

Fiscal Highlights

Capital Improvements Funding - Mark Bleazard

Capital Improvements consist of projects costing less than \$2,500,000 to improve an existing facility or less than \$500,000 to construct a new facility. The Division of Facilities Construction and Management (DFCM), under the direction of the State Building Board, uses capital improvement funds to make critical repairs to state facilities and replace worn equipment. Typical improvement projects include repairs to HVAC systems, electrical systems, roofs, parking lots, and utility tunnels. Capital improvement funds may not be used for program equipment or routine maintenance.

Utah State statute 63A-5-104 states an appropriation to the Capital Improvements Program at a rate of 1.1% of the replacement value of existing state buildings is required before the Legislature may approve new capital development projects. During budget deficits the statute allows funding at 0.9% of the replacement value of existing state buildings. For FY 2009 thru FY 2014, the Legislature amended the statute to allow funding below the 0.9% level.

An estimated appropriation of \$100.3 million will be required to meet statutory requirements in FY 2015. The FY 2014 appropriation included \$41.7 million ongoing and \$46 million of one-time funding. Legislative options to be within the law include appropriating an additional \$58.5 million or change the statute before new capital development projects can be approved.