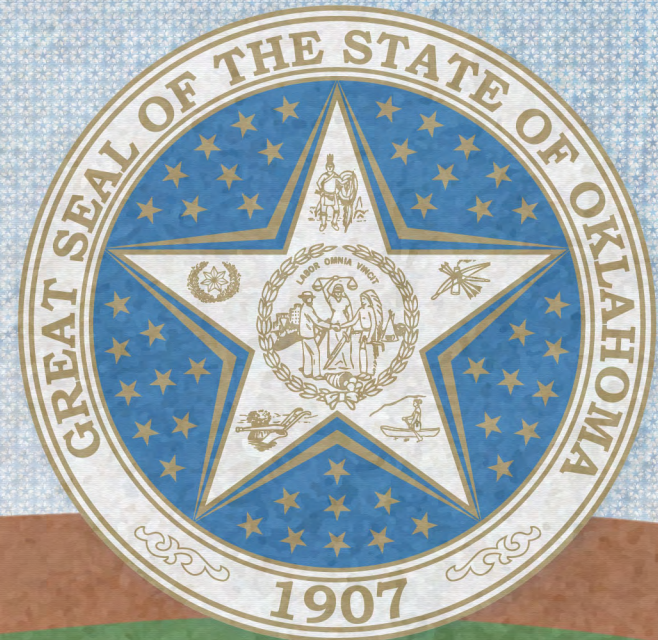




**OKLAHOMA**  
Office of Management  
& Enterprise Services

## **FY 2026-2033 CAPITAL IMPROVEMENTS PLAN AND FY 2026 CAPITAL BUDGET**

THIS DOCUMENT IS TO BE USED SOLELY FOR  
REVIEW PURPOSES BY THE LONG-RANGE  
CAPITAL PLANNING COMMISSION.



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# EXECUTIVE SUMMARY

The Long-Range Capital Planning Commission provides state leadership recommendations to fund the state's current capital needs, as well as policy recommendations to continue reforming how the state manages its real property assets. The State of Oklahoma Capital Improvement Plan for Fiscal Years 2026-2033 prioritizes projects that address health and safety issues, and critical asset preservation needs.

The commission recommends an annual ongoing appropriation of \$112 million, which is 2% of the replacement value of non-higher ed asset replacement value, for deferred maintenance and capital projects. This amount would take care of all the items on the current list in just over three years. The recommended 2025 session appropriation would fund 60 projects at a cost of \$111,093,219 in FY 2026. The recommended 2026 session appropriation would fund 89 projects at \$112,123,103 in FY 2027. The 2027 session appropriation would fund 27 projects at \$63,225,781 in FY 2028 as well as any other deferred maintenance and capital projects that arise in that year and going forward.

The Legislature has started down this path with prior year appropriations to the Legacy Capital Fund and the Oklahoma Capital Asset Maintenance Preservation (OCAMP) fund. These funds are set up to fund capital projects at no interest and give deferred maintenance and on-going revenue sources. The LRCPC would recommend the Legislature address any duplication that currently exists between LRCPC and these newly added and funded initiatives.

# **SECTION 1:**

## **POLICY RECOMMENDATIONS**

## 1. Ensure the streamlined implementation of all deferred maintenance and capital initiatives.

The Legislature has recently enacted several new programs to address deferred maintenance and capital investment in state-owned properties. To hold true to efficient, small government principles, LRCPC recommends the Legislature evaluate the scope of the newly created Oklahoma Capital Asset Maintenance Preservation (OCAMP) fund with that of LRCPC. LRCPC suggests there is an opportunity to consolidate the missions, responsibilities and revenue streams of these two entities into one. The members of LRCPC are poised with background knowledge and expertise to transition to the board that will oversee the OCAMP fund. Until the OCAMP board is seated, LRCPC recommends strong communication between those that staff LRCPC and the OCAMP board to ensure there is no duplication in funding of projects.

## 2. Establish an adequate and consistent annual appropriation for renewal of the state's real property assets.

In business, it is necessary to reinvest in capital assets – buildings, equipment and technology – to ensure the business can continue to operate efficiently and effectively make a profit. If a business fails to prudently reinvest in its capital assets, those assets fail and the business will soon follow suit. In much the same way, the state must make capital renewal preservation a priority by providing prudent annual reinvestment. Deferring reinvestment in our buildings exponentially escalates the cost of repairs and passes that increased cost on to future taxpayers. In addition, investing in deferred maintenance is seen as favorable from a property and casualty insurance placement perspective.

In 2013, state leaders established the Oklahoma State Government Asset Reduction and Cost Savings Program, which required sales proceeds of state-owned buildings be deposited into the Maintenance of State Buildings Revolving Fund (MSBRF) to be used solely for funding the state's capital budget. This mechanism provides a supplemental funding source for the capital budget, but the \$11.3 million in sales proceeds that has been deposited into the fund over the last five years comes nowhere close to adequately funding the state's capital needs. Furthermore, expected sale proceeds deposits are expected to dwindle over time as the Legislature exempts agencies from the program, as it has done for the Oklahoma Historical Society and the Department of Mental Health and Substance Abuse Services.

The Long-Range Capital Planning Commission recommends that state leadership establish the following policies to ensure consistent funding of the capital budget:

- **Strategic agency exemptions from the requirement to participate in the Oklahoma State Government Asset Reduction and Cost Savings Program.** The State of Oklahoma has a large real estate footprint. In a post-pandemic era, agencies will be reviewing their footprints to adjust for a much broader work-from-home environment, as well as shifting their “storefronts” to better serve citizens. In cases that agencies need capital from the sale of their buildings to fulfill a plan to adjust their footprint to be more efficient and modern, those agencies should be able to use the proceeds from the sale of their buildings to achieve that outcome with the approval of the Long-Range Capital Planning Commission. Otherwise, the proceeds from the sale of buildings should be remitted to the Maintenance of State Buildings Revolving Fund to upkeep and maintain our capital assets.

