

2015 DRAFTING REQUEST

Bill

Received: **1/3/2015** Received By: **chanaman**
Wanted: **As time permits** Same as LRB:
For: **Administration-Budget** By/Representing: **Bong**
May Contact: Drafter: **chanaman**
Subject: **State Govt - state bldg proj** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to: **sbostatlanguage@webapps.wi.gov**

Pre Topic:

DOA:.....Bong, BB0358 -

Topic:

Program thresholds for state building program

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	chanaman 1/3/2015	kfollett 1/9/2015	jmurphy 1/12/2015	_____			
/P1	chanaman 1/22/2015	kfollett 1/23/2015	jmurphy 1/23/2015	_____	mbarman 1/12/2015		State
/P2	chanaman 1/28/2015	kfollett 1/28/2015	jmurphy 1/28/2015	_____	sbasford 1/23/2015		State
/P3				_____	sbasford		State

Vers. Drafted

Reviewed

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/P1	chanaman 1/22/2015	kfollett 1/23/2015	jmurphy 1/23/2015	_____	mbarman 1/12/2015		State
/P2		<i>1/28</i>	<i>1/28</i>	<i>1/28</i>	sbasford 1/23/2015		State

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/?	chanaman	1/11/15 1/9/15	Jm 4/9	Jm 1/9			
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FE Sent For:

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Hanaman, Cathlene

From: CathleneH <cathleneh@gmail.com>
Sent: Tuesday, December 23, 2014 3:43 PM
To: Champagne, Rick; Hanaman, Cathlene
Subject: Fwd: Statutory Language Drafting Request - BB0358
Attachments: State Building Program Thresholds.pdf

I'll take this one

Sent from my iPhone

Begin forwarded message:

From: <SashaE.Bong@wisconsin.gov>
Date: December 23, 2014 at 3:20:07 PM AST
To: <Cathlene.Hanaman@legis.wisconsin.gov>
Cc: <Jennifer.Kraus@wisconsin.gov>, <SashaE.Bong@wisconsin.gov>, <Christopher.Connor@wisconsin.gov>
Subject: Statutory Language Drafting Request - BB0358

Biennial Budget: 2015-17

Topic: State Building Program Thresholds

Tracking Code: BB0358

SBO Team: GGCF

SBO Analyst: Bong, Sasha - DOA
Phone: (608) 266-5468
E-mail: SashaE.Bong@wisconsin.gov

Agency Acronym: DOA

Agency Number: 505

Priority: High

Intent:

Increase the threshold under s. 13.48(10) from \$185,000 to \$760,000. Modify the threshold under s. 16.87 for the Governor's signature on construction and architectural/engineering contracts and change orders so that the Governor's signature is required on contracts and change orders above \$150,000. Increase the enumeration threshold under ss. 13.48(3) and 20.924 to \$3,000,000.

Attachments: True

Please send completed drafts to SBOSatlanguage@webapps.wi.gov





State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-1081/2
CMH:.....

*Ed's
Added #
to request sheet*

AP1

DOA:.....Bong - Program thresholds for state building program

FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION

1/12

Don 4 Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, the building commission may authorize money from the state building trust fund to be available for a project costing \$760,000 or less and the building commission may authorize the design and construction of any building, the acquisition of land, or the repair or improvement of any building, structure or facility that costs more than \$760,000 only if the project is enumerated in the state building program. This bill increases each of those thresholds to \$3,000,000. Also current law generally prohibits the state from entering into a contract for the construction or addition to any building in connection with a building project involving a cost that exceeds \$185,000 without approval by the building commission. This bill increases that threshold to \$760,000. Under current law, a contract to perform for the state any engineering services, architectural services, construction work, or limited trades work that involves an expenditure over \$60,000 must be approved by the governor. This bill increases that threshold to \$150,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.48 (3) of the statutes is amended to read:

2 13.48 (3) STATE BUILDING TRUST FUND. In the interest of the continuity of the
3 program, the moneys appropriated to the state building trust fund under s. 20.867
4 (2) (f) shall be retained as a nonlapsing building depreciation reserve. Such moneys
5 shall be deposited into the state building trust fund. At such times as the building
6 commission directs, or in emergency situations under s. 16.855 (16) (b), the governor
7 shall authorize releases from this fund to become available for projects and shall
8 direct the department of administration to allocate from this fund such amounts as
9 are approved for these projects. In issuing such directions, the building commission
10 shall consider the cash balance in the state building trust fund, the necessity and
11 urgency of the proposed improvement, employment conditions and availability of
12 materials in the locality in which the improvement is to be made. The building
13 commission may authorize any project costing \$760,000 \$3,000,000 or less in
14 accordance with priorities to be established by the building commission and may
15 adjust the priorities by deleting, substituting or adding new projects as needed to
16 reflect changing program needs and unforeseen circumstances. The building
17 commission may enter into contracts for the construction of buildings for any state
18 agency, except a project authorized under sub. (10) (c), and shall be responsible for
19 accounting for all funds released to projects. The building commission may designate
20 the department of administration or the agency for which the project is constructed
21 to act as its representative in such accounting.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

22 **SECTION 2.** 13.48 (10) (a) of the statutes is amended to read:

1 13.48 (10) (a) Except as provided in par. (c), no state board, agency, officer,
2 department, commission, or body corporate may enter into a contract for the
3 construction, reconstruction, remodeling of, or addition to any building, structure,
4 or facility, in connection with any building project which involves a cost in excess of
5 \$185,000 \$760,000 without completion of final plans and arrangement for
6 supervision of construction and prior approval by the building commission. This
7 section applies to the department of transportation only in respect to buildings,
8 structures, and facilities to be used for administrative or operating functions,
9 including buildings, land, and equipment to be used for the motor vehicle emission
10 inspection and maintenance program under s. 110.20.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

11 **SECTION 3.** 13.48 (10) (b) (intro.) of the statutes is amended to read:

12 13.48 (10) (b) (intro.) ~~This subsection Paragraph (a)~~ does not apply to any of
13 the following:

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

14 **SECTION 4.** 13.48 (10) (b) 5. of the statutes is repealed.

