Bill as Introduced

HB 1370 - AS INTRODUCED

2001 SESSION

01-2235
10/09

HOUSE BILL ***1370***

AN ACT relative to establishing a 6-year capital budget.

SPONSORS: Rep. Leber, Merr 1; Rep. Weyler, Rock 18; Rep. Cloutier, Sull 8; Rep. E. Smith, Ches 6; Rep. Morse, Rock 28; Sen. Eaton, Dist 10; Sen. Flanders, Dist 7

COMMITTEE: Public Works and Highways

ANALYSIS

This bill establishes a 6-year capital budget, and requires the proposal of a 6-year capital budget with limits on additional appropriations within the bienniums.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

01-2235
10/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand One

AN ACT relative to establishing a 6-year capital budget.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Capital Budget Expenditures; Six-Year Capital Budget. Amend RSA 9:3-a to read as follows:

9:3-a Capital Expenditure Requests. ***Prior to the adoption of the 6-year capital budget, the requests for appropriation of funds shall be as follows:***

I. All departments seeking funds for capital expenditures shall submit their requests to the commissioner of administrative services no later than the May 1 before the opening of the biennial legislative session. Requests shall be made on forms supplied by the commissioner of administrative services. Each request shall list estimates of the costs of land, construction, furnishings, and equipment ***and shall identify projects which are expected or planned to require funding in subsequent bienniums of the 6-year capital budget in order to be completed***. In addition, each request shall include the square footage, estimates of annual operating and maintenance costs, program descriptions, and number of people involved.

II. The commissioner of administrative services shall submit a summary of the requests and any supporting detail to the governor by May 31.

III. The governor shall hold public hearings on the ***6-year*** requests no later than June 30. [~~He~~] ***The governor*** may require officials of those departments submitting requests to attend and testify.

IV. There shall be a governor's advisory committee on the capital budget consisting of the following, or their designees: commissioner of administrative services, commissioner of transportation, chairperson of the senate capital budget committee, and chairperson of the house public works and highway committee. Members of the advisory committee may attend the hearings on capital budget requests, question those testifying, and contribute their opinions.

V. The governor shall select those projects which the governor considers worthy of further evaluation, and send the requests for the selected projects to the commissioner of transportation no later than August 1. The governor may hold additional hearings on capital requests at the time of the operating budget hearings. If any additional hearing is held after election day, the governor shall invite the governor-elect to attend.

VI. The commissioner of transportation shall prepare schematic drawings, cost estimates, and program descriptions and present these, along with any recommendations, to the governor no later than December 1.

VII. The governor shall submit the capital budget to the general court no later than February 15 of each odd numbered year. ***The capital budget submitted shall identify all projects which are expected or planned to require funding in subsequent bienniums of the 6-year capital budget in order to be completed.***

2 New Section; Capital Budget; Limitations on Appropriations. Amend RSA 9 by inserting after section 3-a the following new section:

9:3-b Capital Budget; Limitations on Appropriations. For each 6-year capital budget requested under RSA 9:3-a or as adopted for state capital improvements projects, total appropriations for the first biennium to which the 6-year capital budget applies shall not exceed an amount which is equal to 7 percent of the state general fund unrestricted revenues for that biennium, total appropriations for the second biennium to which the 6-year capital budget applies shall not exceed an amount which is equal to an additional 3-1/2 percent of state general fund unrestricted revenues, and total appropriations for the third biennium to which the 6-year capital budget applies shall not exceed an amount which is equal to an additional 1-3/4 percent of state general fund unrestricted revenues.

3 Lapsed Appropriations; Reference Added. Amend RSA 9:18, I to read as follows:

I. Except ***for capital appropriations under paragraph I-a or*** as otherwise specially provided, all unexpended portions of special appropriations shall lapse when the object for which the appropriation was made has been accomplished and, in any event, at the end of 2 years from the date when the act creating the appropriation first took effect, unless there are obligations incurred by contract thereunder, made within said period, in which case there shall be no lapse until the satisfaction or fulfillment of such contractual obligations.

4 New Paragraph; Lapsed Appropriations; Six-Year Capital Budget. Amend RSA 9:18 by inserting after paragraph I the following new paragraph:

I-a. All unexpended portions of appropriations made by the 6-year capital budget shall lapse when the project for which the appropriation was made has been accomplished and, in any event, at the end of 6 years from the date when the act creating the appropriation first took effect, unless there are obligations incurred by contract thereunder, made within said period, in which case there shall be no lapse until the satisfaction or fulfillment of such contractual obligations

5 Department of Transportation; Major Capital Projects. Amend RSA 228:4, IV to read as follows:

IV. Any repair project authorized in the ***6-year*** capital budget which requires consultant services shall be put into effect within 90 days after the ***date that the*** general court [~~passes~~] ***authorizes the project in*** the capital budget.

