

## Facilities Commission Summary of Recommendations - House

Section 1

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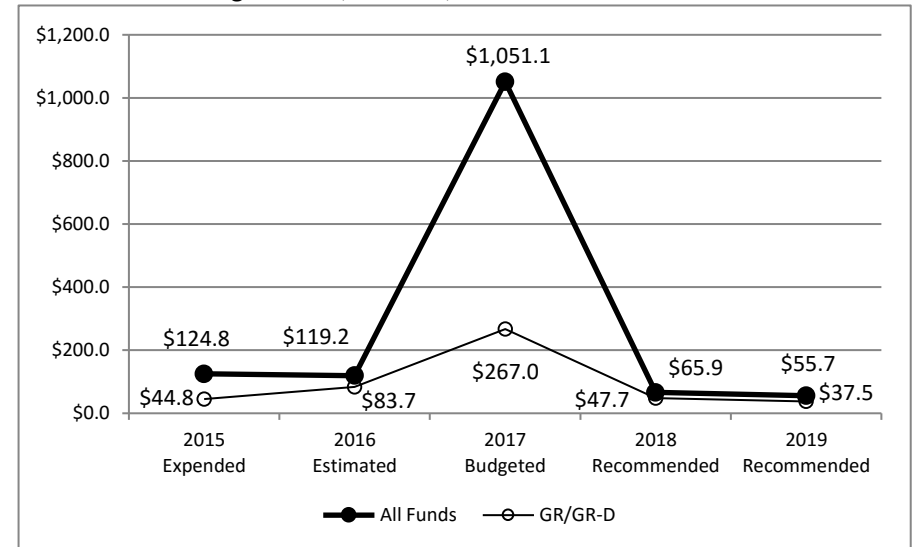
Harvey Hilderbran, Executive Director

Jordan Smith, LBB Analyst

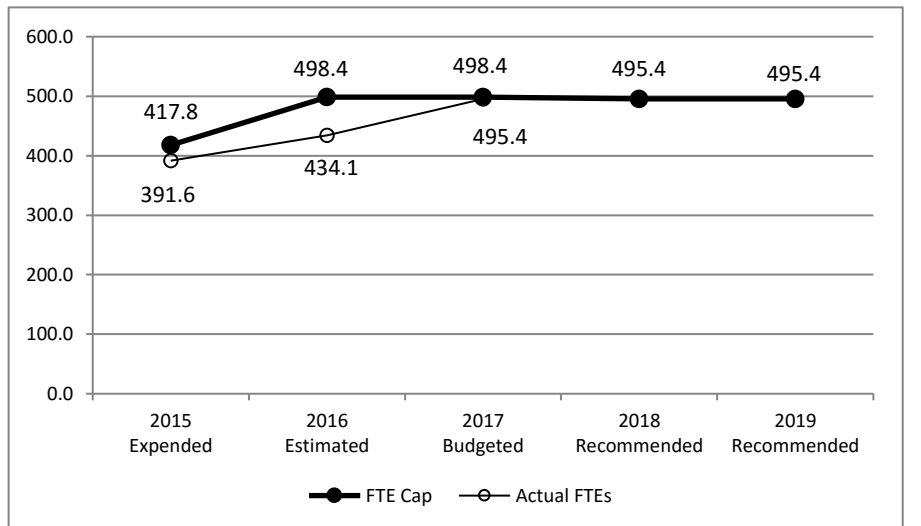
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$128,131,549	\$79,887,955	(\$48,243,594)	(37.7%)
GR Dedicated Funds	\$222,588,686	\$5,297,450	(\$217,291,236)	(97.6%)
Total GR-Related Funds	\$350,720,235	\$85,185,405	(\$265,534,830)	(75.7%)
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$819,552,481	\$36,342,880	(\$783,209,601)	(95.6%)
<b>All Funds</b>	<b>\$1,170,272,716</b>	<b>\$121,528,285</b>	<b>(\$1,048,744,431)</b>	<b>(89.6%)</b>

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	495.4	495.4	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

**Facilities Commission**  
**Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A	Detail in SFR Appendix 6
<b>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A and SFR Appendices, when applicable):</b>								
A)	Decrease in all programs, proportionally reduced among all strategies, pursuant to 4% base reduction.	(\$5.1)	(\$8.8)	\$0.0	\$0.0	(\$13.9)	9 Strategies	Appendix 6a
B)	Decrease in funding for one-time capital project appropriations, including deferred maintenance, facilities planning, and LBJ building renovation.	(\$33.1)	(\$208.5)	\$0.0	\$0.0	(\$241.6)	5 Strategies	Appendix 6a
C)	Decrease in funding for emergency repair projects as outlined in Rider 16.	(\$10.0)	\$0.0	\$0.0	\$0.0	(\$10.0)	A.2.1	Appendix 6a
D)	Decrease in Revenue Bond Proceeds due to the expenditure of funds for construction projects at the Capitol Complex and North Austin Complex.	\$0.0	\$0.0	\$0.0	(\$767.7)	(\$767.7)	A.2.1	Appendix 6a
<b>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A and SFR appendices, when applicable):</b>								
E)	Decrease in Interagency Contract estimates for client agency services from actual 2016-17 expenditures.	\$0.0	\$0.0	\$0.0	(\$8.4)	(\$8.4)	A.2.1	
F)	Decrease in General Obligation Bond proceeds for deferred maintenance previously expended.	\$0.0	\$0.0	\$0.0	(\$7.0)	(\$7.0)	B.2.1	
<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations (in</b>		<b>(\$48.2)</b>	<b>(\$217.3)</b>	<b>\$0.0</b>	<b>(\$783.1)</b>	<b>(\$1,048.6)</b>	As Listed	As Listed
SIGNIFICANT & OTHER Funding Increases		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$48.2)	(\$217.3)	\$0.0	(\$783.1)	(\$1,048.6)	As Listed	As Listed

NOTE: Totals may not sum due to rounding.

**Facilities Commission  
Selected Fiscal and Policy Issues - House**

1. **Strategic Fiscal Review.** The agency was selected to undergo a Strategic Fiscal Review in fiscal year 2016, the finding of which informed budget recommendations for the Eighty-fifth Legislative session. Significant observations and considerations include:
  - Texas Facilities Commission has strong authority and mission centrality for eleven of the fourteen programs reviewed. The remaining programs, excluding central administration and information resources, have strong authority and moderate mission centrality. None of the current TFC programs have weak authority or mission centrality.
  - A common theme that emerged from our review was the agency's need for modification of their current operational practice of tracking different programs and accounting systems in a decentralized and non-integrated manner. This issue appeared in the major programs which were highlighted in our review, including deferred maintenance, facilities operation, facilities planning, and building design and construction. The agency believes that this challenge can be overcome through the incorporation of an Integrated Workplace Management System (IWMS) which will convert their current legacy system in to a single database that would track real estate management, capital project construction, facilities management & operation, maintenance management, and sustainability & energy management functions. The integration of these systems would provide more transparency related to ongoing activities and future facility needs while providing reliable and integrated management information that would support decision making process. This IWMS system is one of the agency's base funding requests, which is not included in recommendations, as it used reallocated one-time funding (see item 4).
2. **Agency Submitted Funding Reductions.** The agency's four percent target was \$14.0 million in General Revenue related funds. The agency decreased funding by \$13.9 million in GR and GR-D across all strategies to meet the majority of the target.
3. **Emergency Repairs funding.** Recommendations include \$10.0 million in General Revenue funding for the continuation of funding for emergency repair projects. Appropriations for the 2016-17 biennium include \$20.0 million in General Revenue for this purpose. This funding coincides with Rider 16, Emergency Repairs, which outlines the approval process for the expenditure of funds for emergency repairs under the Commission's authority. Recommendations include the continuation of this rider reflecting a decrease in funding.

Rider 16 was added to the agency bill pattern in the 2016-17 biennium based on recommendations from the agency Sunset Review delivered to the 84<sup>th</sup> Legislature. Previous to the enactment of this rider, in order to respond to emergency repair needs, the agency would submit a Request to Exceed to the LBB after identifying available funds within existing agency resources. This would require the agency to reprioritize other repair projects and possibly delay previously planned repairs. In the 2016 fiscal year, no request to access this appropriation was made by TFC. In fiscal year 2017, a request for funding not to exceed \$5.0 million was made for critical needs at the Sam Houston Building (SHB) and the John H. Winters (JHW) Complex related to storm drainage and waterproofing repairs. This request is still under review.

4. **Reduction of One-Time funding items.** Recommendations reflect a decrease of \$33.1 million in General Revenue (GR) and \$208.5 million in General Revenue – Dedicated Deferred Maintenance Account No. 5166 (GR-D). In the 2016-17 biennium, the agency was appropriated \$251.6 million in GR and GR-D funds for one-time capital related expenditures. These capital projects involved funding for deferred maintenance projects, LBJ Building renovations, planning activities, and Supplemental Bill (HB 2, 84<sup>th</sup> Legislature, Regular Session, 2015) funding for additional deferred maintenance repairs. The net \$241.5 million in GR and GR-D funding was reallocated by the agency to the following activities:
- \$222.7 million for deferred maintenance projects and operational staff.
  - \$3.0 million for facility master planning and capitol complex planning activities.
  - \$4.0 million for facility operations, primarily in order to offer more competitive compensation to skilled tradesman and contractually outsource some facility maintenance functions.
  - \$3.6 million for procurement and implementation of an Integrated Workplace Management System (IWMS) to centralize core data management and record keeping functions.
  - \$0.2 million for increased Data Center Services costs.
  - \$8.1 million for renovate additional floors at the LBJ state office building.

5. **Capital Needs.**

- **Construction Projects.** In the 2016-17 biennium, TFC was appropriated \$767.7 million in Revenue Bond Proceeds for new construction projects. These projects included Phase One utility infrastructure in the Capitol Complex (\$71.3 million), two new Phase One office buildings in the Capitol Complex and associated sub-surface parking (\$509.9 million), and Phase One of a new building and parking garage at the North Austin Complex (\$186.4 million).

The agency 2018-19 exceptional item request includes two new Phase Two buildings in the Capitol Complex with associated parking structures and capitol mall enhancements (\$357.0 million) and two new Phase Two buildings and associated parking structures at the North Austin Complex (\$184.0 million). The agency's request for funding Phase Two new construction projects totaling \$541.0 million in Revenue Bond Proceeds are not included in the recommendations.

- **Deferred Maintenance Projects.** In the 2016-17 biennium, TFC was appropriated \$217.2 million in General Revenue – Dedicated Account No 5166 funds for deferred maintenance projects at properties owned and managed by the agency. In addition, HB 2 (Supplemental Bill), 84<sup>th</sup> Legislature, Regular Session, 2015, included appropriations of \$11.0 million in General Revenue for health and safety repairs at Texas School for the Deaf and \$9.5 million in General Revenue for other TFC deferred maintenance projects.

For fiscal years 2018-19, the agency has an exceptional item request for \$299.0 million of GR-D Account No. 5166 for new deferred maintenance projects. Recommendations do not include funding for the agency exceptional item request.

Additionally, recommendations include a new rider, Rider #18, Unexpended Balances of General Revenue – Dedicated Deferred Maintenance Account No. 5166, which allows for the transfer of unexpended and unobligated balances as of August 31, 2017 for deferred maintenance projects to the fiscal year beginning September 1, 2018, for the same purpose.

Texas Facilities Commission  
Contracting Highlights - House

Summary of Contracts Awarded 09/01/2014 to 01/17/2017 and Reported to LBB Contracts Database\*

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	159	\$ 270.0	\$ 1.7	100%

Award Method

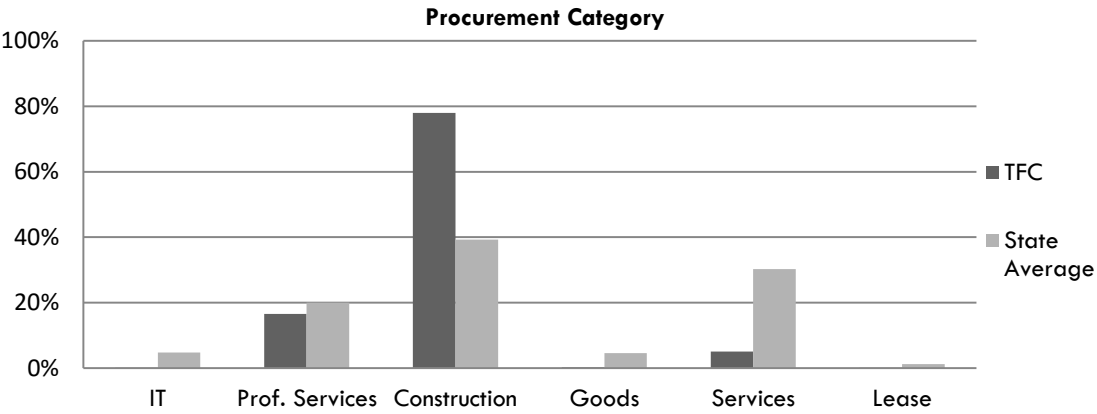
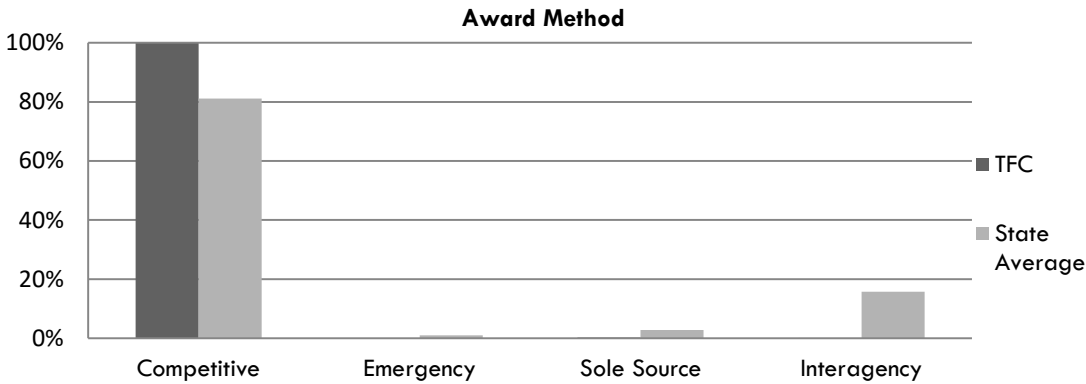
Total Competitive Contracts	151	\$ 269.4	\$ 1.8	99.8%
Total Non-Competitive	8	\$ 0.7	\$ 0.1	0.2%
Emergency	0	\$ -	\$ -	0.0%
Sole Source	6	\$ 0.6	\$ 0.1	0.2%
Interagency Agreement	2	\$ 0.1	\$ 0.1	0.0%

Procurement Category

Information Technology	1	\$ 0.2	\$ 0.2	0.1%
Professional Services	39	\$ 44.7	\$ 1.1	16.6%
Construction	61	\$ 210.7	\$ 3.5	78.0%
Goods	5	\$ 0.7	\$ 0.1	0.3%
Other Services	52	\$ 13.7	\$ 0.3	5.1%
Lease/Rental	1	\$ 0.1	\$ 0.1	0.0%

Revenue Generating Contracts	3	\$ 0.2	\$ 0.1	0.1%
Competitive	3	\$ 0.2	\$ 0.1	0.1%
Non-competitive	0	\$ -	\$ -	0.0%

Comparisons with State Averages



\*Note: These figures reflect the total value of reported contracts awarded 09/01/2014 to 01/17/2017 and reported to the LBB contract database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

**Texas Facilities Commission**  
Contracting Highlights

(Dollar values rounded to the nearest tenth of a million)

<b>Largest Contracts Awarded in FY 17 to 01/17/2017</b>	<b>Award Method</b>	<b>Total Value</b>	<b>% Change*</b>	<b>Award Date</b>	<b>Length</b>	<b>Renewals</b>	<b>Vendor</b>
1 Elevator Repair in 5 State Office Buildings	Competitive	\$ 12.8	-	09/09/16	4 years	0	Vaughn Construction
2 Deferred Maintenance for 5 State Office Buildings	Competitive	\$ 12.6	-	01/05/17	3 years	0	Balfour Beatty Construction LLC
3 Mechanical Systems Repairs at Travis Building	Competitive	\$ 12.0	-	09/08/16	3 years	0	Vaughn Construction
4 Deferred Maintenance Projects in 4 DSHS Buildings	Competitive	\$ 11.1	-	12/06/16	2 years	0	Flynn Construction Inc.
5 Mechanical, Electrical, and Plumbing Repairs in SFA Building	Competitive	\$ 10.9	-	10/11/16	4 years	0	Flintco Inc.

<b>Largest Competitive Contracts Awarded in FY 15-16</b>	<b>Award Method</b>	<b>Total Value</b>	<b>% Change*</b>	<b>Award Date</b>	<b>Length</b>	<b>Renewals</b>	<b>Vendor</b>
1 Campus Wide Improvements at TSD & TSBVI	Competitive	\$ 30.0	-	06/29/16	4 years	0	Flintco Inc.
2 Deferred Maintenance for 8 State Office Buildings	Competitive	\$ 14.4	26.0%	05/15/15	2 years	0	Balfour Beatty Construction LLC
3 LBJ - CMR for corection of DM deficiencies	Competitive	\$ 11.5		08/29/16	3 years		Balfour Beatty Construction LLC
4 Mechanical, Electrical, Plumbing, & Energy Efficiency	Competitive	\$ 8.8	49.0%	12/08/14	3 years	0	Balfour Beatty Construction LLC
5 DPS Deferred Maintenance Projects in Austin	Competitive	\$ 7.9	-	06/08/15	2 years	0	Flintco Inc.

**Largest Non-Competitive Contracts Awarded in FY 15-16**

2 DHNL: Siemens Apogee System maintenance	Sole Source	\$ 0.3	-	11/19/15	2 years	0	Siemens Industry Inc.
3 Modify existing Siemens Industries Apogee System	Sole Source	\$ 0.1	-	07/08/16	< 1 year	0	Siemens Industry Inc.

\*Note: The percent change in contract value between initial award amount and the current contract value. Includes contract amendments and renewals.

**Facilities Commission  
Rider Highlights - House**

**Modification of Existing Riders**

3. **Capital Budget.** Recommendations revise this rider to remove one-time capital construction projects appropriated during the 2016-17 biennium. Recommendations also include capital budget authority of \$299,337 in fiscal year 2018 and \$287,235 in fiscal year 2019 to maintain current obligations for Data Center Consolidation (DCS) related costs.
12. **Federal Surplus Property Program.** Recommendations revise this rider to conform with standardized language relating to programs across all articles required to generate sufficient revenues to appropriate “other direct and indirect costs”.
16. **Emergency Repairs.** Recommendations revise this rider to reflect the updated amount of \$10,000,000 in General Revenue, appropriated for this purpose in the 2018-19 biennium.

**New Riders**

18. **Unexpended Balances of General Revenue – Dedicated Deferred Maintenance Account No. 5166.** Recommendations include a new rider allowing for the transfer of unobligated and unexpended balances as of August 31, 2017 in Deferred Maintenance Account No. 5166 (estimated to be \$0) for deferred maintenance projects to the fiscal year beginning September 1, 2017, for the same purpose.

**Deleted Riders**

15. **Sunset Contingency.** Recommendations delete this rider. Provisions related to this rider were enacted in 2016.
17. **Contingency for Legislation Related to Transfer of the Texas State Cemetery.** Recommendations delete this rider. Provisions related to this rider were enacted and the funding decrease is reflected in the agency base budget.
20. **Department of Motor Vehicles Headquarters Acquisition and Relocation.** Recommendations delete this rider. This rider was vetoed as part of the Governor’s Veto Proclamation of parts of HB 1, 84<sup>th</sup> Legislature, Regular Session, 2015.
21. **State Parking Facility Adjacent to E.O. Thompson Building.** Recommendations delete this rider. This rider was vetoed as part of the Governor’s Veto Proclamation of parts of HB 1, 84<sup>th</sup> Legislature, Regular Session, 2015.
22. **G.J. Sutton Building Replacement.** Recommendations delete this rider. This rider was vetoed as part of the Governor’s Veto Proclamation of parts of HB 1, 84<sup>th</sup> Legislature, Regular Session, 2015.