****NOTE: Please review this-- another option is to change the threshold.

15 **SECTION 5.** 13.48 (10) (c) of the statutes is amended to read:

16 13.48 (10) (c) Paragraph (a) does not apply to any contract for a building project
17 involving a cost of less than \$500,000 to be constructed for the University of
18 Wisconsin System that is funded entirely from the proceeds of gifts and grants made
19 to the system.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

****NOTE: This will need to be amended or repealed. This treatment is just a placeholder.

1 **SECTION 6.** 16.87 (3) of the statutes is amended to read:

2 16.87 (3) Except as provided in sub. (4), a contract under sub. (2) is not valid
3 or effectual for any purpose until it is endorsed in writing and approved by the
4 secretary or the secretary's designated assistant and, if the contract involves an
5 expenditure over ~~\$60,000~~ \$150,000, approved by the governor. The governor may
6 delegate the authority to approve any contract requiring his or her approval under
7 this subsection ~~that involves an expenditure of less than \$150,000~~ to the secretary
8 or the secretary's designee. Except as provided in sub. (4), no payment or
9 compensation for work done under any contract involving \$2,500 or more, except a
10 highway contract, may be made unless the written claim is audited and approved by
11 the secretary or the secretary's designee. Any change order to a contract requiring
12 approval under this subsection requires the prior approval by the secretary or the
13 secretary's designated assistant and, if the change order involves an expenditure
14 over ~~\$60,000~~ \$150,000, the approval of the governor or, if the governor delegates his
15 or her authority to approve contracts under this subsection ~~and the change order~~
16 ~~involves an expenditure of less than \$150,000~~, the approval of the secretary or the
17 secretary's designee.

History: 1973 c. 90; 1975 c. 39, 199; 1977 c. 418; 1979 c. 221 ss. 68, 81, 82; 1983 a. 27; 1983 a. 390 s. 6; 1985 a. 29 s. 3202 (1); 1989 a. 31; 1991 a. 39; 1995 a. 227; 1999 a. 197; 2001 a. 16; 2005 a. 391; 2009 a. 299; 2011 a. 32; 2011 a. 260 s. 80; 2013 a. 192.

***NOTE: Please review this. Do you want a different amount for delegating the authority?

18 **SECTION 7.** 20.924 (1) (a) of the statutes is amended to read:

19 20.924 (1) (a) Shall authorize the design and construction of any building,
20 structure or facility costing in excess of ~~\$760,000~~ \$3,000,000 regardless of funding
21 source, only if that project is enumerated in the authorized state building program.

History: 1971 c. 125; 1973 c. 90; 1979 c. 34 s. 2102 (6) (a), (23) (a); 1983 a. 27 s. 2202 (23); 1985 a. 29 s. 3202 (26) (a); 1991 a. 269; 1993 a. 16; 1997 a. 5, 27; 1999 a. 9, 197; 2001 a. 16, 109; 2003 a. 326; 2005 a. 141, 391; 2011 a. 32.

22 **SECTION 8.** 20.924 (1) (b) of the statutes is amended to read:

1 20.924 (1) (b) Shall authorize the acquisition of land, or the repair, remodeling
2 or improvement to any existing building, structure or facility costing in excess of
3 \$760,000 \$3,000,000, regardless of funding source, only if that project is enumerated
4 in the authorized state building program. This paragraph does not apply to the
5 acquisition of land by the building commission in the city of Madison within a block
6 number specified in s. 13.48 (18). This paragraph does not apply to projects
7 authorized under s. 16.858.

NOTE: NOTE: Par. (b) is amended by 1997 Wis. Acts 5 and 27 and 2011 Wis. Act 32, eff. 7-1-02 or upon completion of acquisition of property sufficient for the construction of a facility to meet the space needs of the state law library, the legislative reference bureau library and legislative and judicial branch agencies and support staffs, to read: NOTE:

(b) Shall authorize the acquisition of land, or the repair, remodeling or improvement to any existing building, structure or facility costing in excess of \$760,000, regardless of funding source, only if that project is enumerated in the authorized state building program. This paragraph does not apply to projects authorized under s. 16.858.

History: 1971 c. 125; 1973 c. 90; 1979 c. 34 s. 2102 (6) (a), (23) (a); 1983 a. 27 s. 2202 (23); 1985 a. 29 s. 3202 (26) (a); 1991 a. 269; 1993 a. 16; 1997 a. 5, 27; 1999 a. 9, 197; 2001 a. 16, 109; 2003 a. 326; 2005 a. 141, 391; 2011 a. 32.

SECTION 9301. Initial applicability; Administration.

(1) STATE BUILDING PROGRAM THRESHOLDS.

(a) The treatment of sections 13.48 (3) and 20.924 (1) (a) and (b) of the statutes first applies to authorizations occurring on the effective date of this paragraph.

(b) The treatment of sections 13.48 (10) (a), (b) (intro.) and 5., and (c) and 16.87 (3) of the statutes first applies to contracts entered into, or extended, modified, or renewed, on the effective date of this paragraph.

(END)

Hanaman, Cathlene

From: Bong, Sasha E - DOA <SashaE.Bong@wisconsin.gov>
Sent: Monday, January 19, 2015 8:56 PM
To: Hanaman, Cathlene
Subject: State building program drafts

Hi Cathlene,

I think we may avoid a buzzword this budget, but nonetheless, I have some changes for you on LRB-1081 (State building program thresholds):

- Under Section 4, s. 13.48(10)(b)5. should be changed from \$250,000 to \$760,000, not repealed.
- For the purposes of this draft, s. 13.48(10)(c) should be changed from \$500,000 to \$760,000. I realize that doesn't make it any less of a placeholder, but just in case.
- I have lots of notes for Section 6, so please bear with me:
 - The end of line 19 to line 21 on page 3 should be modified to the following (changes are underlined) - "endorsed in writing and approved by the Governor, if the contract involves an expenditure over \$500,000."
 - Similarly, Line 23 on page 2 should be modified to "this subsection that involves an expenditure of of less than \$500,000 to the secretary."
 - On Page 4, I have changes for lines 5-10 to be as follows - "approval under this subsection requires the prior approval by the Governor, if the change order exceeds an expenditure over \$500,000. The Governor may delegate his or her authority to approve change orders under this subsection if the change order exceeds an expenditure less than \$500,000, to the secretary or the secretary's designee."
- DFD pointed out a few other references that should have thresholds changed:
 - The threshold under s. 16.855(23) should be increased to \$760,000.
 - There are ties between ss. 13.48(29) and 16.855(22) - the former is the small projects threshold and the latter is for single prime. The intent is for the small project threshold to be increased to \$760,000, but maintain the single prime threshold. My understanding is that both reference s. 13.48(10a)[which is changed in this draft anyway], so the single prime threshold under 16.855(22) may need to be separated out.
 - The thresholds under ss. 13.48(6) and (7) should be increased from \$250,000 to \$760,000.

Ok, that should be all of them - let me know if you have any questions (especially on the lines I tried to copy over - I can provide clearer detail if necessary.

Thanks!

