

2027-2029

Capital Budgeting Instructions

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Chief Financial Office



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Capital Budgeting & State Facilities Planning

Capital Budgeting

Capital budgeting refers to planning for and establishing General Fund appropriations or Other Funds and Federal Funds expenditure limitations for capital improvement projects and major construction or acquisition projects. Major capital projects require advance planning and may involve external financing. This section describes budget request information required for capital projects.

To ensure the Governor's Budget complies with ORS 291.215, agencies that own state buildings and infrastructure should request policy packages to bring their budget to a level of deferred maintenance and capital improvements on existing state-owned buildings and infrastructure that is equivalent to at least two percent of the current replacement value of the agency's state-owned buildings and infrastructure. If the agency is funded by fees, it may be necessary to also propose a fee increase sufficient to cover the increased cost.

ORS 291.215 requires the Governor's Budget to include an amount for deferred maintenance, which is at least two percent of the current replacement value of state-owned buildings and infrastructure, with some exclusions. Deferred maintenance, defined below under Facilities Maintenance and Management, may or may not be classified as capital projects. Talk with the Department of Administrative Services (DAS) Statewide Accounting and Reporting Services (SARS) and your assigned Chief Financial Office (CFO) analyst to determine if your projects should be classified as operating expenditures vs capital projects. For information on DAS Facility Planning and Facility Condition Assessments, please contact Daniel Christensen at (503) 930-0765.

What are Capital Projects?

Capital projects include land, building, and major facility renovations, additions, or improvement projects. They change the use, function, or cost in such a magnitude that approval by the Governor and the Legislature is warranted. Project costs may include planning, design, land acquisition, construction, or implementation. Generally, capital projects must conform to the [Oregon Accounting Manual \(OAM\)](#) (policy 15.60.10) of the DAS CFO as it applies to capitalization of fixed assets.

Capital Projects are divided into two unique categories: Capital Improvements and Major Construction or Acquisition

The [SABRS website](#) shows how to present these categories in the agency budget. Each capital project request should present the total project and construction costs. In addition, the agency should discuss the long-term operation and maintenance costs, or savings, of the project. DAS will prepare a separate appropriation bill or bills for capital construction projects in the Governor's Recommended Budget.

Capital Improvements Defined

A capital improvement project must meet all the following criteria:

- The total project cost will be less than \$1 million including anticipated requests in future biennia.
- Costs will be capitalized in accordance with OAM 15.60.10 in one of the following ways:
 - The expenditure is for acquisition (including land) or construction of a new asset.
 - The expenditure is for existing assets and significantly increases the value, extends the useful life, or makes it adaptable to a different use.

Land acquisition for a project having total, complete project costs of less than \$1 million should be requested as a Capital Improvement Policy Package.

Major Construction or Acquisition Projects Defined

A Major Construction or Acquisition project must meet all the following criteria:

- Costs will be capitalized in accordance with the OAM.
- The complete project cost will be \$1 million or more. Major projects normally follow a two-phase process. Phase one is planning and design, and Phase two is construction. This criterion applies to the combined total estimated costs of all phases of a project.
- It must build, acquire, adapt, replace, or change the use or function of a facility or group of related facilities. See reconstructions under Operating Expenditures below for details.

Capital Construction Project Limitation Expiration

Major Construction or Acquisition Project budget approvals have a life of six years from the effective date of the first approval of any element of the project, or six years following the initial approval. **Note: Capital Construction Projects approved at \$1 “Placeholder” level are subject to this limit.** If an agency’s six-year spending limitation is expected to expire at the end of the 2025-27 biennium and the project is not yet completed, the agency must request an extension as part of the agency’s 2027-29 capital project budget requests.

Requests for extension of capital construction limitation expiration dates must be made by email to Rhonda Nelson at rhonda.nelson@das.oregon.gov. Any recommended extension is subject to legislative approval. Discuss questions with the CFO analyst. Project expenditures cannot exceed amounts authorized for a specific capital construction limitation.

Operating Expenditures for Facilities are not Capital Projects

Generally, activities and projects keeping the facility operating without increasing asset value or operating life -- such as maintenance, repairs, replacement of components, or adaptation -- are not capital projects. Projects reducing maintenance costs or increasing efficiency are generally not considered capital projects. However, major repair or maintenance initiatives, such as substantial roof or flooring repairs, large-scale painting projects or carpet replacements, may be included in the Capital Improvements budget. Note that projects not qualifying as capital under the OAM cannot be financed using Article XI-Q bonds.

