

Blue Ribbon Commission to Study the Building and Infrastructure Needs of the State
Draft Recommendations

Recommendation 1 – Develop a uniform system for all state agencies to weigh whether it's more cost efficient for the state to lease, renovate, or construct buildings for particular agency needs.

The costs to purchase, lease, or renovate buildings for capital needs will vary for each project and agency. In the October 25th meeting of the Commission, the Office of State Budget and Management (OSBM) offered the examples of a textbook warehouse and a laboratory. Warehouse space is commonly available for lease when a specialized laboratory space would not be. In this instance, it may be cheaper to lease a preexisting warehouse from a private company and build a new laboratory on State owned land. However, the State does not have a system for OSBM, the Department of Administration (DOA), the General Assembly, and the individual agencies to easily determine what is the most cost efficient method of fulfilling capital needs.

Recommendation 2- Improve data collection to get a clear picture of the true repair and renovation needs for State owned buildings.

“Rule of thumb” and best practice estimates are insufficient measures. The State should invest in increased training and personnel to improve data collection. The Commission heard a presentation from DOA that the State had two traveling teams of architects and engineers who analyzed the condition of State buildings. Budget cuts eliminated these positions and the program was only recently reconstituted. DOA has recreated the two teams; however, that State has an additional 40 million square feet (113M Sq Ft vs 72M Sq Ft) for the teams to survey. The original program took five years for the traveling teams to assess the condition of State buildings in all counties.

Recommendation 3- Expand training programs for local governments and require performance audits of school boards to ensure that local entities are utilizing existing assets and planning for future expansion in the most efficient manner.

The Department of Public Instruction (DPI) estimates that local school boards will require \$8 billion worth of capital investment in the next five years, primarily for new schools and renovations. The Department of Environmental Quality estimates that local governments will need between \$7 billion and \$11 billion for wastewater capital needs and between \$11 billion and \$15 billion for drinking water capital needs over the next 20 years. The State and local governments must invest wisely to fund the most critical needs.

Recommendation 4- The General Assembly should create a reserve to fund the repair and renovation of all new construction projects appropriated.

Funding the repair and renovation of State owned buildings should be among the highest priorities of the General Assembly. A dedicated reserve accompanying the costs for construction would signal a commitment to maintaining the State’s assets. However, only a constitutional amendment would be able to restrict the General Assembly in the future from raiding the fund. If the General Assembly believes that current State capital assets are not worth the investment, the legislature should consider divesting in the property.