

MEMORANDUM

TO: Agency Secretaries, Commissioners and Department Heads

FROM: Michael J. Obuchowski, Commissioner

DATE: October 23, 2015

SUBJECT: Fiscal Year 2016 and 2017 Capital Construction Budget Adjustment Request

Public Act No. 26 of the 2015 legislative session affirmed the annual capital proposal to a biennial capital budgeting cycle for FY 2016 and FY 2017. This change was designed to accelerate the construction dates of larger projects creating jobs for Vermonters. It is the intent of the legislature in the second year of the biennium (FY 2017), to carry out a capital budget adjustment act.

This packet of information offers guidance and materials to prepare your Capital Budget adjustment request and new project submissions for the development of the Capital Construction Budget proposal for Fiscal Year 2017.

As we begin preparation for FY 2016 and FY 2017 Capital Budget adjustment, we must work together to finish projects that are under construction or to which we have previously committed funds. Given the large number of commitments to previously approved projects, budget pressures, and the need to move forward with meeting the states obligations to complete the Waterbury State Office Complex renovations, our options will be severally limited this year.

The format for constructing your department's budget adjustment or a new project proposal is fairly straightforward. All the necessary documents are attached to this memorandum and are available online at <http://bgs.vermont.gov/formsandpublications>: "Capital Construction and State Bonding". Materials in this packet include explanatory information, and the forms you will need to fill out to complete your request.

The highest consideration for funding this biennial Capital Budget will be for previously approved projects. New project submissions will be given consideration when the project clearly demonstrates significant future operating cost savings, enhanced revenues, or satisfaction of considerable public need after a complete review and consideration to reallocate unexpended funds for previously approved, completed or delayed projects. **Please submit only those projects that can be supported in these terms.**



Additional Requirement:

Each entity to which spending authority has been authorized by a capital bill two years or more prior to the current legislative session is required to report on current fund balances of each project authorized with unexpected funds (per 32 V.S.A. §701a(d)). This report is due to the House Committee on Corrections and Institutions and the Senate Committee on Institutions by January 15th. Reports are no longer submitted to Buildings and General Services.

Additional Capital Budget Request Information:

If your project request or capital funded program required legislative changes or language, please submit a detailed description of desired changes as an additional part of your capital budget submission.