

BUILDING COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY17 Adjusted Base	FY18 Recommended	% Change Over FY17	FY19 Recommended	% Change Over FY18
GPR	30,646,100	34,707,300	13.3	40,806,600	17.6
PR-S	1,462,100	2,082,200	42.4	2,925,800	40.5
SEG-O	1,024,200	1,024,200	0.0	1,024,200	0.0
TOTAL	33,132,400	37,813,700	14.1	44,756,600	18.4

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY17 Adjusted Base	FY18 Recommended	FTE Change Over FY17	FY19 Recommended	FTE Change Over FY18
TOTAL	0.00	0.00	0.00	0.00	0.00

AGENCY DESCRIPTION

The commission was created to coordinate the state building program and to establish a long-range plan for development and maintenance of the state's physical plant. It is the duty of the commission to determine projects to be incorporated into a long-range building program and recommend to the Legislature a biennial building program. The commission's capital budget recommendations to the Legislature include information on proposed projects' scopes, budgets and funding sources.

The commission is an eight-member body, consisting of the Governor, who serves as chair; one citizen member who is appointed by and serves at the Governor's pleasure; and three legislators from each house of the Legislature appointed as are the members of standing committees in their respective houses.

The commission is also responsible for implementing the state building program, which includes oversight of all state construction except highway development. It is the only state body that may authorize state debt. All transactions for the sale of any bonds or notes that result in a state debt liability must be approved by official resolution of the commission.

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RECOMMENDATIONS

1. Building Program Thresholds
2. Decrease Various General Obligation Borrowing Purposes
3. General Obligation Bond Refunding Authority
4. Debt Service Reestimate

Building Commission

**Table 1
Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY16	ADJUSTED BASE FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY18	FY19	FY18	FY19
GENERAL PURPOSE REVENUE	\$19,382.3	\$30,646.1	\$30,646.1	\$30,646.1	\$34,707.3	\$40,806.6
State Operations	19,382.3	30,646.1	30,646.1	30,646.1	34,707.3	40,806.6
PROGRAM REVENUE (2)	\$256.7	\$1,462.1	\$1,462.1	\$1,462.1	\$2,082.2	\$2,925.8
State Operations	256.7	1,462.1	1,462.1	1,462.1	2,082.2	2,925.8
SEGREGATED REVENUE (3)	\$3,391.8	\$1,024.2	\$1,024.2	\$1,024.2	\$1,024.2	\$1,024.2
State Operations	3,391.8	1,024.2	1,024.2	1,024.2	1,024.2	1,024.2
TOTALS - ANNUAL	\$23,030.8	\$33,132.4	\$33,132.4	\$33,132.4	\$37,813.7	\$44,756.6
State Operations	23,030.8	33,132.4	33,132.4	33,132.4	37,813.7	44,756.6

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

**Table 3
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY16	ADJUSTED BASE FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY18	FY19	FY18	FY19
1. State office buildings	\$10,568.3	\$10,564.0	\$10,564.0	\$10,564.0	\$10,643.7	\$9,407.2
3. State building program	\$12,462.4	\$22,568.4	\$22,568.4	\$22,568.4	\$27,170.0	\$35,349.4
TOTALS	\$23,030.8	\$33,132.4	\$33,132.4	\$33,132.4	\$37,813.7	\$44,756.6

Building Commission

1. Building Program Thresholds

The Governor recommends, in order to reflect modern construction costs for state building projects, increasing the small projects review threshold from \$185,000 to \$250,000 and adjusting the requirement for enumeration of a building project to \$900,000 from \$760,000. The Governor also recommends requiring signature by the secretary of the Department of Administration, as delegated by the Governor, for contracts or change orders with costs at or less than \$250,000 and signature by the Governor for contracts or change orders with costs over \$250,000. The Governor further recommends establishing a threshold in statute for selection of architectural engineering services through an interview process at \$6.8 million. In addition, the Governor recommends establishing an annual inflation adjustment for each of these thresholds reflecting the percentage change in the relevant cost indexes published by the Engineering News-Record. See Department of Administration, Item #18.

2. Decrease Various General Obligation Borrowing Purposes

The Governor recommends decreasing the authorized bonding authority for the Department of Veteran Affairs self-amortizing mortgage loans by \$273,300,000, due to this program no longer being active and other considerations. The Governor also recommends decreasing the authorized bonding authority of the clean water fund program by \$40,460,000, due to consolidation of loan portfolios under the clean water fund and other considerations. See Environmental Improvement Program, Item #1; and Department of Veteran Affairs, Item #9.

3. General Obligation Bond Refunding Authority

The Governor recommends authorizing up to \$1.5 billion of refunding transactions for tax-supported and self-amortizing general obligation debt. This authorization can be used only for refunding transactions that result in debt service savings to the state. Using nearly all of the \$1.5 billion of refunding authorization included in 2015 Wisconsin Act 55, the state has completed refunding transactions that resulted in \$103 million of debt service savings on a present value basis.

4. Debt Service Reestimate

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	4,061,200	0.00	10,160,500	0.00
PR-S	0	0.00	0	0.00	620,100	0.00	1,463,700	0.00
TOTAL	0	0.00	0	0.00	4,681,300	0.00	11,624,200	0.00

The Governor recommends adjusting the commission's base budget to reflect a reestimate of debt service on authorized bonds.