



OKLAHOMA
Office of Management
& Enterprise Services

FY 2027-2034 CAPITAL IMPROVEMENTS PLAN AND FY 2027 CAPITAL BUDGET

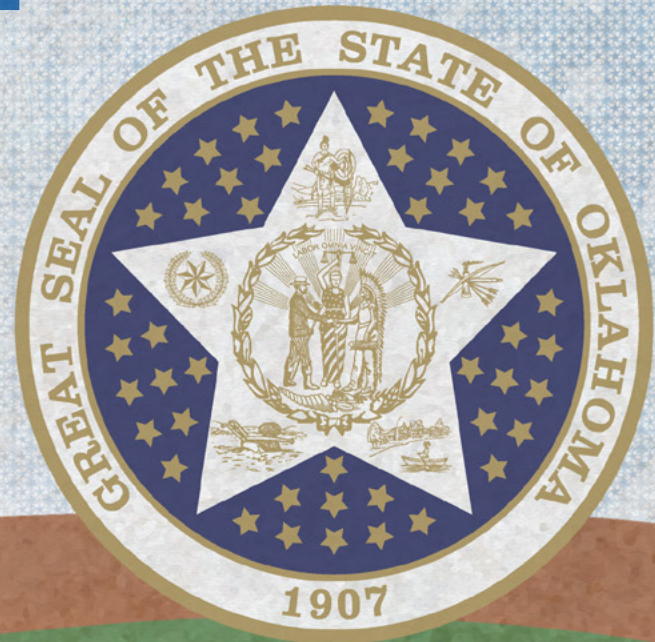


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EXECUTIVE SUMMARY

The Long-Range Capital Planning Commission provides state leadership recommendations to fund the state's current capital and deferred maintenance needs, as well as policy recommendations to continue reforming how the state manages its real property assets. The 2025 Oklahoma Legislature enacted significant changes to the Long-Range Capital Planning Commission. The commission was given the additional duties of overseeing disbursements of funds for approved projects out of the Oklahoma Capital Assets Maintenance Protection (OCAMP) Fund in addition to their existing responsibilities regarding approval for projects from available funds in the Maintenance of State Buildings Revolving Fund. The State of Oklahoma Capital Improvement Plan for Fiscal Years 2027-2034 prioritizes legislative updates to further streamline the duties of the commission.

SECTION 1:

POLICY RECOMMENDATIONS

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

By moving the OCAMP Fund provisions under LRCPC, the 2025 Legislature made great strides in streamlining the state's capital and deferred maintenance processes. To continue this path, the commission recommends that the Legislature combine the annual capital plan budget and eight-year plan prepared each year as required by 62 O.S. § 901 with the five-year OCAMP plan required by 73 O.S. § 188A to eliminate redundancy. The commission also recommends overlapping and combining the MSBRF and the OCAMP Fund to create a single fund for deferred maintenance projects. This would entail directing revenues that currently go to the MSBRF to go to the OCAMP Fund as well as amending the OCAMP statutes to include capital needs and not just deferred maintenance. The authority surrounding approval of strategic dispositions would also need to be included in the OCAMP statutes. Additionally, each fund has its own reporting requirements. With the redirection of the MSBRF revenues to the OCAMP Fund, the MSBRF reporting and planning statutes should also be eliminated. That would leave the LRCPC to manage one fund with one reporting process for deferred maintenance needs. These changes would ensure alignment of the missions, responsibilities and revenue streams of these two funds into one.

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

The Legislature has taken a large step in the right direction by initially funding OCAMP with \$350 million and directing recurring revenues to the fund in the amount of \$50 million per year beginning in FY 2029. The Long-Range Capital Planning Commission recommends that state leadership establish the following policies to ensure consistent funding of the capital budget:

- **Strategic direction of funds from the disposal of real property to enable flexibility to fund.** The State of Oklahoma has a large real estate footprint. Agencies continue to review their physical sites and setups for maximum efficiency. Additionally, agencies may require the proceeds from the sale of one property to fund the renovation of another state-owned property to enable the agency to consolidate staff or services. Additionally, some agencies are shifting their “storefronts” to better serve citizens or transforming their service model in ways that reduce their overall footprint. When revenue from the sale of a building is needed to enable an agency to make better use of state real property assets, the agency, with the approval of the Long-Range Capital Planning Commission, should have access to the proceeds from that sale to achieve the desired outcome. Otherwise, the proceeds from building sales should be remitted to the OCAMP Fund to upkeep and maintain the state's capital assets.
- **Establish an annual appropriation dedicated to the implementation of the Annual Capital and Maintenance Budget.** A best practice in governments 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 building portfolio, including higher ed, is valued at \$18.3 billion.

3. Examine opportunities to consolidate and share facility 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 2027 CAPITAL BUDGET

The commission recommends combining the revenues directed to the Maintenance of State Buildings Revolving Fund to the Oklahoma Capital Assets Maintenance Protection (OCAMP) Fund. Those funds combined will be available to accomplish the five-year plans required under the OCAMP statutes. In the event the recommended changes aren't adopted by the Legislature, the commission will deploy any available funds in the Maintenance of State Buildings Revolving Fund to projects on the prioritized list.

SECTION 3:

PRIORITIZED LIST OF PROJECTS

The Commission recommends combining the revenues directed to the Maintenance of State Buildings Revolving Fund to the Oklahoma Capital Assets Maintenance Preservation (OCAMP) Fund. Those funds combined will be available to accomplish the five-year plans required under the OCAMP statutes.

In the event that the recommended changes aren't adopted by the Legislature, the commission will deploy any available funds in the Maintenance of State Buildings Revolving Fund in FY 2027 to projects on the FY 2026 prioritized list.

As previously discussed, LRCPC now oversees two processes. The Maintenance of State Buildings Revolving Fund's revenue stream is volatile and insufficient to address deferred maintenance and capital needs in the state. Out of the 175 projects submitted for FY 2026, likely only one will be funded. So, to streamline efforts and focus on the OCAMP process which has more robust funding available, the commission will use the FY 2026 prioritized list to approve projects should any funds become available.

The summarized project list is available for download:

[Prioritized Project List - Summarized](#)

The detailed project list is available for download:

[Prioritized Project List - Detailed](#)

SECTION 4:

RECOMMENDATIONS FOR STRATEGIC DISPOSITIONS

The Office of Management and Enterprise Services (OMES) may recommend the sale of additional state-owned properties based on each property's value and its potential to generate a net gain for the state, using data from the Oklahoma State Government Asset Reduction Program (62 O.S. § 908). Predicated on this analysis, OMES recommends the following project, which presents opportunities for net gain to the state through strategic property disposal.

1. Oklahoma State Bureau of Investigation (OSBI)
5 N.E. 22nd St., Lawton, Comanche County, OK 73507

The property, currently owned by OSBI, has a 6,696 sq. ft. building that sits on 1.23 acres. It is surplus to their needs and has environmental issues that make the building unusable. The land was appraised at \$174,000; OSBI would like to dispose of the property and apply the revenue toward the cost of building a new headquarters. This would allow OSBI to vacate leased property and consolidate all Oklahoma City metro area operations and personnel into one location.

The commission recommends depositing the proceeds of the sale in the Maintenance of State Buildings Revolving Fund and applying the revenue to fund OSBI's new headquarters.