Projects enhancing a facility beyond maintaining or restoring proper operating conditions should be requested in the appropriate capital construction project program unit. Some asset protection items are of sufficient size or complexity to be presented as capital construction projects. Talk with DAS SARS and the CFO analyst to determine how to categorize a large asset protection project.

Inclusion of Positions in Capital Construction Budgets

In some instances, it may be preferable for state employees, rather than contractors, to perform properly capitalized tasks, which would be appropriate as “capital construction” project costs. For budget purposes, capital construction limitations are considered fully expended during the biennium in which they were authorized. In ORBITS, the full amount of the project is shown as Capital Outlay in the Capital Construction summary cross reference. Charges against the limitation can still be made in subsequent biennia and are controlled through the allotment process.

Although capital construction positions may be required for multiple biennia, the limitation is fully allotted in the first biennia. The payroll costs and appropriate Services and Supplies costs for these positions should be charged against the capital construction budget. In ORBITS, these costs are displayed in account 5800 -- Professional Services (Capital Outlay). Position authority for capital construction funded positions must be phased out on ORPICS at the end of the six-year limitation.

Review of Major Construction or Acquisition Projects Prior to Budget Submission

The Capital Projects Advisory Board (CPAB) reviews all major construction projects (\$1 million and more) prior to any agency’s submission to CFO, introduction of a bill, or Emergency Board request. Additionally, the Capitol Planning Commission (CPC) reviews major construction projects within the boundaries of the City of Salem and the City of Keizer for compliance with the development standards and policies contained in the CPC adopted Area Plans. CPAB is also responsible for reviewing new space leases of 10,000 square feet or more with a lease term of 10 years (initial term plus possible extensions) or more. The

information provided by agencies and the Board's and Commission's comments are shared with CFO and LFO for use in budget preparation and analysis.

Public university and community college projects requested by the Higher Education Coordinating Commission (HECC) are exempt from these requirements.

Additional information on the CPAB and CPC review processes are included in the [Statewide Facilities Planning Process Manual](#). Agencies may also contact Daniel Christensen at 503-930-0765 to request additional information.

Long-Term Construction Budget Requirements

- **Four-Year Major Construction Budgets**

State agencies are required to request four-year major construction budgets (ORS 276.229). Four-year major construction budgets begin with a request for planning funds, which lead to project construction requests. Request planning funds with the 2027-29 budget request for major projects scheduled for construction in 2029-31. Projects included in these budgets may be accelerated or deferred with Emergency Board approval.

- **Major Construction/Acquisition Six-Year Plan**

ORS 291.224 requires the Governor's Budget to include estimated biennial construction requirements for not fewer than six years. This plan should reflect the agency's four-year budget request and show major construction or acquisition projects expected two years beyond that. While four-year and six-year plans are required by statute, these budget instructions require plans to be reported over a 10-year period. Present the agency's 10-year plan in the table provided in form 107BF13. Also, be sure to show requested and potential major construction or acquisition projects and planning funds for the 2027-29, 2029-31, 2031-33, 2033-35, and 2035-37 biennia.

This requirement does not apply to highway and bridge construction or repair by the Department of Transportation, park improvements, or road infrastructure work performed under timber sale contracts with the State Forester.

- **Capital Financing Six-Year Forecast**

ORS 291.216(9) requires the Governor's Recommended Budget to compare the State Debt Policy Advisory Commission's report of net debt capacity to state agencies' capital financing six-year forecast. This is in addition to the major construction or acquisition six-year plan.

Be sure to use the Capital Financing Six-Year Forecast Summary, form 107BF12, to show the agency's six-year forecast of financing needs by debt type and repayment source.

Provide the following projected financing needs by use:

- Major construction or acquisition projects including highway and bridge repair projects that will be financed by debt issuance.
- Equipment purchases or information technology-related projects or systems that will cost \$500,000 or more and will be financed by debt issuance.
- Other state agency debt issuance for grant or loan purposes.

Debt type means general obligation bonds or revenue bonds. Repayment source means General Fund, Lottery Funds, Other Funds, or Federal Funds. If the agency has more than one financing program, please identify debt issuance plans by program. Contact the CFO analyst or the CFO Capital Finance Section with questions.