**Facilities Commission**  
**Items Not Included in Recommendations - House**

**Section 5**

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

**Agency Exceptional Items Not Included - In Agency Priority Order**

1)	Deferred maintenance projects at TFC owned and managed facilities.	\$298,953,173	\$298,953,173	2.0	No	Yes	\$0
2)	Funding for purchase of a new database system referred to as a Integrated Workplace Management System (IWMS)	\$3,639,000	\$3,639,000	1.0	Yes	Yes	\$1,698,004
3)	Funding for facilities operations activities.	\$4,036,152	\$4,036,152	7.0	Yes	Yes	\$4,036,152
4)	Funding for facility master planning and Capitol Complex planning.	\$1,500,000	\$1,500,000	0.0	No	Yes	\$0
5)	Cybersecurity Officer for IT Systems	\$192,300	\$192,300	1.0	No	No	\$183,500
6)	Capitol Complex New Construction - Phase 2	\$0	\$357,000,000	2.0	No	Yes	\$0
7)	North Austin Complex New Construction - Phase 2	\$0	\$184,000,000	1.0	No	Yes	\$0
8)	LBJ Building and other facilities interior renewal	\$0	\$20,864,000	0.0	No	Yes	\$0
9)	State Surplus Program operations enhancement	\$0	\$400,000	2.0	No	No	\$400,000
10)	Data Center Consolidation rate increase	\$191,436	\$191,436	0.0	Yes	Yes	\$191,436
11)	G.J. Sutton Building (San Antonio) replacement	\$9,600,000	\$9,600,000	0.0	No	Yes	\$0
12)	French Legation deferred maintenance	\$1,570,000	\$1,570,000	0.0	No	Yes	\$0
13)	Modification of Rider 10, Capitol Complex - Utilities, relating to the reinvestment of savings to additional energy efficiency programs.	\$0	\$0	0.0	No	No	\$0



**Facilities Commission**  
**Items Not Included in Recommendations - House**

**Section 5**

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
14)	Modification of Rider 13, State Surplus Property Program, which will grant the agency additional un-expended balance authority and grant the program revenues from the sale of non-capitalized property and Transportation Safety Administration (TSA) donated property.	\$0	\$0	0.0	No	No	\$0
15)	Modification of Rider 16, Emergency Repairs, which will grant the agency unexpended balance authority of unexpended and unobligated funds form the 2016-17 biennium.	\$0	\$0	0.0	No	No	\$0
16)	New Rider, Construction Encumbrances, which will consider any construction contracts for projects in effect during fiscal year 2017 as encumbered in the 2018-19 biennium.	\$0	\$0	0.0	No	No	\$0
17)	New Rider, Transfer Authority - Cost Recovery, which will allow for the authority to transfer in to the Indirect Administration strategy funds to fully cover the needs of cost recovery programs.	\$0	\$0	0.0	No	No	\$0
<b>TOTAL Items Not Included in Recommendations</b>		<b>\$319,682,061</b>	<b>\$881,946,061</b>	<b>16.0</b>			<b>\$6,509,092</b>

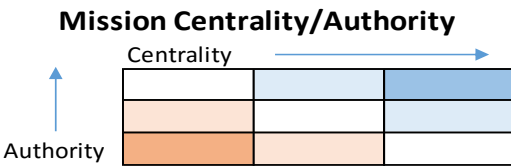
**Facilities Commission**  
**Appendices - House**

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Facilities Commission  
Strategic Fiscal Review: Appendix 1-- Program Funding - House

Facilities Commission

The mission of the Texas Facilities Commission is to support state government through strategic planning, asset management, design, construction, operation, maintenance, and leasing of state facilities and the reallocation and/or disposal of state and federal surplus property.



				2018-19 Recommendations		2018-19 Agency Total Request
Total Budget						
					Major differences include the agency request for new construction projects, increased deferred maintenance funding, and removal of one-time capital project funding from the agency base budget.	
100%	Strategy	Budget, Ordered by Mission Centrality and Authority	Agency Ranking	\$121,528,285		\$1,005,059,392
75%		State Cemetery	16	\$0		\$0
		Lease Payments	15	\$0		\$0
	4.1.2 Information Resources	Information Resources	8	\$2,408,164		\$2,969,900
50%	2.2.1 Facilities Operation					
	4.1.1 Central Administration	Central Administration	6	\$7,236,812		\$7,364,394
	2.2.1 Facilities Operation	Recycling and Waste Management	13	\$807,957		\$807,957
25%	2.2.3 Utilities	Utilities	5	\$39,725,300		\$39,725,300
	1.1.2 Facilities Planning					
	2.2.1 Facilities Operation	Parking and Special Events	14	\$168,710		\$168,710
0%	2.2.1 Facilities Operation	Minor Construction for Tenants of State Owned Buildings	12	\$4,716,572		\$4,716,572
	2.2.1 Facilities Operation	Grounds Management	11	\$2,160,974		\$2,160,974
	3.1.1 Surplus Property Management	Surplus Property Management	10	\$4,497,908		\$4,497,908
0%	1.1.1 Leasing	State Leasing Services	9	\$950,884		\$950,884
	1.1.2 Facilities Planning	Facilities Planning	7	\$403,886	Request for the repurpose of one-time funding towards planning activities was not included in recommendations.	\$3,403,886
	2.1.1 Custodial	Custodial Services for State Owned Buildings	4	\$11,984,356		\$11,984,356
0%	1.2.1 Facilities Design And Construction	Building Design and Construction	3	\$3,939,264	Request for funding Phase Two construction of the Capitol Complex and North Austin Complex was not included in recommendations.	\$554,539,264
	2.2.1 Facilities Operation	Facilities Operation	2	\$28,397,234		\$32,981,850
	1.2.1 Facilities Design And Construction				Request for funding deferred maintenance projects was not included in recommendations.	
	2.2.1 Facilities Operation	Deferred Maintenance	1	\$14,130,264		\$338,787,437

Note: Indirect administration program names are italicized.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 2 Program Listing -- Services and Administration - House**  
**(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)**

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
1	Deferred Maintenance	2006	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	No	Partial
2	Facilities Operation	1919	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	No	Partial
3	Building Design and Construction	1919	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	No	Partial
4	Custodial Services for State Owned Buildings	1919	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	No	Yes
5	Utilities	1919	Statute	No Federal Requirement	Strong	Moderate	State Government Administration & Support	Statewide	N/A	No
7	Facilities Planning	1990	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	No	Yes
9	State Leasing Services	1977	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	N/A	N/A
10	Surplus Property Management	1884	Admin Code, Statute	Appropriations Bill *	Strong	Strong	State Government Administration & Support	Statewide	No	Partial
11	Grounds Management	1919	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Regional	No	Yes
12	Minor Construction for Tenants of State Owned Buildings	1992	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	N/A	Partial
13	Recycling and Waste Management	1985	Statute	No Federal Requirement	Moderate	Moderate	State Government Administration & Support	Regional	No	No
14	Parking and Special Events	1985	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Regional	No	Yes
15	Lease Payments	1977	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Statewide	N/A	N/A

**Facilities Commission**  
**Strategic Fiscal Review Appendix 2 Program Listing -- Services and Administration - House**  
**(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)**

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
Indirect Administration Programs										
6	Central Administration	1919	Statute	No Federal Requirement	Strong	Strong	State Government Administration & Support	Regional	No	N/A
8	Information Resources	2001	Statute	No Federal Requirement	Moderate	Moderate	State Government Administration & Support	Regional	No	Yes

\* One or more activities within the program has no state or federal authority.

**Note:** *Significant Audit and/or Report Findings.* Qualified indicates that there may be issues relating to agency operations that have not been documented in formal audits, reviews or reports, or LBB Staff cannot verify whether recommendations have been implemented.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 3: Program Listing -- Fiscal - House**  
**(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)**

Agency Submission				LBB Staff Review and Analysis							
Agency Ranking	Program Name	2012-13 Expended	2014-15 Expended	2016-17 Est / Budg	2017 FTEs Budg	2018-19 Recommended	2019 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?
1	Deferred Maintenance	\$ 82,368,551	\$ 80,828,591	\$ 280,031,979	23.4	\$ 14,130,264	23.4	-95.0%	0.0	No	Compliant
2	Facilities Operation	\$ 24,546,593	\$ 28,056,245	\$ 31,218,187	138.4	\$ 28,397,234	138.4	-9.0%	0.0	Yes	N/A
3	Building Design and Construction	\$ 13,009,934	\$ 38,356,916	\$ 780,649,778	23.3	\$ 3,939,264	23.3	-99.5%	0.0	No	Compliant
4	Custodial Services for State Owned Buildings	\$ 9,034,788	\$ 9,275,055	\$ 11,984,356	160.7	\$ 11,984,356	160.7	0.0%	0.0	No	N/A
5	Utilities	\$ 35,080,762	\$ 36,659,457	\$ 41,050,178	0.0	\$ 39,725,300	0.0	-3.2%	0.0	No	Compliant
7	Facilities Planning	\$ 321,150	\$ 345,746	\$ 2,098,012	3.4	\$ 403,886	3.4	-80.7%	0.0	No	N/A
9	State Leasing Services	\$ 823,897	\$ 884,214	\$ 931,365	5.9	\$ 950,884	5.9	2.1%	0.0	No	N/A
10	Surplus Property Management	\$ 4,392,466	\$ 4,268,135	\$ 4,679,719	29.2	\$ 4,497,908	29.2	-3.9%	0.0	Yes	Compliant
11	Grounds Management	\$ 899,340	\$ 997,931	\$ 2,243,809	28.4	\$ 2,160,974	28.4	-3.7%	0.0	No	N/A
12	Minor Construction for Tenants of State Owned Buildings	\$ 4,579,946	\$ 4,630,426	\$ 4,716,572	25.7	\$ 4,716,572	25.7	0.0%	0.0	No	N/A
13	Recycling and Waste Management	\$ 757,625	\$ 622,579	\$ 857,124	3.5	\$ 807,957	3.5	-5.7%	0.0	Yes	N/A
14	Parking and Special Events	\$ 199,904	\$ 205,912	\$ 166,302	0.0	\$ 168,710	0.0	1.4%	0.0	No	N/A
15	Lease Payments	\$ -	\$ -	\$ -	0.0	\$ -	0.0	0.0%	0.0	No	N/A
<b>Indirect Administration Programs</b>											
6	Central Administration	\$ 5,500,797	\$ 6,650,617	\$ 7,365,301	46.0	\$ 7,236,812	46.0	-1.7%	0.0	No	Compliant
8	Information Resources	\$ 2,056,248	\$ 2,104,978	\$ 2,280,034	7.5	\$ 2,408,164	7.5	5.6%	0.0	No	Compliant
<b>Total</b>		<b>\$ 183,572,001</b>	<b>\$ 213,886,802</b>	<b>\$ 1,170,272,716</b>	<b>495.4</b>	<b>\$ 121,528,285</b>	<b>495.4</b>	<b>-89.6%</b>	<b>0.0</b>		

	2016-17 Est/Budg	2018-19 Recommended
Inside the Treasury	\$ 1,170,272,716	\$ 121,528,285
Outside the Treasury	\$ -	\$ -
<b>Total</b>	<b>\$ 1,170,272,716</b>	<b>\$ 121,528,285</b>

**Notes:** **Qualified** indicates that the agency may be using the funds for the purpose(s) intended or for similar purposes which are not specifically authorized by the constitution or statute, or that there may be conflicts within authorizing laws.

**Revenue Supported** includes fees, tuition set asides and donations.

Facilities Commission  
Strategic Fiscal Review Appendix 4: Assessments of Mission Centrality and Authority - House  
(Includes Programs from All Funding Sources)

**Mission centrality** is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.  
**Authority** is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.

MISSION CENTRALITY			
	Weak	Moderate	Strong
A U T H O R I T Y	Strong	Utilities(5) Recycling and Waste Management(13)	Deferred Maintenance(1) Facilities Operation(2) Building Design and Construction(3) Custodial Services for State Owned Buildings(4) Facilities Planning(7) State Leasing Services(9) Surplus Property Management(10) Grounds Management(11) Minor Construction for Tenants of State Owned Buildings(12) Parking and Special Events(14)
	Moderate		
	Weak		

Notes: Agency program rankings included after the program name. The matrix does not include Indirect Administration programs.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - House**  
(Includes Programs from All Funding Sources)

1	<b>Account No:</b> 36	<b>Account Type:</b> GR DEDICATED
	<b>Account Name:</b> Department of Insurance Operating Account	
	<b>Legal Cite(s):</b> Texas Insurance Code, Sec. 201.001	
	<b>Authorized Use:</b> This appropriation is directed towards the payment of utilities for the Texas Department of Insurance occupied office space.	
	<b>Revenue Source:</b> Revenue is received from taxes and fees as required by the Insurance Code and money received by the Insurance Board from sales, reimbursements and fees authorized by other statutes.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
5	Utilities	\$ 2,060,166	\$ 2,060,166	Yes
<b>Total</b>		<b>\$ 2,060,166</b>	<b>\$ 2,060,166</b>	

<b>Notes/Comments:</b> N/A
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2	<b>Account No:</b> 570	<b>Account Type:</b> GR DEDICATED
	<b>Account Name:</b> Surplus Property Trust Account	
	<b>Legal Cite(s):</b> 40 U.S.C. Section 483c, 549, 550, Government Code, Section 2175.370	
	<b>Authorized Use:</b> The commission may utilize funds from this account for the normal operations of the agency related to the administration of the Surplus Property Program.	
	<b>Revenue Source:</b> The commission may collect a service charge for the commission's acquisition, warehousing, distribution, or transfer of federal property. The commission may not collect a charge for federal real property in an amount greater than reasonable administrative costs incurred.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
6	Central Administration	\$ 243,168	\$ 233,698	Yes
8	Information Resources	\$ 52,602	\$ 50,750	Yes
10	Surplus Property Management	\$ 3,076,402	\$ 2,952,836	Yes
<b>Total</b>		<b>\$ 3,372,172</b>	<b>\$ 3,237,284</b>	

<b>Notes/Comments:</b> The Federal Surplus program is a cost recovery program that is funded solely by revenues generated from the program and deposited to the Surplus Property Trust Account. In fiscal year 2016, the operation costs were approximately \$0.7 million less than revenues. Including the excess revenues in fiscal year 2016, the account is operating with a balance of approximately \$1.8 million to start fiscal year 2018.
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**Facilities Commission**  
**Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - House**  
(Includes Programs from All Funding Sources)

3	<b>Account No:</b> 5166	<b>Account Type:</b> GR DEDICATED
	<b>Account Name:</b> GR Account - Deferred Maintenance	
	<b>Legal Cite(s):</b> GAA, 84th Legislature, Regular Session, 2015, Article IX, Sec 18.09(b), Government Code, Ch. 2165, Sec. 2165.401	
	<b>Authorized Use:</b> The deferred maintenance fund was created to fund projects for state facilities to be brought into a better state of repair to ensure the safety of employees and visitors, the efficiency of building operations, and a long-term reduction in repair costs by addressing deferred maintenance issues.	
	<b>Revenue Source:</b> Funding is provided to this account through appropriation, credit, or transfer of funds at the direction of the legislature. Historically this has included the transfer or General Revenue, Sporting Goods Sales Tax, and Game, Fish, and Water Safety Account funds.	

<b>Ranking:</b>	<b>Program Name</b>	<b>2016-17 Est/Budg</b>	<b>2018-19 Recommended</b>	<b>In Compliance with Authorized Use?</b>
1	Deferred Maintenance	\$ 216,805,534	\$ -	Yes
3	Building Design and Construction	\$ 223,232	\$ -	Yes
6	Central Administration	\$ 127,582	\$ -	Yes
<b>Total</b>		<b>\$ 217,156,348</b>	<b>\$ -</b>	

<b>Notes/Comments:</b> N/A
----------------------------

	<b>2016-17 Est/Budg</b>	<b>2018-19 Recommended</b>
Inside the Treasury	\$ 222,588,686	\$ 5,297,450
Outside the Treasury	\$ -	\$ -
<b>Total</b>	<b>\$ 222,588,686</b>	<b>\$ 5,297,450</b>

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Deferred Maintenance**

Agency  
Ranking

1 out of 15
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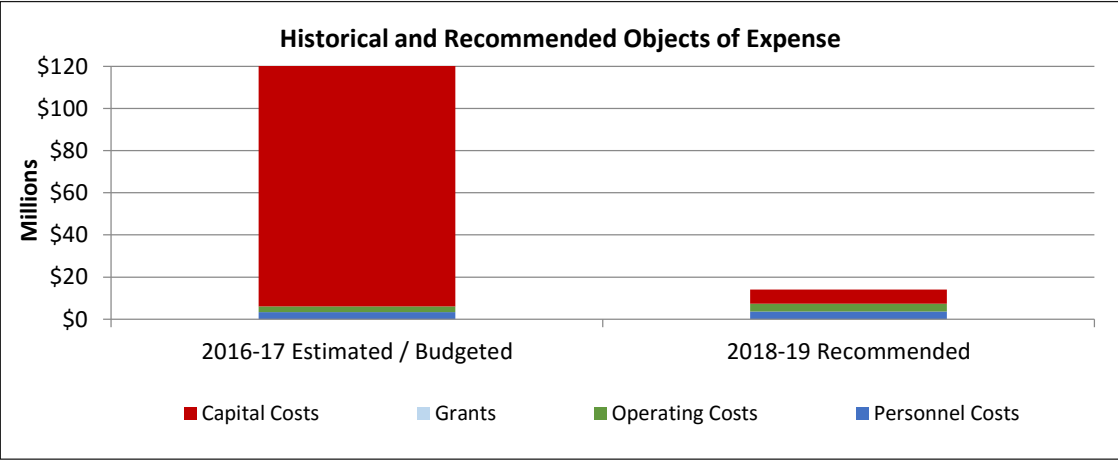
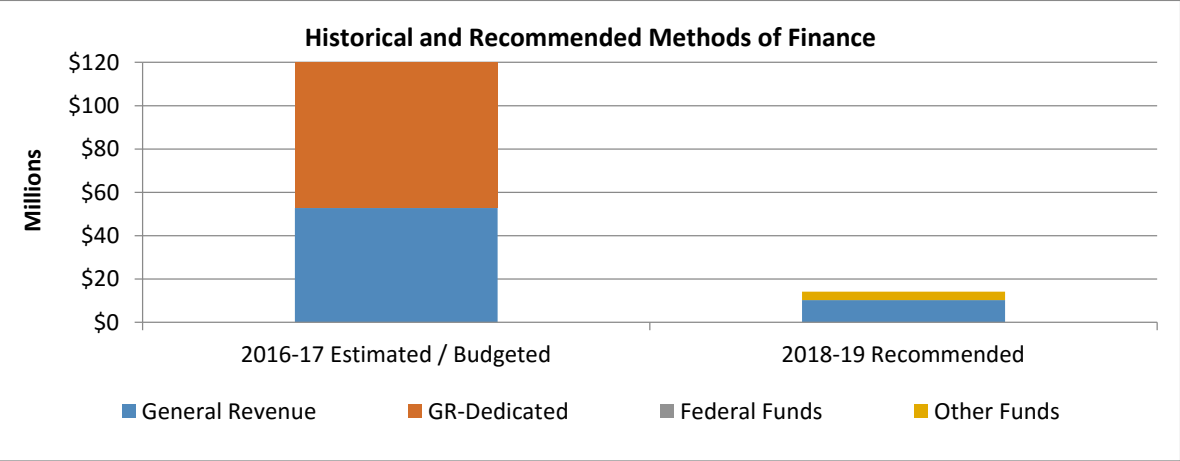
Conduct and manage large or comprehensive engineering construction projects for each state-owned facility to repair, replace, or upgrade building systems.

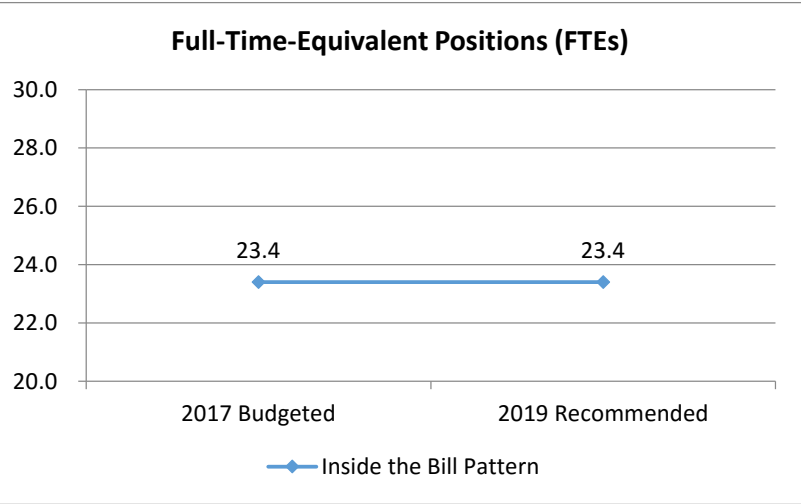
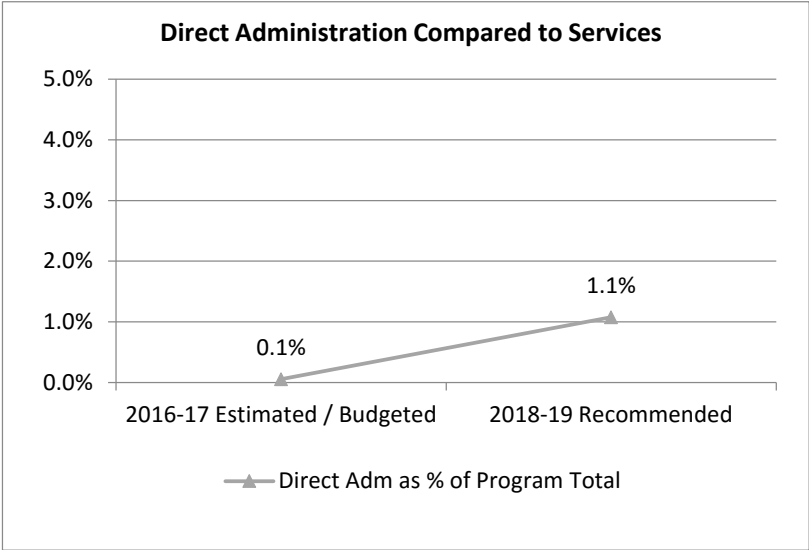
**Legal Authority:** Government Code, Ch. 2165 and Ch. 2166

<b>Year Implemented</b>	2006	<b>Performance and/or</b>		<b>Revenue Supported</b>	No
<b>Authority</b>	Strong	<b>Operational Issues</b>	No	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Strong	<b>Outsourced Services</b>	Partial	<b>General Revenue-Dedicated Funds</b>	Compliant
<b>Service Area</b>	Statewide	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Contracted Construction	\$ 207,193,670	0.0	\$ 4,665,615	0.0	33.0%
Contracted Design	\$ 55,251,646	0.0	\$ 3,766,308	0.0	26.7%
Needs Assessment	\$ 13,812,912	0.0	\$ 1,759,077	0.0	12.4%
Project Management	\$ 3,618,615	22.1	\$ 3,787,114	22.1	26.8%
All Other Activities	\$ 155,136	1.3	\$ 152,150	1.3	1.1%
Total	\$ 280,031,979	23.4	\$ 14,130,264	23.4	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 14,130,264	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 14,130,264	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$14.1 million for the Deferred Maintenance program. This is a reduction of \$265.9 million from the 2016-17 biennium base for this program. This decrease is mainly a result of one time capital funding for deferred maintenance projects being reduced from the base budget. Additional decrease include the agency wide 4% base reduction and expiration of previous bond proceed appropriations for deferred maintenance projects.
- During the 82nd Legislature, Regular Session, General Obligation Bond proceeds from Proposition 4 were distributed for deferred maintenance projects totaling \$60.0 million. During the 83rd Session, appropriations for deferred maintenance were made from Proposition 4 General Obligations Bond of \$31.0 million and General Revenue of \$24.5 million. For the 84th Legislature, Regular Session, deferred maintenance funding was made through appropriations of GR-D Deferred Maintenance Account No. 5166. In the case of TFC, this GR-D Account No. 5166 was funded through the transfer of General Revenue. In addition to \$217.2 million in GR-D Account No. 5166 appropriations, the agency was appropriated \$20.5 million in General Revenue, through supplemental bill appropriations.