16.855 DEPARTMENT OF ADMINISTRATION

(21) This section does not apply to contracts by the department of natural resources for construction work related to hazardous substance spill response under s. 292.11 or environmental repair under s. 292.31.

Exceed \$185,000

(22) The provisions of this section, except sub. (10m), do not apply to construction work for any project that does not require the prior approval of the building commission under s. 13.48 (10), (a) if the project is constructed in accordance with policies and procedures prescribed by the building commission under s. 13.48 (29). If the estimated construction cost of any project, other than a project constructed by or for the University of Wisconsin System that is exempted under sub. (23), is at least \$50,000, and the building commission elects to utilize the procedures prescribed under s. 13.48 (29) to construct the project, the department shall provide adequate public notice of the project and the procedures to be utilized to construct the project on a publicly accessible computer site.

(23) This section does not apply to construction work for any project constructed by or for the University of Wisconsin System involving a cost of less than \$500,000 that is funded entirely with the proceeds of gifts and grants made to the system.

History: 1971 c. 125; 1973 c. 47; 1975 c. 39, 199, 390; 1977 c. 418; 1979 c. 34; 1981 c. 20; 1983 a. 27 ss. 104g to 105, 2202 (1); 1983 a. 390 s. 6; 1985 a. 29; 1985 a. 332 s. 251 (1); 1987 a. 27, 292; 1989 a. 31; 1991 a. 39, 316; 1995 a. 27 ss. 400p, 9126 (19); 1995 a. 227; 1997 a. 27, 306; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 103; 2003 a. 33, 157; 2005 a. 141, 391; 2007 a. 20 s. 9121 (6) (a); 2009 a. 299; 2011 a. 32; 2011 a. 260 s. 80; 2013 a. 20, 192.

Cross-reference: See also chs. Adm 21 and 24, Wis. adm. code.

Under subs. (2) (a) 2. and (14), 1979 stats., the department has authority to create a division of work not limited to traditional trade practices, which may include work divisions other than the four enumerated in the statute if the new division involves a specialized area of construction, e.g., elevator work that is commonly designated a division, although it involves the electrical trade. Breiby v. Dept. of Administration, 55 Wis. 2d 16, 197 N.W.2d 737 (1972).

The preference for Wisconsin businesses under ss. 16.75 (1) (a) and 16.855 (1) operates only in case of a tie bid. 74 Atty. Gen. 47.

16.858 Energy conservation audits and construction projects.

(1) The department may contract with a qualified contractor for an energy conservation audit to be performed at any state-owned building, structure or facility. Under the contract, the contractor shall prepare a report containing a description of the physical modifications to be performed to the building, structure or facility that are required to effect specific future energy savings within a specified period and a determination of the minimum savings in energy usage that will be realized by the state from making these modifications within that period. After review of the audit report and subject to approval under s. 13.48 (10), where required, the department may contract with the contractor for construction work to be performed at the building, structure or facility for the purpose of realizing potential savings of future energy costs identified in the audit if, in the judgment of the department, the anticipated savings to the state after completion of the work will enable recovery of the costs of the work within a reasonable period of time.

(2) (a) A contract under sub. (1) may provide for the construction work to be financed by the state or by the contractor. The contract shall provide for the state to pay a stated amount, which shall include any financing costs incurred by the contractor. The stated amount may not exceed the minimum savings determined under the audit to be realized by the state within the period specified in the audit. The state shall make payments under the contract as the savings identified in the audit are realized by the state, in the amounts actually realized, but not to exceed the lesser of the stated amount or the actual amount of the savings realized by the state within the period specified in the audit. If the department provides financing for construction work, the department may finance any portion of the cost of the work under a master lease entered into as provided under s. 16.76 (4). If the department provides financing for the construction work and the stated amount to be paid by the state under the contract is greater than the amount of the savings realized by the state within the period specified in the audit under sub. (1), the contract shall require the contractor to remit the difference to the department.

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finance plan submitted to it by the department of natural resources and the department of administration under s. 281.59 (3) (bm) and the recommendations of the joint committee on finance and the standing committees to which the versions of the biennial finance plan and any amendments were submitted under s. 281.59 (3) (bm). The building commission shall consider the extent to which that version of the biennial finance plan that is updated to reflect the adopted biennial budget act will maintain the funding for the clean water fund program and the safe drinking water loan program, in the environmental improvement fund, in perpetuity. The building commission shall consider the extent to which the implementation of the clean water fund program, the safe drinking water loan program and the land recycling loan program, as set forth in the biennial finance plan updated to reflect the adopted biennial budget act, implements legislative intent on the clean water fund program, the safe drinking water loan program and the land recycling loan program. The building commission shall, no later than 60 days after the date of enactment of the biennial budget act, either approve or disapprove the biennial finance plan that is updated to reflect the adopted biennial budget act, except that the building commission may not disapprove those amounts that the legislature approves under s. 281.59 (3e) (a), (3m) (a) and (3s) (a). If the building commission disapproves the version of the biennial finance plan that is updated to reflect the adopted biennial budget act, it must notify the department of natural resources and the department of administration of its reasons for disapproving the plan, and those departments must revise that version of the biennial finance plan and submit the revision to the building commission.

(27) LEASE OF CORRECTIONAL FACILITIES. Subject to the requirements of s. 20.924 (1) (i), the building commission may lease any facility for use of the department of corrections as a part of the authorized state building program, with an option to purchase the facility by the state. Any lease shall provide for the facility to be constructed in accordance with requirements and specifications approved by the department of administration and shall permit inspection of the site and facility by agents of the department.

(28) STATE PROPERTY LEASED TO THE UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY. The building commission may not authorize public debt to construct or improve any on-campus facilities, as defined under s. 233.01 (7), if the building commission believes, at the time that the public debt is authorized, that the facilities are or will be leased to the University of Wisconsin Hospitals and Clinics Authority.

(29) SMALL PROJECTS. Except as otherwise required under s. 16.855 (10m), the building commission may prescribe simplified policies and procedures to be used in lieu of the procedures provided in s. 16.855 for any project that does not require prior approval of the building commission under sub. (16) (a), except projects specified in sub. (10) (c).

(31) DEBT INCREASE FOR CONSTRUCTION OF A BIOMEDICAL RESEARCH AND TECHNOLOGY INCUBATOR AT THE MEDICAL COLLEGE OF WISCONSIN, INC. (a) The legislature finds and determines that it is in the public interest to promote the public health and welfare and to provide for economic development in this state by ensuring a fundamental and expanding capacity to conduct biomedical research and to create new technologies; by training students in the substance and methodology of biomedical research; and by providing scientific support to individuals and organizations in this state who are engaged in biomedical research and technological innovation. It is therefore the public policy of this state to assist the Medical College of Wisconsin, Inc., in the construction of and installation of equipment at facilities that will be used for biomedical research and the creation of new technologies.