Financing Agreements and Article XI-Q, XI-F(1), XI-G, and Lottery Revenue Bond Financing

Article XI-Q Bond Financing Requests

The XI-Q program is managed as a central service function by DAS CFO, Capital Finance Section. Centralized control ensures financing agreements and XI-Q bonds are used only for projects approved by the Legislature and the Executive Branch. XI-Q bonds can be used to finance real or personal property, including software, that is capitalizable under generally accepted accounting principles and will be owned or operated by the state. Therefore, any non-capital costs of a project will need to be funded through other sources.

If the agency plans to use XI-Q bonds, or other financing agreements in an amount exceeding \$100,000, approval by DAS and the Legislature is required. This would include a capital lease or other type of lease that functions as a vehicle to borrow funds. The agency's budget must include the revenue source, such as XI-Q proceeds, and necessary expenditure limitations, including Debt Service. Be sure to work with DAS CFO, Capital Finance Section to obtain Debt Service estimates.

To request XI-Q bond authority, complete the Article XI-Q Bond Financing and Financing Agreements Request Form (107BF15). Itemize each stand-alone project for which financing is requested in 2027-29. ***XI-Q Financing request forms must be completed and e-mailed to Rhonda Nelson on or before May 15, 2026, at rhonda.nelson@das.oregon.gov.***

The requests are evaluated on factors including priority of need, effectiveness, and repayment source. This review determines which requests are included in the Governor's Budget. Please also prepare the agency's Major Construction or Acquisition Narrative Form, 107BF11, for each bond-funded project at this time, as they may be requested by Capital Finance staff for additional project details. Contact Rhonda Nelson, Capital Finance Manager at 971-719-1998 with any questions.

- **Financing agreements or bond proceeds to restore or acquire real property must meet all the following criteria:**
 - The project will acquire, construct, or improve the safe, economic operation of the property.
 - The costs of the project to be funded with XI-Q bond proceeds are capitalizable under generally accepted accounting principles, as described in OAM policy number 15.60.10.
 - The property will be essential to state services.
 - The property will have a useful operating life at least commensurate with the term of financing.
 - The property is free and clear of all liens and financial security claims.
 - The amounts for restoration or renovation will substantially improve the property.
 - The financing has specific, stable sources of repayment.
- **Financing agreements or bond proceeds to finance equipment acquisition or system development projects must meet all the following criteria:**
 - The equipment or system will contribute substantially to a more effective or cost-saving method of delivering state services.
 - The costs of the project to be funded with XI-Q bond proceeds are capitalizable under generally accepted accounting principles, as described in OAM policy numbers 15.60.10 and 15.60.40.
 - The equipment or system will be essential to priority state services.
 - The equipment or system will have a useful operating life at least commensurate with the term of financing.
 - The project components are free and clear of all liens and financial security claims.
 - The financing has specific, stable sources of repayment.

Article XI-F(1) and Article XI-G Bond Financing Requests

The Article XI-F(1) and XI-G Bond programs are centrally managed by the DAS CFO, Capital Finance Section. HECC will use form 107BF15a to request issuance of Article XI-F(1) or XI-G Bonds during the biennium beginning July 1, 2027. Subject to the provisions of Article XI-F(1) and XI-G of the Oregon Constitution and ORS 286A.830 - 286A.863, XI-F(1) or XI-G Bonds may be issued to acquire, construct, improve, or equip buildings, or purchase land for projects the Legislature determines will benefit higher education institutions or community colleges (XI-G bonds only). Generally, bonds are limited to capital costs for the state to obtain the lowest cost of financing when issuing bonds.

Financing Request Form 107BF15a must be completed by HECC and e-mailed to Rhonda Nelson on or before May 15, 2026, at rhonda.nelson@das.oregon.gov. The DAS CFO, Capital Finance Section will provide debt service and cost of issuance estimates to HECC for inclusion in its agency request budget.

Lottery Revenue Bond Financing Requests

The Lottery Revenue Bond program is centrally managed by the DAS CFO, Capital Finance Section. Use form 107BF09 to request issuance of Lottery Revenue Bonds during the biennium beginning July 1, 2027.

