

## Study Resolution

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### State Capital Assets

Authorized by the Commission on November 7, 2024

WHEREAS, the Appropriation Act includes funding each biennium from a combination of general funds, non-general funds, and bond proceeds to maintain the state's existing capital assets and to plan and construct new assets (\$2.7 billion was provided for the FY24-26 biennium); and

WHEREAS, the Department of General Services (DGS) tracks the condition of the state's facilities using the M-R FIX system, and DGS received \$500,000 in FY25 to assess ways to improve the M-R FIX system; and

WHEREAS, the State Council for Education in Virginia maintains data on the utilization of higher education facilities; and

WHEREAS, funding for new capital projects is generally provided through a pool process in the Appropriation Act, and general funds for the maintenance of existing facilities are allocated using the M-R FIX system; and

WHEREAS, the Six-Year Capital Outlay Plan Advisory Committee produces a six-year capital outlay plan for state agencies and higher education institutions and monitors the funding for projects in the capital pools; and

WHEREAS, the General Assembly should have a broad understanding of the state's capital needs, both for maintenance and new capital assets, when deciding how to prioritize and provide capital funding; and

WHEREAS, state agencies and higher education institutions reportedly vary in their success at completing capital projects in a timely fashion; now, therefore, be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review the state's approach to planning, maintaining, and funding capital assets at its state agencies and higher education institutions. In conducting its study staff shall (i) determine the availability and usability of information on the condition and utilization of the state's capital assets; (ii) evaluate the process for identifying, prioritizing, planning for, and funding the maintenance of the state's existing capital assets, and identify whether the process could be improved; (iii) evaluate the process for identifying, prioritizing, planning for, and funding new capital assets, and identify whether the process could be improved; (iv) review the roles of the Six-Year Capital Outlay Plan Advisory Committee, the Department of General Services, the State Council for Higher Education in Virginia, and other key stakeholders in the state's capital outlay process; and (v) assess the reasons for why some capital projects are not completed in a timely manner, and determine how the timely and successful completion of capital projects can be improved.

JLARC may make recommendations as necessary and may review other issues as warranted.

All agencies of the Commonwealth, including the Department of General Services, State Council for Higher Education in Virginia, the Department of Planning and Budget, and Department of Treasury shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.