Recommended Statutory Changes for Program Improvement

- Eliminate Government Code 2166.101, Compilation of Construction and Maintenance Information. This section is redundant as the same information is required for reporting purposes in Section 2166.102, Long-Range Plan for State-Agency Space Needs.

Enhancement Opportunities

- The current agency asset management system involves disconnected and inefficient spreadsheets involved in the tracking of building condition reports, maintenance records, building expenditures, and other repair and construction project management tasks. By migrating to a Integrated Workplace Management System (IWMS) the agency will be able to convert their current outdated legacy system in to a single database that would integrate real estate management, capital project, facilities management, maintenance management, and sustainability & energy management. Implementation of such a system would allow the Deferred Maintenance Program to better track facility needs and future construction projects to maintain state properties at high levels of service.

Challenges to Operation of Program

- Within the GAA, Article IX, Sec. 14.03(d)(3) requires agencies to have capital authority for repair and rehabilitation projects with a project cost greater than \$100,000. Additionally, GAA, Art. I, TFC, Rider 16, Capital Construction on Behalf of State Agencies, requires any agency coming to TFC for construction of buildings or facilities including minor construction greater than \$100,000 to have their own capital budget authority. The current \$100,000 threshold is low in the current environment of rising construction costs and limits TFC's ability to conduct regular construction and maintenance projects for client agencies.

Funding Alternatives

- 1 Increase the current \$100,000 threshold in Rider 16 to \$250,000 to allow the agency flexibility when completing regular construction or maintenance projects.
- 2 Increase funding by \$10.0 million to \$20.0 million in General Revenue in the biennium for emergency repair funding. Current recommendations reflect a decrease of \$10.0 million in General Revenue for this purpose. Historically, emergency repair funding has been set aside for large, unexpended, emergency repair events and is available to be used for emergency purposes, as defined by the commission, and authorized by the Legislative Budget Board. The agency currently does not have a sustained appropriation carried forward each year that allows the agency to have a specific source of funds to work towards decreasing the balance of deferred maintenance projects within the agency's portfolio. Increasing the funding for this purpose would allow the agency more flexibility to complete repair deferred maintenance projects that otherwise would not be funded in the absence of additional funding appropriated on a biennial, project specific, basis.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Facilities Operation**

Agency  
Ranking

2 out of 15

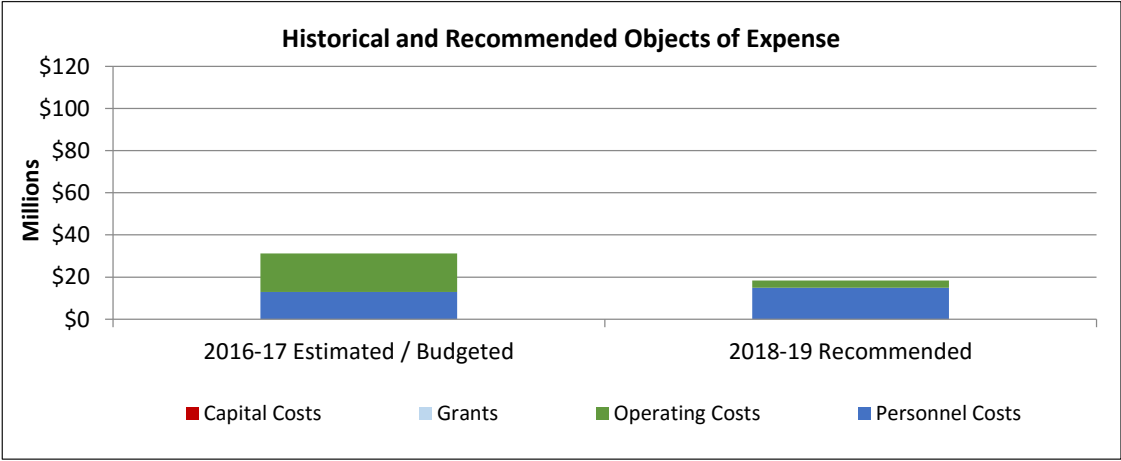
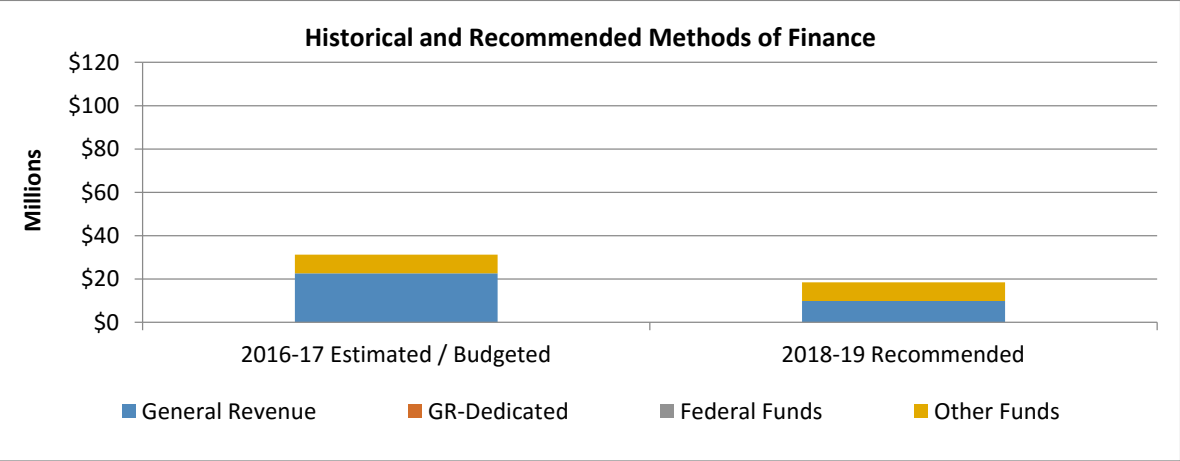
Provides services for plant operations, building management, maintenance, energy management and property services for state agencies in numerous state-owned buildings.

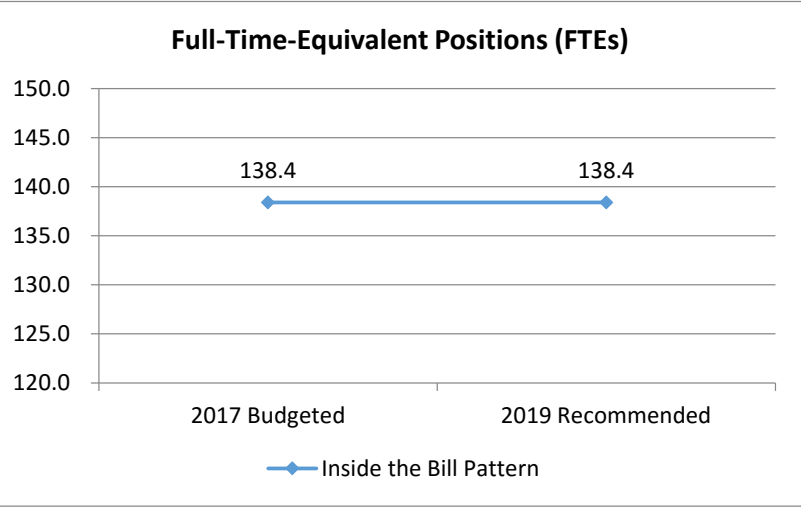
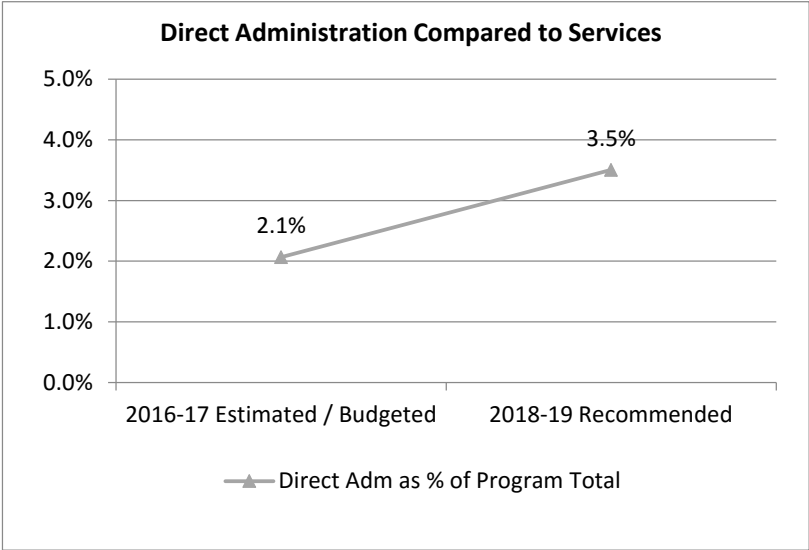
**Legal Authority:** Government Code, Ch. 2165

<b>Year Implemented</b>	1919	<b>Performance and/or</b>		<b>Revenue Supported</b>	Yes
<b>Authority</b>	Strong	<b>Operational Issues</b>	No	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Strong	<b>Outsourced Services</b>	Partial	<b>General Revenue-Dedicated Funds</b>	N/A
<b>Service Area</b>	Statewide	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Contracted Operations and Maintenance	\$ 16,525,066	0.0	\$ 12,605,338	0.0	44.4%
In-house Operations and Maintenance	\$ 11,452,827	105.1	\$ 12,431,578	105.1	43.8%
Tenant and Property Management Services	\$ 2,595,270	25.1	\$ 2,715,294	25.1	9.6%
Direct Administration	\$ 645,024	8.2	\$ 645,024	8.2	2.3%
Total	\$ 31,218,187	138.4	\$ 28,397,234	138.4	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 18,397,234	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 18,397,234	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$28.4 million for the Facilities Operation program. This is a reduction of \$2.8 million from the 2016-17 biennium base for this program. This decrease is mainly a result of removal of one time capital funding from 2016-17 appropriations and the agency wide 4% base reduction.
- The agency manages 42 office buildings totaling 6 million square feet of office space; 53 warehouse and miscellaneous buildings and parking garages totaling 5.3 million square feet; and 34 surface parking lot totaling 3.6 million square feet. TFC owned and managed buildings are located in eight cities across Texas: Austin, Corpus Christi, El Paso, Fort Worth, Houston, San Antonio, Tyler and Waco. The majority of TFC-owned and managed facilities are located in the Austin metropolitan area primarily within the Capitol Complex, the North Austin Complex, the Park 35 complex, and the William P. Hobby Complex in the central business district.
- The program provides maintenance, repair, and building automation controls to buildings, building systems (heating, ventilation, and air conditioning; elevators; plumbing; mechanical systems; building and energy management automation systems; fire controls and suppression; central plant operations; electrical and access control system; painting, carpentry, locksmith, and general maintenance), parking garages, and ancillary facilities owned and/or managed by the Commission as well as for the Texas School for the Deaf and Texas School for the Blind.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- The current agency asset management system involves disconnected and inefficient spreadsheets involved in the tracking of building condition reports, maintenance records, building expenditures, and other repair and construction project management tasks. By migrating to a Integrated Workplace Management System (IWMS) the agency would convert their current legacy system in to a single database that would integrate real estate management, capital project, facilities management, maintenance management, and sustainability & energy management. Implementation of such a system, is intended to allow the Facilities Operation program more cohesiveness in monitoring ongoing activities while providing reliable and integrated management information that would support decision making processes.

Challenges to Operation of Program

- When funding is not available for repair or deferred maintenance projects, program resources are diverted to support deferred maintenance projects and perform other short-term solutions on assets past their useful life.

Funding Alternatives

- None.

Facilities Commission  
Strategic Fiscal Review Appendix 6a: Program Summary - House  
(Includes Programs from All Funding Sources)

Program: Building Design and Construction

Agency  
Ranking

3 out of 15

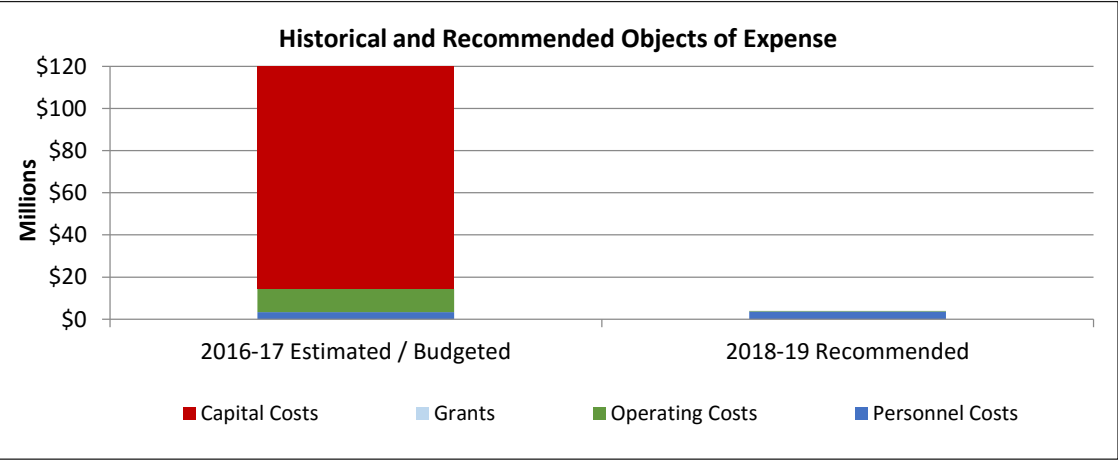
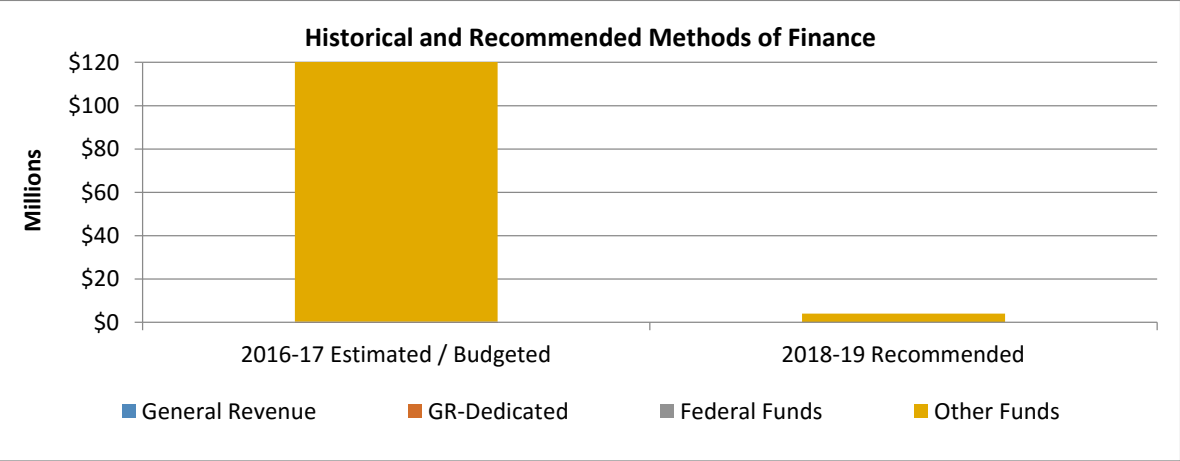
Provides professional architectural, engineering, and construction project management services to all state agencies and oversees the Small Contractor Participation Assistance Program.

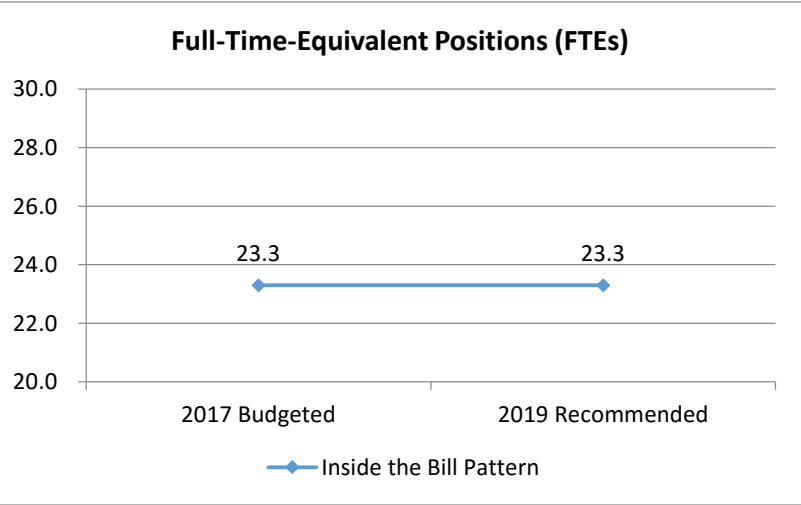
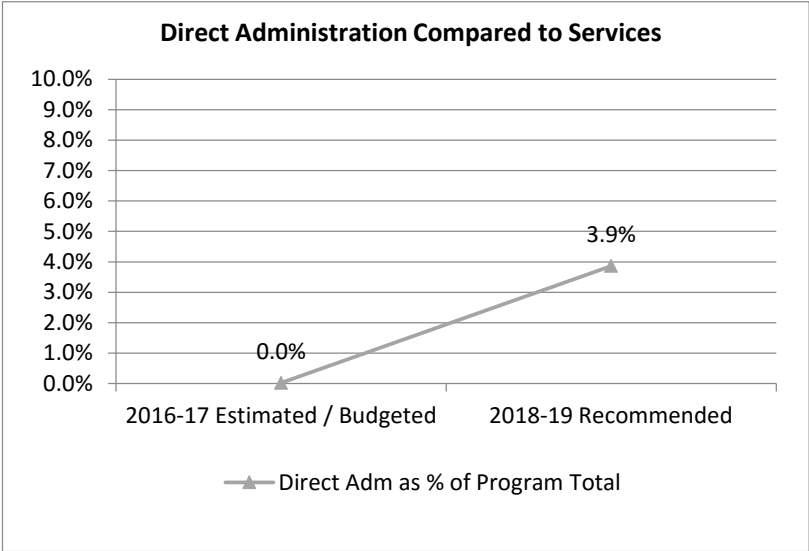
Legal Authority: Government Code, Ch. 2166 and Ch. 2269

Year Implemented	1919	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Contracted Construction	\$ 582,657,020	0.0	\$ -	0.0	0.0%
Contracted Design	\$ 155,375,205	0.0	\$ -	0.0	0.0%
Project Analysis	\$ 38,843,801	0.0	\$ -	0.0	0.0%
Project Management	\$ 3,618,614	22.0	\$ 3,787,112	22.0	96.1%
All Other Activities	\$ 155,138	1.3	\$ 152,152	1.3	3.9%
Total	\$ 780,649,778	23.3	\$ 3,939,264	23.3	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 3,939,264	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 3,939,264	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$3.9 million for the Building Design and Construction program. This is a decrease of \$776.7 million from the 2016-17 biennium base for this program. This decrease is mainly a result of 2016-17 appropriation of revenue bond funds for new construction at the Capitol Complex and the North Austin Complex.
- In the 2016-17 biennium, \$767.7 in Revenue Bond Proceeds was appropriated for construction of Phase 1 projects at the Capitol Complex and the North Austin Complex. Phase 1 construction at the Capitol Complex consists of two new office buildings and associated below-grade parking structures totaling \$509.9 million, as well as funding totaling \$71.3 million for the associated utility infrastructure project. North Austin Phase 1 construction consists of a new office building and parking structure totaling \$186.4 million. Both the Capitol Complex project and North Austin Project are in the design phases with completion scheduled for 2020.
- As part of the agency 2018-19 biennium exceptional item request, the agency is requesting funding totaling \$541.0 in Revenue Bond Proceeds for Phase 2 construction projects at the Capitol Complex and the North Austin Complex. This request is not included in recommendations. Phase 2 construction at the Capitol Complex consists of two new office buildings and associated parking structures totaling \$357.0 million. Proposed North Austin Phase 2 construction projects consists of two new office buildings and associated parking structures totaling \$184.0 million. These projects would have an approximate 4 year timeline for design through completion of construction upon approval and appropriation of funding.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- The current agency asset management system involves disconnected and inefficient spreadsheets involved in the tracking of building condition reports, maintenance records, building expenditures, and other repair and construction project management tasks. By migrating to a Integrated Workplace Management System (IWMS) the agency would convert their current legacy system in to a single database that would integrate real estate management, capital project, facilities management, maintenance management, and sustainability & energy management. Implementation of such a system is intended to allow the Building Design and Construction program more integrated management information related to new construction and future needs planning.