Lottery Revenue Bonds may be issued to finance programs or projects for which the Legislature finds the use of lottery bond proceeds perform one of the following actions:

- Create jobs
- Further economic development
- Finance public education
- Restore and protect parks, beaches, watersheds and native fish and wildlife

This provision is subject to the provisions of Article XV, Section 4 of the Oregon Constitution and ORS 286A.560 - 286A.585. Generally, bonds are limited to capital costs for the state to obtain the lowest cost of financing when issuing bonds.

Accounting and Budgeting Requirements

Accounting and budgeting for purchases using financing agreements and bonds is done at the agency level. Each agency is responsible for recording revenues and expenses associated with the issuance of these obligations. Be sure to consult [the OAM](#) as needed for instructions on accounting for bonds.

Project Budget – Base or Policy Package?

Projects acquired with financing agreements and bonds are not included in an agency's Base Budget. They must be phased out at the end of each biennium. Address each project in one or more separate policy packages that describe all of the following:

- Use of bond proceeds
- Interest income
- Acquisition or construction costs
- Issuance costs

Be sure to record the asset acquisition cost in the appropriate Capital Outlay account, ORBITS account number series 5XXX, or 6XXX for Special Payments. Issuance costs and related fee expenditures are current biennium operating costs and are budgeted as Services and Supplies in ORBITS account number 4650, Other Services and Supplies.

Bond sale proceeds, or revenue, are budgeted in the following ORBITS account numbers:

- 0555 if Debt Service is expected to be paid primarily from the General Fund
- 0560 if Debt Service is expected to be paid primarily from Other Fund sources
- 0565 if Debt Service is expected to be paid from Lottery Funds

For Capital Improvement and Capital Construction projects, asset acquisition, or project, costs and the bond sale proceeds to cover those costs are budgeted in the Capital Improvement or Capital Construction program units.

For other types of projects, project costs and bond sale proceeds are included in the appropriate operating budget program unit. Bond issuance costs and related fee expenditures and the bond revenues to cover those costs and bond expenditures are always budgeted in the appropriate operating budget program unit.

Debt Service – Limited or Nonlimited?

The 2027-29 Debt Service requirements for bonds and finance agreements can be requested in agency budgets as Limited or Nonlimited, depending on the funding source.

Use the following guidance for limited and nonlimited debt service:

- Repayment from General Fund appropriations and Lottery Funds **must** be budgeted as Limited Debt Service.
- Repayment from Other Funds or Federal Funds revenues **may** be budgeted as Nonlimited Debt Service. Confirm with the CFO analyst.
- If repayment is from multiple fund types and General Fund or Lottery Funds are involved, the entire repayment expenditure limitation must be requested as Limited Debt Service.
- Limited Debt Service and Nonlimited Debt Service are budgeted in ORBITS using unique appropriated fund types and accounts.
- The Debt Service aspect of a project can be included in the policy package that requests the actual project expenditures and revenues, with the exception of Capital Improvement and Capital Construction packages.
- The Debt Service for Capital Improvement and Capital Construction packages must be requested in a policy package in an operational program unit.

Debt Service Revenue and Expenditure Accounts

Revenues to pay debt service may be budgeted in the following ways:

- Agencies can record Other Funds and Federal Funds revenues in the debt service policy package as account 1010, Transfer In -- Intrafund, with an off-setting entry to account 2010, Transfer Out -- Intrafund, in the budget unit from which the revenue is being transferred.
- Record General Fund appropriation, Lottery Funds, or new Other Funds or Federal Funds revenues directly in the debt service policy package using appropriate ORBITS appropriated fund types and revenue accounts. A unique series of ORBITS-appropriated fund types and expenditure accounts (series 7XXX) are available for use in recording budget requests for Debt Service.

- For general obligation bonds, use ORBITS accounts 7100 and 7150 for principal and interest, respectively.
- For certificates of participation (COP), use ORBITS accounts 7200 and 7250 for principal and interest, respectively. Refer to the ORBITS User’s Manual Chart of Accounts in the Appendix on the [SABRS website](#) for the full account listing. Use of these accounts is required when entering data in ORBITS. **Note: These accounts are different than SFMS or agency account classifications for accounting entries.**

Financing Agreements Other Than COPs

Agencies involved in leases or financing agreements other than COPs should be familiar with the guidelines provided in the OAM. It is critical for agencies to inform the Capital Finance Section of any planned financing agreements for capital items so authority can be requested in the biennial “Bond Bill.” Estimates for non-COP financing agreements, such as capital leases, should be provided **to Rhonda Nelson by May 15, 2026, at rhonda.nelson@das.oregon.gov.**

The OAM explains in detail the requirements for capitalizing or expensing components of these transactions. Capitalized components and related Debt Service presentation are also clearly discussed.