(b) On or after July 1, 2003, the building commission may authorize up to \$35,000,000 of general fund supported borrowing to aid in the construction of and installation of equipment at a biomedical research and technology incubator at the Medical Col-

13.48(29)

not exceed \$185,000

Simplified policies and procedures (if needs a subtitle)



p2

DOA:.....Bong, BB0358 – Program thresholds for state building program

FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION

Today
1/23

- done 8/21

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, the building commission may authorize money from the state building trust fund to be available for a project costing \$760,000 or less and the building commission may authorize the design and construction of any building, the acquisition of land, or the repair or improvement of any building, structure, or facility that costs more than \$760,000 only if the project is enumerated in the state building program. This bill increases each of those thresholds to \$3,000,000. Also, current law generally prohibits the state from entering into a contract for the construction of or addition to any building in connection with a building project involving a cost that exceeds \$185,000 without approval by the building commission. This bill increases that threshold to \$760,000. Under current law, a contract to perform for the state any engineering services, architectural services, construction work, or limited trades work that involves an expenditure over \$60,000 must be approved by the governor. This bill increases that threshold to \$150,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.48 (3) of the statutes is amended to read:

2 **13.48 (3) STATE BUILDING TRUST FUND.** In the interest of the continuity of the
3 program, the moneys appropriated to the state building trust fund under s. 20.867
4 (2) (f) shall be retained as a nonlapsing building depreciation reserve. Such moneys
5 shall be deposited into the state building trust fund. At such times as the building
6 commission directs, or in emergency situations under s. 16.855 (16) (b), the governor
7 shall authorize releases from this fund to become available for projects and shall
8 direct the department of administration to allocate from this fund such amounts as
9 are approved for these projects. In issuing such directions, the building commission
10 shall consider the cash balance in the state building trust fund, the necessity and
11 urgency of the proposed improvement, employment conditions and availability of
12 materials in the locality in which the improvement is to be made. The building
13 commission may authorize any project costing ~~\$760,000~~ \$3,000,000 or less in
14 accordance with priorities to be established by the building commission and may
15 adjust the priorities by deleting, substituting or adding new projects as needed to
16 reflect changing program needs and unforeseen circumstances. The building
17 commission may enter into contracts for the construction of buildings for any state
18 agency, except a project authorized under sub. (10) (c), and shall be responsible for
19 accounting for all funds released to projects. The building commission may designate
20 the department of administration or the agency for which the project is constructed
21 to act as its representative in such accounting.

22 **SECTION 2.** 13.48 (10) (a) of the statutes is amended to read:

23 **13.48 (10) (a)** Except as provided in par. (c), no state board, agency, officer,
24 department, commission, or body corporate may enter into a contract for the
25 construction, reconstruction, remodeling of, or addition to any building, structure,

1 or facility, in connection with any building project which involves a cost in excess of
2 ~~\$185,000~~ \$760,000 without completion of final plans and arrangement for
3 supervision of construction and prior approval by the building commission. This
4 section applies to the department of transportation only in respect to buildings,
5 structures, and facilities to be used for administrative or operating functions,
6 including buildings, land, and equipment to be used for the motor vehicle emission
7 inspection and maintenance program under s. 110.20.

8 **SECTION 3.** 13.48 (10) (b) (intro.) of the statutes is amended to read:

9 13.48 (10) (b) (intro.) ~~This subsection~~ Paragraph (a) does not apply to any of
10 the following:

11 **SECTION 4.** 13.48 (10) (b) 5. of the statutes is repealed.

***NOTE: Please review this-- another option is to change the threshold.

12 **SECTION 5.** 13.48 (10) (c) of the statutes is amended to read:

13 13.48 (10) (c) Paragraph (a) does not apply to any contract for a building project
14 ~~involving a cost of less than \$500,000~~ to be constructed for the University of
15 Wisconsin System that is funded entirely from the proceeds of gifts and grants made
16 to the system.

***NOTE: This will need to be amended or repealed. This treatment is just a
placeholder.

17 **SECTION 6.** 16.87 (3) of the statutes is amended to read:

18 16.87 (3) Except as provided in sub. (4), a contract under sub. (2) is not valid
19 or effectual for any purpose until it is endorsed in writing and approved by the
20 ~~secretary or the secretary's designated assistant and, if the contract involves an~~
21 ~~expenditure over \$60,000~~ \$150,000, approved by the governor. The governor may
22 delegate the authority to approve any contract requiring his or her approval under
23 this subsection ~~that involves an expenditure of less than \$150,000~~ to the secretary

NS
3-12

1 or the secretary's designee. Except as provided in sub. (4), no payment or
2 compensation for work done under any contract involving \$2,500 or more, except a
3 highway contract, may be made unless the written claim is audited and approved by
4 the secretary or the secretary's designee. Any change order to a contract requiring
5 approval under this subsection requires the prior approval by the secretary or the
6 secretary's designated assistant and, if the change order involves an expenditure
7 over ~~\$60,000~~ \$150,000, the approval of the governor or, if the governor delegates his
8 or her authority to approve contracts under this subsection ~~and the change order~~
9 ~~involves an expenditure of less than \$150,000~~, the approval of the secretary or the
10 secretary's designee.

****NOTE: Please review this. Do you want a different amount for
delegating the authority?

11 SECTION 7. 20.924 (1) (a) of the statutes is amended to read:

12 20.924 (1) (a) Shall authorize the design and construction of any building,
13 structure or facility costing in excess of ~~\$760,000~~ \$3,000,000 regardless of funding
14 source, only if that project is enumerated in the authorized state building program.

15 SECTION 8. 20.924 (1) (b) of the statutes is amended to read:

16 20.924 (1) (b) Shall authorize the acquisition of land, or the repair, remodeling
17 or improvement to any existing building, structure or facility costing in excess of
18 ~~\$760,000~~ \$3,000,000, regardless of funding source, only if that project is enumerated
19 in the authorized state building program. This paragraph does not apply to the
20 acquisition of land by the building commission in the city of Madison within a block
21 number specified in s. 13.48 (18). This paragraph does not apply to projects
22 authorized under s. 16.858.

23 SECTION 9301. Initial applicability; Administration.

2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1082/p2ins
CMH:.....