Challenges to Operation of Program

- 1 Within the GAA, Article IX, Sec. 14.03(d)(3) requires agencies to have capital authority for repair and rehabilitation projects with a project cost greater than \$100,000. Additionally, GAA, Art. I, TFC, Rider 16, Capital Construction on Behalf of State Agencies, requires any agency coming to TFC for construction of buildings or facilities, including minor construction greater than \$100,000, to have their own capital budget authority. TFC maintains that the current \$100,000 threshold is low in the current environment of rising construction costs and limits TFC's ability to conduct regular construction and maintenance projects for client agencies.

Funding Alternatives

- 1 None.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Custodial Services for State Owned Buildings**

Agency  
Ranking

4 out of 15

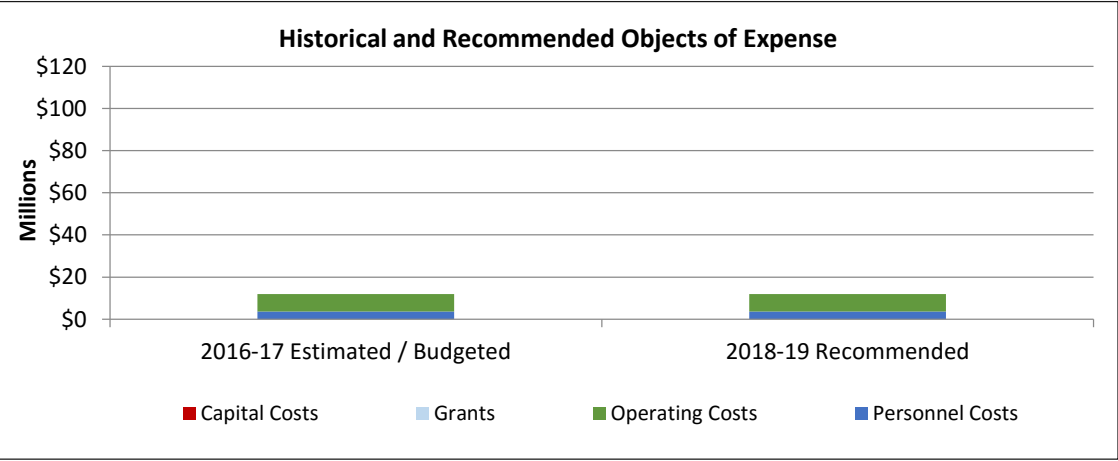
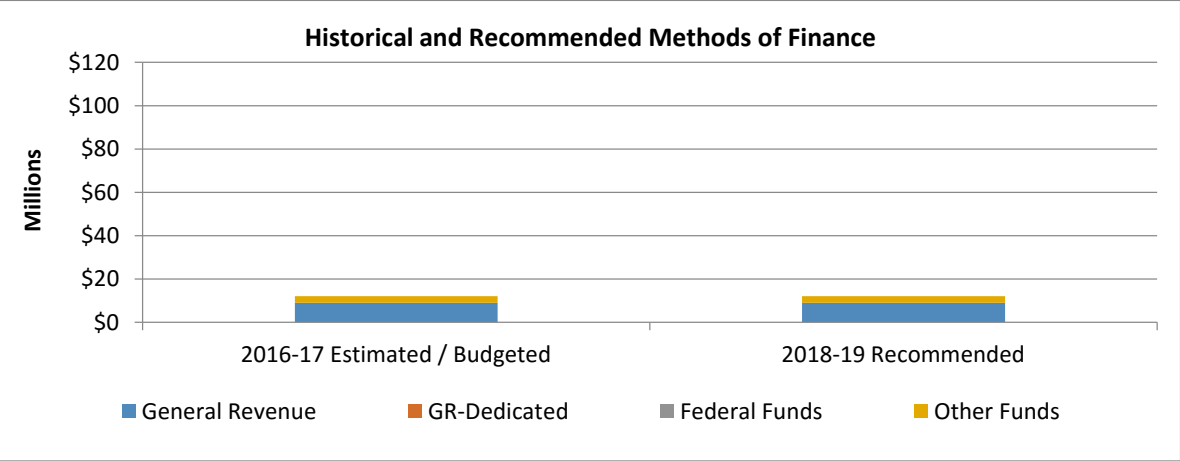
Provides custodial services for state facilities including routine services such as restroom maintenance, sweeping, mopping, dusting, vacuuming, and window washing for certain state-owned facilities.

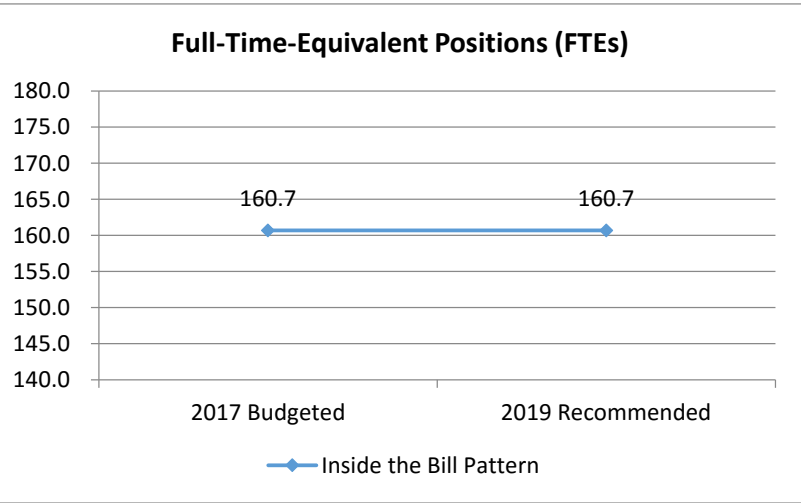
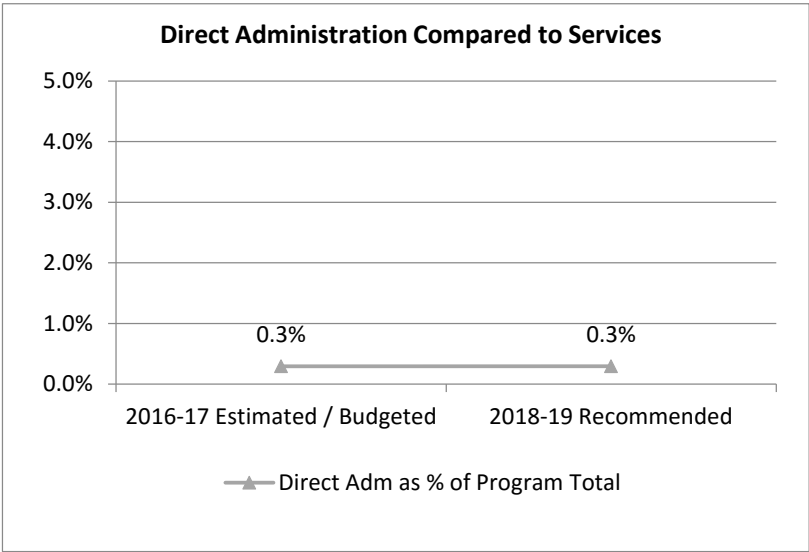
**Legal Authority:** Government Code, Ch. 2165

<b>Year Implemented</b>	1919	<b>Performance and/or</b>		<b>Revenue Supported</b>	No
<b>Authority</b>	Strong	<b>Operational Issues</b>	No	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Strong	<b>Outsourced Services</b>	Partial	<b>General Revenue-Dedicated Funds</b>	N/A
<b>Service Area</b>	Statewide	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Austin Contracts	\$ 6,877,573	0.0	\$ 6,931,570	0.0	57.8%
Day FTEs	\$ 3,375,016	124.6	\$ 3,391,764	124.6	28.3%
Out of Town Contracts	\$ 958,395	0.0	\$ 904,398	0.0	7.5%
Night FTEs	\$ 738,196	35.6	\$ 721,328	35.6	6.0%
All Other Activities	\$ 35,176	0.5	\$ 35,296	0.5	0.3%
Total	\$ 11,984,356	160.7	\$ 11,984,356	160.7	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 11,984,356	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 11,984,356	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$12.0 million for the Custodial Services for State Owned Buildings program. This is equal to the 2016-17 biennium base for this program.
- The Custodial Services for State Owned Buildings program provides cleaning, recycling, and trash collection and disposal services daily by contracted vendors and/or Commission staff for state-owned and managed facilities on the Commission's inventory. Prior to 2001, most custodial services were performed by in-house staff. In 2001, the Commission determined substantial cost savings would be realized if most custodial services were outsourced. This resulted in the majority of buildings under Commission management being serviced by third-party vendors. The Commission does continue to employ a limited number of agency staff to perform custodial services for the Department of Health New Lab facility due to the sensitive nature of operations in this building.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- None.

Challenges to Operation of Program

- Upon completion of Phase One construction projects at the Capitol Complex and the North Austin Complex, anticipated in 2020, additional resources will likely be needed for custodial services. Facilities with inadequate custodial services will produce circumstances over time that will negatively affect the health of occupants.

Funding Alternatives

- None.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Utilities**

Agency  
Ranking

5 out of 15

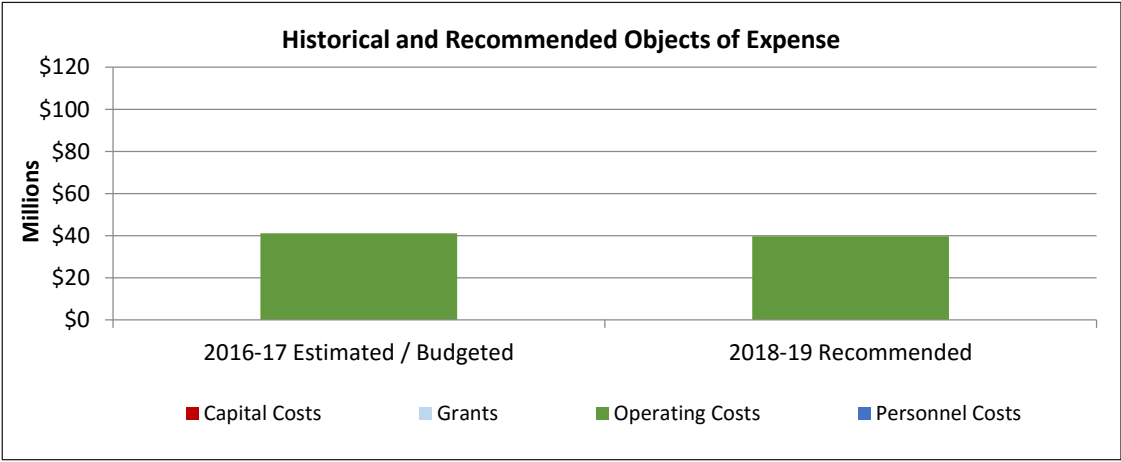
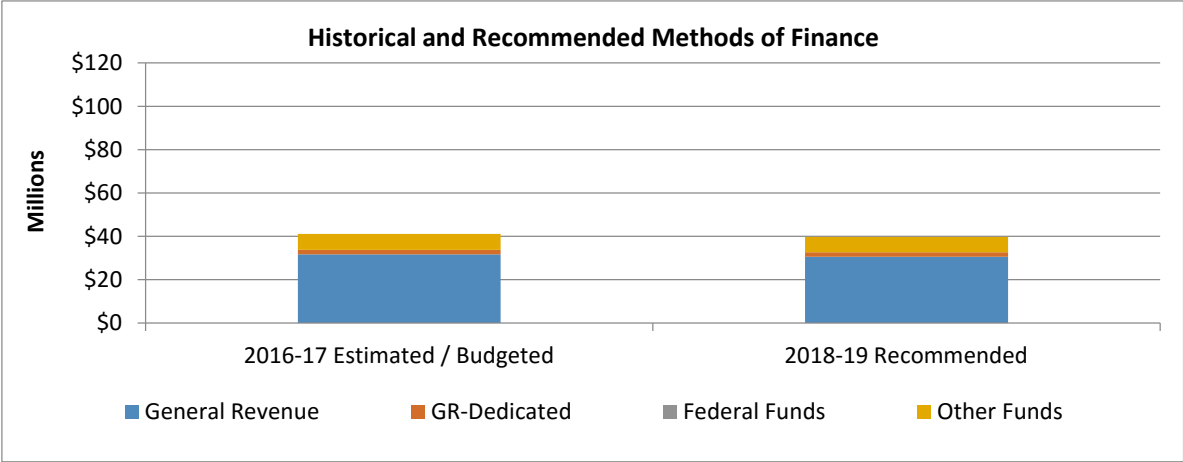
Manages the payment of all utility costs for over 300 accounts in more than 110 state-owned facilities under the agency's purview and for the Capitol, the Capitol Extension, the Historic Capitol Grounds, the 1857 General Land Office, and the State History Museum.

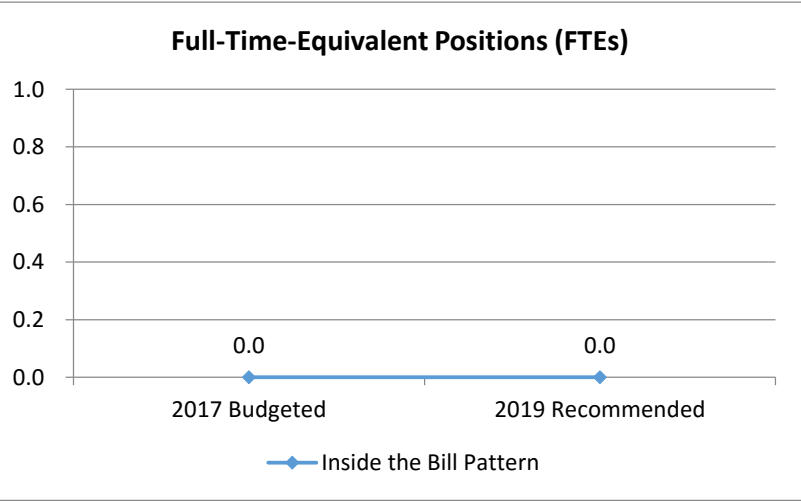
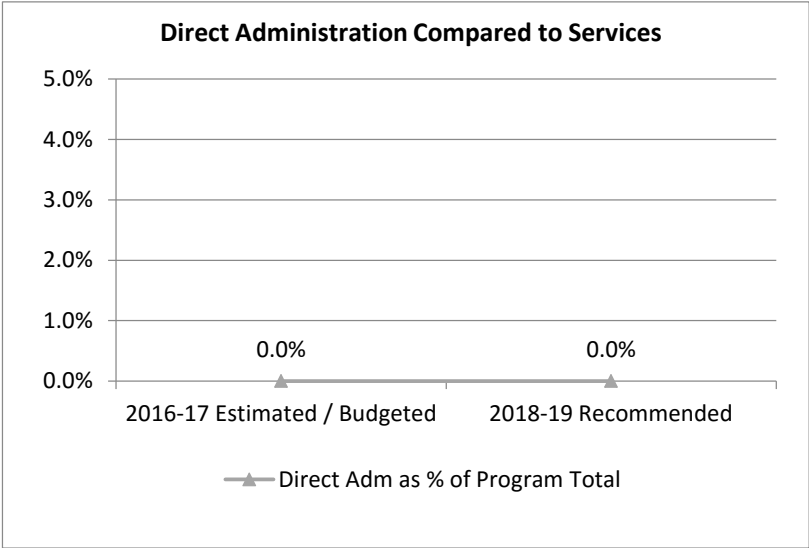
**Legal Authority:** Government Code, Ch. 2165

<b>Year Implemented</b>	1919	<b>Performance and/or</b>		<b>Revenue Supported</b>	No
<b>Authority</b>	Strong	<b>Operational Issues</b>	N/A	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Moderate	<b>Outsourced Services</b>	Yes	<b>General Revenue-Dedicated Funds</b>	Compliant
<b>Service Area</b>	Statewide	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Austin Utilities	\$ 38,648,967	0.0	\$ 37,393,010	0.0	94.1%
Out of Town Utilities	\$ 2,401,211	0.0	\$ 2,332,290	0.0	5.9%
Total	\$ 41,050,178	0.0	\$ 39,725,300	0.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 39,725,300	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 39,725,300	100.0%





**Summary of Recommendations and Fiscal and Policy Issues**

- 1 Recommendations include \$39.7 million for the Utilities program. This is a reduction of \$1.3 million from the 2016-17 biennium base for this program. This decrease is the result of lower estimated energy usage and costs in the 2018-19 biennium.
- 2 The Utilities program is responsible for managing and processing payment of bills for electric, water, wastewater, and gas services from several utility provider for over 300 accounts in more than 110 state-owned and managed facilities on the inventory of the Commission and other state agencies in Austin, as well as six state-owned buildings on the Commission's inventory in El Paso, Fort Worth, Houston, San Antonio, and Waco.

**Recommended Statutory Changes for Program Improvement**

- 1 None.

**Enhancement Opportunities**

- 1 None.

**Challenges to Operation of Program**

- 1 Weather is the most significant factor in determining extreme variations in utility costs, and the agency cannot predict that volatility.

**Funding Alternatives**

- 1 None.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Central Administration**

**Agency Ranking** 6 out of 15

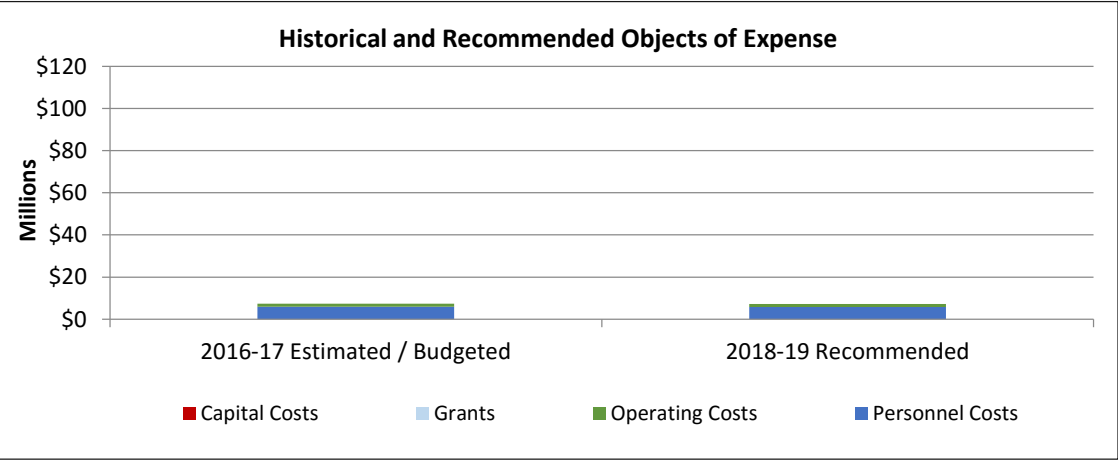
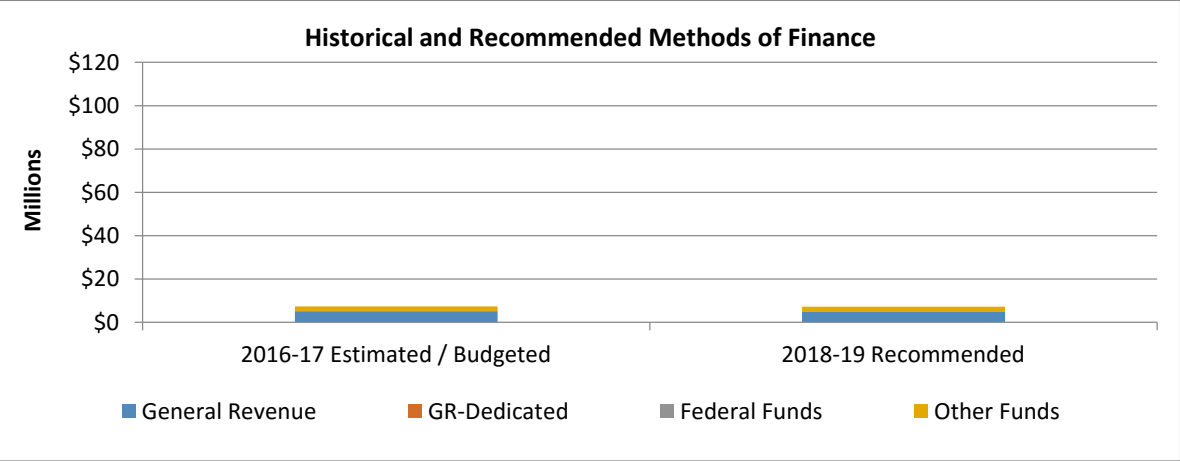
Provides contract and executive management, internal auditing, HUB, legal and fiscal services, procurement, and human resources.