Agencies with capital leases or other forms of financing agreements as described in Oregon Administrative Rules 122-070-0110 are required to budget Debt Service accordingly. Leases not meeting the criteria for capital leases should continue to be budgeted as operating lease payments in the appropriate Services and Supplies account.

Questions?

- Concerning Article XI-Q bonds, financing agreements, form 107BF15, Article XI-F(1) & XI-G bonds or form 107BF15a, Lottery Revenue Bonds or form 107BF09, contact Rhonda Nelson, Capital Finance Manager at (971) 719-1998.
- For guidance on Accounting for XI-Q bonds, see the [Agency Guide to Financing Capital Projects with XI-Q Bonds](#) located on the CFO website.
- Concerning how to request capital projects, work with the CFO analyst.
- Concerning how to record within the budget system capital projects, XI-Q bonds, financing agreements, Article XI-F(1) or XI-G bonds, lottery revenue bond projects, and Debt Service refer to the [SABRS website](#).

Statewide Facilities Planning

The programs and services administered by the State of Oregon, through various agencies, Boards and Commissions, require physical assets. These assets, in total, represent a significant financial outlay that must be understood to ensure proper stewardship for both

long-term utility and strategic investment purposes. ORS 276.227 charges DAS with managing a statewide facility planning process.

The process provides an objective evaluation of our state portfolio for making long-range, strategic investment decisions that prioritize liability and risk, programmatic need, and community benefit, among other factors. It is administered by Capital Planning within the Enterprise Asset Management Division (EAM) in consultation with the DAS CFO.

The purpose of this effort is to ensure the state is making rational, data-driven investment decisions using a multitude of dimensions and providing facilities that are as efficient and effective as possible in delivering responsive government services.

Statewide Facility Planning Process

Capital Planning administers a statewide facility planning process requiring biennial submission of key facility-related information to satisfy the statutory requirements of ORS 276.227. This important information allows agencies and leadership to evaluate state facility condition and needs for developing financing and budgeting strategies addressing these needs. It also informs Capital Planning in establishing guidelines and standards for acquiring, managing, and maintaining state facilities that best serve the strategic, long-range interests of the state. Additional information regarding statewide facilities planning is available in the [Statewide Facility Planning Process Manual](#) (SFPP).

Metrics: Effective, Efficient and Affordable

Capital Planning has identified three key performance measures (KPMs) intended to gauge the state of our portfolio. The information provided through the SFPP informs these measures at agency and statewide levels. It also provides a relevant “snapshot,” which speaks to effectiveness, efficiency, and affordability in the following ways:

- **Facility Condition Index (FCI):** A calculated measure of facility condition relative to its current replacement value (expressed as a percentage) and represented by the following categories:
 - **Good (0 - 5%)** - In new or well-maintained condition with no visual evidence of wear, soiling or other deficiencies
 - **Fair (5 - 10%)** - Subject to wear and soiling, but is still in a serviceable and functioning condition
 - **Poor (10 - 60%)** - Subjected to hard or long-term wear and nearing the end of its useful or serviceable life
 - **Very Poor (>60%)** - Has reached the end of its useful or serviceable life, with renewal now necessary
- **Space Utilization:** A calculated measure of how efficiently space is used, this metric varies for different space types, with greater emphasis on office or administrative uses. The state of Oregon is moving toward a new guideline of 175

Usable Square Feet (USF) per position for office or administrative uses. For other uses, a secondary metric is used.¹

- **Operation and Maintenance Cost per Gross Square Foot:** This metric is a standard measure of affordability that varies by building and operational type.

Facilities Maintenance & Management

What is Facilities Maintenance?