6 Effective Date. This act shall take effect July 1, 2002.

Speakers

1:15
~~1:00~~

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 1370 Date Tues. Jan. 15, 2002

Committee Public Works + Highways

** Please Print All Information **

Name	Address	Phone	Representing	(check one) Pro	Con
Rep. John R. Cloutier	13 W. Lafayette St. Claremont, N.H.	542-6190	Sull. Dist. #8	✓	
Sen Tom Eaton	Keene	352-8807	Dist 10	✓	

Hearing Minutes

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

PUBLIC HEARING ON HB 1370

BILL TITLE: relative to establishing a 6-year capital budget.

DATE: January 15, 2002

LOB ROOM: 201 **Time Public Hearing Called to Order:** 1:20 pm

Time Adjourned: 2:05 pm

(please circle if present)

Committee Members: Reps. E. Smith, Calawa, Whittemore, Leber, Morse, Gleason, Guay, B. Moore, Graham, Holland, Rausch, Rozek, Tahir, Edwards, Cloutier, DeChane, Daigle, Daneault, C. Bouchard, Shultis and Benn.

Bill Sponsors: Reps. Leber, Weyler, Cloutier, E. Smith, Morse; Sens. Eaton, Flanders

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

***Rep. Bill Leber, Merr. One, Prime Sponsor – Written Testsimony.**

Question: Do you believe we need to have a transition period for implementing a 6 yr. Plan?
Answer: No, the depts. already plan 6 year budgets and I don't believe it would be a problem.

Question: What would really be different from the process we currently have?
Answer: We currently do not requiredepts. to submit to the Capital Budget in Public Works a 6 year plan and commit to the outgoing years.

Question: Do we know how many projects would require this level of planning?
Answer: Was not willing to guess.

Question: Do you know if any other states have a six year plan?
Answer: I have not inquired of other states.

Question: This bill states capital shall not exceed 7% and we currently approved over that amount , should we raise the %?
Answer: I have no problem raising the %.

***Rep. K. Weyler, Rock 18, Sponsor. * Written Testimony.**

Sen. Bob Flanders, Sen. Dist #7, Support the bill – was not present.

Carol Murray, Commissioner, DOT – Support. Very much in support of the bill we already have a model in the 10 Year Highway Plan.

Question: Do you believe 6 years is the right amount of time?
Answer: It would be a good start.

Don Hill, Commission, Adm. Services, Support. I think it's time to start with long range planning and 6 years would be a good start.

OPINION – NOT SPEAKING:

Rep. John R. Cloutier, Sull. Disst. S8, Claremont, NH 542-6190 – PRO
Sen. Tom Eaton, Dist. 10, Keene, 352-8887 – PRO

Respectfully submitted,

Rep. Charles W. Morse, Clerk

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

PUBLIC HEARING ON HB 1370

BILL TITLE: relative to establishing a 6-year capital budget.

DATE: January 15, 2002

LOB ROOM: 201 **Time Public Hearing Called to Order:** ~~1:05~~ ~~1:00~~ pm 1:20

Time Adjourned: 2:05

(please circle if present)

Committee Members: Reps. E. Smith, Calawa, Whittemore, Leber, Morse, Gleason, Guay, B. Moore, Graham, Holland, Rausch, Rozek, Tahir, Edwards, Cloutier, DeChane, Daigle, Daneault, C. Bouchard, Shultis and Benn.

Bill Sponsors: Reps. Leber, Weyler, Cloutier, E. Smith, Morse; Sens. Eaton, Flanders

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

HB 1370

Rep. Leben - prime - sponsor.

* written testimony

Q Do you believe we need to have a transition period for implementing a 6 yr plan.

A. No, The depts already plan 6 yr budgets and I don't believe it would be a problem.

Q. What would really be different from the process we currently have?

A we currently do not require depts. to submitt to the Capital budget in public works a 6-yr plan and committ to the outgoing years.

Q. Do we know how many projects would Require this level of planning?

A. was not willing to guess.

Q Do you know if any other states have a six year plan.

A. I have not inquired of other states

Q This bill states capital should not exceed 7% and we currently approved over that amount, should we raise the %.

A. I have no problem Raising the %.

Rep. Weylan - Sponsor.