1 Insert 2-2

2 **SECTION 1.** 13.48 (6) of the statutes is amended to read:

3 13.48 (6) REVIEW OF PROJECTS. All reports submitted as provided by sub. (4)
4 shall be reviewed by the building commission, which shall make its report as soon
5 after November 20 as is possible. Such report shall include specific
6 recommendations and establish priorities for the next 3 biennia from among all
7 projects submitted which the building commission deems essential and shall
8 recommend additional appropriations if necessary for the execution thereof. The
9 building commission shall include in the report any projects proposed by the state
10 fair park board involving a cost of not more than ~~\$250,000~~ \$760,000, together with
11 the method of financing proposed for those projects by the board, without
12 recommendation. The building commission shall include in its report an appraisal
13 and recommendation of available and alternative methods of financing buildings for
14 the use of state agencies and shall file copies of its report with the governor-elect.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

15 **SECTION 2.** 13.48 (7) of the statutes is amended to read:

16 13.48 (7) BIENNIAL RECOMMENDATIONS. The building commission shall prepare
17 and formally adopt recommendations for the long-range state building program on
18 a biennial basis. The building commission shall include in its report any projects
19 proposed by the state fair park board involving a cost of not more than ~~\$250,000~~
20 \$760,000, together with the method of financing those projects proposed by the
21 board, without recommendation. Unless a later date is requested by the building
22 commission and approved by the joint committee on finance, the building

1 commission shall, no later than the first Tuesday in April of each odd-numbered
2 year, transmit the report prepared by the department of administration under s.
3 16.40 (20) and the commission's recommendations for the succeeding fiscal biennium
4 that require legislative approval to the joint committee on finance in the form of
5 proposed legislation prepared in proper form.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

6

7 Insert 3-12

7

8 **SECTION 3.** 13.48 (10) (b) 5. of the statutes is renumbered 13.48 (10) (d) and
9 amended to read:

8

9

10 13.48 (10) (d) ~~Contracts~~ The state fair park board may not enter into contracts
11 for construction of any building, structure or facility for the state fair park board
12 involving a cost of not more than ~~\$250,000~~ \$760,000.

10

11

12

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

13

SECTION 4. 13.48 (10) (c) of the statutes is amended to read:

14 13.48 (10) (c) Paragraph (a) does not apply to any contract for a building project
15 involving a cost of less than ~~\$500,000~~ \$760,000 to be constructed for the University
16 of Wisconsin System that is funded entirely from the proceeds of gifts and grants
17 made to the system.

14

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History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

****NOTE: As we discussed, if this provision is not pulled out by the UWSA, the threshold should be increased or the provision should be deleted as it would no longer be an exception.

18

SECTION 5. 13.48 (29) of the statutes is amended to read:

19 13.48 (29) ~~SMALL PROJECTS~~ SIMPLIFIED POLICIES AND PROCEDURES. Except as
20 otherwise required under s. 16.855 (10m), the building commission may prescribe

19

20

1 simplified policies and procedures to be used in lieu of the procedures provided in s.
 2 16.855 for any construction project that does not ~~require prior approval of the~~
 3 ~~building commission under sub. (10) (a) involve an expenditure that exceeds~~
 4 \$185,000, except projects specified in sub. (10) (c).

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35¹⁷ correction in (39h) (c).

5 **SECTION 6.** 16.855 (22) of the statutes is amended to read:

✓ 6 16.855 (22) The provisions of this section, except sub. (10m), do not apply to
 7 construction work for any project that does not ~~require the prior approval of the~~
 8 ~~building commission under s. 13.48 (10) (a) involve an expenditure that exceeds~~
 9 \$185,000 if the project is constructed in accordance with policies and procedures
 10 prescribed by the building commission under s. 13.48 (29). If the estimated
 11 construction cost of any project, other than a project constructed by or for the
 12 University of Wisconsin System that is exempted under sub. (23), is at least \$50,000,
 13 and the building commission elects to utilize the procedures prescribed under s.
 14 13.48 (29) to construct the project, the department shall provide adequate public
 15 notice of the project and the procedures to be utilized to construct the project on a
 16 publicly accessible computer site.

History: 1971 c. 125; 1973 c. 47; 1975 c. 39, 199, 390; 1977 c. 418; 1979 c. 34; 1981 c. 20; 1983 a. 27 ss. 104g to 105, 2202 (1); 1983 a. 390 s. 6; 1985 a. 29; 1985 a. 332 s. 251 (1); 1987 a. 27, 292; 1989 a. 31; 1991 a. 39, 316; 1995 a. 27 ss. 400p, 9126 (19); 1995 a. 227; 1997 a. 27, 306; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 103; 2003 a. 33, 157; 2005 a. 141, 391; 2007 a. 20 s. 9121 (6) (a); 2009 a. 299; 2011 a. 32; 2011 a. 260 s. 80; 2013 a. 20, 192.

✓ 17 **SECTION 7.** 16.855 (23) of the statutes is amended to read:

18 16.855 (23) This section does not apply to construction work for any project
 19 constructed by or for the University of Wisconsin System involving a cost of less than
 20 \$500,000 \$760,000 that is funded entirely with the proceeds of gifts and grants made
 21 to the system.

History: 1971 c. 125; 1973 c. 47; 1975 c. 39, 199, 390; 1977 c. 418; 1979 c. 34; 1981 c. 20; 1983 a. 27 ss. 104g to 105, 2202 (1); 1983 a. 390 s. 6; 1985 a. 29; 1985 a. 332 s. 251 (1); 1987 a. 27, 292; 1989 a. 31; 1991 a. 39, 316; 1995 a. 27 ss. 400p, 9126 (19); 1995 a. 227; 1997 a. 27, 306; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 103; 2003 a. 33, 157; 2005 a. 141, 391; 2007 a. 20 s. 9121 (6) (a); 2009 a. 299; 2011 a. 32; 2011 a. 260 s. 80; 2013 a. 20, 192.

22 **SECTION 8.** 16.87 (3) of the statutes is amended to read:

1 16.87 (3) Except as provided in sub. (4), a contract under sub. (2) is not valid
2 or effectual for any purpose until it is endorsed in writing and approved by the
3 ~~secretary or the secretary's designated assistant and, if the contract involves an~~
4 ~~expenditure over \$60,000, approved by the governor.~~ The governor may delegate the
5 authority to approve any contract requiring his or her approval under this subsection
6 that involves an expenditure of less than ~~\$150,000~~ \$500,000 to the secretary or the
7 secretary's designee. Except as provided in sub. (4), no payment or compensation for
8 work done under any contract involving \$2,500 or more, except a highway contract,
9 may be made unless the written claim is audited and approved by the secretary or
10 the secretary's designee. Any change order to a contract ~~requiring approval under~~
11 ~~this subsection~~ under sub. (2) requires ~~the prior~~ approval by the secretary or the
12 ~~secretary's designated assistant and, if the change order involves an expenditure~~
13 ~~over \$60,000, the approval of the governor or, if the.~~ The governor delegates may
14 delegate his or her authority to approve ~~contracts under this subsection and the a~~
15 change order if the change order involves an expenditure of less than \$150,000, the
16 approval of \$500,000 to the secretary or the secretary's designee.

