

JOINT OVERSIGHT COMMITTEE ON GOVERNMENT FACILITIES



BIANNUAL LEGISLATIVE REPORT October 2016

**Senator Kevin Eltife, Chair
Senator Kelly Hancock
Senator Kirk Watson**

**Representative John Cyrier
Representative Charlie Geren
Representative Donna Howard**

SENATOR KEVIN ELTIFE, CHAIR
SENATOR KELLY HANCOCK
SENATOR KIRK WATSON



REPRESENTATIVE JOHN CYRIER
REPRESENTATIVE CHARLIE GEREN
REPRESENTATIVE DONNA HOWARD

JOINT OVERSIGHT COMMITTEE ON GOVERNMENT FACILITIES

Dear Lieutenant Governor, Speaker, and Members:

The Joint Oversight Committee on Government Facilities hereby submits its biannual report including findings and recommendations for consideration by the Eighty-Fifth Legislature.

Respectfully, submitted,

Handwritten signature of Senator Kevin Eltife in black ink.

Senator Kevin Eltife, Chair

Handwritten signature of Representative John Cyrier in black ink.

Representative John Cyrier

Handwritten signature of Senator Kirk Watson in black ink.

Senator Kirk Watson

Handwritten signature of Representative Charlie Geren in black ink.

Representative Charlie Geren

Handwritten signature of Senator Kelly Hancock in black ink.

Senator Kelly Hancock

Handwritten signature of Representative Donna Howard in black ink.

Representative Donna Howard

Joint Oversight Committee on Government Facilities

During the 84th Legislative Session, the Senate and House leadership made state owned facilities, and specifically deferred maintenance, a priority. Through the General Appropriations Act, over \$600 million was appropriated to address deferred maintenance needs. The legislature also approved funding for the first new buildings in the Capitol Complex in nearly 20 years.

In accordance with [SB 2004](#), passed by the 84th Legislature, and the committee rules of the Joint Oversight Committee on Government Facilities (JOC), the JOC shall:

- Submit biannual reports to the legislature due April and October, including:
 - The amount of money expended from the deferred maintenance fund;
 - The maintenance projects to be completed through expenditures from the fund; and
 - The status of ongoing and completed projects.
- Provide a biennium budget recommendation
 - October of even numbered years the committee shall issue deferred maintenance funding recommendations for the next biennium to the Legislature and Legislative Budget Board for all agencies listed in Article IX, Section 18.09 of the General Appropriations Act, 84th Legislature.
 - The JOC will utilize each agency's quarterly prioritized reports and annual report in developing future funding recommendations.
- Capitol Complex
 - The committee, along with the State Preservation Board, will review and approve conceptual design, schematic design, and the end of design development for new buildings and Texas Mall in the Capitol Complex.

Agency Reporting Requirements

In conjunction with the passage of SB 2004, Article IX, Section 18.09 and 18.10, General Appropriations Act, 84th Legislature, and committee rules of the JOC, the Department of Public Safety, Texas Military Department, Texas Parks and Wildlife, Texas Department of Criminal Justice, Texas Facilities Commission, and Texas Department of Transportation shall provide the following:

- Quarterly Prioritized Reports of Identified Deferred Maintenance Projects

Each project receiving an appropriation from the deferred maintenance fund must be included in the prioritized quarterly report. Below are the reporting agencies along with the funds available during FY 2016-17 for reported prioritized deferred maintenance.

Department of Public Safety	\$38,778,877
Texas Military Department	\$19,562,500
Texas Parks and Wildlife	\$91,000,000
Texas Department of Criminal Justice	\$56,393,901
Texas Facilities Commission	\$217,156,348
Texas Department of Transportation	\$200,000,000
TOTAL	\$622,891,626

Agencies have submitted two prioritized quarterly reports of deferred maintenance projects. The next quarterly reports are due on December 15, 2016. Through the September 15, 2016 reporting period, forty percent or roughly \$196 million dollars of funds have been encumbered or expended.