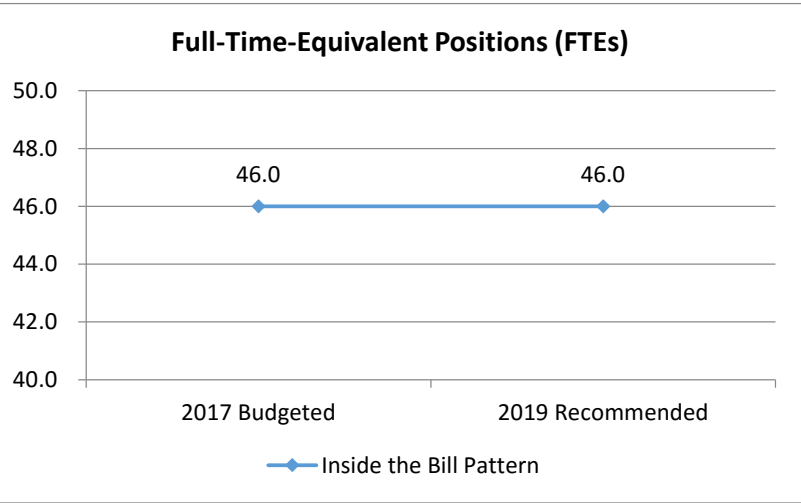
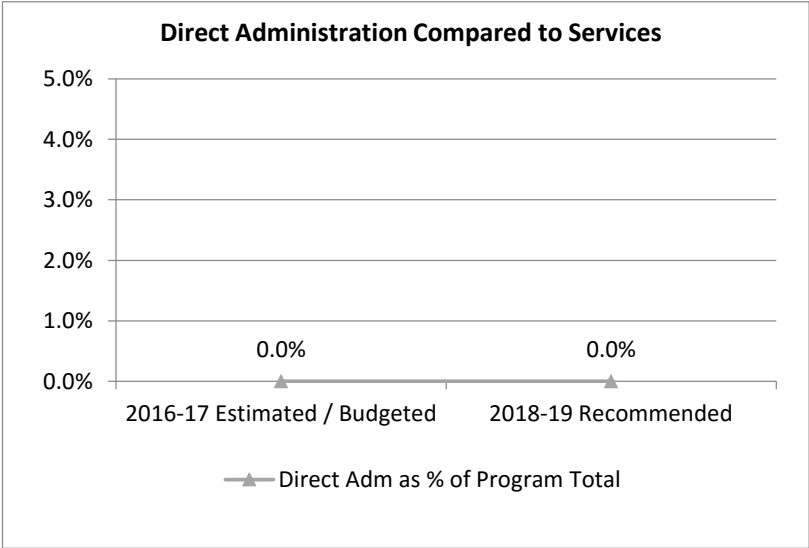
**Legal Authority:** Government Code, Ch. 2152

<b>Year Implemented</b>	1919	<b>Performance and/or</b>		<b>Revenue Supported</b>	No
<b>Authority</b>	Strong	<b>Operational Issues</b>	No	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Strong	<b>Outsourced Services</b>	N/A	<b>General Revenue-Dedicated Funds</b>	Compliant
<b>Service Area</b>	Regional	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Fiscal Services	\$ 2,331,019	12.5	\$ 2,240,564	12.5	31.0%
Executive Management	\$ 922,621	5.0	\$ 985,836	5.0	13.6%
Legal Services	\$ 773,271	4.0	\$ 774,844	4.0	10.7%
Fleet Management	\$ 505,270	2.0	\$ 504,810	2.0	7.0%
All Other Activities	\$ 2,833,120	22.5	\$ 2,730,758	22.5	37.7%
Total	\$ 7,365,301	46.0	\$ 7,236,812	46.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 7,236,812	100%
Funds Outside the State Treasury	\$ -	0.0%
<b>Total</b>	<b>\$ 7,236,812</b>	<b>100.0%</b>





Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$7.2 million for the Central Administration program. This is a reduction of \$0.1 million from the 2016-17 biennium base for this program. This decrease is attributable to the agency wide 4% base reduction.

Recommended Statutory Changes for Program Improvement

- 1 None.

Enhancement Opportunities

- 1 The current agency asset management system involves disconnected and inefficient spreadsheets involved in the tracking of building condition reports, maintenance records, building expenditures, and other repair and construction project management tasks. By migrating to a Integrated Workplace Management System (IWMS) the agency would be able to convert their current outdated legacy system in to a single database that would integrate real estate management, capital project, facilities management, maintenance management, and sustainability & energy management. Implementation of an improved database system would link to agency administrative systems and is intended to improve decision making and analysis processes.

Challenges to Operation of Program

- 1 None.

Funding Alternatives

- 1 None.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Facilities Planning**

Agency  
Ranking

7 out of 15
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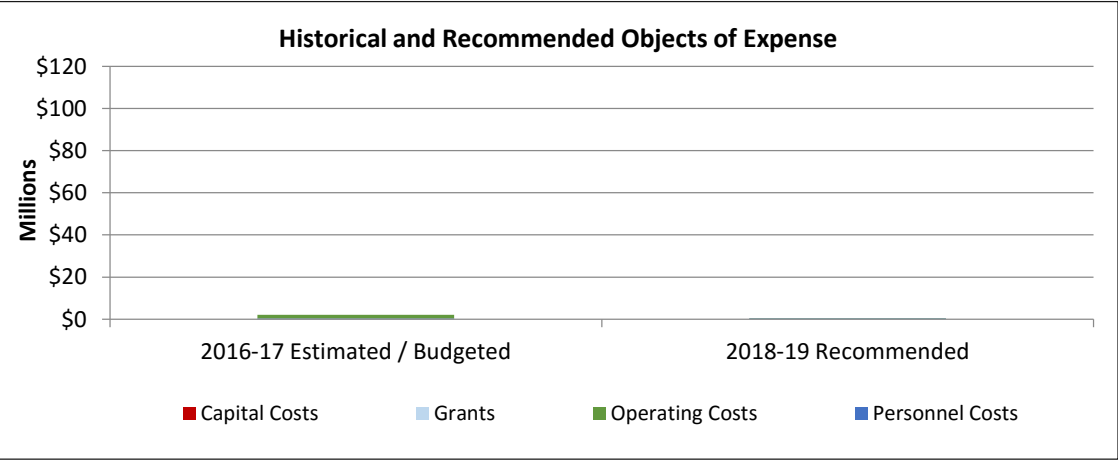
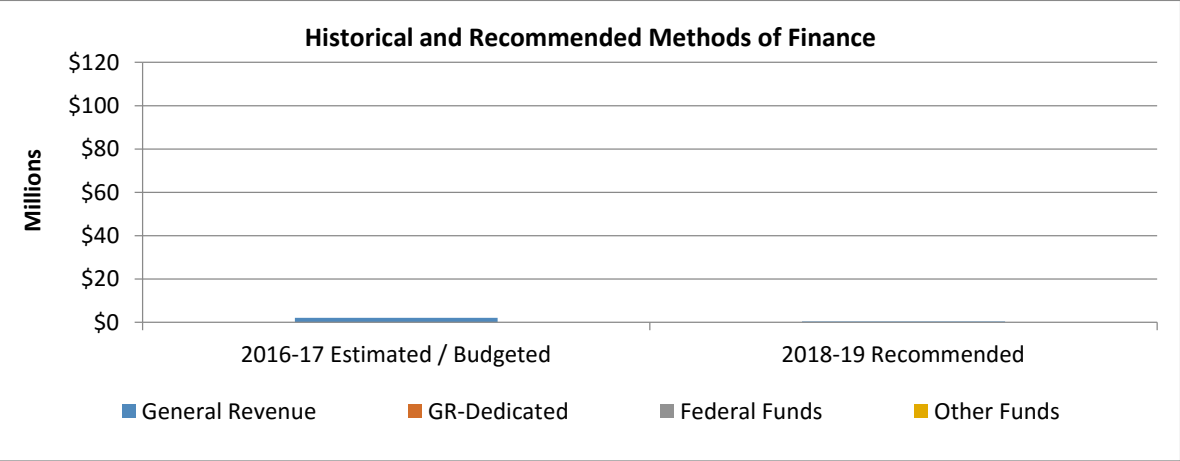
Provides space planning, allocation and management services to all state agencies.

**Legal Authority:** Government Code, Ch. 2165 and Ch 2267

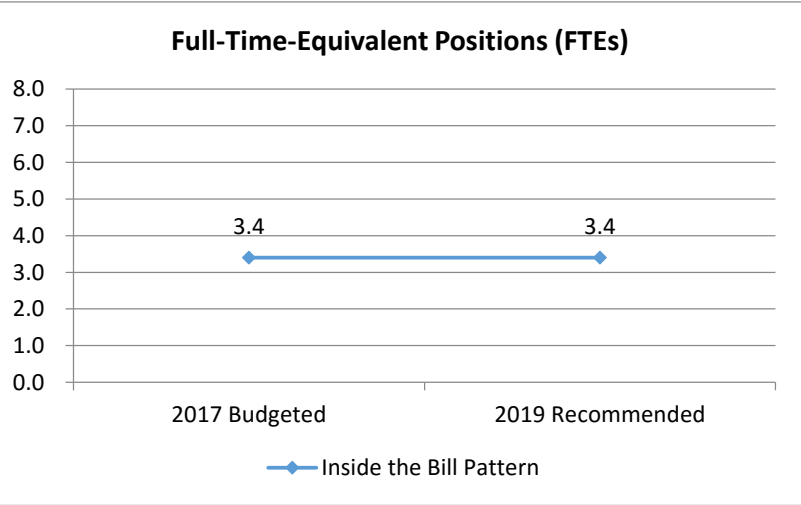
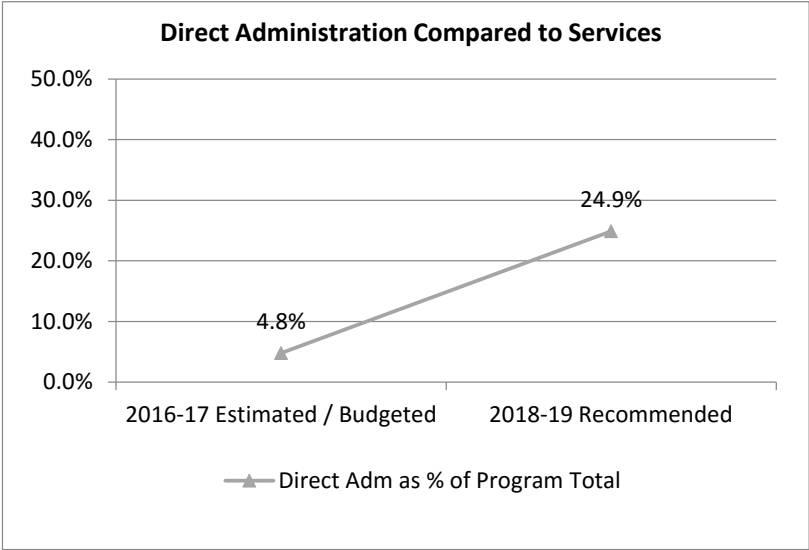
<b>Year Implemented</b>	1990	<b>Performance and/or</b>		<b>Revenue Supported</b>	No
<b>Authority</b>	Strong	<b>Operational Issues</b>	No	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Strong	<b>Outsourced Services</b>	Yes	<b>General Revenue-Dedicated Funds</b>	N/A
<b>Service Area</b>	Statewide	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Space Allocation and Management	\$ 679,153	0.8	\$ 103,140	0.8	25.5%
Pre-Design, Space Program Development,	\$ 659,177	0.8	\$ 100,106	0.8	24.8%
Long Range and Strategic Analyses and	\$ 659,176	0.8	\$ 100,104	0.8	24.8%
Direct Administration	\$ 100,506	1.0	\$ 100,536	1.0	24.9%
Total	\$ 2,098,012	3.4	\$ 403,886	3.4	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 403,886	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 403,886	100.0%







**Summary of Recommendations and Fiscal and Policy Issues**

- 1 Recommendations include \$0.4 million for the Facilities Planning program. This is a decrease of \$1.7 million from the 2016-17 biennium base for this program. This decrease is mainly a result of one-time appropriations for the Capitol Complex Master Plan and other master planning activities that were funded in 2016-17.
- 2 In the 2016-17 biennium \$1.7 million, including HB 2 supplemental appropriations, was appropriated for Capitol Complex planning. The 2016 Capitol Complex Master Plan was completed in April of 2016, and is statutorily required to be updated every two years. Additionally, \$0.8 million was appropriated to the agency for the completion of the Texas School of the Deaf Master Plan, which is scheduled to be completed December 2016. The agency requested the re-appropriation of this one-time funding, along with other reallocated one-time funds, for the funding of Master Planning activities. This base request of \$3.0 million in General Revenue is not included in the recommendations.

**Recommended Statutory Changes for Program Improvement**

- 1 Amend Government Code Sec. 2165.1061(b) which requires state agencies to submit a Space Allocation Plan by September 30 of each odd numbered year to the Facilities Commission. Consider changing state agency reporting due date to align with other commission space planning activities and clarify due date of commission reporting.

**Enhancement Opportunities**

- 1 The current agency asset management system involves disconnected and inefficient spreadsheets involved in the tracking of building condition reports, maintenance records, building expenditures, and other repair and construction project management tasks. By migrating to a Integrated Workplace Management System (IWMS) the agency would be able to convert their current legacy system in to a single database that would integrate real estate management, capital project, facilities management, maintenance management, and sustainability & energy management.

**Challenges to Operation of Program**

- 1 The program lacks an efficient and effective tool to track project development for construction, maintenance and asset management.

**Funding Alternatives**

- 1 Funding for a project management tool would allow the agency to transition from outdated databases and spreadsheet to an Integrated Workplace Management System (IWMS). Implementation of such a system is intended to allow the Facilities Planning program more transparency related to ongoing activities while providing reliable and integrated management information that would support decision making processes. According to the agency, the total project cost for the purchase and implementation of an IWMS for their needs is \$7.1 million.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Information Resources**

Agency  
Ranking

**8 out of 15**

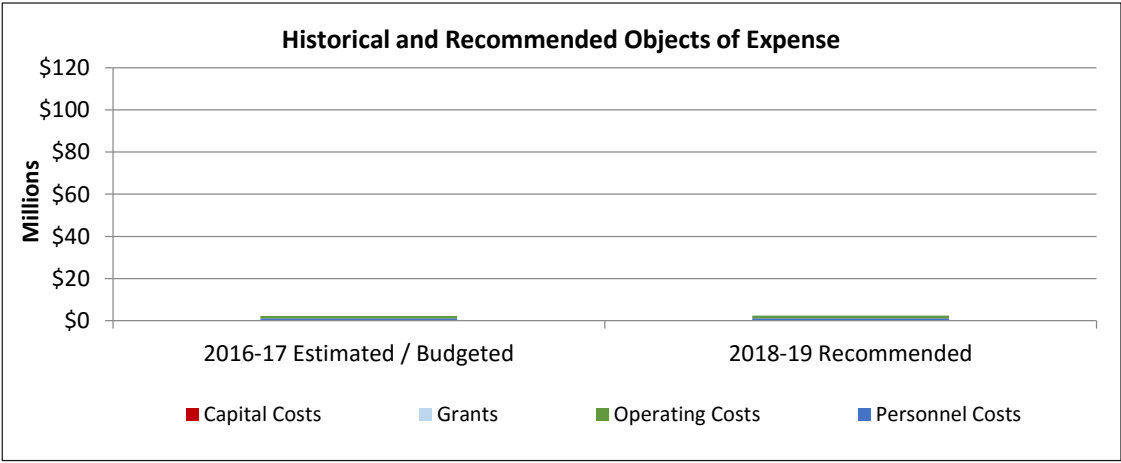
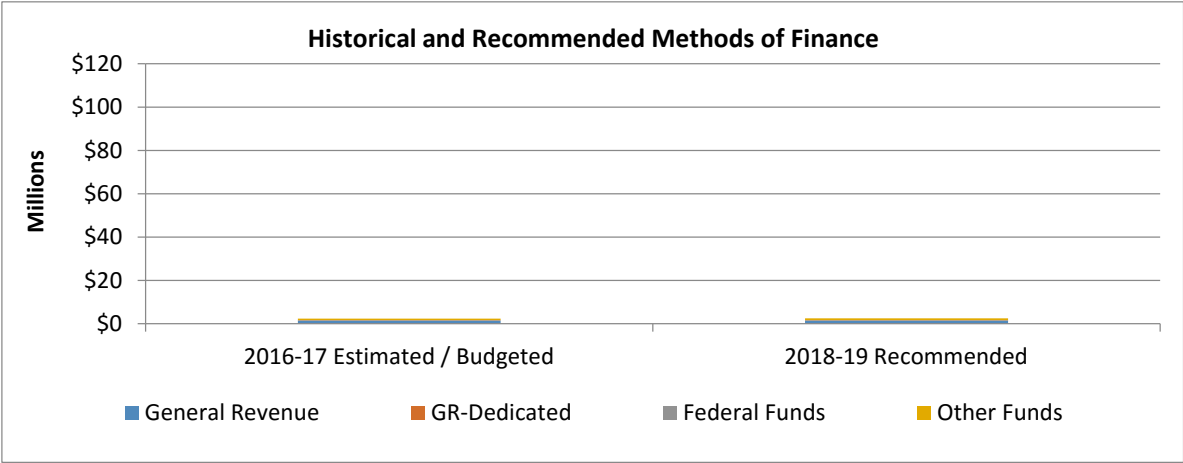
Provides for the acquisition, development, installation and support of an information technology infrastructure, including: computer equipment and software, network equipment and transmission facilities, telephone systems, related maintenance and support services, and technical personnel.

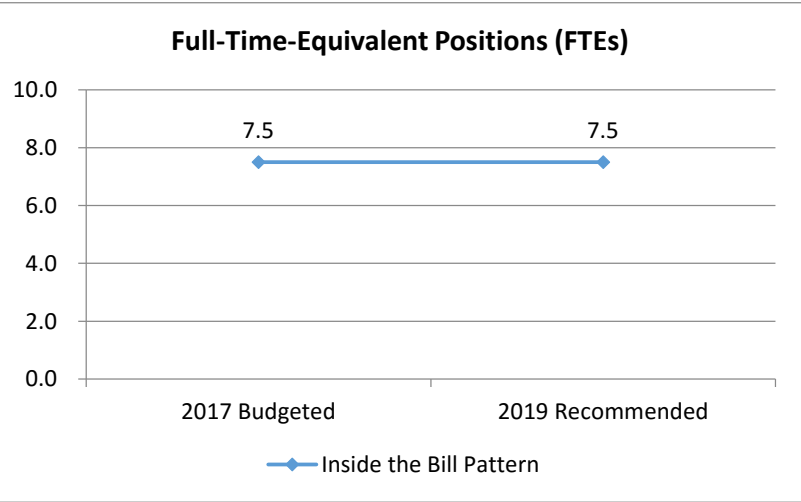
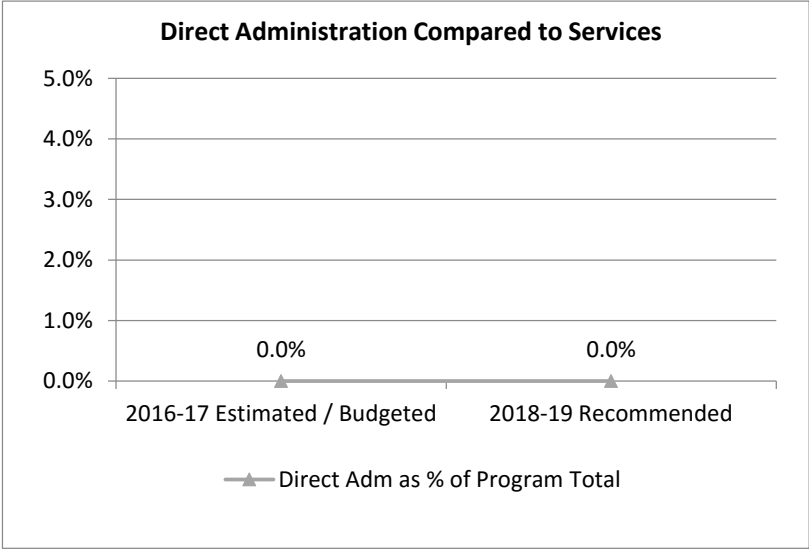
**Legal Authority:** Government Code, Ch. 2152

<b>Year Implemented</b>	2001	<b>Performance and/or</b>		<b>Revenue Supported</b>	No
<b>Authority</b>	Moderate	<b>Operational Issues</b>	No	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Moderate	<b>Outsourced Services</b>	Yes	<b>General Revenue-Dedicated Funds</b>	Compliant
<b>Service Area</b>	Regional	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Information Resources	\$ 2,280,034	7.5	\$ 2,408,164	7.5	100.0%
Total	\$ 2,280,034	7.5	\$ 2,408,164	7.5	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,408,164	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 2,408,164	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$2.4 million for the Information Resources program. This is an increase of \$0.1 million from the 2016-17 biennium base for this program. This increase is the result of the agency shifting resources to this program due to a reallocation of funding by the agency to address workload.
- The Information Resources program provides the Commission, general government oversight agencies, the legislature and their staff, and constituents with required reports and information requests. The program primarily supports legacy systems used by the Commission employees and provides technical assistance on building control system maintenance and enhancements.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- The current agency asset management system involves disconnected and inefficient spreadsheets involved in the tracking of building condition reports, maintenance records, building expenditures, and other repair and construction project management tasks. By migrating to a Integrated Workplace Management System (IWMS) the agency would be able to convert their current outdated legacy system in to a single database that would integrate real estate management, capital project, facilities management, maintenance management, and sustainability & energy management.

