



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB0196

by Rep. Scott Drury

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.866 new

Creates the Capital Improvement Planning Act. Provides that the Governor's Office of Management and Budget shall create a 5-year capital improvement plan, based on defined criteria to evaluate the State's capital improvement needs. Provides for the plan to have defined criteria for prioritizing projects. Amends the State Finance Act. Creates the Project Reserve Fund. Effective immediately.

LRB099 02702 SXM 22709 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning capital improvement planning.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Capital Improvement Planning Act.

6 Section 5. Legislative intent; purpose.

7 (a) The General Assembly recognizes the need to establish a
8 comprehensive process for capital improvement planning and
9 budgeting that is fully integrated with State financial
10 planning and debt management.

11 (b) The capital improvement planning and budgeting process
12 shall include the following elements:

13 (1) An inventory of facilities owned by the State of
14 Illinois.

15 (2) Criteria used to evaluate capital improvement
16 needs.

17 (3) A 5-year capital improvement needs estimate.

18 (4) A 5-year capital improvements plan.

19 (5) Recommendations for capital improvements set forth
20 in Section 50-10 of the State Budget Law of the Civil
21 Administrative Code of Illinois.

22 (c) The Governor's Office Management and Budget has
23 responsibility for management of the capital improvement

1 planning process. The Director of the Governor's Office
2 Management and Budget may assign to any State agency such
3 duties and responsibilities as may, in the Director's judgment,
4 be necessary to the successful administration of the capital
5 improvement planning process.

6 Section 10. Definitions. As used in this Act:

7 "Department" means the Department of Central Management
8 Services.

9 "Director" means the Director of the Governor's Office
10 Management and Budget.

11 "Office" means the Governor's Office Management and
12 Budget.

13 "State agency" has the meaning provided in Section 1.05 of
14 the State Property Control Act.

15 "State university" means Chicago State University, Eastern
16 Illinois University, Governors State University, Illinois
17 State University, Northeastern Illinois University, Northern
18 Illinois University, Southern Illinois University, the
19 University of Illinois, or Western Illinois University.

20 Section 15. Capital facilities inventory. The Department
21 shall develop and maintain an automated inventory of all
22 facilities owned by the State of Illinois. The inventory shall
23 include the location, occupying agency, ownership, size,
24 description, condition assessment, maintenance record, parking

1 and employee facilities, and other information to determine
2 maintenance needs and prepare life cycle cost evaluations of
3 each facility listed in the inventory. The Department shall
4 update and publish the inventory at least once every 3 years.
5 The Department shall also record in the inventory acquisitions
6 of new facilities and significant changes in existing
7 facilities as they occur.

8 Section 20. Capital improvement needs criteria. The Office
9 shall develop a weighted list of factors that may be used to
10 evaluate the need for capital improvement projects. The list
11 must include, but is not limited to, the following:

- 12 (1) Preservation, adequacy, and use of existing
13 facilities.
- 14 (2) Health and safety considerations.
- 15 (3) Operational efficiencies.
- 16 (4) Projected demand for governmental services.

17 Section 25. Agency capital improvement needs estimates.

18 (a) On or before September 1 of each year, each State
19 agency shall submit to the Office and to the Commission on
20 Government Forecasting and Accountability a 5-year capital
21 improvement needs estimate. This estimate shall describe the
22 agency's anticipated capital needs for each year of the 5-year
23 planning period. Capital improvement needs estimates shall be
24 shown in 2 parts, as provided in subsections (b) and (c) of

1 this Section.

2 (b) The first part of the capital improvement needs
3 estimates shall include only requirements for repairs and
4 renovations necessary to maintain the existing use of existing
5 facilities. Each proposed repair and renovation expenditure
6 shall be justified by a cost benefit analysis and such other
7 criteria as the Capital Development Board may by rule require.

8 (c) The second part of the capital improvement needs
9 estimates shall include only proposals for real property
10 acquisition and projects involving construction of new
11 facilities or rehabilitation of existing facilities to
12 accommodate uses for which the existing facilities were not
13 originally designed. Each project included in this part shall
14 be justified by a cost benefit analysis and such other criteria
15 as the Director may require.

