

Senate Bill 156 First Substitute, State Facilities Amendments (Harper)

Senator Harper's bill modifies State Building Board functions related to capital development prioritization, capital improvement project costs and operation and maintenance oversight. Of note the bill requires the State Building Board to give greater weight in their ranking process to priorities of the State Board of Regents and provides a process to review operation and maintenance expenditures and adjust funding levels for inflation. The table below compares the current law and processes to the changes made by Senator Harper's bill. The final column references the line numbers of the bill.

Process	Current Law	S.B. 156 Change	Line	Response
Capital Development Prioritization	The State Building Board submits capital development recommendation sand priorities to the Legislature. No provision for SBR rankings.	Requires the State Building Board to give more weight in their prioritization process to requests that are "designated as a higher priority by the State Board of Regents."	408-411	The Building Board is developing a weighting measure that will address this issue on the Building Boards Capital Development scoring sheet. This change will take place beginning on FY2018 request and all future requests.
Operation and Maintenance Expenditures	Requires the State Building Board to establish standards for O&M reporting and utility metering.	- Creates O&M programs within institutional line item budgets. - Creates a process to review and fund inflationary increases to O&M.	262-294	<ul style="list-style-type: none"> A new rule the Building Board has drafted now requires an O&M program budget within an agency's line item request. Inflation indexing is a process we already use, including an additional new O&M reporting tool in final development. However no formal process for annually adjusting O&M has yet been established.
Capital Development Requests	Requires a study for each capital development project that demonstrates need and feasibility.	In addition to feasibility studies USHE institutions must describe how a capital development project will help an institution to meet market needs for trained workers.	396-407	USHE institutions must describe how a capital development project will help an institution to meet market needs for trained workers.
Capital Improvements	Projects must cost less than \$2.5 million.	- Raises the project threshold to \$3.5 million. - Allows for Utility Infrastructure projects up to \$7 million.	347-365	These increases were initiated to address inflation and other increases to construction over the past 10 + years as well as address large infrastructure issues and possible remedies before becoming to large.
Non-State Funded Requests	Requires a plan for funding that will not require increases in state funding for projects requested using donations and other non-state sources.	Requires a written document, signed by an institution's president, stating that funding or revenue streams are in place or will be in place that will ensure increased state funding will not be required to cover operation and maintenance or capital improvements.	423-434	This new process has been in place for the past two years as required in intent language. The Board has established a process and policy to certify other funding availability. This is a possible area that could be added to statute and not just year to year intent language.
Research Funds used for O&M	None.	Requires a study from the Board of Regents before Nov. 2016 identifying the amount of funds from research and development that should be spent on O&M.	977-985	Board of Regents is addressing this issue and discussing at this week's Board of Regents meetings.
Operation and Maintenance for New Buildings	Institutions submit a form for each new facility calculating new O&M funding with a formula that multiplies new square feet by agreed upon O&M costs per square foot and subtracts current O&M funding.	Requires the Building Board to determine the actual cost for O&M for new facilities.	271-272	A new Database portal has been created to Risk Managements Risk Connect and comes live on August 31, 2016. It is a web based system that will allow agencies to directly input their O&M expenditures on existing individual buildings. FY2015 information has been collected and input, however there are a handful of agencies that have either not reported anything or made format changes that need to be redone. This is an effort to meet both Legislative requirements to reflect actual O&M cost and use for proposed new similar type buildings and a legislative audit recommending tracking O&M cost at individual building basis.