Challenges to Operation of Program

- The program lacks an efficient and effective tool to track project development for construction, maintenance, and asset management.

Funding Alternatives

- Funding for a project management tool would allow the agency to transition from outdated databases and spreadsheet to an Integrated Workplace Management System (IWMS). Implementation of such a system is intended to allow the Information Resources program more transparency related to ongoing activities while providing reliable and integrated management information that would support decision making processes. According to the agency, the total project cost for the purchase and implementation of an IWMS for their needs is \$7.1 million.

Facilities Commission  
Strategic Fiscal Review Appendix 6a: Program Summary - House  
(Includes Programs from All Funding Sources)

Program: State Leasing Services

Agency  
Ranking

9 out of 15

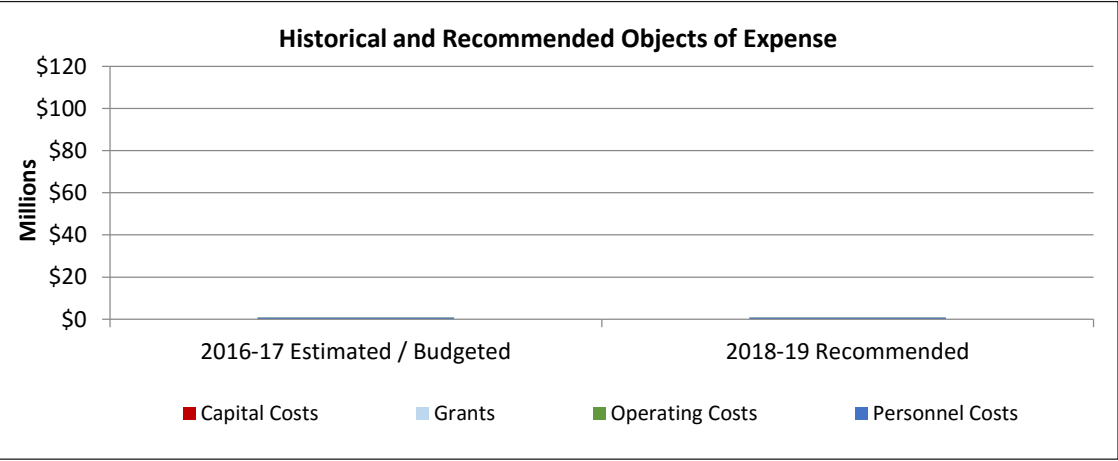
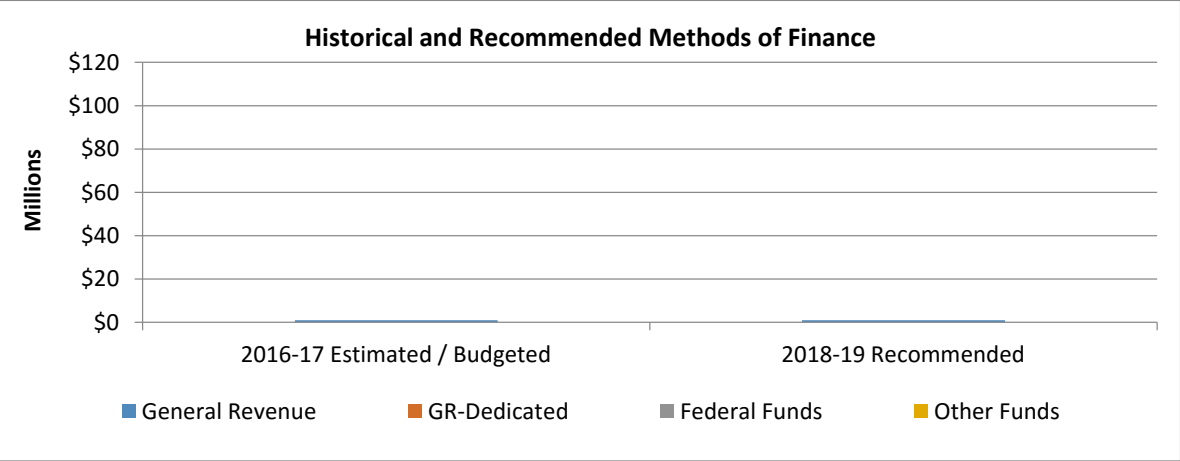
Plans, procures, and oversees leased space for state agencies.

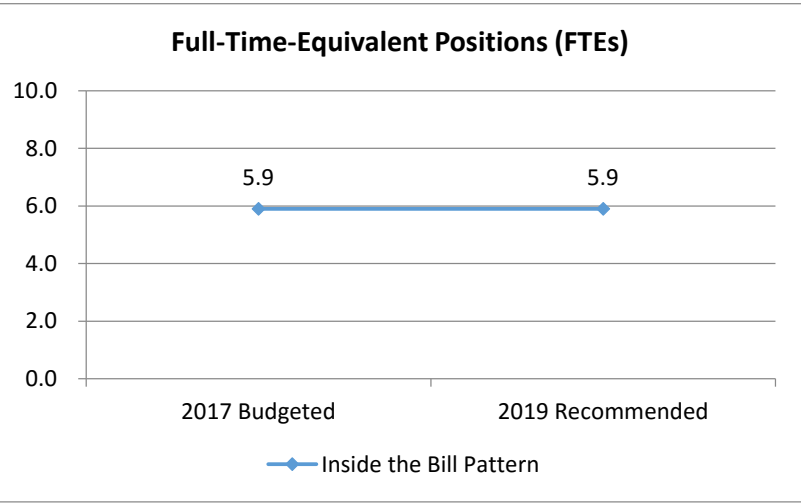
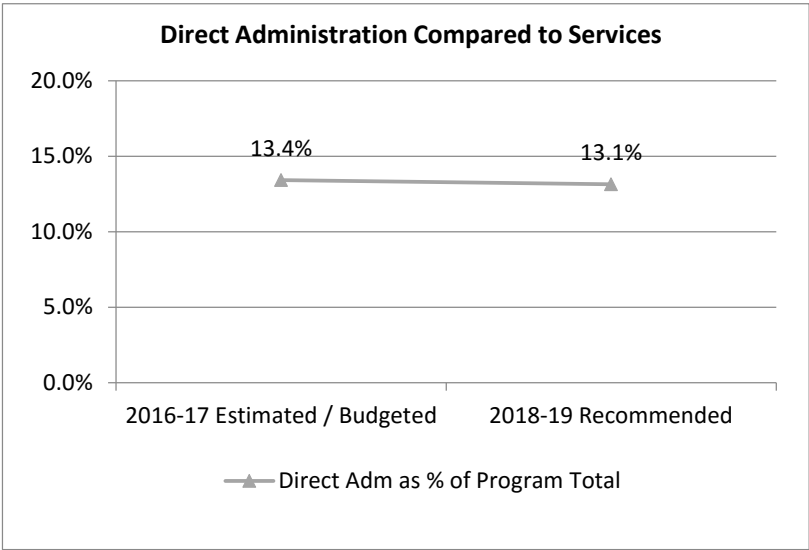
Legal Authority: Government Code, Ch. 2167

Year Implemented	1977	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Establish Lease Need	\$ 201,592	1.5	\$ 206,472	1.5	21.7%
Manage Statewide Leasing Operation	\$ 201,592	1.5	\$ 206,472	1.5	21.7%
Procure Leases	\$ 201,592	1.5	\$ 206,472	1.5	21.7%
Create Efficiencies in Statewide Leasing	\$ 201,589	1.4	\$ 206,468	1.4	21.7%
All Other Activities	\$ 125,000	0.0	\$ 125,000	0.0	13.1%
Total	\$ 931,365	5.9	\$ 950,884	5.9	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 950,884	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 950,884	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$0.9 million for the State Leasing Services program and continue a similar level of funding from the 2016-17 biennium base.
- The State Leasing Services program provides services to all state agencies except those agencies that have independent or delegated leasing authority under statute. The program serves over 40 state agencies. Statutory mandates require the Commission to place reference for state-owned space over lease spaces; however, the need for leasing services remain due to the number of FTEs requiring space and the function of certain government agencies.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- None.

Challenges to Operation of Program

- None.

Funding Alternatives

- None.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Surplus Property Management**

Agency  
Ranking

10 out of 15

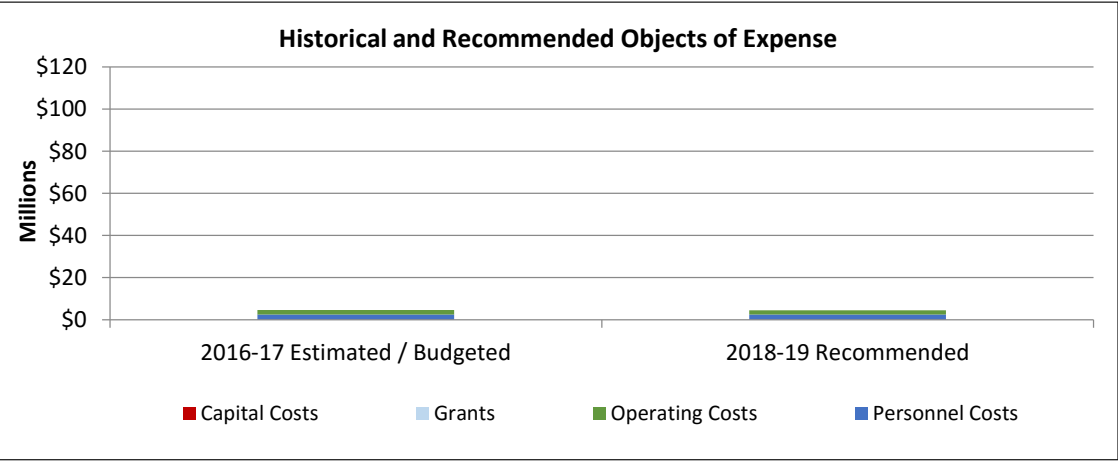
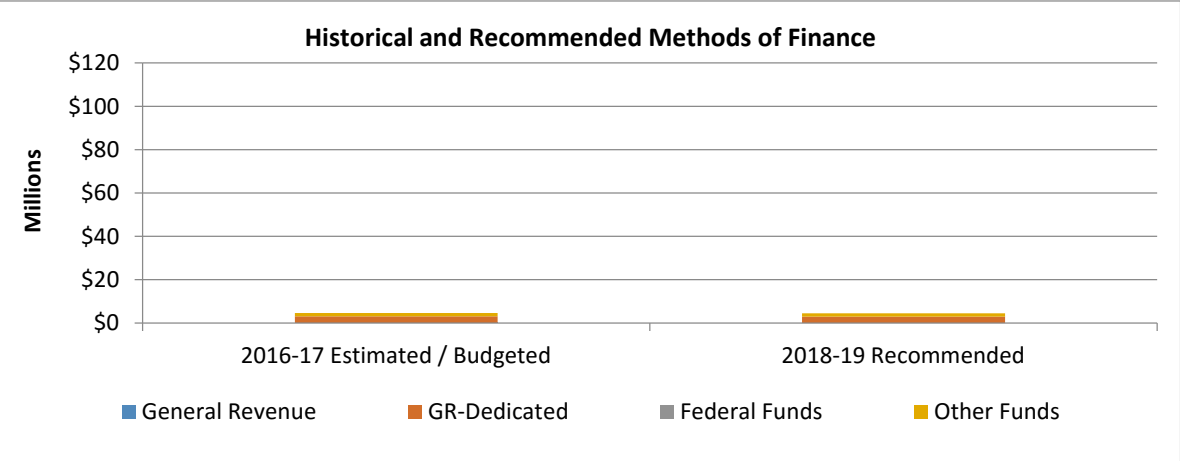
Facilitates the placement and disposal of state surplus and salvage property for state agencies through the State Surplus Property Program and administers the donation of federal surplus personal property through the Federal Surplus Property Program.

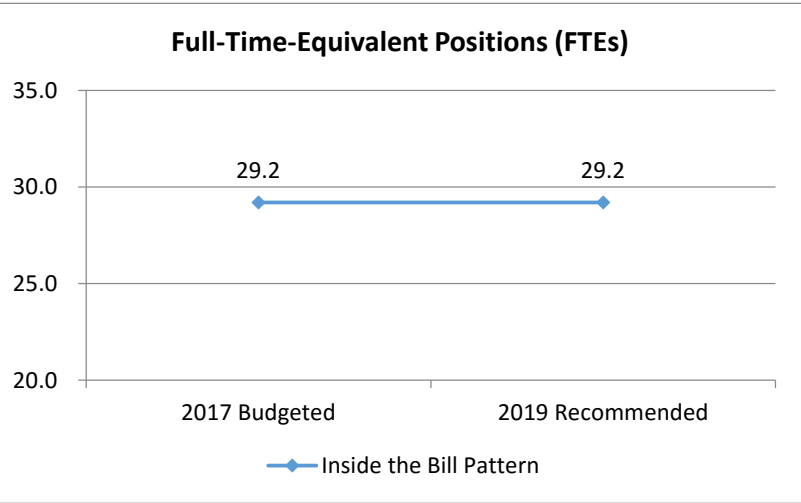
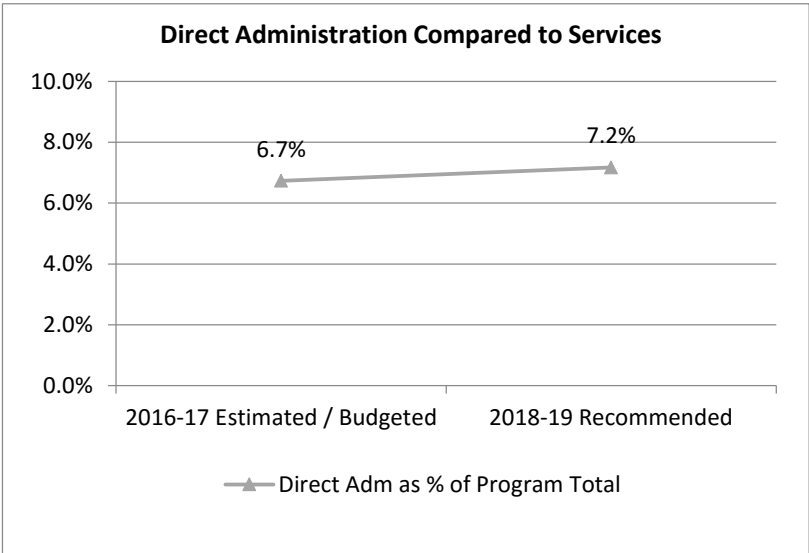
**Legal Authority:** Government Code, Ch. 2175 and 40 U.S.C. Section 541 et. seq.

<b>Year Implemented</b>	1884	<b>Performance and/or</b>		<b>Revenue Supported</b>	Yes
<b>Authority</b>	Strong	<b>Operational Issues</b>	No	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Strong	<b>Outsourced Services</b>	Partial	<b>General Revenue-Dedicated Funds</b>	Compliant
<b>Service Area</b>	Statewide	<b>State Service(s)</b>	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Federal Surplus	\$ 2,878,632	11.3	\$ 2,750,300	11.3	61.1%
State Surplus	\$ 1,486,068	13.9	\$ 1,424,998	13.9	31.7%
Direct Administration	\$ 315,019	4.0	\$ 322,610	4.0	7.2%
Total	\$ 4,679,719	29.2	\$ 4,497,908	29.2	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 4,497,908	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 4,497,908	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$5.0 million for the Surplus Property Management program. This is an decrease of \$0.2 million from the 2016-17 biennium base for this program. This decrease is due to the agency wide 4% base reduction. Both the Federal and State Surplus programs operate as full cost recovery programs.
- The State Surplus Program disposes of state surplus, salvage, and personal property from state agencies such as office furniture, office equipment, heavy equipment, tools, and vehicles, as well as "voluntary abandoned" and "lost and found" property from airports across Texas.
- The Federal Surplus Program administers the donation of federal surplus personal property in the state by certifying organizations that are eligible under federal regulations to receive and use federal surplus property, including state agencies, counties, municipalities, public schools, and certain nonprofit organizations.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- Current riders in the General Appropriations Act limit the allowable uses of earned revenues. The agency maintains that the State Surplus Program would benefit from additional flexibility utilizing earned revenue. If accessed, the agency would use the revenue to expand the sales storefront, offer in-house auction services, and more aggressively analyze the amounts of surplus property.

Challenges to Operation of Program

- The State Surplus Program relies heavily on the disposition of vehicles in generating revenue. Similarly, the federal program sees the highest demand among availabilities for heavy equipment. The type and quality of property available to both the state and federal program drive the success of each.

Funding Alternatives

- None.

Facilities Commission  
Strategic Fiscal Review Appendix 6a: Program Summary - House  
(Includes Programs from All Funding Sources)

Program: Grounds Management

Agency  
Ranking

11 out of 15

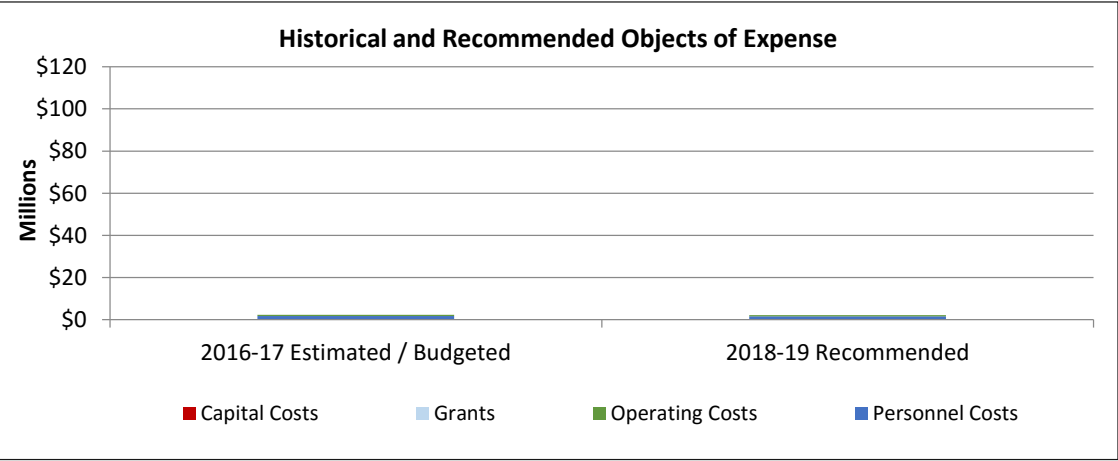
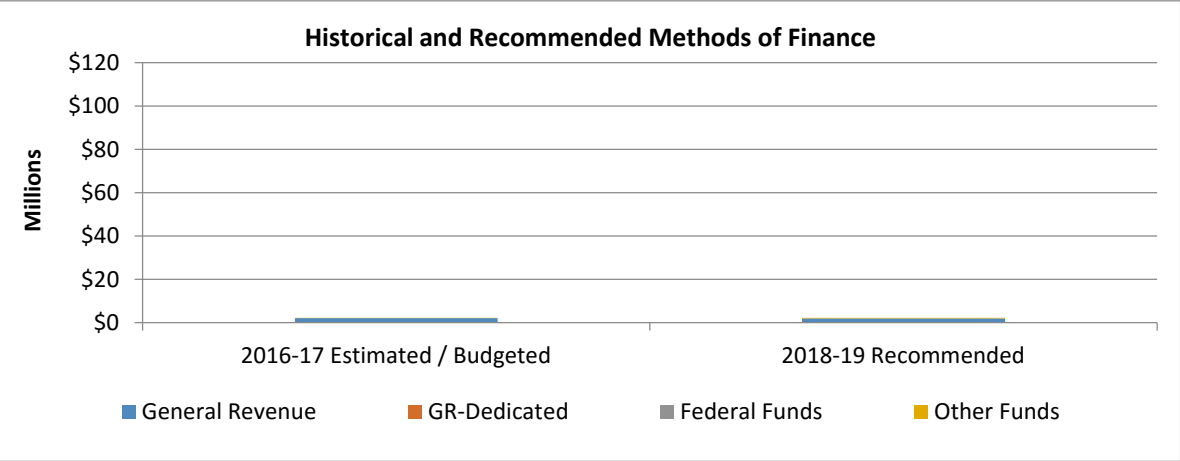
Maintains and repairs the grounds, parking facilities, and surface lots of state property in Travis County through routine landscaping, nightly cleaning of state-owned parking garages, and cleanup for various state properties, lots, and garages after sporting events in Austin.

