



CAPITAL BUDGET INTENT LANGUAGE

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE
STAFF: ANGELA J. OH

ISSUE BRIEF

BACKGROUND

Last year, the Legislature approved the following intent language in S.B. 2, New Fiscal Year Supplemental Appropriations Act, 2015 General Session, Item 45.

The Legislature intends that no General or Education Fund appropriations made by the Legislature for state-funded capital developments approved during the 2015 General Session may be expended by the Division of Facilities Construction and Management until the State Building Board has certified that: (1) the board has received credible evidence that any other funding sources for a building as presented to the State Building Board and the Legislature during their prioritization processes are actually available, and (2) until the State Building Board votes to certify such funds are available.

OVERVIEW

The State Building Board, during FY 2016, drafted a policy on the certification of other funding requiring credible evidence for other funding sources. See the following pages for the Board's policy regarding this item.

The Analyst recommends that the Infrastructure and General Appropriations Subcommittee review the intent language and evaluate if it should be included in the New Fiscal Year Appropriations Act for the 2016 General Session (for FY 2017).

STATE BUILDING BOARD POLICY

Subject: 2015 Other Funding Source Certification for State-Funded Buildings

Date: April 8, 2015

Ref: Senate Bill 2 (2015 GS), Item 45; Utah Code 63A-5-104

Purpose:

The Legislature funded several state-funded facilities in the 2015 General Session contingent on the following: that “the State Building Board has certified that: (1) the board has received credible evidence that any other funding sources for a building as presented to the State Building Board and the Legislature during their prioritization processes are actually available, and (2) until the State Building Board votes to certify that such funds are available.” [SB 2] The Legislature prohibited the Division of Facilities, Construction and Management (DFCM) from expending any state funds until the State Building Board verified the availability of alternative funding sources (see S.B. 2, Item 45). This policy clarifies the process for certifying by the State Building Board that they have received credible evidence that the other funding sources as presented to the Board and the Legislature during their prioritization processes are actually available; and the Board vote to certify that such funds are available. .

Definitions:

Capital Development — has the same definition as 63A-5-104.

Credible Evidence — the available facts, when viewed in light of surrounding circumstances, would cause a reasonable person to believe that alternative funding sources are available.

Alternative Funding Sources — Contributions to the design or construction of a facility from sources other than State Funds. Typical alternative funding sources include donations, revenue bonds, and agency or institutional funds. These are the alternative funding sources that were presented to the Board and the Legislature during their prioritization processes.

State Funds — has the same definition as 63A-5-104 and includes General Fund or Education Fund appropriations by the Legislature.

Policy:

1. The Division of Facilities, Construction and Management may not expend any state funds on the following capital development projects until the State Building Board certifies that the Board received credible evidence that the alternative funding sources listed below, which were previously presented to the Board and Legislature during their prioritization processes, are actually available:

2.

Agency/Institution	Project	State Funds	Alternative Funding
Snow College	Science Building	\$ 19,937,000	\$ 3,000,000
Huntsman Cancer	Research Center	\$ 9,500,000	\$ 80,000,000
Dixie ATC	Permanent Campus	\$ 31,900,000	\$ 13,000,000
University of Utah	Crocker Science Center	\$ 34,000,000	\$ 21,000,000
Dept. Natural Resources	Great Salt Lake Nature Center	\$ 1,200,000	\$ 900,000
Utah State University	Clinical Services Building	\$ 10,000,000	\$ 20,000,000

3. Agencies and institutions shall certify that alternative sources are available by either:
- a. transferring funds into the Capital Project Fund administered by the DFCM, of which DFCM will advise the Board; or
 - b. presenting documentation directly to the Board, through their administrator, Jeff Reddoor, as credible evidence to the State Building Board that alternative funding sources are in place and will be available for the project.
4. After reviewing the information from DFCM as to funds deposited in the Capital Project Fund and/or the document provided to the Board, the Board shall consider in a public meeting, whether the Board will certify that it has received credible evidence that any other funding sources for a building as presented to the State Building Board and the Legislature during their prioritization processes are actually available, and whether to vote to certify that such funds are available.