The prioritized deferred maintenance reports are posted at the following link [Prioritized Quarterly Reports](#)

- Annual Reporting

Each fiscal year, agencies shall submit a prioritized report of total identified deferred maintenance needs. The deferred maintenance report is due each year on September 15.

The annual report will be for future projects not funded in the current biennium.

Agency Prioritized Quarterly Reports

Each agency's quarterly report includes the following: project name and location, project description, source of funding, original estimated project budget, original estimated project budget, current estimated project budget, estimated substantial completion, percent design completion, percent construction completion, FY 2016-17 encumbered, FY 2016-17 expended, remaining project balance, and supplemental notes.

To view specific details about projects in your district and statewide you may review each agency's prioritized quarterly report. The prioritized deferred maintenance reports are available at the following link [Prioritized Quarterly Reports](#)

Through September 15, 2016 over 1,600 deferred maintenance projects totaling \$487,663,118 have been prioritized. Nearly \$27 million has been expended from the fund, and over \$169 million has been encumbered. This is an increase of nearly \$140 million in the past two quarters.

	Original Estimated Project Budget	Current Estimated Project Budget	FY 2016-17 Encumbered	Percent Encumbered	FY 2016-17 Expended	Percent Expended	Remaining Project Balance	Percent Remaining
SEPTEMBER, 2016 QUARTERLY REPORT								
DPS 9/16	\$38,778,877	\$38,778,877	\$2,162,778	5.58%	\$1,793,696	4.63%	\$34,822,402	89.80%
TMD 9/16	\$19,562,500	\$19,562,500	\$8,931,737	45.66%	\$943,263	4.82%	\$9,687,500	49.52%
TPWD 9/16	\$91,000,000	\$91,000,000	\$10,624,197	11.67%	\$2,370,519	2.60%	\$78,005,284	85.72%
TDCJ 9/16	\$56,393,901	\$58,765,393	\$32,020,908	54.49%	\$14,055,123	23.92%	\$12,689,362	21.59%
TFC 9/16	\$217,156,348	\$217,156,348	\$97,731,599	45.01%	\$5,413,721	2.49%	\$114,011,028	52.50%
TXDOT 9/16	\$200,000,000	\$62,400,000	\$18,103,047	29.01%	\$2,247,514	3.60%	\$42,049,439	67.39%
Totals	\$622,891,626	\$487,663,118	\$169,574,266	34.77%	\$26,823,836	5.50%	\$291,265,015	59.73%
JUNE, 2016 QUARTERLY REPORT								
DPS 6/16	\$38,778,877	\$38,778,877	\$903,725	2.33%	\$1,793,696	4.63%	\$36,081,455	93.04%
TMD 6/16	\$19,562,500	\$19,562,500	\$6,464,547	33.05%	\$108,872	0.56%	\$12,989,081	66.40%
TPWD 6/16	\$91,000,000	\$91,000,000	\$7,089,127	7.79%	\$1,191,692	1.31%	\$82,719,181	90.90%
TDCJ 6/16	\$56,393,901	\$57,638,273	\$29,712,683	51.55%	\$6,544,679	11.35%	\$21,380,911	37.09%
TFC 6/16	\$217,156,348	\$217,156,348	\$17,508,535	8.06%	\$2,419,828	1.11%	\$197,227,985	90.82%
TXDOT 6/16	\$200,000,000	\$200,000,000	\$5,139,554	2.57%	\$481,243	0.24%	\$194,379,203	97.19%
Totals	\$622,891,626	\$624,135,998	\$66,818,171	10.71%	\$12,540,010	2.01%	\$544,777,816	87.29%