* written testimony

Sen Flanders -

Supports The Bill

was not present

Comm Murray - NHDOT

Very much in support of the bill we already have a model in the 10 yr Highway plan.

Q Do you believe 6 yrs is the right ~~amount~~ AMOUNT of Time.

A. It would be a good start.

Comm Hin - Dept of Admin Services

I think its time to start w/ long Range planning and 6-yrs. would be a good start.

2:05

Testimony

HB 1370
Statement by Rep. K. L. Weyler January 15, 2002
Committee of Public Works and Highways

When I was on the Kingston Planning Board, we decided to pass a growth control ordinance. State statute required that before we took that action, we had to establish a six-year capital improvement plan.

A six-year plan made sense for town planning, and it certainly makes sense for state planning. A six-year window allows assessing and prioritizing all the competing projects. It compels department heads to take a longer term view, perhaps perform more maintenance, and do more prioritizing than is presently done.

The present process that becomes part of the biennial budget requires this committee to do most of the prioritizing. Departments take short-term views and bring in all the projects and want them done next year. My personal feeling is that there is more neglect in this process. If a department head realized that all his capital projects had to be planned over a six year period, then he might do more timely repairs to prevent a minor leak in the roof from leading to falling plaster. A more sensible plan for temporary moves while major renovations are done, may lead to fewer moves and less relocation.

Of course, the financial plan will be improved. This committee can see where the spending humps might occur,

and then change the suggested calendar to even out the cash flow.

Initially, more effort will be involved, but, in the end, I believe that the result will be a better process and a better appreciation of our state's capital assets by those who use them.

Thank you.

SAMPLE APPROPRIATIONS

FORM 3

STATE OF NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROJECT REQUEST

FISCAL YEARS 2002 THROUGH 2007

	NAME
AGENCY	
ACTIVITY / DIVISION	

Project Name	Project Require Code	Project Definition Code	Annual Oper. Budget Estimate	Capital Budget Request Fiscal Years 2002-03	2004-05	2006-07
- NH VETERANS HOME EXPANSION						
(10 M 6.5 F 3.5 S)	ADM.					
PLANNING & DESIGN				2.0 M		
CONSTRUCTION					8.0 M	
- WALKER BLDG RENOVATION						
12M - PLANNING & DESIGN	12.M			3.0 M		
EAST WING CONSTRUCTION					6.0 M	
WEST WING CONSTRUCTION						3.0 M
- ADMINISTRATIVE SERVICES						
STATE FINANCIAL SYSTEM UPGRADE	900,000					
NEEDS ASSESSMENT & DESIGN				100,000		
EQUIPMENT					400,000	200,000
PROGRAMMING					100,000	100,000
Total			0	5.1 M 0	14.5 M 0	3.3 M 0

Name: Title: Date: 02/23/2000

Public Works and Highway Committee
HB 1370 relative to establishing a 6-year capital budget
January 15, 2002

Statement by Rep. William E. Leber, Andover, Merrimack County District One

The purpose of this legislation is to provide a method for the state to plan and approve projects to be completed and funded up to six years in the future.

Currently, the governor develops a biennial capital improvement budget and the legislature approves or modifies and passes a two-year budget.

Some projects are unable to be completed in the two years and some require several phases such as, planning and design, construction of new expansion, renovation of old portions and etc. Thus, some projects are funded for design only with the expectation that next biennium there will be funds to built it. However, the next legislature may not find the project such a high priority and it is not funded.

A six-year plan and budget would provide for various planned phases and appropriate funding for each biennium. It would be particularly effective for the replacement and renovation projects for the state office facilities, and health and social services treatment facilities, and education facilities. The old hospital buildings, YDC, Community Technical Colleges, the vocational high school, etc. would be good examples where a long term program and appropriation would be effective.

Currently the departments are required to submit a request for six years of capital improvement projects but normally only the first two-year requests are considered for inclusion in the Governor's budget requests. **The attachments are forms used by Administrative Services to compile and prepare the capital budget requests from the departments**.

This bill provides limitations on the appropriations similar to our currently self-imposed limits on the capital budget for two years, which is equal to 7 % of the unrestricted revenue for the biennium. In order to avoid one legislature spending all the capital budget funds for the next two bienniums, the limits are placed on appropriations for the second biennium at 31/2 % and the third biennium at 13/4% of the general fund unrestricted revenues. Example, if the first biennium capital budget is approved at 70 million, then the projects or phased portion of projects for the second biennium would be limited to a total of 35 million and any third biennium portions would be limited to a total of 17.5 million. The next legislature would have at least half of the budget limits for new projects.