Legal Authority: Government Code, Ch. 2165

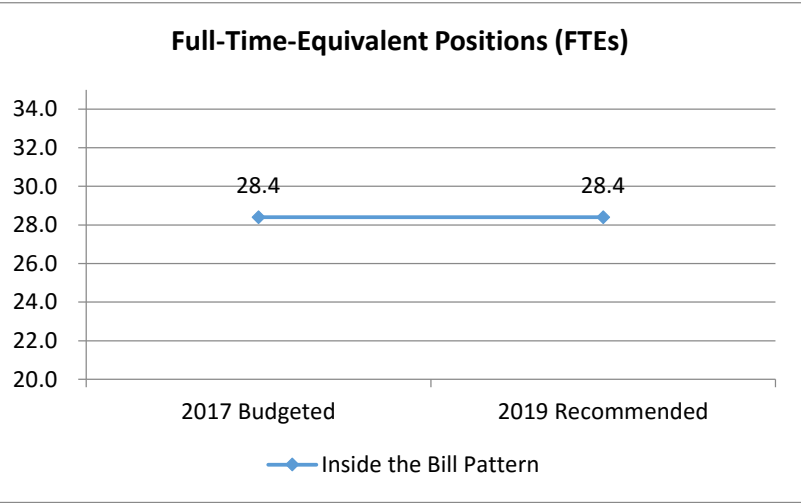
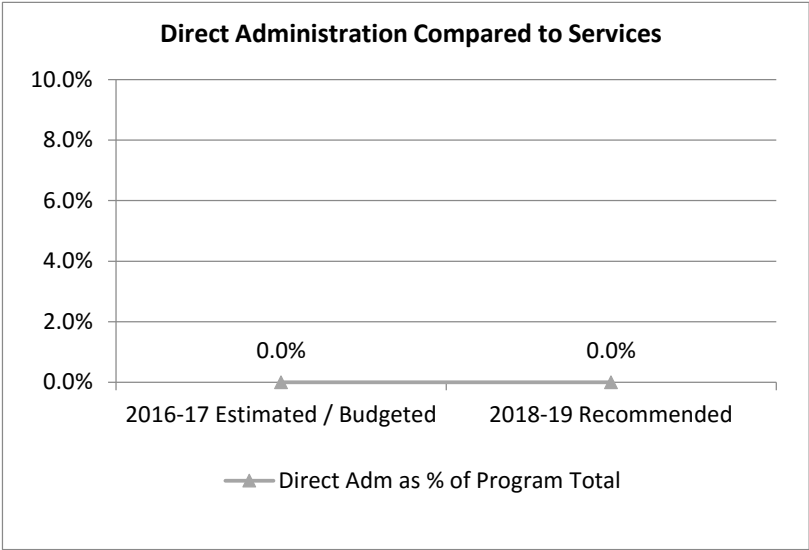
Year Implemented	1919	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	N/A
Service Area	Regional	State Service(s)	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Grounds Management	\$ 2,243,809	28.4	\$ 2,160,974	28.4	100.0%
Total	\$ 2,243,809	28.4	\$ 2,160,974	28.4	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,160,974	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 2,160,974	100.0%







Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$2.2 million for the Grounds Management program. This is a reduction of \$0.1 million from the 2016-17 biennium base for this program. This decrease is mainly a result of the agency wide 4% base reduction.
- Senate Bill 836 the 84th Legislature, Regular Session, changed responsibility for the grounds of the Texas School for the Deaf (TSD) and the Texas School for the Blind and Visually Impaired (TSBVI) to the management of TFC. This resulted in a increase in appropriations assigned to the Grounds Management Program as compared to the 2014-15 biennium appropriation for this program.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- None.

Challenges to Operation of Program

- None.

Funding Alternatives

- None.

Facilities Commission  
Strategic Fiscal Review Appendix 6a: Program Summary - House  
(Includes Programs from All Funding Sources)

Program: Minor Construction for Tenants of State Owned Buildings

Agency  
Ranking

12 out of 15

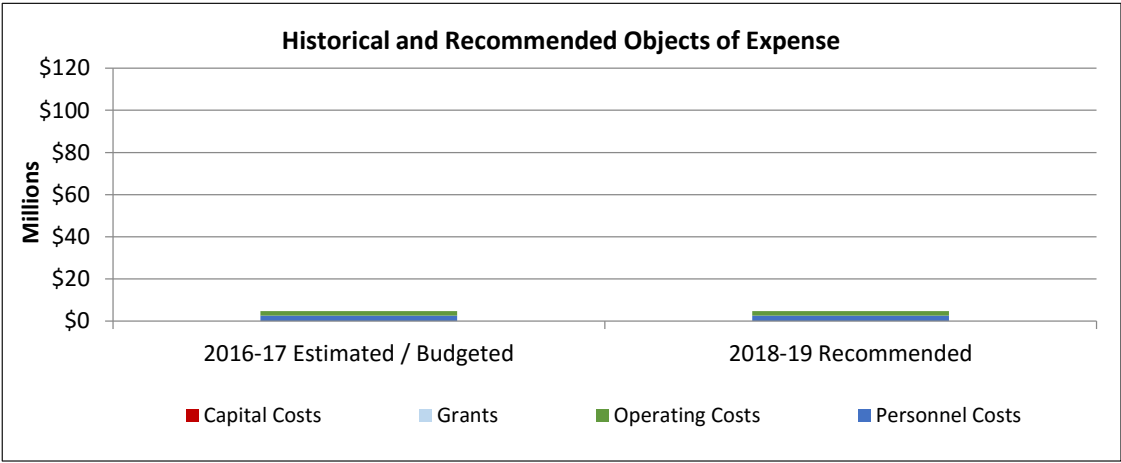
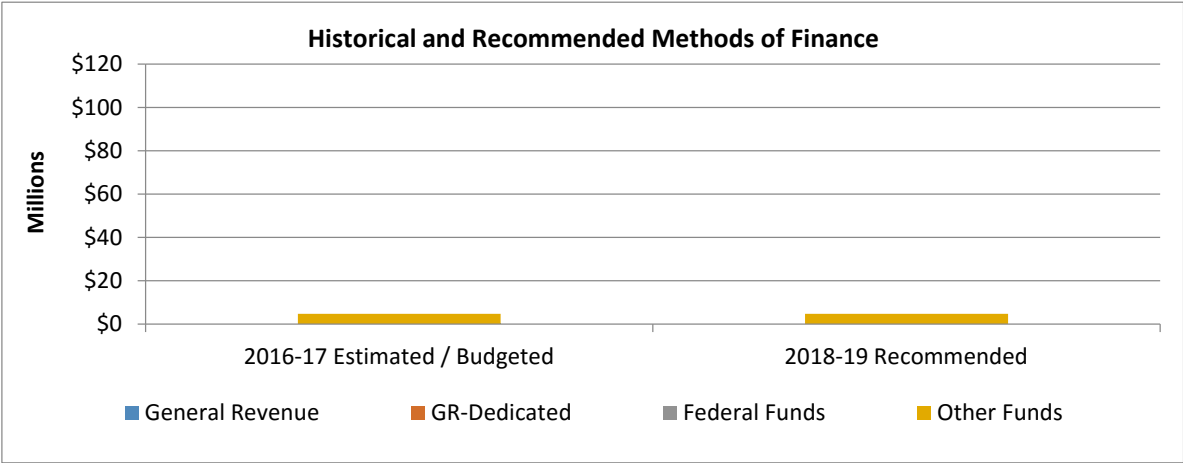
Provides construction services to state agencies in state-owned and state-managed buildings for projects that are too small (minor renovation, remodeling, and repair) or time-sensitive to outsource through the state's solicitation process.

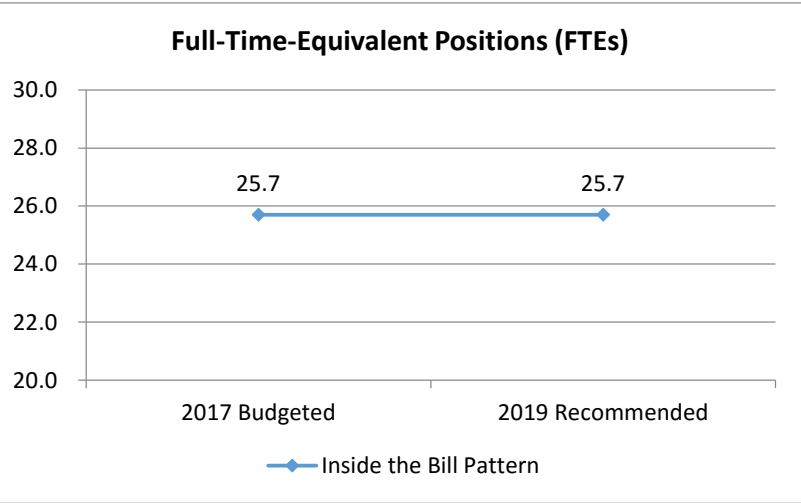
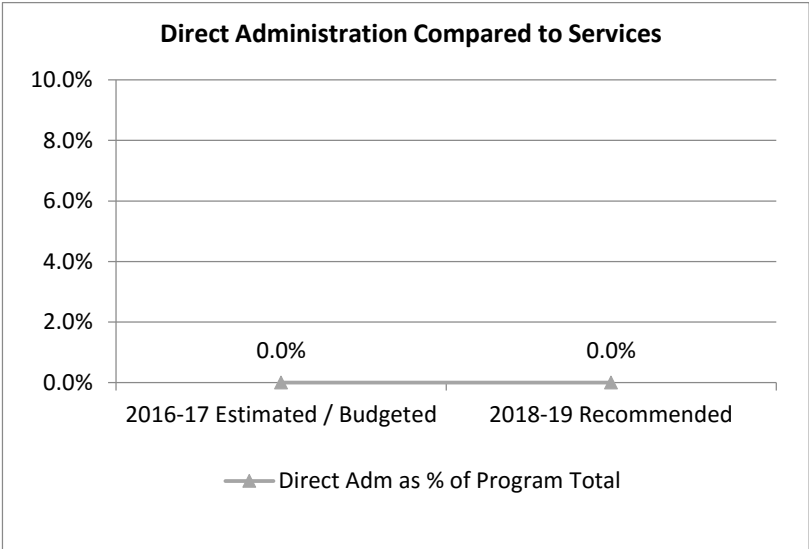
Legal Authority: Government Code, Ch. 2165 and Ch. 2166

Year Implemented	1992	Performance and/or	Revenue Supported	No
Authority	Strong	Operational Issues	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	State Government Administration & Support	

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Minor Construction	\$ 4,716,572	25.7	\$ 4,716,572	25.7	100.0%
Total	\$ 4,716,572	25.7	\$ 4,716,572	25.7	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 4,716,572	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 4,716,572	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$4.7 million for the Minor Construction for Tenants of State Owned Buildings program and continue a similar level of funding to the 2016-17 biennium base.
- The Commission interacts with and serves 100 other state agencies, Legislative members and their staff, and members of the general public that utilize state facilities that are owned and managed by the Commission as well as the state agencies and their employees for whom construction and renovation projects are managed. The Minor Construction for Tenants of State Owned Buildings program provides a full range of minor construction activities to state agencies in state-owned and state-managed buildings on the Commission's inventory, or upon request, to other state agencies, to address small renovation, remodeling, or repair projects.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- The current agency asset management system involves disconnected and inefficient spreadsheets involved in the tracking of building condition reports, maintenance records, building expenditures, and other repair and construction project management tasks. By migrating to a Integrated Workplace Management System (IWMS) the agency would be able to convert their current outdated legacy system in to a single database intended to integrate real estate management, capital project, facilities management, maintenance management, and sustainability & energy management.
- The current threshold for requiring agencies to have capital authority for repair and rehabilitation projects is \$100,000. This threshold is a general capital budget restriction for all agencies and encompasses other activities including acquisition of land and other real property, construction of roads, acquisition of information resource technologies, transportation items, and other capital equipment. The Commission recommends raising this threshold to \$250,000 to increase program flexibility and help agencies meet their facility space needs.

Challenges to Operation of Program

- Within the GAA, Article IX, Sec. 14.03(d)(3) requires agencies to have capital authority for repair and rehabilitation projects with a project cost greater than \$100,000. Additionally, GAA, Art. I, TFC, Rider 16, Capital Construction on Behalf of State Agencies, requires any agency coming to TFC for construction of buildings or facilities, including minor construction greater than \$100,000, to have their own capital budget authority. TFC maintains that the current \$100,000 threshold is low in the current environment of rising construction costs and limits TFC's ability to conduct regular construction and maintenance projects for client agencies.

Funding Alternatives

- None.

Facilities Commission  
Strategic Fiscal Review Appendix 6a: Program Summary - House  
(Includes Programs from All Funding Sources)

Program: Recycling and Waste Management

Agency  
Ranking

13 out of 15

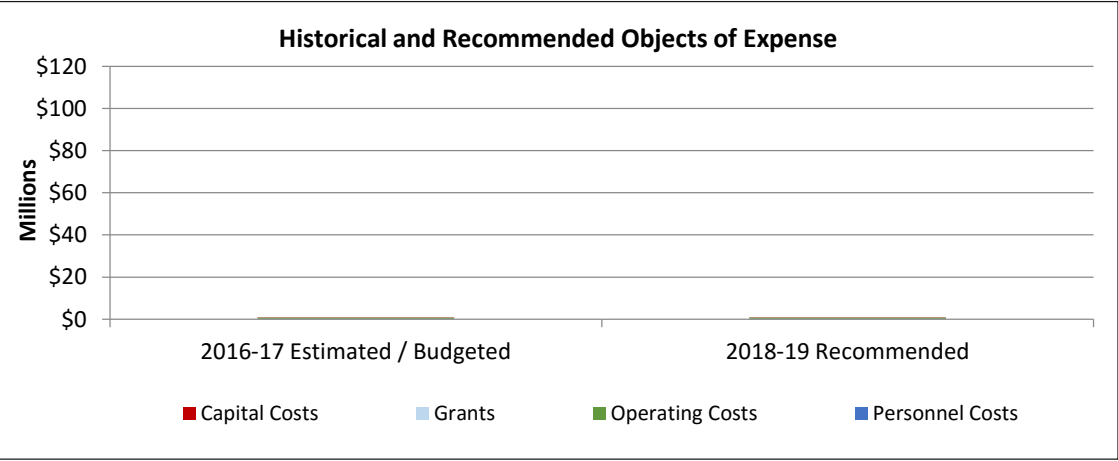
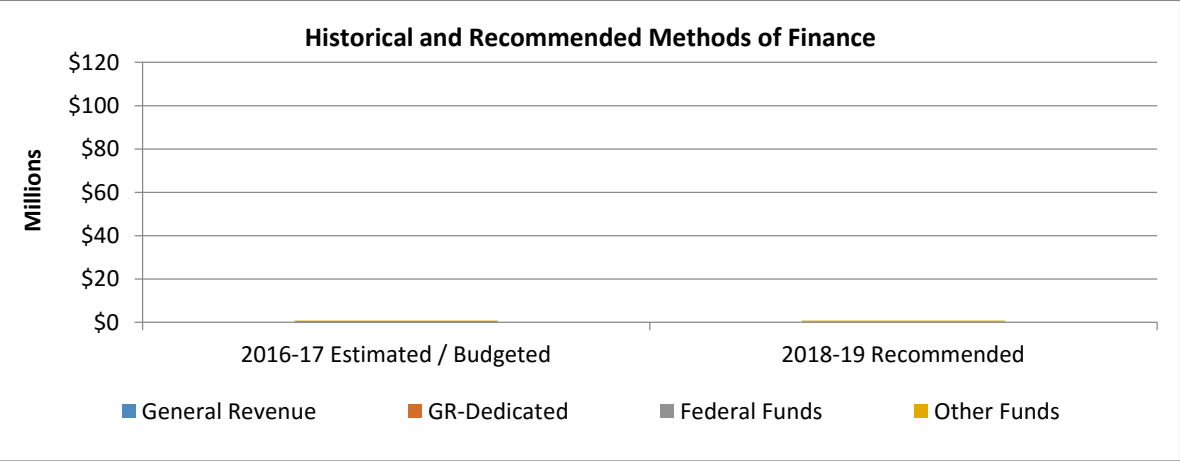
Manages the state recycling and waste management program, including trash & disposal of recyclable items for tenants in all state-owned facilities managed by the agency.

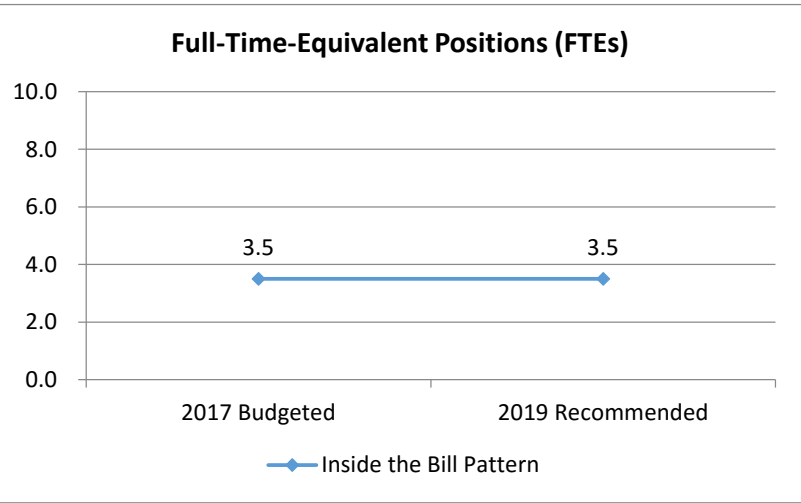
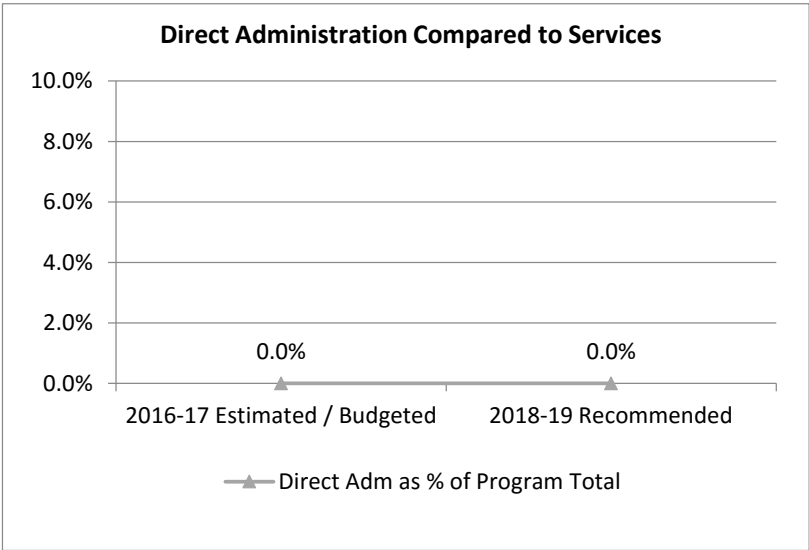
Legal Authority: Government Code, Ch. 2165

Year Implemented	1985	Performance and/or		Revenue Supported	Yes
Authority	Moderate	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	Yes	General Revenue-Dedicated Funds	N/A
Service Area	Regional	State Service(s)	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Recycling and Waste Management	\$ 857,124	3.5	\$ 807,957	3.5	100.0%
Total	\$ 857,124	3.5	\$ 807,957	3.5	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 807,957	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 807,957	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$0.8 million for the Recycling and Waste Management program. This is a reduction of \$0.1 million from the 2016-17 biennium base for this program. This decrease is mainly a result of the agency wide 4% base reduction.
- The Recycling program affects all agencies housed in state-owned facilities on the Commission’s inventory. The program also provides services to certain agencies in state buildings not managed by the Commission including the State Capitol and Capitol Annex, and other facilities in the Austin area. The program provides services to these facilities not on the Commission’s inventory in order to promote recycling in state offices and generate additional revenue from the sale of the recyclable materials such facilities produce. In addition, the Commission picks up recycled materials at many leased facilities occupied by state agencies in the Austin area.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- None.

Challenges to Operation of Program

- Upon completion of Phase One construction projects at the Capitol Complex and the North Austin Complex, anticipated in 2020, additional resources will likely be needed for recycling and waste management services.

Funding Alternatives

- None.

