

BUILDING COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

| Source of Funds | FY15 Adjusted Base | FY16 Recommended | % Change Over FY15 | FY17 Recommended | % Change Over FY16 |
|-----------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|
| GPR | 44,443,200 | 42,353,800 | -4.7 | 48,979,700 | 15.6 |
| PR-S | 4,799,300 | 450,800 | -90.6 | 1,462,100 | 224.3 |
| SEG-O | 1,024,200 | 1,024,200 | 0.0 | 1,024,200 | 0.0 |
| TOTAL | 50,266,700 | 43,828,800 | -12.8 | 51,466,000 | 17.4 |

FULL-TIME EQUIVALENT POSITION SUMMARY

| Source of Funds | FY15 Adjusted Base | FY16 Recommended | FTE Change Over FY15 | FY17 Recommended | FTE Change Over FY16 |
|-----------------|-----------------------|---------------------|-------------------------|---------------------|-------------------------|
| 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 Commission Approval Process
2. Building Program Thresholds
3. Building Trust Fund Transfer
4. General Obligation Bond Refunding Authority
5. Debt Service Reestimate

Building Commission

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

| | ACTUAL FY14 | ADJUSTED BASE FY15 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|-------------------------|----------------|--------------------------|----------------|------------|------------------------------|------------|
| | | | FY16 | FY17 | FY16 | FY17 |
| GENERAL PURPOSE REVENUE | \$33,396.5 | \$44,443.2 | \$44,443.2 | \$44,443.2 | \$42,353.8 | \$48,979.7 |
| State Operations | 33,396.5 | 44,443.2 | 44,443.2 | 44,443.2 | 42,353.8 | 48,979.7 |
| PROGRAM REVENUE (2) | \$260.7 | \$4,799.3 | \$4,799.3 | \$4,799.3 | \$450.8 | \$1,462.1 |
| State Operations | 260.7 | 4,799.3 | 4,799.3 | 4,799.3 | 450.8 | 1,462.1 |
| SEGREGATED REVENUE (3) | \$3,656.3 | \$1,024.2 | \$1,024.2 | \$1,024.2 | \$1,024.2 | \$1,024.2 |
| State Operations | 3,656.3 | 1,024.2 | 1,024.2 | 1,024.2 | 1,024.2 | 1,024.2 |
| TOTALS - ANNUAL | \$37,313.5 | \$50,266.7 | \$50,266.7 | \$50,266.7 | \$43,828.8 | \$51,466.0 |
| State Operations | 37,313.5 | 50,266.7 | 50,266.7 | 50,266.7 | 43,828.8 | 51,466.0 |

(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 FY14 | ADJUSTED BASE FY15 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|---------------------------|----------------|--------------------------|----------------|------------|------------------------------|------------|
| | | | FY16 | FY17 | FY16 | FY17 |
| 1. State office buildings | \$14,710.0 | \$14,771.5 | \$14,771.5 | \$14,771.5 | \$13,845.0 | \$9,990.1 |
| 3. State building program | \$22,603.5 | \$35,495.2 | \$35,495.2 | \$35,495.2 | \$29,983.8 | \$41,475.9 |
| TOTALS | \$37,313.5 | \$50,266.7 | \$50,266.7 | \$50,266.7 | \$43,828.8 | \$51,466.0 |

Building Commission

1. Building Commission Approval Process

The Governor recommends modifying approval processes for the commission so that overall oversight is maintained, but duplicative approvals for enumerated projects and routine maintenance projects are eliminated. The commission would maintain active review over authorizing the Department of Administration to contract public debt or obligations and releases from the building trust fund. Many requests for commission approval would be moved to 14-day passive review or to reports that keep the commission apprised of program activities. See Department of Administration, Item #17.

2. Building Program Thresholds

The Governor recommends, in order to reflect modern construction costs for state building projects, changing review thresholds including: (a) small projects increasing from \$185,000 to \$760,000; (b) signatures by the secretary of the Department of Administration, as delegated by the Governor, for contracts or change orders with costs at or less than \$500,000; (c) signatures by the Governor for contracts or change orders with costs over \$500,000; and (d) enumeration of a building project from \$760,000 to \$3,000,000. See Department of Administration, Item #18.

3. Building Trust Fund Transfer

The Governor recommends transferring \$3,000,000 in FY16 from the unencumbered balance of the Department of Administration's capital planning and building construction services appropriation to the building trust fund to provide upfront funding for planning services costs incurred prior to construction of a state building project. See Department of Administration, Item #19.

4. 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 \$2.0 billion of refunding authorization included in the 2013-15 biennial budget, the state has completed refunding transactions that resulted in nearly \$116 million of debt service savings on a present value basis.

5. Debt Service Reestimate

| Source of Funds | Agency Request | | | | Governor's Recommendations | | | |
|-----------------|----------------|-----------|---------|-----------|----------------------------|-----------|------------|-----------|
| | FY16 | | FY17 | | FY16 | | FY17 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| GPR | 0 | 0.00 | 0 | 0.00 | -2,089,400 | 0.00 | 4,536,500 | 0.00 |
| PR-S | 0 | 0.00 | 0 | 0.00 | -4,348,500 | 0.00 | -3,337,200 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | -6,437,900 | 0.00 | 1,199,300 | 0.00 |

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