The International Facilities Management Association (IFMA) indicates maintenance costs can be described in the following four major categories for non-manufacturing entities:

- **Interior System Maintenance:** Electrical systems (elevators, alarm systems, lighting, etc.); mechanical systems (HVAC, boilers, plumbing, refrigeration, etc.); base building general maintenance (interior walls, doors, ceilings, pest control, etc.); and administrative support services (trouble desks, etc.)
- **External System Maintenance:** Roof, skin (siding, masonry, windows), signage, etc.
- **Roads and Ground Maintenance:** Landscaping, parking structures and lots, roadways, sidewalks, parking lots, storm sewers, underground fire systems and hydrants, etc.
- **Utility or Central System Maintenance:** Internal systems to generate or distribute electricity and internal mechanical systems such as steam plants and hot and cold water systems

Agencies with significant facilities operations may include support staff if directly associated with facilities maintenance activities. Do not include other overhead items such as accounting, central government charges, etc.

- ORS 276.229(2) requires state agencies to include the biennial costs associated with maintenance, major repairs, or building alterations in their regular budget presentations to the Legislative Assembly.
- Agencies are required to include in their budget presentations their short-term and long-term plans to reduce or eliminate any existing backlog of deferred maintenance.

¹ **Note.** For agency facilities (or portions of facilities) used for office/administration activities, a standard metric of Usable Square Feet (USF)/Position Count is calculated. For agencies with less than 10% office/administrative spaces, FPU is requesting an agency-specific metric (see Facility Summary Narrative 107BF16a) that provides insight into how agencies with primarily non-office-based operations determine their space needs. Essentially, what is the relevant metric each agency uses as a measure of their space needs, and by extension, their space efficiency?

- ORS 276.227(5) requires state agencies to establish and implement long-range maintenance and management plans for facilities for which the state is responsible for ensuring they are maintained in good repair and their useful lives are maximized.

Facilities Maintenance forms have been designed to address statutory requirements for maintenance budget reporting using established requirements. This includes Capital Projects Advisory Board (CPAB) and Risk Management reports to the greatest extent possible. These forms are required **only** for agencies that own buildings.

Additional information on reporting requirements and interactions with CPAB are outlined in the [Statewide Facility Planning Process Manual](#).

What is an Operations and Maintenance Budget?

Industry standards generally include two other closely related cost categories when evaluating facilities management. A facilities operations and maintenance budget also includes utilities and janitorial costs.

What is Deferred Maintenance?

Deferred Maintenance is maintenance not performed when it should have been and is typically measured in terms of a budget cycle. It may also include maintenance needs resulting from unforeseen circumstances such as windstorms, premature failure of facilities components, and other unforeseen events. It is widely believed that deferred maintenance costs are significantly higher than corresponding routine maintenance costs in achieving the same stewardship objectives.

Categories of Deferred Maintenance

Policymakers benefit from having deferred maintenance needs prioritized. EAM has developed the following categories to be used for budget presentation:

Priority One: Currently Critical

Priority One projects are conditions requiring immediate action to address code and accessibility violations affecting life safety. Building envelope issues, such as roof, sides, windows, and doors, posing immediate safety concerns, should be included in this category.

Priority Two: Potentially Critical

Priority Two projects are to be undertaken soon to maintain the integrity of the facility and accommodate current agency program requirements. Included are systems that are functioning improperly or at limited capacity, and if not addressed, will cause additional system deterioration and repair costs. Also included are significant building envelope issues, such as roof, sides, windows, and doors that, if not addressed, will cause additional system deterioration and repair costs.

Priority Three: Necessary -- Not Yet Critical

Priority Three projects could be undertaken in the near to mid-term future to maintain the integrity of a building. These projects address building systems, building components, and site work that have reached or exceeded their useful life based on industry standards, but are still functioning in some capacity. They may currently require attention to avoid deterioration, potential downtime, and consequently higher costs if corrective action is deferred.

Priority Four: Seismic and Natural Hazard Remediation

Priority Four projects improve seismic performance of buildings constructed prior to the 1995 building code changes intended to protect occupants, minimize building damage, and speed up recovery after a major earthquake. Projects also include those that mitigate significant flood hazards.

Priority Five: Modernization

Priority Five projects are alterations or replacement of facilities that include the following reasons:

- Implementing new or higher standards to accommodate new functions
- Significantly improving existing functionality
- Replacing building components, which typically last more than 50 years. This includes the building structure or foundations.

These standards include system and aesthetic upgrades representing sensible improvements to the existing condition. The projects improve overall usability and reduce long-term maintenance requirements.

Given the significant nature of these projects, the work typically addresses deficiencies that do not conform to current codes but are 'grandfathered' in their existing condition to the extent feasible.