

Permanent Building Fund

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2020 Total App	FY 2020 Actual	FY 2021 Approp	FY 2022 Request	FY 2022 Gov Rec
BY FUND CATEGORY					
Dedicated	201,647,400	64,488,800	46,528,800	28,035,800	28,035,800
Percent Change:		(68.0%)	(27.8%)	(39.7%)	(39.7%)
BY OBJECT OF EXPENDITURE					
Operating Expenditures	1,904,800	0	0	0	0
Capital Outlay	199,742,600	64,488,800	46,528,800	28,035,800	28,035,800
Total:	201,647,400	64,488,800	46,528,800	28,035,800	28,035,800

Division Description

The Permanent Building Fund budget includes construction and maintenance costs for state buildings, including those at the college, universities, and community colleges, funded from the Permanent Building Fund. The process is under the direction of the Permanent Building Fund Advisory Council (PBFAC), which is appointed by, and serves at the pleasure of, the Governor. The council is composed of a member from the Senate, a member from the House of Representatives, a contractor, a banker, and a person from the business community. Throughout the year, the council reviews and approves all planning, design, and construction of state public works projects.

Seven statutory sources of revenue are dedicated to the Permanent Building Fund:

- 1) Every person and corporation required to file a tax return pays a tax of ten dollars (Section 63-3082, Idaho Code), which is credited to the Permanent Building Fund (Section 57-1110, Idaho Code).
- 2) Five million dollars per year is continuously appropriated and set aside from the Sales Tax Fund to the Permanent Building Fund (Section 63-3638, Idaho Code).
- 3) Five million dollars per year of cigarette tax revenue (Section 63-2520, Idaho Code).
- 4) Proceeds from the beer tax collected under Section 23-1008, Idaho Code. Beer is taxed at \$4.65 per barrel of 31 gallons, and a like rate for any other quantity or fraction thereof, is levied and imposed upon each and every barrel of beer sold for use within Idaho. Thirty-three percent (33%) of the proceeds are deposited to the Permanent Building Fund.
- 5) Three-eighths of state lottery earnings are distributed to the Permanent Building Fund (Section 67-7434, Idaho Code). The Lottery's net income has historically been split equally between the Permanent Building Fund and the School District Building Fund. In 2009, H275 provided that, beginning on July 1, 2009, so long as transfers to the Permanent Building Fund and the School District Building Fund reach FY 2008 levels or \$17,000,000 for each fund, transfers of net income to the Permanent Building Fund and School District Building Fund shall decrease to three-eighths each, and the remaining one-fourth of net lottery income shall transfer to the Bond Levy Equalization Fund. H478 of 2014 extended the sunset of the original legislation to July 1, 2019 (the legislation was originally set to expire September 30, 2014), and S1206 of 2017 made the distribution permanent.
- 6) Interest earnings are retained by the fund and invested by the State Treasurer (Section 57-1108, Idaho Code).
- 7) Interest earnings from the Budget Stabilization Fund are credited to the Permanent Building Fund (Section 57-814(1), Idaho Code).

Permanent Building Fund Agency Profile

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FY 2022 Permanent Building Fund (PBF) Comparison

FY 2022 REVENUE ESTIMATES:

FY 2022 Beginning Balance*	(\$3,916,600)
Income Tax Filing Fee (\$10 per filing)	\$8,080,100
Cigarette Tax (fixed amount)	\$5,000,000
Beer Tax (33% of net collections)	\$1,423,300
Sales Tax (fixed amount)	\$5,000,000
Lottery Dividends	\$21,000,000
Capitol Mall Rental Income (Parking and Space)	\$1,207,400
Chinden Campus Rents	\$7,356,900
Budget Stabilization Fund and Other Interest	\$2,503,200
Constitutional Officers' Capitol Mall Facilities Transfer	(\$1,737,500)
TOTAL FUNDS AVAILABLE FOR FY 2022	\$45,916,800

*Beginning balance is projected to be negative due to revenue from the State Lottery and interest earnings being lower than projected for FY 2021.