16 For capital projects of a State university, the Office
17 shall utilize the needs evaluation information approved by the
18 board of trustees of that State university.

19 Section 30. Five-year capital improvements plan.

20 (a) The State capital improvement plan shall address the
21 long term capital improvement needs of all State agencies and
22 shall incorporate all capital projects, however financed,
23 proposed to meet those needs, except that transportation
24 infrastructure projects shall be excluded. On or before
25 December 31 of each year, the Director shall prepare and

1 transmit to the General Assembly a 5-year capital improvement
2 plan. When preparing the plan, the Director shall consider the
3 capital improvement needs estimates submitted by State
4 agencies. The plan shall be prepared in 2 parts, as provided in
5 subsections (b) and (c) of this Section.

6 (b) The first part of the capital improvement plan shall
7 set forth repair and renovations requirements that, in the
8 judgment of the Director, should be met within each year of the
9 5-year planning period to protect and preserve existing capital
10 improvement facilities. The plan shall identify individual
11 projects in priority order by State agency and shall specify
12 the means of financing for each project.

13 (c) The second part of the capital improvement plan shall
14 set forth an integrated schedule for real property acquisition,
15 new construction, or rehabilitation of existing facilities
16 that, in the judgment of the Director, should be initiated
17 within each year of the 5-year planning period. The plan shall
18 contain for each project:

19 (1) estimates of real property acquisition, and
20 construction or rehabilitation costs;

21 (2) a means of financing the project; and

22 (3) an estimated schedule for the completion of the
23 project.

24 Where the means of financing would involve direct or
25 indirect debt service obligations, a schedule of those
26 obligations shall be presented.

1 Section 35. Recommendations for capital improvements.

2 (a) The Director shall recommend expenditures for repairs
3 and renovations of existing facilities, and real property
4 acquisition, new construction, or rehabilitation of existing
5 facilities in the State Budget proposed by the Governor.

6 (b) The State Budget proposed by the Governor shall contain
7 for repairs and renovations of existing facilities:

8 (1) the amount recommended for each State agency;

9 (2) a summary of the recommendations by project type;

10 and

11 (3) the means of financing.

12 (c) The Budget Support Document shall contain for each
13 repair and renovation project recommended in accordance with
14 subsection (b) of this Section:

15 (1) a project description and justification;

16 (2) a detailed cost estimate;

17 (3) an estimated schedule for the completion of the
18 project; and

19 (4) an explanation of the means of financing.

20 (d) The State Budget proposed by the Governor shall contain
21 for each capital project involving real property acquisition,
22 new construction, building area (expressed in square footage)
23 expansions, or the rehabilitation of existing facilities to
24 accommodate new or expanded uses:

25 (1) a project description and statement of need;

1 (2) an estimate of acquisition and construction or
2 rehabilitation costs; and

3 (3) a means of financing the project.

4 (e) The Budget Support Document shall contain for each
5 capital project recommended in accordance with subsection (d)
6 of this Section:

7 (1) a detailed project description and justification;

8 (2) a detailed estimate of acquisition, planning,
9 design, site development, construction, contingency and
10 other related costs;

11 (3) an estimated schedule of cash flow requirements
12 over the life of the project;

13 (4) an estimated schedule for the completion of the
14 project;

15 (5) an estimate of maintenance and operating costs,
16 including personnel, for the project, covering the first 5
17 years of operation;

18 (6) an estimate of revenues, if any, likely to be
19 derived from the project, covering the first 5 years of
20 operation; and

21 (7) an explanation of the means of financing.

22 Section 40. When a State agency may begin a capital
23 improvement project. No State agency may expend funds for the
24 construction or renovation of any capital improvement project
25 except as needed to comply with this Act or as otherwise

1 authorized by the General Assembly. Funds that become available
2 by gifts, federal or private grants, receipts becoming a part
3 of special funds by Act of the General Assembly, or any other
4 funds available to a State agency or institution may be
5 utilized for advanced planning through the working drawing
6 phase of capital improvement projects, upon approval of the
7 Director.

