



CAPITAL BUDGET

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

BACKGROUND

The Capital Budget funds new construction, major remodeling, alterations, repairs, improvements, real estate, roofing, and paving projects. The Capital Budget's two largest areas are Capital Development and Capital Improvements; other areas include: Property Acquisition, Land Banking.

OVERVIEW

Capital Improvements

Capital improvements are projects on an existing facility costing less than \$2,500,000 or new construction projects costing less than \$500,000. Utah has a statutory requirement to fund capital improvements. Current law (UCA 63A-5-104(7)) requires capital improvement funding to be 1.1 percent of combined building values before the State can build any new buildings.

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 utility tunnels, HVAC systems, electrical systems, roofs, and parking lots. Capital improvement funds may not be used for program equipment or routine maintenance.

Starting in 2013, the Legislature directed the State Building Board to allocate at least 80 percent of capital improvement funding to issues such as: fire safety, code violation, health and safety concerns, HVAC system upgrades, infrastructure, etc. The remaining 20 percent may be used for remodeling and change of use.

Table 1 below shows the proposed FY 2017 capital improvement allocations.

State Building Board Recommended FY 2017 Capital Improvement Allocations (at 1.1 percent)			
Dixie State University	\$ 2,146,000	Environmental Quality	-
Salt Lake Community Col.	\$ 4,832,200	Fairpark	\$ 1,177,800
Snow College	\$ 2,651,400	Health	\$ 943,500
Southern Utah University	\$ 3,278,500	Human Services	\$ 4,747,000
University of Utah	\$ 27,188,800	National Guard	\$ 2,655,000
Utah State University	\$ 12,365,000	Natural Resources	\$ 541,800
Utah Valley University	\$ 4,400,000	Parks and Recreation	\$ 3,111,400
Weber State University	\$ 4,875,500	Wildlife Resources	\$ 1,602,300
Utah Col. of Applied Tech.	\$ 5,462,400	Office of Education	\$ 1,060,000
<i>Subtotal Higher Education</i>	<i>\$ 67,199,800</i>	Public Safety	\$ 516,200
Agriculture	\$ 515,500	Tax Commission	\$ 336,300
Alcoholic Beverage Control	\$ 1,090,500	Transportation	\$ 2,054,700
Capitol Preservation Board	\$ 2,636,100	Veterans Affairs	\$ 557,500
Heritage and Arts	\$ 658,500	Workforce Services	\$ 1,085,800
Corrections	\$ 3,820,600	Statewide Programs	\$ 5,470,000
Courts	\$ 4,383,700	Critical Needs	\$ 6,322,000
DFCM	\$ 5,332,300	<i>Subtotal Agencies</i>	<i>\$ 50,618,500</i>
		Grand Total	\$ 117,818,300

Table 1

Figure 1 shows the allocation of capital improvement funding for the past 10 years.

Capital Improvement Funding

FY 2016 Appropriation:

\$111,547,100

FY 2017 Appropriation Requirement:

\$117,818,300, an incremental increase of \$6,271,200

Capital Developments

UCA 63A5-104 defines capital developments as one of the following:

1. A remodeling, site, or utility project with a cost of \$2,500,000 or more;
2. A new facility with a construction cost of \$500,000 or more; or
3. A purchase or real property where an appropriation is requested to fund the purchase.

UCA 63A-5-104(2) requires the State Building Board to submit its capital development recommendations and priorities on behalf of all state agencies and institution to the Legislature for approval and prioritization.

UCA 63A-5-104(3) states that a capital development project may not be constructed without Legislative approval unless the State Building Board determines that a requesting agency or institution has provided adequate assurance that state funds will not be used for construction, operation and maintenance, or future capital improvements of the facility; and the new facility is consistent with the needs of the institution and the state, or the renovation of an existing building will be done entirely with non-state funds.

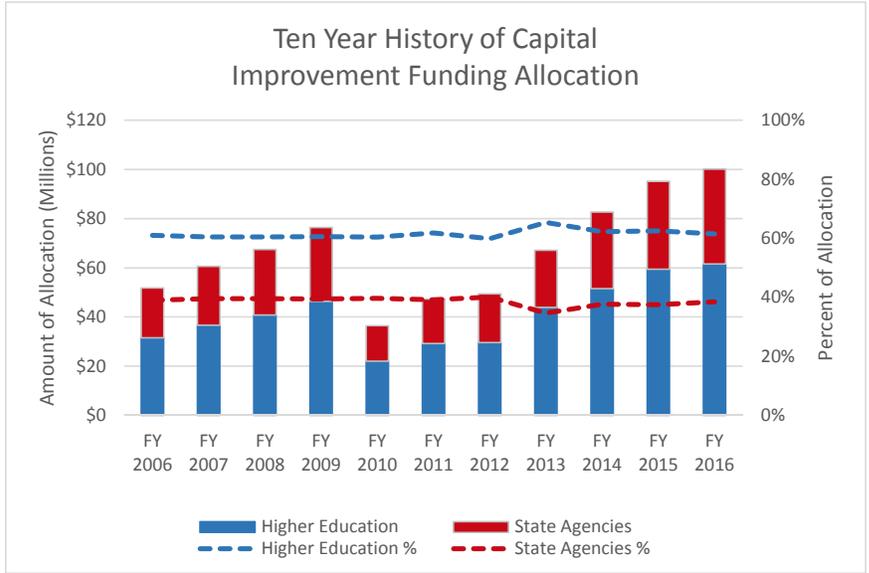


Figure 1