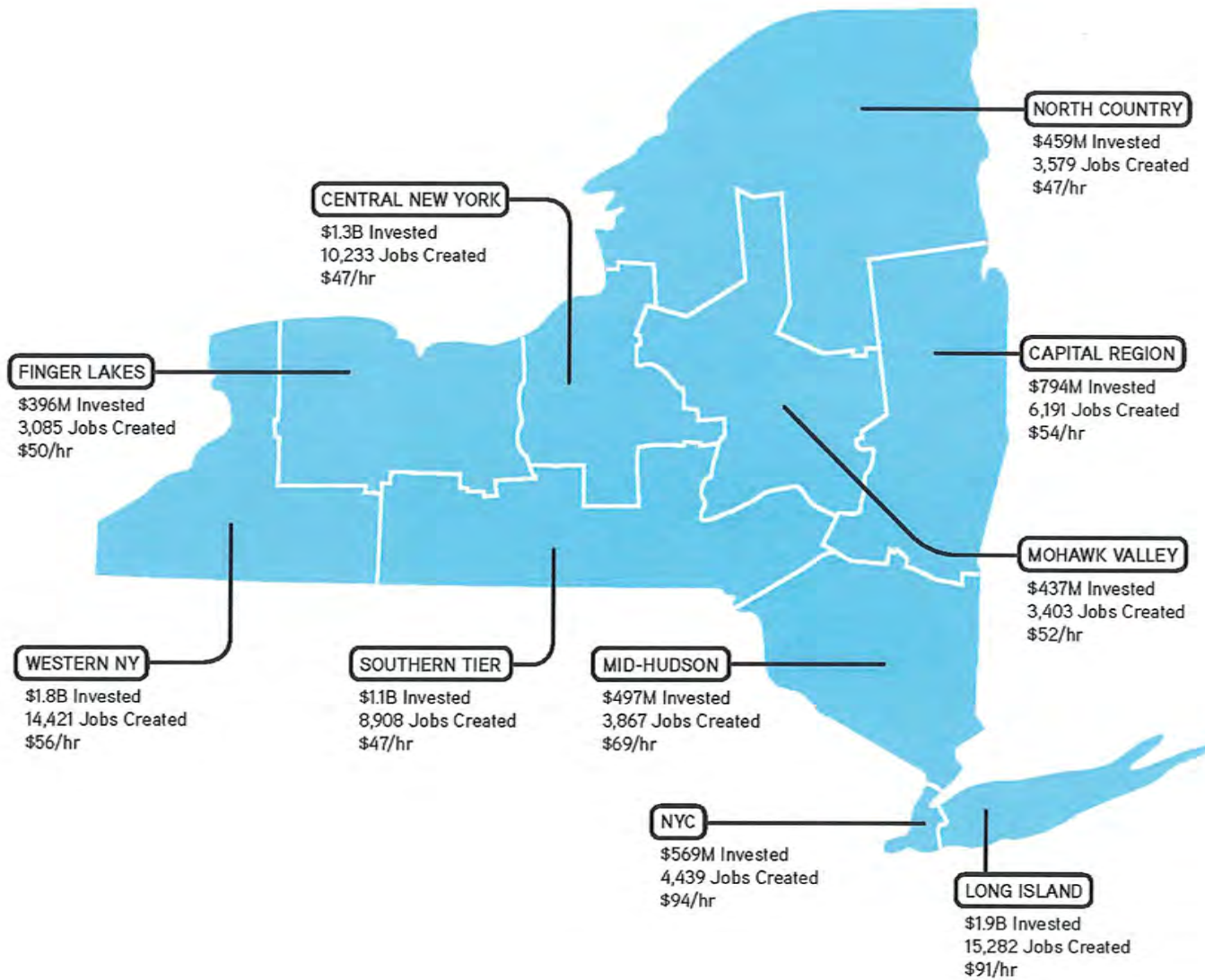


Economic Development

SUNY is a state-wide entity and plays an important role in New York's economy throughout the State. Capital investment fuels SUNY's economic development in four important ways. First is that SUNY plays a vital role in educating New York State's future workforce. Modern, up-to-date, facilities are essential to providing a quality education for students, the majority of whom are from New York and stay in New York after graduation. Second, capital investment to update facilities and modernize laboratories that support research also promote economic development by assisting with the recruitment of world class faculty and researchers who generate revenue through grants and patents. Thirdly, capital investment in SUNY, particularly in urban environments, revitalizes communities and brings SUNY and community together. Lastly, capital investment has the direct benefit of creating design and construction industry jobs throughout New York State.

As New York State seeks to grow and transform its economy, SUNY is in a unique position to aid this effort as both an educational and economic force. As demonstrated in the following map, the investment made in SUNY's capital program over the last 12 years has greatly benefited every region of the State just in the creation of construction and construction-related jobs. The data on this map shows jobs created as a result of direct capital investment, and is exclusive of any trickle-down economic impact.

SUNY Capital Investment and Jobs Created, by Region 2004 through 2016



Energy Savings Efforts

SUNY has long been a leader in promoting energy efficiency and sustainability, including through the capital programs. Since 2001, pursuant to Executive Order 111, the State University has required that all new buildings, additions, and major rehabilitation projects at State-operated campuses and statutory colleges achieve a Leadership in Energy and Environmental Design (LEED) rating, and since 2007, SUNY has made efforts to achieve at least a LEED silver rating for these type of projects.

In 2012, Governor Cuomo issued Executive Order 88, requiring a 20 percent improvement in the energy efficiency performance of State Government buildings by April 2020. With the largest building portfolio of all New York State entities and departments, SUNY is at the forefront of Executive Order 88 and has willingly embraced a leadership role in state-wide compliance.

Over the past year, SUNY and the Fund continued its leadership role in supporting and advancing the State's clean energy agenda, including helping the State meet the goals of Executive Order 166 which affirms the State's continued commitment to the 2015 Paris Climate accord. To support the State's agenda, and pursuant to Chancellor Johnson's goals calling for a "Sustainable SUNY", the Fund recently issued new design directives. These directives guide campuses and design consultants on the major building and infrastructure components that should be incorporated into the design of SUNY facilities, where feasible, to achieve a net-zero carbon emissions standard for all new SUNY buildings, and a deep energy retrofit standard for major building renovations.