EXPENDITURES:

Dept of Administration Operating Budget:

	Request	Governor's Rec
Public Works Operating Budget	\$3,083,700	\$3,022,800
Management Service Program Costs	\$169,800	\$168,600
Bond Payments**	\$14,760,000	\$14,760,000
Sub-total Admin Operating Budget	\$18,013,500	\$17,951,400

**The appropriation for Bond Payments paid from the Permanent Building Fund is requested and recommended for \$14,760,000, but the actual estimated payments for FY 2022 are \$14,445,300, subject to fluctuation depending on overhead costs for the Idaho State Building Authority.

Alteration, Maintenance, and Repair Projects & Capital Projects:

Statewide Alteration and Repair	\$14,218,800	\$14,218,800
Asbestos Abatement	\$500,000	\$500,000
ADA Compliance	\$1,300,000	\$1,300,000
Capitol Mall Maintenance	\$1,207,400	\$1,207,400
Chinden Campus Maintenance	\$1,380,000	\$1,380,000
ISP Facilities - Idaho Falls	\$800,000	\$800,000
IDJC Facility - St. Anthony	\$3,200,000	\$3,200,000
Military Readiness Center - Twin Falls	\$5,429,600	\$5,429,600
Sub-total Funding Requests	\$28,035,800	\$28,035,800

ESTIMATED ENDING BALANCE	(132,500)	(70,400)
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Statewide Alteration and Repair Projects and Capital Projects are reviewed and approved by the Permanent Building Fund Advisory Council (PBFAC). The table below includes the amounts requested by agencies statewide and the amounts recommended by the PBFAC for FY 2022.

	Agency Requests	PBFAC Recommended
Alteration and Repair Projects	\$102,442,200	\$14,218,800
Capital Projects	\$191,541,800	\$9,429,600

Permanent Building Fund

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2021 Original Appropriation	0.00	0	46,528,800	0.00	0	46,528,800
Reappropriation	0.00	0	128,358,600	0.00	0	128,358,600
5. Building Idaho's Future	0.00	0	0	0.00	73,517,500	147,035,000
6. Building Idaho's Future	0.00	0	0	0.00	22,700,000	45,400,000
Cash Transfers & Adjustments	0.00	0	0	0.00	(96,217,500)	(96,217,500)
FY 2021 Total Appropriation	0.00	0	174,887,400	0.00	0	271,104,900
Removal of Onetime Expenditures	0.00	0	(174,887,400)	0.00	0	(271,104,900)
FY 2022 Base	0.00	0	0	0.00	0	0
Replacement Items	0.00	0	18,606,200	0.00	0	18,606,200
FY 2022 Program Maintenance	0.00	0	18,606,200	0.00	0	18,606,200
1. ISP Facility - Idaho Falls	0.00	0	800,000	0.00	0	800,000
2. IDJC Facility - St. Anthony	0.00	0	3,200,000	0.00	0	3,200,000
3. Military Readiness Center - Twin Falls	0.00	0	5,429,600	0.00	0	5,429,600
FY 2022 Total	0.00	0	28,035,800	0.00	0	28,035,800
Change from Original Appropriation	0.00	0	(18,493,000)	0.00	0	(18,493,000)
% Change from Original Appropriation			(39.7%)			(39.7%)

Permanent Building Fund

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2021 Original Appropriation					
The Legislature funded \$36,924,800 in FY 2021 for the following: \$33,817,400 for statewide building alteration and repair projects; \$1,300,000 for Americans with Disabilities Act (ADA) projects; \$500,000 for asbestos abatement; and \$1,307,400 for Capitol Mall facilities maintenance.					
Additionally, the Legislature included \$9,604,000 for five capital construction projects: (1) \$2,500,000 for the Lewis-Clark State College CTE Building; (2) \$2,289,000 for Phase II of the College of Southern Idaho's Canyon Building; (3) \$3,330,000 for a gym/CTE building at the Juvenile Corrections Center in Nampa (JCCN); (4) \$315,000 for the Blackfoot Communications site tower; and (5) \$1,170,000 for the Veterans Cemetery in Blackfoot.					
	0.00	0	46,528,800	0	46,528,800

Reappropriation

Pursuant to Section 57-1105, Idaho Code, the council was authorized to reappropriate or carryover its unencumbered and unspent appropriation from FY 2020 into FY 2021. Carryover is removed as a onetime expenditure before calculating the FY 2022 Base.

