



FISCAL MEMORANDUM

HB 1217 - SB 1459

March 14, 2023

SUMMARY OF BILL AS AMENDED (005769): Exempts a capital project at a public institution of higher education (institution) from the State Building Commission's (SBC) authority if the institution's capital project is managed by a higher education state procurement agency, involves a building or facility used primarily for non-academic purposes, and the project is either fully funded by donations received from a third party or revenue from self-supporting auxiliary projects, including projects financed with revenue bonds, or both.

Declares that such exempt capital projects that result in a net increase to the square footage of a building or facility are not eligible for maintenance funding from the state.

Requires that for such exempt capital projects, that the institution's state procurement agency utilize contracts provided by the state architect. Authorizes the institution to revise the terms of such contracts upon approval from the state architect. Further requires such exempt capital projects to be approved by the institution's governing board or its designee and to be reported to the SBC on a quarterly basis. at the time a contract for the building or design of a project is executed and end upon completion of the project. Declares that such exempt capital projects are not subject to additional disclosures by a state entity beyond the inclusion of revenue bonds requested for the project in the general appropriations act.

Authorizes institutions to select and contract with designers architects, or engineers, to complete up to 50 percent of schematic design work prior to submission to SBC for review and approval for capital projects that do not utilize funds appropriated for capital maintenance or capital outlay, so long as the institution follows the SBC polices regarding final selection of designers and will be held responsible for the final selection of designers for the project and so long as the institution follows the SBC polices regarding resolutions of procurement protest and is responsible for the final resolution of protest under which the institutions will utilize contracts provided by the state architect and the institution governing board's approval.

Requires institutions to establish a transparent process to publicly disclose capital projects of \$10,000,000 or less that do not utilize bond funds or funds appropriated for capital outlay or capital maintenance and are paid with current or residual funds directly to the SBC. Declares that such capital projects utilizing the funds as described above are not subject to additional disclosure requirements by a state entity. Adds to the definition of major maintenance to include repairs or renovations of a building structure or a portion thereof in which the state has an interest to include institutions in which costs will be in excess of \$1,000,000. Increases the threshold for approval of expenditures by the SBC on single building or structure owned or leased by an institution from \$100,000 to 1,000,000.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Each public institution of higher education in this state can comply with the provisions of the proposed legislation within existing resources without a significant impact on state expenditures.
- The SBC can update any policies or procedures within existing resources; any decrease in state expenditures for the SBC resulting from oversight of fewer projects is estimated to be not significant.
- Any impact on state government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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