

RESTORE CDB CONSTRUCTION REAPPROPRIATIONS AUTHORITY

Support FY2016 (HB2913/SB2024) & FY2017 (HB6407/SB3255) Capital Reappropriations

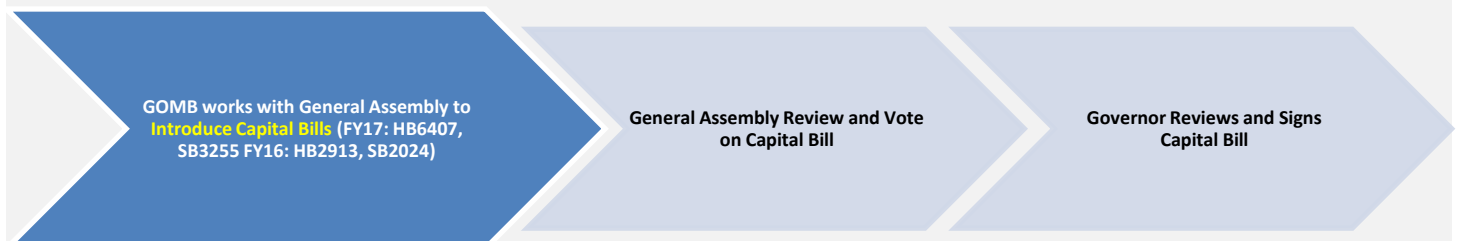
Each Spring, the **General Assembly must pass** legislation that provides **Capital Development Board** with continued spending authority, referred to as “**capital reappropriations**”, for ongoing State facility and Higher Education building **construction projects** initially approved by the legislature in FY2010.

The **Governor** has worked with House and Senate **Republicans** to propose four separate **capital reappropriations** bills (**FY17: HB6407, SB3255/ FY16: HB2913, SB2024**); while the Governor has been clear he wants an immediate and full capital reappropriations bill, **none of the bills have been assigned to committee** by the Democratic majorities.

The FY2016 capital reappropriations passed by the Democratic majorities (HB4166/Public Act 99-007) only authorized **\$4 million of the over \$2.1 billion (0.19%) total required** CDB capital spending authority. The consequences of the Majorities’ inaction are severe:

- Due to the **lack of FY2016 capital reappropriations authority**, CDB was forced to issue stop work letters in June 2015 to contractors, architects, and engineers, which **halted work** on **over 200 capital projects** in various stages of construction and design, **impacting more than 500 contractors, designers, and subcontractors**, as well as **thousands of construction workers and suppliers**.
- Every day that the stop work action continues, both **costs** and **completion schedules** will continue to **grow**.
- As each **project schedule** is **lengthened**, construction project **overhead costs** for insurance, equipment rental, materials storage, supervisor costs, and site asset maintenance will continue to **increase** incrementally; **costly damage to construction sites** will also increase.
- Without capital reappropriations authority, CDB has **NO ability** to address **emergency situations** that arise at State facilities, such as roofs blowing off, air conditioning issues, and water and mold infiltration. With over \$6 billion in deferred maintenance at State-owned facilities, this may create **dangerous situations** for people residing in State facilities, facility visitors, and employees.
- Countless halted projects are **negatively impacting** Higher Education **teaching facilities** and State agency **operations**, since construction schedules and delivery of materials are planned to minimize impacts to these entities and maximize productivity during warmer months.
- Most of the **200+ impacted capital projects** will not be able to absorb the **demobilization, restart, and inflation costs** in the project budgets. This will require additional appropriations authority to pay for these unanticipated incurred costs, as well as address emergency situations. Depending on the length of stoppage, CDB will need **millions of dollars** in additional appropriation authority and bond authorization in order to complete these projects committed to by the State.

REQUIRED ANNUAL CAPITAL BUDGET PROCESS



Join CDB in calling for passage of a full capital reappropriations bill to secure funding for important building construction projects across the State