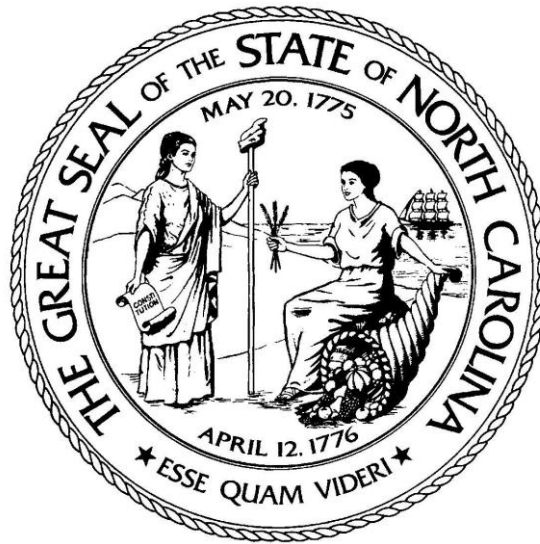


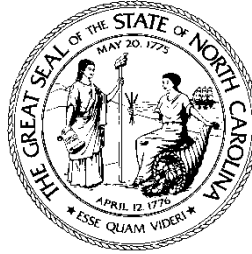
House Appropriations Committee on Capital

Proposed Special Provisions for H.B. 1030, 2016 Appropriations Act



May 12, 2016

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, CAPITAL REPORT

MAY 12, 2016

Report Last Updated: May 12, 2016 1:17 p.m.

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

**Proofed
SPECIAL PROVISION**



2016-CAP-H2-P

Capital House Appropriations, Capital

Requested by

CAPITAL APPROPRIATIONS/GENERAL FUND

SECTION #. Section 31.2 of S.L. 2015-241 reads as rewritten:

"SECTION 31.2. There is appropriated from the General Fund for the 2015-2017 fiscal biennium the following amounts for capital improvements:

Capital Improvements – General Fund	2015-2016	2016-2017
Department of Agriculture and Consumer Services		
Dorton Arena Roof Replacement	2,305,000	—
<u>DuPont Forest–Bathroom, Utility, and Parking</u>		
<u>Lot Improvements</u>		<u>\$3,000,000</u>
Department of Cultural Resources		
USS North Carolina Hull Repair and Cofferdam	3,500,000	—
Department of Environment and Natural Resources		
Water Resources Development	5,083,000	<u>5,020,000</u>
<u>Department of Health and Human Services</u>		
<u>Chief Medical Examiner Office Planning</u>		<u>1,000,000</u>
Department of Public Safety		
Armory and Facility Development Projects	868,000	5,087,500
University of North Carolina		
North Carolina School of Science and		
Mathematics – Technology Upgrades and		
Building Repair	4,000,000	—
NC State University Engineering Building		
Advance Planning	1,000,000	1,000,000
TOTAL CAPITAL IMPROVEMENTS –		
GENERAL FUND	\$16,756,000	\$6,087,500
		<u>\$15,107,500"</u>

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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2016-CAP-H3-P

Capital
House Appropriations, Capital

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WATER RESOURCES DEVELOPMENT PROJECTS

SECTION #.(a) The Department of Environmental Quality shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated thirty-two million one hundred fifty thousand dollars (\$32,150,000) in federal funds.

Name of Project	2016-2017
(1) Neuse River – Goldsboro, Section 1135	\$ 150,000
(2) Carolina Beach Coastal Storm Damage Reduction	75,000
(3) Kure Beach Coastal Storm Damage Reduction	81,000
(4) Wrightsville Beach Coastal Storm Damage Reduction	561,000
(5) Ocean Isle Beach Coastal Storm Damage Reduction	1,535,000
(6) Eastern NC Stream Debris Removal	500,000
(7) State/Local Water Resources Development Grants	1,000,000
(8) Cape Fear Lock & Dam #2 Fish Ramp – Phase 1	500,000
(9) North Topsail Beach Shoreline Protection Project – Phase 2	500,000
(10) Environmental Quality Incentives Program- NRCS	2,000,000
(11) Town of Burgaw – Pender Hospital Drainage Improvements	347,000
(12) Ararat River, Surry County	500,000
(13) Town of Rutherfordton Stream Restoration	500,000
(14) Wilmington Harbor Maintenance	-
(15) Morehead City Harbor Maintenance	2,000,000
(16) Water Resources Planning Assistance to Communities	25,000
(17) Stream Database	250,000
TOTALS	\$ 10,524,000