The only additional effort that I can foresee will be the departments will have to put a little greater effort into identifying needs and planning the projects and developing phase schedule for the six year plan.

I appreciate your attention and will be willing to answer any questions you may have. Obviously, as one who works with the capital improvement budget, you understand many of the problems and limitations we currently experience and I will be willing to work with any or all of you to improve this bill.

I ask for your vote of Ought to Pass. Thank you.

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: February 23, 2000

FROM: Donald S. Hill
Commissioner

AT (Office):
Administrative Services
Budget Office
State House Annex – Rm. 120

SUBJECT: Capital Budget Requests

TO: *ALL DEPARTMENT HEADS*

RSA 9:3a requires that on or before May 1st prior to each biennial legislative session all departments of the State, having need of capital improvements, shall transmit to the Commissioner of Administrative Services estimates of their expenditure requirements for all such improvements.

Each Agency Making Capital Requests Must:

1) Prepare its project requests on ***FORM 1*** attached.
   Note: A separate form must be completed for each project.

2) RSA 9:4-b requires an approved Information Technology Plan for any capital budget requests for data processing equipment. Project numbers from the most recently approved plan are required on ***FORM 1.***

3) Prepare a priority ranking for all projects requested for the 2002-2003 biennium on ***FORM 2.***

4) Prepare a six-year capital improvement program on ***FORM 3*** attached. Note: This should also include the items listed on ***FORM 2.***

Twelve (12) copies of each FORM must be received at Administrative Services Budget Office by 10:00 a.m. on April 28, 2000.

Excel files for the FORMS are available and may be obtained by contacting Donna or Pam at 271-3204.

DSH/dlr

Attachments

STATE OF NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROJECT REQUEST INSTRUCTION SHEET FOR FY2002-2003

1 Enter your 3-digit Agency Code, Agency Name, Activity Code and Division Name.

2 Enter the Project Name.

3 Enter the priority # your Agency is assigning to this project request. Use this number to rank the project on FORM 2.

4 Complete the "Capital Budget Request" and "Related Annual Operating Budget Expenditures / Savings Estimates" sections. Include the appropriation code (Fund-Agency-Organization) and if the expenditures and/or savings will be consistent each year.

5 Complete the "Other Information" section if applicable.

6 Complete the "Capital Budget Criteria" section by entering the appropriate letter in the box as follows:

Requirement Code -

A) Required for health and/or safety.

B) Required for continued present operations.

C) Required for immediate expansion.

D) Required for long range expansion.

Definition Code -

A) New construction with at least a twenty year life and costs in excess of $50,000.

B) An addition to an existing facility with at least a twenty year life and costs in excess of $50,000.

C) An improvement or repair to a facility which exceeds routine maintenance, has at least a twenty year life and costs in excess of $50,000

D) Equipment not related to a specific construction project with an expected life of at least 15 years and costs in excess of $25,000. High cost equipment with a low life expectancy may be requested provided the amortization period is consistent with the life expectancy.

Enter the Source of Funds code(s) and the percentage(s).

Check the No or Yes box to indicate if this project is in your Strategic Information Technology Plan (SITP); include the project number if Yes.

For major projects, funds for design and development are to be requested in one biennium and the funds for actual construction should be requested in the next biennium.

7 Complete the "Project Justification" section describing in sufficient detail, your Agency's need for the project requested. On an 8-1/2" x 11" sheet, attach a schematic and location sketch indicating the physical location, capacity, size in square feet, structural materials, etc.

8 Complete FORM 2.

9 Complete FORM 3.

FORM 1

STATE OF NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROJECT REQUEST

FISCAL YEARS 2002-2003

PRIORITY # _____

	CODE	NAME
AGENCY		
ACTIVITY / DIVISION		
PROJECT		

Capital Budget Request

(a) Site Acquisition	
(b) Site Improvement / Preparation	
(c) Construction	
(d) Utilities	
(e) Architect / Engineering	
(f) Computer Systems / Equipment	0.00
Hardware	
Software	
Training	
Service	
(g) Furnish / Equipment	
(h) Other	
Total Capital Budget Request	0.00

Other Information

Total Square Footage:	
Estimated Useful Life:	

Related Annual Operating Budget Expenditures / Savings Estimates

	Expenditures	Savings
(a) Permanent Personnel Services		
(b) Other Personnel Services		
(c) Current Expense		
(d) Equipment		
(e) Travel		
(f) Other		
Total Expenditures / Savings Estimates	0.00	0.00

Appropriation Code: _____

Will the expenditures / savings be consistent each year? (Yes / No) _____

Capital Budget Criteria (See Instructions)

Requirement Code:	A, B, C or D	
Definition Code:	A, B, C or D	
Funding Percentages by Source:	G, F, H or O	%
G = General F = Federal	G, F, H or O	%
H = Highway O = Other	G, F, H or O	%
Is the Information Technology Project in your IT Plan? ☐ No ☐ Yes = Project #		

Justification (Be Concise)

Preliminary Plans: Attach a schematic and location sketch when applicable on an 8-1/2" x 11" sheet.