History: 1973 c. 90; 1975 c. 39, 199; 1977 c. 418; 1979 c. 221 ss. 68, 81, 82; 1983 a. 27; 1983 a. 390 s. 6; 1985 a. 29 s. 3202 (1); 1989 a. 31; 1991 a. 39; 1995 a. 227; 1999 a. 197; 2001 a. 16; 2005 a. 391; 2009 a. 299; 2011 a. 32; 2011 a. 260 s. 80; 2013 a. 192.



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1081/P2
CMH:kjf:jm

d-note

DOA:.....Bong, BB0358 – Program thresholds for state building program

FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to: the budget.**

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, the building commission may authorize money from the state building trust fund to be available for a project costing \$760,000 or less and the building commission may authorize the design and construction of any building, the acquisition of land, or the repair or improvement of any building, structure, or facility that costs more than \$760,000 only if the project is enumerated in the state building program. This bill increases each of those thresholds to \$3,000,000. Also, current law generally prohibits the state from entering into a contract for the construction of or addition to any building in connection with a building project involving a cost that exceeds \$185,000 without approval by the building commission. This bill increases that threshold to \$760,000. Under current law, a contract to perform for the state any engineering services, architectural services, construction work, or limited trades work that involves an expenditure over \$60,000 must be approved by the governor. This bill increases that threshold to \$150,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.48 (3) of the statutes is amended to read:

2 13.48 (3) STATE BUILDING TRUST FUND. In the interest of the continuity of the
3 program, the moneys appropriated to the state building trust fund under s. 20.867
4 (2) (f) shall be retained as a nonlapsing building depreciation reserve. Such moneys
5 shall be deposited into the state building trust fund. At such times as the building
6 commission directs, or in emergency situations under s. 16.855 (16) (b), the governor
7 shall authorize releases from this fund to become available for projects and shall
8 direct the department of administration to allocate from this fund such amounts as
9 are approved for these projects. In issuing such directions, the building commission
10 shall consider the cash balance in the state building trust fund, the necessity and
11 urgency of the proposed improvement, employment conditions and availability of
12 materials in the locality in which the improvement is to be made. The building
13 commission may authorize any project costing ~~\$760,000~~ \$3,000,000 or less in
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17 commission may enter into contracts for the construction of buildings for any state
18 agency, except a project authorized under sub. (10) (c), and shall be responsible for
19 accounting for all funds released to projects. The building commission may designate
20 the department of administration or the agency for which the project is constructed
21 to act as its representative in such accounting.

22 **SECTION 2.** 13.48 (6) of the statutes is amended to read: ✓

23 13.48 (6) REVIEW OF PROJECTS. All reports submitted as provided by sub. (4)
24 shall be reviewed by the building commission, which shall make its report as soon
25 after November 20 ~~as is possible.~~ Such report shall include specific

1 recommendations and establish priorities for the next 3 biennia from among all
2 projects submitted which the building commission deems essential and shall
3 recommend additional appropriations if necessary for the execution thereof. The
4 building commission shall include in the report any projects proposed by the state
5 fair park board involving a cost of not more than ~~\$250,000~~ \$760,000, together with
6 the method of financing proposed for those projects by the board, without
7 recommendation. The building commission shall include in its report an appraisal
8 and recommendation of available and alternative methods of financing buildings for
9 the use of state agencies and shall file copies of its report with the governor-elect.

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14 proposed by the state fair park board involving a cost of not more than ~~\$250,000~~
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16 board, without recommendation. Unless a later date is requested by the building
17 commission and approved by the joint committee on finance, the building
18 commission shall, no later than the first Tuesday in April of each odd-numbered
19 year, transmit the report prepared by the department of administration under s.
20 16.40 (20) and the commission's recommendations for the succeeding fiscal biennium
21 that require legislative approval to the joint committee on finance in the form of
22 proposed legislation prepared in proper form.

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24 13.48 (10) (a) Except as provided in par. (c), no state board, agency, officer,
25 department, commission, or body corporate may enter into a contract for the

1 construction, reconstruction, remodeling of, or addition to any building, structure,
2 or facility, in connection with any building project which involves a cost in excess of
3 \$185,000 \$760,000 without completion of final plans and arrangement for
4 supervision of construction and prior approval by the building commission. This
5 section applies to the department of transportation only in respect to buildings,
6 structures, and facilities to be used for administrative or operating functions,
7 including buildings, land, and equipment to be used for the motor vehicle emission
8 inspection and maintenance program under s. 110.20.

9 **SECTION 5.** 13.48 (10) (b) (intro.) of the statutes is amended to read:

10 13.48 (10) (b) (intro.) ~~This subsection~~ Paragraph (a) does not apply to any of
11 the following:

12 **SECTION 6.** 13.48 (10) (b) 5. of the statutes is renumbered 13.48 (10) (d) and
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14 13.48 (10) (d) ~~Contracts~~ The state fair park board may not enter into contracts
15 for construction of any building, structure or facility for the state fair park board
16 involving a cost of not more than ~~\$250,000~~ \$760,000.

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20 of Wisconsin System that is funded entirely from the proceeds of gifts and grants
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****NOTE: As we discussed, if this provision is not pulled out by the UWSA, the
threshold should be increased or the provision should be deleted as it would no longer be
an exception.

22 **SECTION 8.** 13.48 (29) of the statutes is amended to read:

1 13.48 (29) ~~SMALL PROJECTS~~ SIMPLIFIED POLICIES AND PROCEDURES. Except as
2 otherwise required under s. 16.855 (10m), the building commission may prescribe
3 simplified policies and procedures to be used in lieu of the procedures provided in s.
4 16.855 for any construction project that does not require prior approval of the
5 ~~building commission under sub. (10) (a)~~ involve an expenditure that exceeds
6 \$185,000, except projects specified in sub. (10) (c).