- **Establish an annual appropriation dedicated to the implementation of the Annual Capital and Maintenance Budget.** A best practice in governments and other entities is to dedicate a percentage of revenues to the capital budget based on the replacement value of the government’s real property assets, typically 1-3% of the portfolio’s total replacement value. The State of Oklahoma’s current non-higher ed building portfolio is valued at \$5.6 billion.
- **Provide information to continue the state Legislature’s investment in the capital needs of state government.** Over the past several years, the Legislature has made substantial investments in capital funding both through direct bonding opportunities for agencies, establishment of and appropriating to the Legacy Capital Fund and the Oklahoma Capital Asset Maintenance Preservation (OCAMP) fund. The commission recommends the following to continue this critical investment especially in a time when the state has access to one-time funds that align well with these one-time expenditures.
  - **Include the annual capital budget in the executive budget document** that is approved by the governor and presented to the Legislature.
  - **Present the capital improvements plan and annual capital budget to the Legislature** through appropriate committees in the Senate and House of Representatives.

### **3. Examine opportunities to consolidate and share facilities services, operations and maintenance functions across agencies and at a regional level.**

Oklahoma state government has been working in recent years to consolidate services common across agencies to reduce costs and improve efficiency. Real property asset management is another key area where Shared Services could help agencies focus on their core missions while ensuring that the state’s real property assets are adequately maintained. The state has an opportunity to achieve economies of scale by establishing statewide contracts for services and by standardizing equipment and processes. Consolidation would also provide opportunities to reduce redundancy and ensure that each agency has adequate access to facilities management services. Since many agencies are required to have a presence statewide, there may also be opportunities to implement regional service centers that would provide responsive service throughout the state.

# SECTION 2:

## FY 2026 CAPITAL BUDGET

The FY 2026 Capitol Budget is available for download:

[FY 2026 Capital Budget](#)

# SECTION 3:

## PRIORITIZED LIST OF PROJECTS

The Prioritized Project List is available for download:

[Prioritized Project List](#)



## **SECTION 4:**

# **FY 2026-2033 CAPITAL IMPROVEMENTS PLAN, MAINTENANCE OF STATE BUILDINGS REVOLVING FUND REQUESTS (APPROPRIATIONS)**

#### 4. Maintenance of State Buildings Revolving Fund

Owning Agency	Sum of MSBF SUBTOTAL
Department of Corrections	\$122,204,651
Department of Rehabilitation Services	\$20,800,000
DEQ	\$1,170,000
J.D. McCarty Center	\$1,045,000
Lawton/Fort Sill	\$2,850,000
Military Department	\$18,020,186
ODMHSAS	\$26,350,442
ODVA Ardmore	\$1,050,000
ODVA Clinton	\$1,315,000
ODVA Lawton/Fort Sill	\$15,100,000
ODVA Norman	\$16,525,000
ODVA Claremore	\$1,100,000
Oklahoma School of Science and Math	\$2,002,000
OSBI	\$8,384,824
OTRD	\$48,525,000
<b>Grand Total</b>	<b>\$286,442,103</b>

# **SECTION 5:**

## **FY 2026-2033 HIGHER EDUCATION MAINTENANCE AND CAPITAL REQUESTS**

Higher Education institution’s buildings have a replacement value of \$16.4 billion. So, following the same recommendations as was made for state-owned agency buildings, \$328 million would be required annually to address maintenance, deferred maintenance and capital needs. This could be a combination of appropriations, bonds and other funding. See below for the number of projects and total dollar amount of requests submitted by Higher Education institutions.

### 5. Project Requests Submitted by Higher Education Institutions:

Institution	Number of Projects
Cameron University	17
Carl Albert State College	12
Connors State College	37
East Central University	11
Eastern Oklahoma State College	22
Langston University	6
Murray State College	10
Northeastern A&M College	18
Northeastern State University	20
Northern Oklahoma College	32
Northwestern Oklahoma State University	24
Oklahoma City Community College	9
Oklahoma Panhandle State University	39
Oklahoma State University	37
OSU College of Osteopathic Med.	3
OSU College of Veterinary Med.	13
OSU Experiment Station	4
OSU Extension Division	5
OSU Oklahoma City	12
OSU Technical Branch, Okmulgee	6

Institution	Number of Projects
OSU Tulsa	13
Redlands Community College	8
Rogers State University	22
Rose State College	12
Seminole State College	5
Southeastern Oklahoma State University	32
Southwestern Oklahoma State University	16
Tulsa Community College	145
University of Central Oklahoma	24
University of Oklahoma	29
University of Oklahoma Health Sciences Center	41
University of Science and Arts of Oklahoma	4
Western Oklahoma State College	16
<b>Total Projects</b>	<b>704</b>
<b>Total Project Cost</b>	<b>\$5,007,237,795</b>

# **SECTION 6:**

## **RECOMMENDATIONS FOR STRATEGIC DISPOSITIONS**

## Recommendations for Strategic Dispositions

The Office of Management and Enterprise Services may make recommendations for the sale of other state-owned properties based on the value of the property and the potential for net gain for the state based on the data obtained from the Oklahoma State Government Asset Reduction Program (62 O.S. § 908). OMES recommends the following projects with potential for net gain for the state through the disposal of the property as a component of a strategic project. The commission authorizes the disposal of the following properties in accordance with state law and in support of the projects.

No strategic dispositions proposed for FY 2026.