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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/18

SPONSOR Gentry LAST UPDATED \_\_\_\_\_ HB 320/HRCS

SHORT TITLE College Facility Condition Index SB \_\_\_\_\_

ANALYST Dulany

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$5,000.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$3,700.0		\$3,700.0	Nonrecurring	HED
		\$251.5	\$251.5	\$503.0	Recurring	HED

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

The House Rules and Order of Business Committee Substitute for House Bill 320 appropriates \$5 million from the general fund to HED for expenditure in FY19 and subsequent fiscal years for the purpose of creating an ongoing facilities condition index (FCI) for all public postsecondary educational institutions.

### FISCAL IMPLICATIONS

The appropriation contained in HB 320/HRCS is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY19 shall not revert.

HED estimates that the appropriation would be sufficient to implement the FCI, procure the required software and licenses, hire a Capital Projects Auditor Specialist (A/O I) to maintain/audit the FCI, and fund the activities of maintaining and auditing the FCI for 5 years. Based on estimated costs from HED, the Legislature would need to consider additional recurring appropriations to the department to maintain the system after FY23. The following cost estimates are provided by HED:

HED Estimated Facilities Condition Index Costs (in dollars)							
Description	Months	2019	2020	2021	2022	2023	Total
Assessment of all 32 Institutions, 24 Million Square Feet (\$0.15/s.f.)	9	\$3,600,000	-	-	-	-	\$3,600,000
Software hosting, maintenance, backup, upgrades, etc.	12	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$800,000
Space Auditor (1 FTE assigned to HED)	12	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$425,000
HED assessment travel	12	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
HED Custom Reports	12	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$7,500
Training - Facility & Auditor (3 Classes of 11, one from each institution)	1	\$60,000	-	-	-	-	\$60,000
Consulting fee	12	\$40,000	-	-	-	-	\$40,000
<b>TOTAL</b>		<b>\$3,951,500</b>	<b>\$251,500</b>	<b>\$251,500</b>	<b>\$251,500</b>	<b>\$251,500</b>	<b>\$4,957,500</b>

Source: HED

These cost estimates do not include costs for staff time at public postsecondary educational institutions to provide and maintain the data used to develop the FCI.

### SIGNIFICANT ISSUES

According to HED, facility condition indexes (FCIs) are used by public postsecondary institutions to determine, through their five-year master plan submitted to HED, which facilities should be prioritized for reconditioning, repurposing, or demolition. The last statewide FCI was released in late 2006. However, several public postsecondary institutions maintain their own internal FCIs for purposes of capital outlay planning.

TD/jle