Current Agency Funding & FY 18-19 Legislative Appropriations Request

Agency	Funding Source	Current Funding	FY 18-19 LAR Baseline Request	FY 18-19 LAR Exceptional Request	Total FY 18-19 LAR DM Request
DPS	GR 1	\$38,778,877	\$18,282,249	\$14,996,616	\$33,278,865
TMD	GR 5166 - DM	\$19,562,500	\$18,400,000	\$3,700,000	\$22,100,000
TPWD	GR 5166 - DM	\$91,000,000	\$76,500,000		\$76,500,000
TDCJ	GR 5166 - DM	\$60,000,000	\$57,600,000	\$38,120,000	\$95,720,000
TFC	GR 5166 - DM	\$217,156,348	\$208,470,094	\$76,826,540	\$298,953,173
	GR 1	\$14,225,561	\$13,656,539		
TXDOT	FUND 6	\$62,400,000	\$205,130,000		\$205,130,000
TOTAL		\$503,123,286	\$598,038,882	\$133,643,156	\$731,682,038

Biennium Budget Recommendations

- The Joint Oversight Committee recommends the 85th Legislature fund each agency's deferred maintenance baseline and exceptional budget requests as appropriate funds are deemed available.
- That all agencies continue the quarterly reporting process, and as deferred maintenance funding is appropriated to other agencies that they submit prioritized reports.
- That Unexpended Balance authority for current deferred maintenance projects funded in the FY16-17 biennium be approved.

New Facilities - Capitol Complex

Phase 1

The 84th Legislature approved funding for Phase One construction of the [Texas Capitol Complex Master Plan](#) which includes the development of buildings on the Congress Avenue (Congress) and Martin Luther King Jr. Boulevard (MLK) sites, as well as parking below three blocks of the Texas Mall.

The JOC, along with the Texas State Preservation Board, will review proposed building designs and landscape projects to ensure there is compliance with the design guidelines, proposed building designs, and landscape projects.

- Because the design process requires professional expertise and in order to ensure compliance, the Preservation Board and JOC will be assisted by a panel of experts. The Governor, Lieutenant Governor, and Speaker of the House will each appoint an expert panelist in the field of architecture or landscape architecture.
- Review and approval by the expert panel should be based solely on the evaluation of compliance with design guidelines and not on personal preference. On any given project, the expert panel should meet to review projects at the following intervals:
 - At the end of Conceptual Design;
 - At the end of Schematic Design; and
 - At the end of Design Development, if deemed appropriate.
- After the expert panel has determined that the proposed project complies with the design guidelines, the project will be sent to the JOC for review and approval.
- The committee should issue approval or comment within 10 business days. If approval or comment is not received within 10 business days, the design is considered approved by the committee.

New Facilities - Capitol Complex (cont.)

Phase 2

The JOC supports the Texas Facilities Commission exceptional item 2 to develop Phase Two of the Capitol Complex as laid out in the approved [Texas Capitol Complex Master Plan](#). The second phase includes two new state office buildings: one 360,000 gross square foot (gsf) building at 15th Street and Lavaca Street; and one 165,000 gsf building at 15th Street and Congress Avenue. Phase Two also includes 2,550 new parking spaces in above-grade and below-grade parking structures within the new buildings and under Congress Avenue between 15th and 16th Streets, as well as completion of the Texas Mall from 15th to 16th Streets. Completion of Phase Two will continue to reduce the State's long-term dependence on lease space in the volatile Austin real estate market. Projected savings from annual lease expenses result in the State realizing a full return-on-investment (ROI) by 2055, and an ongoing ROI for the life of the assets. A centralized campus in the Capitol Complex maximizes the use of state-owned real property that was intentionally acquired over time to meet state agency needs and also creates operational efficiencies.



Space Needs Reporting

Pursuant to Article XI, Section 18.10, General Appropriations Act, 84th Legislature, state agencies or the Facilities Commission, on behalf of state agencies, shall notify the committee of any need for new space expected in the next four years, no later than 30 days after a new space need is confirmed.

Through August 2016, state agencies have 15 confirmed needs for new space exceeding 123,000 square feet.

A detailed report regarding space needs is available at the following link [new state agency space](#). This report will be updated on a monthly basis.

Additional Information or Questions

Please contact Ryan Weiseman if you need any additional information. ryan.weiseman@senate.texas.gov or 512.463.8472