SECTION #.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the five million twenty thousand dollars (\$5,020,000) appropriated for water resources development projects in Section # of this section. Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

Name of Project	Amount Carried Forward
(1) Morehead City Harbor Maintenance	\$ 2,000,000
(2) Ocean Isle Beach CSDR	1,029,000
(3) NRCS Equipment	2,000,000

(4)	Planning Assistant to Communities	25,000
(5)	Wrightsville Beach CSDR	200,000
(6)	Stream Database	250,000

TOTALS **\$ 5,504,000**

SECTION #.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2016-2017 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

- (1) U.S. Army Corps of Engineers project feasibility studies.
- (2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State-matching funds in the 2016-2017 fiscal year.
- (3) State local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2017-2018 fiscal year.

SECTION #.(d) The Department shall make semiannual reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) All projects listed in this section.
- (2) The estimated cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of each project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION #.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate. This subsection shall not apply to:

- (1) The NRCS EQIP project, also referred to as the NRCS EQIP (65/35) project or the Environmental Quality Incentives Program - NRCS project.
- (2) The Stream Database project.

SECTION #.(f) Section 31.3(a) of S.L. 2015-241 reads as rewritten:

"SECTION 31.3.(a) The Department of Environment and Natural Resources shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated forty-four million three hundred fifty-three thousand dollars (\$44,353,000) in federal funds.

1	Name of Project	2015-2016
2	...	
3	(20) Assistance to Counties—EAP Preparation <u>Stream Database</u>	250,000
4"	

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

**Proofed
SPECIAL PROVISION**



2016-CAP-H10-P

Capital House Appropriations, Capital

Requested by

NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

SECTION #. Section 31.4(a) of S.L. 2015-241 reads as rewritten:

"SECTION 31.4.(a) The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund sources available to the appropriate department:

Name of Project	Amount of Non-General Fund Funding Authorized	
	FY 2015-2016	FY 2016-2017
Department of Agriculture and Consumer Services		
WNC Farmers Market Improvements/Robert		
G. Shaw Piedmont Triad Farmers Market		
Improvements	\$3,000,000	—
WNC Agricultural Center Events/Restroom Building	500,000	—
NC Forest Service Mountain Island Educational		
Forest-Visitor and Interpretive Center	4,000,000	—
Deer Fence on Research Stations	200,000	—
Aviary Egg Layer Research Building	1,750,000	—
State Fair Renovations/Infrastructure Improvements	2,500,000	—
State Fair Horse Complex	1,000,000	—
Animal Disease Diagnostic Laboratory Equipment	500,000	—
Department of Environment and Natural Resources		
Fort Fisher Aquarium Salt Water Well	590,000	590,000
Gorilla Expansion	450,000	—
Department of Public Safety		
National Guard – Wilmington Replacement	14,200,000	—
<u>Nash Print Plant Roof Replacement</u>		<u>1,508,000</u>
<u>Harnett Visitor Center</u>		<u>549,000</u>
Wildlife Resources Commission		
Boating Access New Construction	3,750,000	3,750,000
Land Acquisition	900,000	900,000
Jordan Lake Depot	500,000	—
Fishing Access Construction	—	200,000
TOTAL AMOUNT OF NON-GENERAL FUND CAPITAL PROJECTS AUTHORIZED	\$33,840,200	5,440,000 7,497,000"