Agency Request	0.00	0	128,358,600	0	128,358,600
Governor's Recommendation	0.00	0	128,358,600	0	128,358,600

5. Building Idaho's Future

Agency Request	0.00	0	0	0	0
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Recommended is a onetime General Fund transfer to the Permanent Building Fund and onetime dedicated fund appropriation as part of Governor Little's Building Idaho's Future plan which seeks to further our state's economic rebound and create a long-lasting benefit to all Idahoans.

Projects funded from the Permanent Building Fund include: \$30,000,000 for critical improvements and economic stimulus projects identified by the Legislature that have a statewide benefit and contribute to building Idaho's future; \$6,400,000 to replace the Bitterroot and Targhee Cottages at the Juvenile Corrections Center-St. Anthony for the Department of Juvenile Corrections; \$13,000,000 to replace the east dorm at the South Idaho Correctional Institution for the Department of Correction; \$10,000,000 to develop supportive housing for Connection and Intervention Station clients at the Department of Correction; \$7,417,500 to replace the dorms at the Youth Challenge academy for the Military Division; \$3,000,000 for the University of Idaho Parma agricultural research campus; and \$3,000,000 to the College of Eastern Idaho's Future Tech facility to expand the college's ability to provide hands-on career technical education to train 1,000 students per year working toward completing two-year degrees; and \$700,000 for two University of Idaho greenhouses to increase seedling production. The Governor also recommends reappropriation authority for any unencumbered and unexpended balance from this FY 2021 supplemental appropriation recommendation.

LSO Analyst Note: The two cottages recommended for replacement at the Juvenile Corrections Center-St. Anthony are in addition to a third cottage that is recommended for replacement in line item 2, below.

Governor's Recommendation	0.00	73,517,500	73,517,500	0	147,035,000
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6. Building Idaho's Future

Agency Request	0.00	0	0	0	0
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Recommended is a onetime General Fund transfer to the Permanent Building Fund and onetime dedicated fund appropriation as part of Governor Little's Building Idaho's Future plan which seeks to further our state's economic rebound and create a long-lasting benefit to all Idahoans. Funding will be used for miscellaneous alteration and repair projects throughout the state. The Governor also recommends reappropriation authority for the above designated project(s) and any unencumbered and unexpended balance from this FY 2021 supplemental appropriation.

Governor's Recommendation	0.00	22,700,000	22,700,000	0	45,400,000
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Building Idaho's Future Governor's Recommended Capital Projects from the Permanent Building Fund

Beneficiary Agency	Amount	Description
N/A	\$30,000,000	Critical improvements and economic stimulus projects identified by the Legislature that have a statewide benefit
Dept. of Juvenile Corrections	\$6,400,000	Replace the Bitterroot and Targhee Cottages at the Juvenile Corrections Center-St. Anthony
Dept. of Correction	\$13,000,000	Replace the east dorm at the South Idaho Correctional Institution
Dept. of Correction	\$10,000,000	Develop supportive housing for Connection and Intervention Station clients of the Department of Correction
Military Division	\$7,417,500	Replace the dorms at the Youth Challenge academy
University of Idaho	\$3,000,000	Improvements at the University of Idaho Parma agricultural research campus
College of Eastern Idaho	\$3,000,000	Design and build Future Tech facility at the College of Eastern Idaho
University of Idaho	\$700,000	Build two University of Idaho greenhouses to increase seedling production
Total Capital Projects	\$73,517,500	

Total Alterations & Repairs	\$22,700,000	Miscellaneous alteration and repair projects throughout the state
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Total Governor's Recommendation from the Permanent Building Fund	\$96,217,500
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NOTE: All appropriations on this list would be funded by a General Fund transfer to the Permanent Building Fund. The funds would remain in the Permanent Building Fund and the projects would be managed by the Division of Public Works in the Department of Administration. These appropriations would not appear in the beneficiary agency budgets - beneficiary agencies are listed for reference only. This is consistent with how appropriations are made from the Permanent Building Fund.

Permanent Building Fund

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Cash Transfers & Adjustments

Agency Request	0.00	0	0	0	0
<i>This adjustment reflects the cash transfer from the General Fund to the Permanent Building Fund for the two supplemental appropriations, above.</i>					
Governor's Recommendation	0.00	(96,217,500)	0	0	(96,217,500)

FY 2021 Total Appropriation					
Agency Request	0.00	0	174,887,400	0	174,887,400
Governor's Recommendation	0.00	0	271,104,900	0	271,104,900

Removal of Onetime Expenditures

This action removes the FY 2021 original appropriation and reappropriation to set the FY 2022 Base at zero.