Facilities Commission  
Strategic Fiscal Review Appendix 6a: Program Summary - House  
(Includes Programs from All Funding Sources)

Program: Parking and Special Events

Agency  
Ranking

14 out of 15

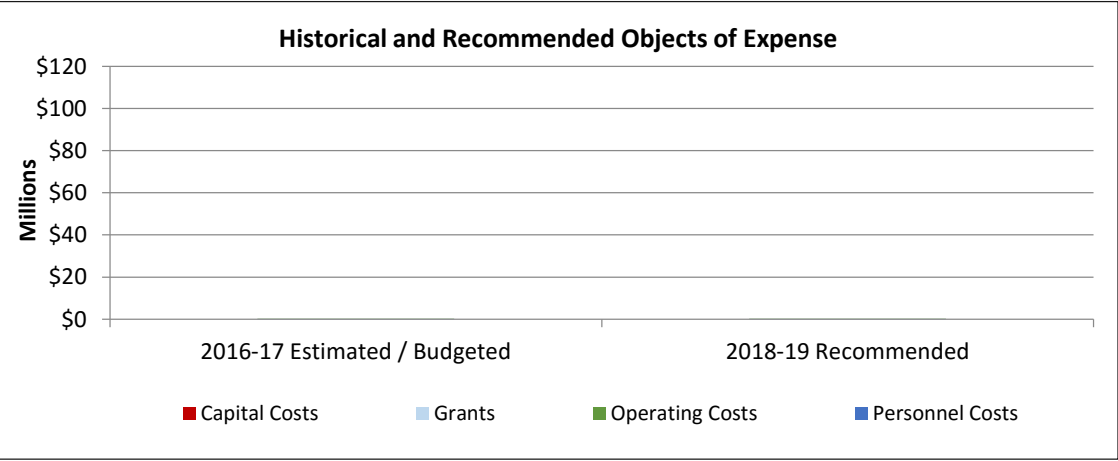
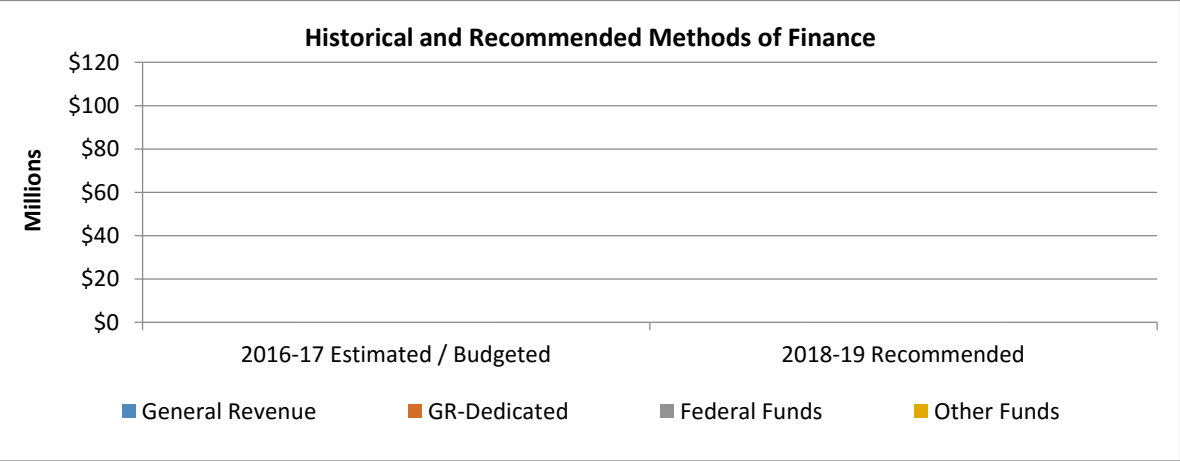
Administers the temporary leasing of state facilities in the Austin area for parking, movie productions, special events, and tailgating.

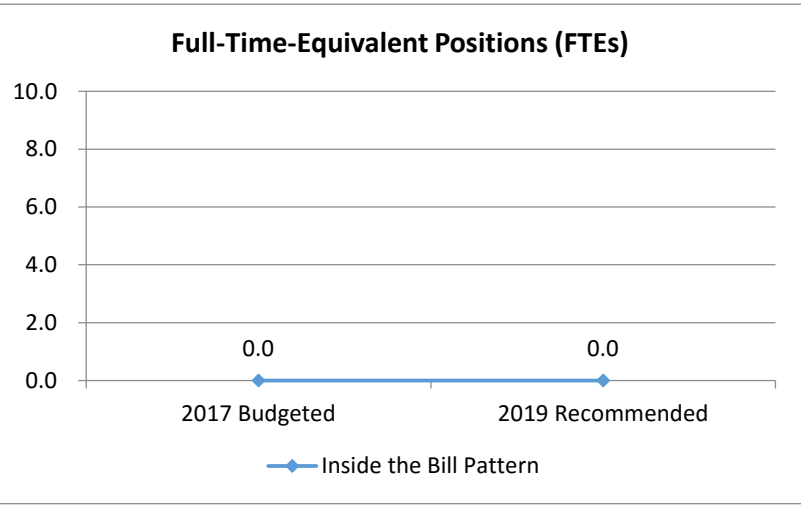
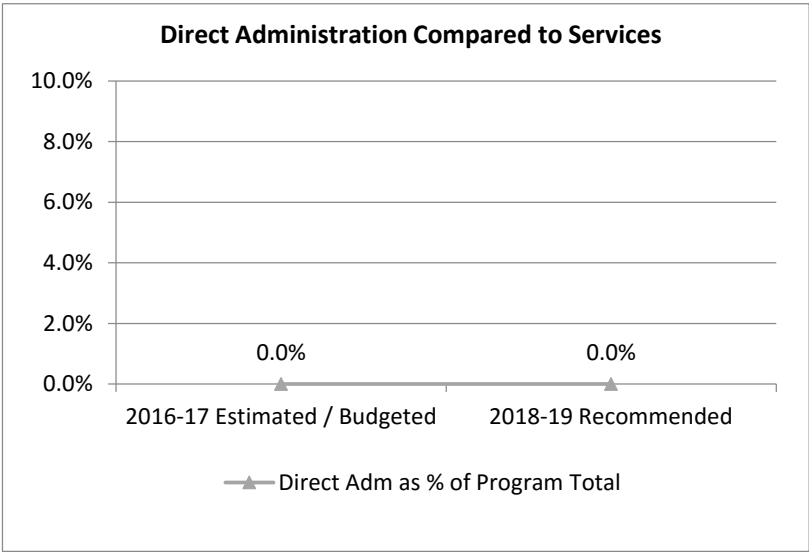
Legal Authority: Government Code, Ch. 2165

Year Implemented	1985	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	N/A
Service Area	Regional	State Service(s)	State Government Administration & Support		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Parking and Special Events	\$ 166,302	0.0	\$ 168,710	0.0	100.0%
Total	\$ 166,302	0.0	\$ 168,710	0.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 168,710	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 168,710	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$\$0.2 million for the Parking and Special Events program. This is a similar appropriation to the 2016-17 biennium base for this program.
- The program is responsible for the appropriate after-hours commercial use of state-owned parking facilities which seeks to optimize the use of 17,159 parking spaces in sixteen garages and twenty-three lots on the Commission-managed inventory. Additionally, the program provides temporary leases of facilities for film and movie productions, special events, and the temporary lease of garages.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- None.

Challenges to Operation of Program

- The nature of the economy effects the amount of activity private industry requests to perform on commission managed property the program oversees. The success of the athletic programs also impacts the demand for services and size crowds during the tailgating season.

Funding Alternatives

- None.

**Facilities Commission**  
**Strategic Fiscal Review Appendix 6a: Program Summary - House**  
**(Includes Programs from All Funding Sources)**

**Program: Lease Payments**

Agency  
Ranking

15 out of 15

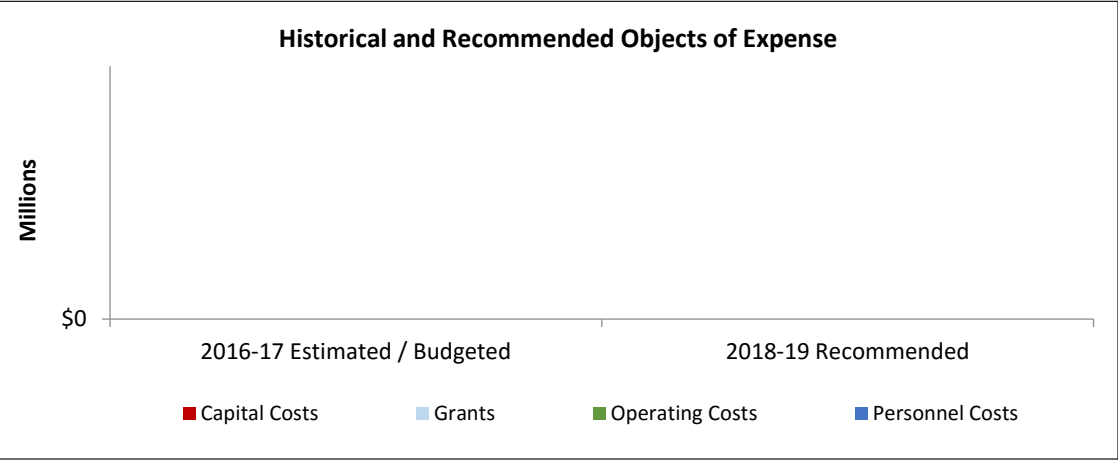
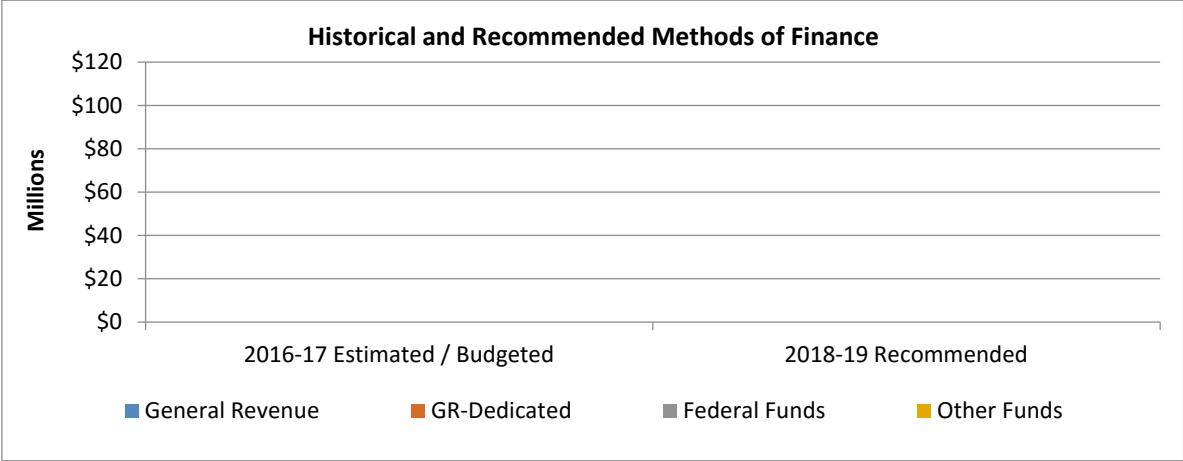
Debt and lease service payments that are appropriated in each Article of the GAA to the Texas Facilities Commission for payments to the Texas Public Finance Authority for debt service on revenue & GO bonds that were issued for acquisition, construction or renovation of state-owned facilities.

**Legal Authority:** Government Code, Ch. 2166.4542 and Ch. 1232.102

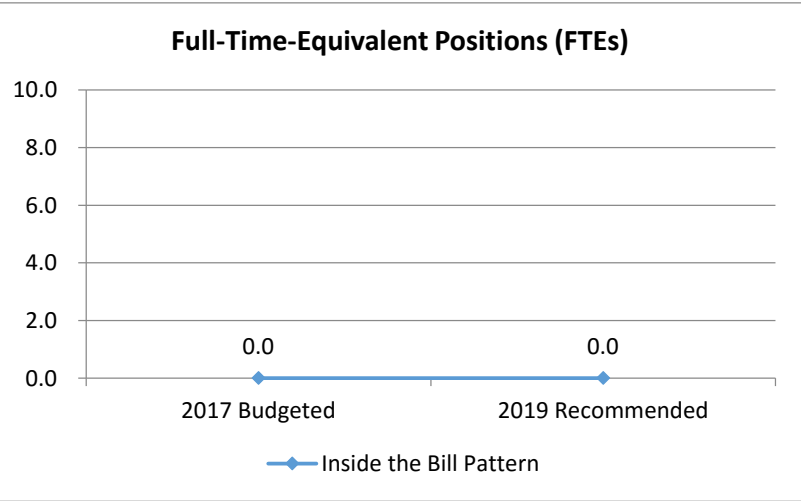
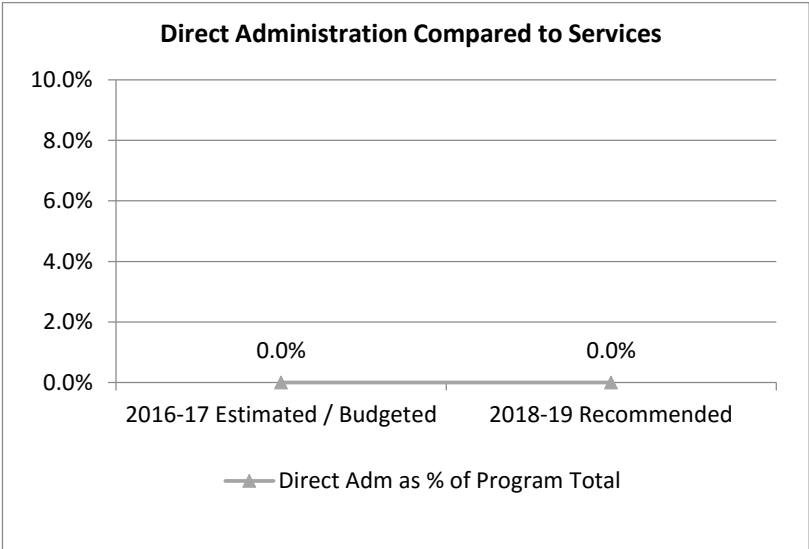
<b>Year Implemented</b>	1977	<b>Performance and/or</b>		<b>Revenue Supported</b>	No
<b>Authority</b>	Strong	<b>Operational Issues</b>	N/A	<b>Appropriate Use of Constitutional and</b>	
<b>Centrality</b>	Strong	<b>Outsourced Services</b>	N/A	<b>General Revenue-Dedicated Funds</b>	N/A
<b>Service Area</b>	Statewide	<b>State Service(s)</b>			

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
Direct Administration	\$ -	0.0	\$ -	0.0	0.0%
Total	\$ -	0.0	\$ -	0.0	0.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ -	0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ -	0.0%







Summary of Recommendations and Fiscal and Policy Issues

- Recommendations for 2018-19 Lease Payments reflect an increase of \$34.5 million in All Funds from the 2016-17 biennium base. This reflects an increase in debt service requirements for issued revenue bonds related to the Capitol Complex and North Austin Complex projects, partially offset by reduced debt service requirements across all other Articles.
- TFC Lease Payments agency allocations are based on the square footage occupied by an agency plus the agency’s portion of common space in the building. This allocation applies only to agencies occupying space in state-owned buildings that were purchased, constructed, repaired, or renovated with revenue bonds. Agency allocations are listed as an informational item within the “Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act” in each affected agency’s bill pattern before the Items of Appropriation.

Recommended Statutory Changes for Program Improvement

- None.

Enhancement Opportunities

- None.

Challenges to Operation of Program

- None.

Funding Alternatives

- None.

**Facilities Commission  
Appendices - Senate**

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\* Appendix is not included - no significant information to report

Facilities Commission  
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments (Optional)
LEASING A.1.1	\$931,365	\$950,884	\$19,519	2.1%	Recommendations include an increase of \$19,519 in General Revenue to retain key personnel in the leasing program.
FACILITIES PLANNING A.1.2	\$2,215,612	\$521,486	(\$1,694,126)	(76.5%)	Recommendations include: 1) \$3,000,000 decrease in General Revenue due to reduction of one-time funding reallocated for planning activities. 2) \$1,305,874 increase in General Revenue of funding reallocated from other strategies for planning activities.
FACILITIES DESIGN AND CONSTRUCTION A.2.1	\$784,423,529	\$7,878,528	(\$776,545,001)	(99.0%)	Recommendations include: 1) \$488,322 decrease in General Revenue for funds reallocated to other strategies for facilities operations and planning activities. 2) \$8,386,679 decrease in Interagency Contracts due to the agency no longer including estimates for construction, repair, and rehabilitation on behalf of other agencies. 3) \$767,670,000 decrease in Revenue Bond proceeds appropriated during the 2016-17 biennium for new construction projects at the Capitol Complex and North Austin Complex.
Total, Goal A, FACILITIES CONSTRUCTION AND LEASING	\$787,570,506	\$9,350,898	(\$778,219,608)	(98.8%)	
CUSTODIAL B.1.1	\$11,984,356	\$11,984,356	\$0	0.0%	

Facilities Commission  
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments (Optional)
FACILITIES OPERATION B.2.1	\$315,779,260	\$46,771,539	(\$269,007,721)	(85.2%)	Recommendations include: 1) \$10,000,000 decrease in General Revenue allocated for emergency repairs out of \$20,000,000 appropriated for this purpose in the 2016-17 biennium. 2) \$29,575,155 decrease in General Revenue for reduction of one-time funding allocated to Deferred Maintenance projects, Facilities Operations, IWMS, Deferred Maintenance staff salaries, and LBJ Building Reonvations. 3) \$208,470,094 decrease in General Revenue - Dedicated for one-time funding allocated to Deferred Maintenance projects. 4) \$13,976,371 decrease in General Revenue and General Revenue - Dedicated funds for agency base reduction and funding reallocated to other strategies. 5) \$52,990 increase in Interagency Contracts for additional client agency funded services related to reimbursable property management services. 6) \$7,039,091 decrease in GO Bond Proceeds due to completion of Deferred Maintenance projects in the 2016-17 biennium.
UTILITIES B.2.3	\$41,050,178	\$39,725,300	(\$1,324,878)	(3.2%)	Recommedations include a \$1,324,878 decrease in General Revenue and Interagency Contract funds due to agency expectations of lower utility payments in 2018-19.
<b>Total, Goal B, PROPERTY &amp; FACILITIES MGMT &amp; OPS</b>	<b>\$368,813,794</b>	<b>\$98,481,195</b>	<b>(\$270,332,599)</b>	<b>(73.3%)</b>	
SURPLUS PROPERTY MANAGEMENT C.1.1	\$4,679,719	\$4,497,908	(\$181,811)	(3.9%)	Recommendations include a \$181,811 decerease in All Funds due to the agency base reduction and funding reallocated to other strategies.
<b>Total, Goal C, SURPLUS PROPERTY</b>	<b>\$4,679,719</b>	<b>\$4,497,908</b>	<b>(\$181,811)</b>	<b>(3.9%)</b>	

Facilities Commission					
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS					
Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments (Optional)
CENTRAL ADMINISTRATION D.1.1	\$6,928,663	\$6,790,120	(\$138,543)	(2.0%)	Recommendations include a net decrease of \$138,543 in General Revenue and General Revenue - Dedicated funding due to the agency base reduction and a reallocation of funds to this strategy.
INFORMATION RESOURCES D.1.2	\$2,280,034	\$2,408,164	\$128,130	5.6%	Recommendations include a net increase of \$128,130 in All Funds due to the agency base reduction and a reallocation of funds to this strategy.
Total, Goal D, INDIRECT ADMINISTRATION	\$9,208,697	\$9,198,284	(\$10,413)	(0.1%)	
Grand Total, All Strategies	\$1,170,272,716	\$121,528,285	(\$1,048,744,431)	(89.6%)	

Facilities Commission  
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	417.6	498.4	498.4	495.4	495.4
Actual/Budgeted	391.6	495.4	495.4	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director	\$126,500	\$170,824	\$170,824	\$170,824	\$170,824

Notes:

- a) Fiscal years 2015 actual FTE figure is less than the FTE cap limit primarily due to staff vacancies and turnover.
- b) Fiscal year 2016 actual FTE figure is (3.0) less than the FTE cap limit due to Rider 22 funding for G.J. Sutton Building Replacement, being vetoed. 3.0 FTEs were associated with the funding from this rider, but not included in the veto proclamation.
- c) The agency 2018 and 2019 requested FTE cap included an additional 12.0 FTEs in their baseline request associated with one-time funding amounts being reallocated to new purposes in the 2018-19 biennium. Baseline FTE increases were requested for facilities operation (7.0), information resources (1.0), the State Surplus Property program (2.0), and project management (2.0). These additional FTEs are not included in recommendations.
- b) The State Auditor's Office Reports, *Executive Compensation at State Agencies* (Report No. 16-706, August 2016), indicates a market salary average of \$197,758 for the Executive Director position at the Texas Facilities Commission and recommends changing the classification for the position from Salary Group 5 to Salary Group 6. The agency is not requesting any changes to its Exempt Position.

**Facilities Commission**  
**Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
1)	Utilities	Reduction of energy consumption through proactive energy management activities. A multiple phased-in approach would include strategic electrical usage reduction and decreased usage of non-mandatory systems.	\$3,000,000	\$3,000,000	0.0	\$0	0.8%	No
2)	Construction and Facility Management System (IWMS)	The development and implementation of a new database, Construction and Facility Management System (IWMS), would be delayed.	\$350,000	\$350,000	0.0	\$0	0.1%	Yes
3)	Master Plan	Reduction through the curtailing of statutorily-required master planning activities and reduction of comprehensive analysis and design for best practice planning for future projects.	\$2,000,000	\$2,000,000	0.0	\$0	0.6%	Yes
4)	Emergency Repairs	Reduction of funding set aside for emergency repair projects. \$10 million is currently included in baseline appropriations for this purpose (See also Rider 16).	\$2,000,000	\$2,000,000	0.0	\$0	0.6%	Yes
5)	LBJ Renovations	Reduction in scope and timing of renewal projects in the LBJ Building.	\$806,400	\$806,400	0.0	\$0	0.2%	Yes
6)	Deferred Maintenance	Reduction in the amount of health and life safety-related repairs and renovations for state-owned buildings maintained by TFC.	\$24,984,014	\$24,984,014	0.0	\$0	7.6%	Yes
7)	Federal Surplus Property	Reduction of fund balances for fees collected in Federal Surplus Property program. TFC may collect a service charge for acquisition, warehousing, distribution, or transfer of federal property which is used for the normal operations of the Federal Surplus Property Program at the agency.	\$323,730	\$323,730	0.0	\$0	0.1%	No
<b>TOTAL, 10% Reduction Options</b>			<b>\$33,464,144</b>	<b>\$33,464,144</b>	<b>0.0</b>	<b>\$0</b>		