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-CAP-H12-P

Capital
House Appropriations, Capital

Requested by

REPAIRS AND RENOVATIONS CHANGES

SECTION #. Section 31.5 of S.L. 2015-241 reads as rewritten:

"SECTION 31.5.(a) Of the funds remaining in the Reserve for Repairs and Renovations for the 2015-2016 and the 2016-2017 fiscal ~~years~~, years after the allocations required by subsection (f) of this section have been made, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:

- (1) One-third of the funds for the 2015-2016 fiscal year and one-half (1/2) of the funds for the 2016-2017 fiscal year shall be allocated to the Board of Governors of The University of North Carolina.
- (2) Two-thirds of the funds for the 2015-2016 fiscal year and one-half (1/2) of the funds for the 2016-2017 fiscal year shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(d). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

"SECTION 31.5.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in University residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

- (1) The safety and well-being of the residents of campus housing programs.
- (2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.
- (3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.
- (4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.
- (5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned

1 projects. Reports also shall include information on the financial status of each constituent
2 institution's housing system, the constituent institution's ability to pay for fire protection in
3 residence halls, and the timing of installation of fire sprinklers. Reports shall be submitted on
4 January 1 and July 1 until all residence halls have fire sprinklers.

5 **"SECTION 31.5.(c)** Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board
6 of Governors of The University of North Carolina in subsection (a) of this section, a portion shall
7 be used each fiscal year by the Board of Governors for campus public safety improvements
8 allowable under G.S. 143C-4-3(b).

9 **"SECTION 31.5.(d)** In making campus allocations of funds allocated to the Board of
10 Governors of The University of North Carolina in subsection (a) of this section, the Board of
11 Governors ~~shall negatively weight the availability of non-State resources and carryforward funds~~
12 ~~available for repair and renovations and shall include information about the manner in which this~~
13 ~~subsection was compiled with in any report submitted pursuant to G.S. 143C-4-3(d); shall consider~~
14 ~~all of and only the following:~~

15 (1) The amount of each campus's deficiencies documented pursuant to the
16 Facilities Condition Assessment Program.

17 (2) The availability of non-State resources and carryforward funds available for
18 repair and renovations at each campus, which shall be negatively weighted in
19 making allocation decisions.

20 **"SECTION 31.5.(d1)** The Board of Governors shall include information about the manner in
21 which subsection (d) of this section was compiled within any report submitted pursuant to
22 G.S. 143C-4-3(d).

23 **"SECTION 31.5.(e)** Of the funds allocated to the Office of State Budget and Management in
24 subsection (a) of this section, the sum of nine million five hundred thousand dollars (\$9,500,000)
25 shall be used for Legislative Building Roof Replacement and Asbestos Abatement.

26 **"SECTION 31.5.(f)** Notwithstanding G.S. 143C-4-3(d), of the funds in the Reserve for
27 Repairs and Renovations for the 2016-2017 fiscal year, the following sums shall be allocated for
28 the following projects:

29 (1) Six hundred thousand dollars (\$600,000) shall be allocated to renovate and
30 remodel portions of the State Library and Archives and History Building.

31 (2) Four million five hundred thousand dollars (\$4,500,000) shall be allocated for
32 repairs and renovations at the North Carolina Zoo.

33 (3) Nine hundred twenty-three thousand dollars (\$923,000) shall be allocated for
34 repairs and renovations of the North Carolina State Capitol.

35 (4) Three million dollars (\$3,000,000) shall be allocated for repairs and renovations
36 to the Western North Carolina Agricultural Center."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

Proofed
SPECIAL PROVISION



2016-CAP-H5-P

Capital
House Appropriations, Capital

Requested by

***ALLOW REPAIRS & RENOVATIONS FUNDS TO BE USED FOR BUILDING
DEMOLITION***

SECTION #. G.S. 143C-4-3 reads as rewritten:

"(b) Use of Funds. – The funds in the Repairs and Renovations Reserve shall be used only for the repair and renovation of (i) State facilities and related infrastructure that are supported from the General Fund or (ii) Department of Information Technology facilities and related infrastructure. Funds from the Repairs and Renovations Reserve shall be used only for the following types of projects:

- (1) Roof repairs and replacements;
- (2) Structural repairs;
- (3) Repairs and renovations to meet federal and State standards;
- (4) Repairs to electrical, plumbing, and heating, ventilating, and air-conditioning systems;
- (5) Improvements to meet the requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., as amended;
- (6) Improvements to meet fire safety needs;
- (7) Improvements to existing facilities for energy efficiency;
- (8) Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks;
- (9) Improvements and renovations to improve use of existing space;
- (10) Historical restoration;
- (11) Improvements to roads, walks, drives, utilities infrastructure; and
- (12) Drainage and landscape improvements.
- (13) Building demolition.

Funds from the Repairs and Renovations Reserve shall not be used for new construction or the expansion of the building area (sq. ft.) of an existing facility unless required in order to comply with federal or State codes or standards."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-CAP-H6-P

Capital
House Appropriations, Capital

Requested by

UNC DEBT AFFORDABILITY STUDY MODIFICATIONS

SECTION #. G.S. 116D-56(b) and (c) read as rewritten:

"(b) Board of Governors Reporting Required. – The Board shall report its findings and recommendations to the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, the State Treasurer, and The University of North Carolina General Administration by ~~February 1~~ April 1 of each year. The report shall be accompanied by each of the reports provided to the Board pursuant to subsection (c) of this section.

(c) Constituent Institution Reporting Required. – No later than ~~November 1~~ February 1 of each year, each constituent institution shall report to the Board of Governors on its current and anticipated debt levels. The report shall be made in a uniform format to be prescribed by the Board of Governors. Each report shall include at least the following:

- (1) The amount and type of outstanding debt of the institution.
- (2) The sources of repayment of the debt.
- (3) The amount of debt that the institution plans to issue or incur during the next five years.
- (4) A description of projects financed with the debt.
- (5) The current bond rating of the institution and information about any changes to that bond rating since the last report was submitted.
- (6) Information about the constituent institution's debt management policies and any recommendations for methods to maintain or improve the University's bond rating.
- (7) Debt burden comparisons to comparable peer institutions.
- (8) Any other information requested by the Board of Governors."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-CAP-H11-P

Capital
House Appropriations, Capital

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ENHANCE OVERSIGHT OF CERTAIN CAPITAL PROJECTS

SECTION #.(a) G.S. 146-25 reads as rewritten:

"§ 146-25. Leases and rentals.

(a) General Procedure. – If, after investigation, the Department of Administration determines that it is in the best interest of the State that land be leased or rented for the use of the State or of any State agency, the Department shall proceed to negotiate with the owners for the lease or rental of such property. All lease and rental agreements entered into by the Department shall be promptly submitted to the Governor and Council of State for approval or disapproval.

(b) Leases Exceeding 30-Year Terms. – The Department of Administration shall not enter into a lease of real property for a period of more than 30 years, or a renewal of a lease of real property if the renewal would make the total term of the lease exceed 30 years, unless specifically authorized to do so by the General Assembly. The Department of Administration shall report to the Joint Legislative Commission on Governmental Operations at least 30 days prior to entering or renewing such a lease and shall include a copy of the legislation authorizing the lease or lease renewal in the report."

SECTION #.(b) G.S. 146-29 reads as rewritten:

"§ 146-29. Procedure for sale, lease, or rental.

(a) General Procedure. – If, after investigation, the Department of Administration determines that it is in the best interest of the State that land be sold, leased, or rented, the Department shall proceed with its sale, lease, or rental, as the case may be, in accordance with rules adopted by the Governor and approved by the Council of State. If an agreement of sale, lease, or rental is reached, the proposed transaction shall then be submitted to the Governor and Council of State for their approval or disapproval. Every conveyance in fee of land owned by the State or by any State agency shall be made and executed in the manner prescribed in G.S. 146-74 through 146-78.