Name: Title: Date: 02/23/2000

FORM 2

STATE OF NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROJECT REQUEST

FISCAL YEARS 2002-2003

	NAME
AGENCY	
ACTIVITY / DIVISION	

Priority #	Project Name	Funding Source				
		General	Federal	Highway	Other	Total
1						0
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10						0
11						0
12						0
13						0
14						0
15						0
	Totals - All Projects	0	0	0	0	0

Name: Title: Date: 02/23/2000

FORM 3

STATE OF NEW HAMPSHIRE

CAPITAL IMPROVEMENT PROJECT REQUEST

FISCAL YEARS 2002 THROUGH 2007

	NAME
AGENCY	
ACTIVITY / DIVISION	

Project Name	Project Require Code	Project Definition Code	Annual Oper. Budget Estimate	Capital Budget Request Fiscal Years 2002-03	2004-05	2006-07
Total			0	0	0	0

Name: Title: Date: 02/23/2000

Voting Sheets

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

EXECUTIVE SESSION on HB 1370

BILL TITLE: **relative to establishing a 6-year capital budget.**

DATE: January 24, 2002

LOB ROOM: 201

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: (OTP), OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Leber

Seconded by Rep. Graham

Vote: 14-2 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: NO

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Charles W. Morse, Clerk

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

EXECUTIVE SESSION on HB 1370

BILL TITLE: **relative to establishing a 6-year capital budget.**

DATE: 1-24-02

LOB ROOM: 201

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: (OTP), OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Leber

Seconded by Rep. Graham

Vote: 14-2 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: {Type VOTE}

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Charles W. Morse, Clerk

PUBLIC WORKS AND HIGHWAYS

Bill #: HB370 **Title:** _____

PH Date: ____/____/____ Exec Session Date: 1 / 24 / 02

Motion: OTP Amendment #: _____

MEMBER	YEAS	NAYS
Smith, Edwin O, Chairman	✓	
Calawa, Leon, V Chairman	✓	
Whittemore, James A		
Leber, William E	✓	
Morse, Charles W, Clerk	✓	
Gleason, John P	✓	
Guay, Lawrence J		
Moore, Beniamin E		
Graham, John A	✓	
Holland, James E	✓	
Rausch, James B	✓	
Rozek, Michael J		
Tahir, Saghir A	✓	
Edwards, Dana A		
Cloutier, John R	✓	
DeChane, Marlene M		✓
Daigle, Robert A	✓	
Daneault, Gabriel J	✓	
Bouchard, Candace C W	✓	
Shultis, Elizabeth C	✓	
Benn, Bernard L		✓
TOTAL VOTE:	14	2

Printed: 1/2/2002

Committee Report

COMMITTEE REPORT

COMMITTEE: **Public Works and Highways**

BILL NUMBER: **HB 1370**

TITLE: relative to establishing a 6-year capital budget.

DATE: January 24, 2002 CONSENT CALENDAR YES ☐ NO ☒

☒ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

The committee has been aware for years that the Capital Improvement Program could be improved with long term planning, and where possible, phased planning and construction over a few bienniums. This bill provides for this option. It also provides restraints as a percentage of bonding over the biennium, so each Legislature will have plenty of room for new capital appropriation each biennium and extended projects proceed. The percentage established has historically been used in recent years as a recommendation of the Treasurer. This is the first major step to manage the state capital improvement needs more efficiently.

Vote 14-2.

Rep. William E Leber
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Public Works and Highways

HB 1370, relative to establishing a 6-year capital budget. **OUGHT TO PASS**

Rep. William E Leber for Public Works and Highways: The committee has been aware for years that the Capital Improvement Program could be improved with long term planning, and where possible, phased planning and construction over a few bienniums. This bill provides for this option. It also provides restraints as a percentage of bonding over the biennium, so each Legislature will have plenty of room for new capital appropriation each biennium and extended projects proceed. The percentage established has historically been used in recent years as a recommendation of the Treasurer. This is the first major step to manage the state capital improvement needs more efficiently. **Vote 14-2.**