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**MEMORANDUM FOR INFRASTRUCTURE AND GENERAL
GOVERNMENT APPROPRIATIONS SUBCOMMITTEE**

FROM: Brian Wikle, Analyst
DATE: July 20, 2017
SUBJECT: Capital Development Funding Process and Changes in S.B. 9

Capital development funding process. During the 2017 General Session members of the Infrastructure and General Government (IGG) Appropriations Subcommittee discussed the capital development funding process, particularly in relation to a building at the Dixie Applied Technology College and a facility for the Department of Public Safety in Brigham City. In its July 26th meeting, the committee will continue discussion on the funding process, and Jim Russell, Director of the Division of Facilities Construction and Management, and Jeff Reddoor, Executive Director of the State Building Board (SBB), will participate in the discussion.

Changes in S.B. 9. The Legislature enacted S.B. 156, 2016 General Session, that required that each agency include an operations and maintenance (O&M) program in its budgetary line items. The intent of the requirement was to track O&M funding by building. However, that objective could not be achieved due to the state's budget structure – many line items relate to agencies' functional responsibilities that may be spread across buildings, and many buildings are shared by multiple agencies. On December 13, 2016, the Executive Appropriations Committee approved a motion that directed legislative staff to not include O&M programs within agency line items in the FY 2018 base budget bills.

The Legislature enacted S.B. 9, 2017 General Session, that rescinded the requirement described above. Instead, the bill required the SBB to make rules “for the monitoring of a state agency's [O&M] expenditures for a state-owned facility, that ... create an [O&M] program for a state agency's facilities; ... [and] require an agency to report the amount the agency receives and expends on operations and maintenance”.

During the July 26th meeting of the committee, Jeff Reddoor will discuss the SBB's efforts to implement a system to meet the O&M tracking and reporting that the Legislature required in S.B. 9.

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