7 **SECTION 9.** 16.855 (22) of the statutes is amended to read:

8 16.855 (22) The provisions of this section, except sub. (10m), do not apply to
9 construction work for any project that does not require the prior approval of the
10 ~~building commission under s. 13.48 (10) (a)~~ involve an expenditure that exceeds
11 \$185,000 if the project is constructed in accordance with policies and procedures
12 prescribed by the building commission under s. 13.48 (29). If the estimated
13 construction cost of any project, other than a project constructed by or for the
14 University of Wisconsin System that is exempted under sub. (23), is at least \$50,000,
15 and the building commission elects to utilize the procedures prescribed under s.
16 13.48 (29) to construct the project, the department shall provide adequate public
17 notice of the project and the procedures to be utilized to construct the project on a
18 publicly accessible computer site.

19 **SECTION 10.** 16.855 (23) of the statutes is amended to read:

20 16.855 (23) This section does not apply to construction work for any project
21 constructed by or for the University of Wisconsin System involving a cost of less than
22 \$500,000 \$760,000 that is funded entirely with the proceeds of gifts and grants made
23 to the system.

24 **SECTION 11.** 16.87 (3) of the statutes is amended to read:

1 16.87 (3) Except as provided in sub. (4), a contract under sub. (2) is not valid
2 or effectual for any purpose until it is endorsed in writing and approved by the
3 ~~secretary or the secretary's designated assistant and, if the contract involves an~~
4 ~~expenditure over \$60,000, approved by the governor.~~ The governor may delegate the
5 authority to approve any contract requiring his or her approval under this subsection
6 that involves an expenditure of less than ~~\$150,000~~ \$500,000 to the secretary or the
7 secretary's designee. Except as provided in sub. (4), no payment or compensation for
8 work done under any contract involving \$2,500 or more, except a highway contract,
9 may be made unless the written claim is audited and approved by the secretary or
10 the secretary's designee. Any change order to a contract ~~requiring approval under~~
11 ~~this subsection under sub. (2)~~ requires the prior approval by the secretary ~~or the~~
12 ~~secretary's designated assistant and, if the change order involves an expenditure~~
13 ~~over \$60,000, the approval of the governor or, if the.~~ The governor delegates may
14 delegate his or her authority to approve ~~contracts under this subsection and the a~~
15 ~~change order if the change order~~ involves an expenditure of less than ~~\$150,000, the~~
16 ~~approval of~~ \$500,000 to the secretary or the secretary's designee.

17 **SECTION 12.** 20.924 (1) (a) of the statutes is amended to read:

18 20.924 (1) (a) Shall authorize the design and construction of any building,
19 structure or facility costing in excess of ~~\$760,000~~ \$3,000,000 regardless of funding
20 source, only if that project is enumerated in the authorized state building program.

21 **SECTION 13.** 20.924 (1) (b) of the statutes is amended to read:

22 20.924 (1) (b) Shall authorize the acquisition of land, or the repair, remodeling
23 or improvement to any existing building, structure or facility costing in excess of
24 ~~\$760,000~~ \$3,000,000, regardless of funding source, only if that project is enumerated
25 in the authorized state building program. This paragraph does not apply to the

1 acquisition of land by the building commission in the city of Madison within a block
2 number specified in s. 13.48 (18). This paragraph does not apply to projects
3 authorized under s. 16.858.

4 **SECTION 9301. Initial applicability; Administration.**

5 (1) STATE BUILDING PROGRAM THRESHOLDS.

6 (a) The treatment of sections 13.48 (3) and 20.924 (1) (a) and (b) of the statutes
7 first applies to authorizations occurring on the effective date of this paragraph.

8 (b) The treatment of sections 13.48 (10) (a), (b) (intro.) and 5., and (c) and 16.87
9 (3) of the statutes first applies to contracts entered into, or extended, modified, or
10 renewed, on the effective date of this paragraph.

11 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1081/p2

CMH:.....

P3

KJ

Date

This draft reconciles the treatments of s. 13.48 (6) contained in LRB-0971/p4, LRB-1081/p2, and LRB-1192/p4. All of these drafts should continue to appear in the compiled bill.

Cathlene M. Hanaman
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1081/p3
CMH:kjf:jm

January 28, 2015

This draft reconciles the treatments of s. 13.48 (6) contained in LRB-0971/p4, LRB-1081/p2, and LRB-1192/p4. All of these drafts should continue to appear in the compiled bill.

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State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1081/P3
CMH:kjf:jm

DOA:.....Bong, BB0358 – Program thresholds for state building program

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT** ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, the building commission may authorize money from the state building trust fund to be available for a project costing \$760,000 or less and the building commission may authorize the design and construction of any building, the acquisition of land, or the repair or improvement of any building, structure, or facility that costs more than \$760,000 only if the project is enumerated in the state building program. This bill increases each of those thresholds to \$3,000,000. Also, current law generally prohibits the state from entering into a contract for the construction of or addition to any building in connection with a building project involving a cost that exceeds \$185,000 without approval by the building commission. This bill increases that threshold to \$760,000. Under current law, a contract to perform for the state any engineering services, architectural services, construction work, or limited trades work that involves an expenditure over \$60,000 must be approved by the governor. This bill increases that threshold to \$150,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.48 (3) of the statutes is amended to read:

2 13.48 (3) STATE BUILDING TRUST FUND. In the interest of the continuity of the
3 program, the moneys appropriated to the state building trust fund under s. 20.867
4 (2) (f) shall be retained as a nonlapsing building depreciation reserve. Such moneys
5 shall be deposited into the state building trust fund. At such times as the building
6 commission directs, or in emergency situations under s. 16.855 (16) (b), the governor
7 shall authorize releases from this fund to become available for projects and shall
8 direct the department of administration to allocate from this fund such amounts as
9 are approved for these projects. In issuing such directions, the building commission
10 shall consider the cash balance in the state building trust fund, the necessity and
11 urgency of the proposed improvement, employment conditions and availability of
12 materials in the locality in which the improvement is to be made. The building
13 commission may authorize any project costing ~~\$760,000~~ \$3,000,000 or less in
14 accordance with priorities to be established by the building commission and may
15 adjust the priorities by deleting, substituting or adding new projects as needed to
16 reflect changing program needs and unforeseen circumstances. The building
17 commission may enter into contracts for the construction of buildings for any state
18 agency, except a project authorized under sub. (10) (c), and shall be responsible for
19 accounting for all funds released to projects. The building commission may designate
20 the department of administration or the agency for which the project is constructed
21 to act as its representative in such accounting.