(b) Limitations on Certain Leases. – The Department of Administration shall not enter into a lease or lease renewal of the following types unless specifically authorized to do so by the General Assembly:

(1) A lease of real property for a period of more than 30 years, or a renewal of a lease of real property if the renewal would make the total term of the lease exceed 30 years.

(2) A lease of real property, or a renewal of a lease of real property, for any term if both of the following conditions are satisfied:

a. State personnel or State functions would need to be relocated as a result of the lease or renewal.

b. The agency to which the property is currently allocated possesses insufficient operating funds to cover the cost of both the relocation and the ongoing provision of State functions affected by the relocation.

1 (c) Reporting Required. – The Department of Administration shall report to the Joint
2 Legislative Commission on Governmental Operations at least 30 days prior to entering or
3 renewing any lease described in subdivision (b)(1) of this section or any lease or renewal that will
4 require the relocation of State personnel or State functions. The report shall include all of the
5 following:

- 6 (1) If the lease or lease renewal will require State personnel or State functions to be
7 relocated, a statement of the legislation authorizing the lease or lease renewal or
8 a detailed statement of the operating funds that will be used to cover the cost of
9 both the relocation and the ongoing provision of State functions affected by the
10 relocation, as applicable.
11 (2) If the lease or lease renewal will have a term of more than 30 years, a statement
12 of the legislation authorizing the lease or lease renewal."

13 **SECTION #.(c)** G.S. 146-29.1 is amended by adding a new subsection to read:

14 "(h) Any lease or rental entered into pursuant to this section shall be subject to the
15 requirements and limitations of G.S. 146-29."

16 **SECTION #.(d)** G.S. 146-29.2 is amended by adding a new subsection to read:

17 "(g) Any lease or rental entered into pursuant to this section shall be subject to the
18 requirements and limitations of G.S. 146-29."

19 **SECTION #.(e)** G.S. 146-32 reads as rewritten:

20 "**§ 146-32. Exemptions as to leases, etc.**

21 (a) The Governor, acting with the approval of the Council of State, may adopt rules and
22 regulations:

- 23 (1) Exempting from any or all of the requirements of this Subchapter such classes
24 of lease, rental, easement, and right-of-way transactions as he deems advisable;
25 and
26 (2) Authorizing any State agency to enter into and/or approve those classes of
27 transactions exempted by such rules and regulations from the requirements of
28 this Chapter.
29 (3) No rule or regulation adopted under this section may exempt from the
30 provisions of G.S. 146-25.1 any class of lease or rental which has a duration of
31 more than 21 days, unless the class of lease or rental:
32 a. Is a lease or rental necessitated by a fire, flood, or other disaster that
33 forces the agency seeking the new lease or rental to cease use of real
34 property;
35 b. Is a lease or rental necessitated because an agency had intended to move
36 to new or renovated real property that was not completed when planned,
37 but a lease or rental exempted under this subparagraph may not be for a
38 period of more than six months; or
39 c. Is a lease or rental which requires a unique location or a location that
40 adjoins or is in close proximity to an existing rental location.

41 (b) No rule or regulation adopted pursuant to subsection (a) of this section may exempt
42 any lease from the provisions of G.S. 146-25(b) or G.S. 146-29(b) or (c)."

43 **SECTION #.(f)** G.S. 143C-8-4 reads as rewritten:

44 "**§ 143C-8-4. Agency capital improvement needs estimates.**

45 ...

46 (c) Real Property and New Construction or Facility Rehabilitation Needs Estimate. – The
47 second part of the capital improvement needs estimates shall include only proposals for real
48 property acquisition and projects involving construction of new facilities or rehabilitation of
49 existing facilities to accommodate uses for which the existing facilities were not originally
50 designed. Each project included in this part shall be justified by reference to the needs evaluation

criteria established by the Office of State Budget and Management pursuant to ~~G.S. 143C-8-3~~G.S. 143C-8-3 and shall include the information required by G.S. 143C-3-3(d)(5).