8 Section 45. When a State agency may increase the cost of a
9 capital improvement project. Upon the request of the
10 administration of a State agency, the Director may, when in the
11 Director's opinion it is in the best interest of the State to
12 do so, increase the cost of a capital improvement project.
13 Provided, however, that if the Director increases the cost of a
14 project, the Director shall immediately report that action by
15 written message to the General Assembly. The increase may be
16 funded from gifts, federal or private grants, special fund
17 receipts, or direct capital improvement appropriations to that
18 State agency.

19 Section 50. When a State agency may change the scope of a
20 capital improvement project. A State agency may increase the
21 scope of a capital improvement project only if the General
22 Assembly authorizes the increase. A State agency may decrease
23 the scope of a capital improvement project if the Director
24 authorizes the decrease. To obtain the Director's

1 authorization for a decrease in the scope of a capital
2 improvement project, a State agency shall submit its request to
3 the Director in writing and shall state the reason for the
4 request.

5 Section 55. Project Reserve Fund.

6 (a) There is created the Project Reserve Fund as a special
7 fund in the State treasury. When a construction contract is
8 entered for a capital improvement project for which the General
9 Assembly has enacted an appropriation, the appropriation is
10 encumbered for the project's costs of real property
11 acquisition, planning, design, site development, construction,
12 contingencies, and other related costs. If the amount
13 appropriated for the project exceeds the amount encumbered, the
14 excess shall be credited to the Project Reserve Fund, unless
15 otherwise required by law. The Director may authorize funds in
16 the Fund to be used for any of the following:

17 (1) An emergency repair and renovation project at a
18 State facility.

19 (2) The award of a project contract when bids for the
20 contract exceed the amount appropriated for it if the
21 project was designed within the scope intended by the
22 appropriation and if the Director finds that all means to
23 award the contract within the appropriation were
24 reasonably attempted.

25 (3) A reversion to the principal fund from which

1 revenue was appropriated for a project when the amount
2 encumbered for the project is less than the amount
3 appropriated.

4 (b) Whenever the Director authorizes the use of moneys from
5 the Project Reserve Fund, the Director shall immediately report
6 that action by written message to the General Assembly.

7 Section 60. Reversion of appropriation and lapse of project
8 authorization.

9 (a) A State agency shall begin the planning of or the
10 construction of an authorized capital improvement project
11 during the fiscal year in which the funds are appropriated. If
12 it does not, the Director may credit the appropriation to the
13 Project Reserve Fund, unless otherwise required by law. If the
14 Director does not credit the appropriation to the Project
15 Reserve Fund, the appropriation shall revert to the principal
16 fund from which it was appropriated. The Director may, for good
17 cause, allow a State agency to take up to an additional 12
18 months to take the actions required by this subsection.

19 (b) Authorizations for capital improvement projects shall
20 lapse if any of the following occur:

21 (1) the appropriation for a capital improvement
22 project reverts;

23 (2) the construction of a project does not begin during
24 the first 2 fiscal years in which funds are appropriated;

25 or

1 (3) the Director redirects funds appropriated for a
2 capital improvement project, where authorized to do so by
3 the General Assembly.

4 The Director may, for good cause, allow a State agency to
5 take up to an additional 12 months to begin construction of a
6 project; however, if the Director approves an extension of time
7 under this subsection and construction of the project has not
8 begun by the end of the extension, the authorization for the
9 project shall lapse.

10 Section 65. State university capital improvement projects
11 from sources that are not General Fund sources; approval of new
12 project or change in scope of existing project. Notwithstanding
13 any other provision of this Act, the board of trustees of a
14 State university may approve:

15 (1) expenditures to plan a capital improvement project
16 of that State university the planning for which is to be
17 funded entirely with non-General Fund money;

18 (2) expenditures for a capital improvement project of
19 that State university that is to be funded and operated
20 entirely with non-General Fund money; or

21 (3) a change in the scope of any previously approved
22 capital improvement project of that State university,
23 provided that both the project and change in scope are
24 funded entirely with non-General Fund money.

25 The board of trustees of that State university shall report

1 any expenditure made pursuant to this section to the Office and
2 to the Commission on Government Forecasting and
3 Accountability.

4 Section 70. The State Finance Act is amended by adding
5 Section 5.866 as follows:

6 (30 ILCS 105/5.866 new)

7 Sec. 5.866. The Project Reserve Fund.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.