22 **SECTION 2.** 13.48 (7) of the statutes is amended to read:

23 13.48 (7) BIENNIAL RECOMMENDATIONS. The building commission shall prepare
24 and formally adopt recommendations for the long-range state building program on
25 a biennial basis. The building commission shall include in its report any projects

1 proposed by the state fair park board involving a cost of not more than \$250,000
2 \$760,000, together with the method of financing those projects proposed by the
3 board, without recommendation. Unless a later date is requested by the building
4 commission and approved by the joint committee on finance, the building
5 commission shall, no later than the first Tuesday in April of each odd-numbered
6 year, transmit the report prepared by the department of administration under s.
7 16.40 (20) and the commission's recommendations for the succeeding fiscal biennium
8 that require legislative approval to the joint committee on finance in the form of
9 proposed legislation prepared in proper form.

10 **SECTION 3.** 13.48 (10) (a) of the statutes is amended to read:

11 13.48 (10) (a) Except as provided in par. (c), no state board, agency, officer,
12 department, commission, or body corporate may enter into a contract for the
13 construction, reconstruction, remodeling of, or addition to any building, structure,
14 or facility, in connection with any building project which involves a cost in excess of
15 ~~\$185,000~~ \$760,000 without completion of final plans and arrangement for
16 supervision of construction and prior approval by the building commission. This
17 section applies to the department of transportation only in respect to buildings,
18 structures, and facilities to be used for administrative or operating functions,
19 including buildings, land, and equipment to be used for the motor vehicle emission
20 inspection and maintenance program under s. 110.20.

21 **SECTION 4.** 13.48 (10) (b) (intro.) of the statutes is amended to read:

22 13.48 (10) (b) (intro.) ~~This subsection~~ Paragraph (a) does not apply to any of
23 the following:

24 **SECTION 5.** 13.48 (10) (b) 5. of the statutes is renumbered 13.48 (10) (d) and
25 amended to read:

1 13.48 (10) (d) ~~Contracts~~ The state fair park board may not enter into contracts
2 for construction of any building, structure or facility for the state fair park board
3 involving a cost of not more than ~~\$250,000~~ \$760,000.

4 **SECTION 6.** 13.48 (10) (c) of the statutes is amended to read:

5 13.48 (10) (c) Paragraph (a) does not apply to any contract for a building project
6 involving a cost of less than ~~\$500,000~~ \$760,000 to be constructed for the University
7 of Wisconsin System that is funded entirely from the proceeds of gifts and grants
8 made to the system.

 ****NOTE: As we discussed, if this provision is not pulled out by the UWSA, the
threshold should be increased or the provision should be deleted as it would no longer be
an exception.

9 **SECTION 7.** 13.48 (29) of the statutes is amended to read:

10 13.48 (29) ~~SMALL PROJECTS~~ SIMPLIFIED POLICIES AND PROCEDURES. Except as
11 otherwise required under s. 16.855 (10m), the building commission may prescribe
12 simplified policies and procedures to be used in lieu of the procedures provided in s.
13 16.855 for any construction project that does not ~~require prior approval of the~~
14 ~~building commission under sub. (10) (a)~~ involve an expenditure that exceeds
15 \$185,000, except projects specified in sub. (10) (c).

16 **SECTION 8.** 16.855 (22) of the statutes is amended to read:

17 16.855 (22) The provisions of this section, except sub. (10m), do not apply to
18 construction work for any project that does not ~~require the prior approval of the~~
19 ~~building commission under s. 13.48 (10) (a)~~ involve an expenditure that exceeds
20 \$185,000 if the project is constructed in accordance with policies and procedures
21 prescribed by the building commission under s. 13.48 (29). If the estimated
22 construction cost of any project, other than a project constructed by or for the
23 University of Wisconsin System that is exempted under sub. (23), is at least \$50,000,

1 and the building commission elects to utilize the procedures prescribed under s.
2 13.48 (29) to construct the project, the department shall provide adequate public
3 notice of the project and the procedures to be utilized to construct the project on a
4 publicly accessible computer site.

5 **SECTION 9.** 16.855 (23) of the statutes is amended to read:

6 16.855 (23) This section does not apply to construction work for any project
7 constructed by or for the University of Wisconsin System involving a cost of less than
8 \$500,000 \$760,000 that is funded entirely with the proceeds of gifts and grants made
9 to the system.

10 **SECTION 10.** 16.87 (3) of the statutes is amended to read:

11 16.87 (3) Except as provided in sub. (4), a contract under sub. (2) is not valid
12 or effectual for any purpose until it is endorsed in writing and approved by the
13 ~~secretary or the secretary's designated assistant and, if the contract involves an~~
14 ~~expenditure over \$60,000, approved by the governor.~~ The governor may delegate the
15 authority to approve any contract requiring his or her approval under this subsection
16 that involves an expenditure of less than \$150,000 \$500,000 to the secretary or the
17 secretary's designee. Except as provided in sub. (4), no payment or compensation for
18 work done under any contract involving \$2,500 or more, except a highway contract,
19 may be made unless the written claim is audited and approved by the secretary or
20 the secretary's designee. Any change order to a contract ~~requiring approval under~~
21 ~~this subsection under sub. (2)~~ requires the prior approval by the secretary or the
22 secretary's designated assistant and, if the change order involves an expenditure
23 over \$60,000, the approval of the governor ~~or, if the.~~ The governor delegates may
24 delegate his or her authority to approve contracts under this subsection and the a

1 change order if the change order involves an expenditure of less than \$150,000, the
2 approval of \$500,000 to the secretary or the secretary's designee.

3 **SECTION 11.** 20.924 (1) (a) of the statutes is amended to read:

4 20.924 (1) (a) Shall authorize the design and construction of any building,
5 structure or facility costing in excess of \$760,000 \$3,000,000 regardless of funding
6 source, only if that project is enumerated in the authorized state building program.

7 **SECTION 12.** 20.924 (1) (b) of the statutes is amended to read:

8 20.924 (1) (b) Shall authorize the acquisition of land, or the repair, remodeling
9 or improvement to any existing building, structure or facility costing in excess of
10 \$760,000 \$3,000,000, regardless of funding source, only if that project is enumerated
11 in the authorized state building program. This paragraph does not apply to the
12 acquisition of land by the building commission in the city of Madison within a block
13 number specified in s. 13.48 (18). This paragraph does not apply to projects
14 authorized under s. 16.858.

15 **SECTION 9301. Initial applicability; Administration.**

16 (1) STATE BUILDING PROGRAM THRESHOLDS.

17 (a) The treatment of sections 13.48 (3) and 20.924 (1) (a) and (b) of the statutes
18 first applies to authorizations occurring on the effective date of this paragraph.

19 (b) The treatment of sections 13.48 (10) (a), (b) (intro.) and 5., and (c) and 16.87
20 (3) of the statutes first applies to contracts entered into, or extended, modified, or
21 renewed, on the effective date of this paragraph.

22 (END)