Agency Request	0.00	0	(174,887,400)	0	(174,887,400)
<i>This action also removes amounts recommended by the Governor for the Building Idaho's Future initiative.</i>					
Governor's Recommendation	0.00	0	(271,104,900)	0	(271,104,900)

FY 2022 Base					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

Replacement Items

The Permanent Building Fund Advisory Council requests the following onetime amounts from the Permanent Building Fund: \$14,218,800 for statewide building alteration and repair projects; \$1,300,000 for Americans with Disabilities Act (ADA) projects; \$500,000 for asbestos abatement; \$1,380,000 for Chinden facilities maintenance; and \$1,207,400 for Capitol Mall facilities maintenance.

Agency Request	0.00	0	18,606,200	0	18,606,200
Governor's Recommendation	0.00	0	18,606,200	0	18,606,200

FY 2022 Program Maintenance					
Agency Request	0.00	0	18,606,200	0	18,606,200
Governor's Recommendation	0.00	0	18,606,200	0	18,606,200

1. ISP Facility - Idaho Falls

The Permanent Building Fund Advisory Council requests \$800,000 from the Permanent Building Fund to design a new facility for the Idaho State Police (ISP) in Idaho Falls. ISP estimates the construction will cost roughly \$8,000,000, but at this time the council is requesting funding for the design and production of construction documents and anticipates a request for the full construction costs for FY 2023. The building will house patrol, investigations, alcohol and beverage control, commercial vehicle safety, and support staff. It will consist of a 20,000 square foot main building with an additional 3,000 square foot auto bay. ISP currently leases two spaces in Idaho Falls and this building would enable the consolidation of operations and expand capacity for evidence storage, which has been exceeded in the current space. ISP has consolidated all five of its other district facilities into single locations resulting in costs savings on rent, cleaning and maintenance contracts, and creating more efficient workspaces.

Agency Request	0.00	0	800,000	0	800,000
Governor's Recommendation	0.00	0	800,000	0	800,000

2. IDJC Facility - St. Anthony

The Permanent Building Fund Advisory Council requests \$3,200,000 from the Permanent Building Fund to replace a 24-bed dormitory style cottage with a 24-bed single room style cottage on the campus of the Juvenile Corrections Center in St. Anthony. The current cottage configuration does not allow for specialized populations. Increasing the number of specialized beds will decrease the use of more expensive contract provider beds. The Department of Juvenile Corrections anticipates reducing contract provider expenditures by \$730,000 annually once the new facility is completed.

Agency Request	0.00	0	3,200,000	0	3,200,000
Governor's Recommendation	0.00	0	3,200,000	0	3,200,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Military Readiness Center - Twin Falls

The Permanent Building Fund Advisory Council requests \$5,429,600 from the Permanent Building Fund to construct a new regional readiness center in Jerome County approximately 2.5 miles north of Twin Falls and 7.5 miles east of Jerome. The total cost of the project is \$21,718,400, of which federal funding will provide \$16,288,800 and the Permanent Building Fund will provide the state's 25% federally required match. The facility will be approximately 55,290 square feet, constructed to LEED Silver Certification, and designed for a 50-year useful life. The Division of Public Works will partner with Major Military Construction on the design and construction.

In FY 2020, the Legislature appropriated \$1,200,000 from the Permanent Building Fund to install electric, gas, data, water, and sewer utilities at the future readiness center site. At that time, the Idaho National Guard had been approved for a readiness center project for 2022, and federal military construction projects require utilities to be located in the site vicinity prior to construction.

Agency Request	0.00	0	5,429,600	0	5,429,600
Governor's Recommendation	0.00	0	5,429,600	0	5,429,600

FY 2022 Total					
Agency Request	0.00	0	28,035,800	0	28,035,800
Governor's Recommendation	0.00	0	28,035,800	0	28,035,800

Agency Request					
Change from Original App	0.00	0	(18,493,000)	0	(18,493,000)
% Change from Original App			(39.7%)		(39.7%)
Governor's Recommendation					
Change from Original App	0.00	0	(18,493,000)	0	(18,493,000)
% Change from Original App			(39.7%)		(39.7%)