For capital projects of The University of North Carolina and its constituent institutions, the Office of State Budget and Management shall utilize the needs evaluation information approved by the Board of Governors of The University of North Carolina developed pursuant to ~~G.S. 116-11(9)~~G.S. 116-11(9) and shall include the information required by G.S. 143C-3-3(d)(5)."

SECTION #.(g) G.S. 143C-8-5 reads as rewritten:

"§ 143C-8-5. Six-year capital improvements plan.

...

(c) Real Property Acquisition, New Construction, or Facility Rehabilitations. – The second part of the capital improvement plan shall set forth an integrated schedule for real property acquisition, new construction, or rehabilitation of existing facilities that, in the judgment of the Director of the Budget, should be initiated within each year of the six-year planning period. The plan shall contain for each project (i) estimates of real property acquisition, and construction or rehabilitation ~~costs~~costs, (ii) a means of financing the ~~project, and project~~, (iii) an estimated schedule for the completion of the ~~project-project~~, and (iv) an estimate of maintenance and operating costs, including personnel, for the project, covering the first five years of operation. Where the means of financing would involve direct or indirect debt service obligations, a schedule of those obligations shall be presented."

SECTION #.(h) G.S. 143C-8-6 reads as rewritten:

"§ 143C-8-6. Recommendations for capital improvements set forth in the Recommended State Budget.

...

(e) Other Capital Projects in the Budget Support Document. – The Budget Support Document shall contain for each capital project recommended in accordance with subsection (d) of this section: (i) a detailed project description and justification, (ii) a detailed estimate of acquisition, planning, design, site development, construction, contingency and other related costs, (iii) an estimated schedule of cash flow requirements over the life of the project, (iv) an estimated schedule for the completion of the project, ~~(v) an estimate of maintenance and operating costs, including personnel, for the project, covering the first five years of operation,~~ (v) an estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation, and ~~(vi)(vii)~~(vi) an explanation of the means of financing.

(f) All Recommended Capital Projects. – The Director of the Budget shall ensure that recommendations in the Recommended State Budget for repairs and renovations of existing facilities, real property acquisition, new construction, or rehabilitation of existing facilities include all of the following information:

(1) An estimate of maintenance and operating costs, including personnel, for the project, covering the first five years of operation. If no increase in these expenditures is anticipated because the recommended project would replace an existing facility, then the level of expenditures for the previous five years of operation shall be included instead.

(2) A recommended funding source for the operating costs identified pursuant to subdivision (1) of this subsection."

SECTION #.(i) No later than October 1, 2016, the Director of the Budget shall prepare and transmit to the General Assembly a preliminary six-year capital improvement plan that complies with the requirements of G.S. 143C-8-5, as amended by Section #(g) of this act, and G.S. 143C-8-3(b), as enacted by Section #(j) of this act. This plan shall be in addition to any other six-year capital improvement plan required by G.S. 143C-8-5.

SECTION #.(j) G.S. 143C-8-3 reads as rewritten:

"§ 143C-8-3. Capital improvement needs criteria.

1 (a) Criteria. – The Office of State Budget and Management shall develop a weighted list of
2 factors that may be used to evaluate the need for capital improvement projects. The list shall
3 include all of the following:

- 4 (1) Preservation, adequacy and use of existing facilities.
- 5 (2) Health and safety considerations.
- 6 (3) Operational efficiencies.
- 7 (4) Projected demand for governmental services.

8 (b) Reporting. – The Office of State Budget and Management shall include the following
9 in each six-year capital improvement plan submitted to the General Assembly pursuant to
10 G.S. 143C-8-5:

- 11 (1) The list of factors developed pursuant to subsection (a) of this section.
- 12 (2) The most recent results of applying the factors developed pursuant to
13 subsection (a) of this section to capital funds requests from State agencies."

14 **SECTION #.(k)** This section is effective when it becomes law and applies to leases
15 entered into or renewed, and to budgets recommended by the Director of the Budget, on or after
16 that date.