

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**INTERIM SUPPLEMENTAL REQUESTS
FOR FY 2014-15 and FY 2013-14
CAPITAL CONSTRUCTION**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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Interim Supplemental Requests

INTERIM SUPPLEMENTAL REQUEST #1 (FY 2014-15) DEPARTMENT OF HIGHER EDUCATION, COLORADO SCHOOL OF MINES, MEYER HALL REPLACEMENT

	Request	Recommendation
Total	<u>\$38,120,788</u>	<u>\$38,120,788</u>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	38,120,788	38,120,788
Federal Funds	0	0

<p>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]</p>	YES
<p>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]</p>	YES and NO
<p>JBC staff and the Department agree that \$8.1 million of this request meets the interim supplemental criteria of Section 24-75-111, C.R.S., and (2) this portion of the request is the result of data that was not available when the original appropriation was made. However, JBC staff questions whether \$30.0 million of this request meets the interim supplemental criteria. That amount was identified in the initial request for FY 2014-15 as a second-year funding need. The institution failed to request the identified cash funds spending authority for the project for FY 2015-16 during the 2015 legislative session. The argument can be made that the institution's failure to request cash funds spending authority is a technical error; however, it is not a technical error in calculating the original appropriation.</p>	

Department Request: The Colorado School of Mines requests \$38,120,788 cash funds spending authority for the Meyer Hall Replacement.

Staff Recommendation: Staff recommends that the Committee approve this request.

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves.

Staff Analysis: The Colorado School of Mines received an appropriation of \$14.6 million Capital Construction Fund (CCF) in FY 2014-15 for the Meyer Hall Replacement. The original capital construction request identified a need of \$14.6 CCF in FY 2014-15 and a need of \$30.0

million cash funds in FY 2015-16. The institution failed to request the FY 2015-16 cash funds appropriation during the 2015 legislative session and budget process. Additionally, escalating construction and infrastructure costs have increased the originally identified \$44.6 million cost of the project by \$8.1 million.

The institution identifies \$27.0 million available from donations for the project and states that the difference in need will be made up by additional fundraising for the project and from reserves and short term financing to be repaid as donations are received.

While staff believes that there are procedural problems with this interim supplemental request, the Colorado School of Mines cannot move forward on their project until this cash funds appropriation is approved. The construction cost of the project will continue to increase and in recent years institutions of higher education have been given much more flexibility in their use of cash funds. On this basis, staff recommends that the Committee approve the cash funds appropriation requested for this interim supplemental.

INTERIM SUPPLEMENTAL REQUEST #2 (FY 2013-14)
DEPARTMENT OF HIGHER EDUCATION, COLORADO STATE
UNIVERSITY – PUEBLO, GENERAL CLASSROOM BUILDING

	Request	Recommendation	
Total		<u>\$0</u>	<u>\$0</u>
FTE		0.0	0.0
General Fund		0	0
Cash Funds		0	0
Federal Funds		0	0

<p>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]</p>	YES
<p>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]</p>	YES
<p>JBC staff and the Department agree that (1) this request meets the interim supplemental criteria of Section 24-75-111, C.R.S., and (2) this request is the result of an unforeseen contingency.</p>	

Department Request: The Colorado State University – Pueblo requests approval to expand the project scope of the General Classroom Building project. The project was appropriated

\$16,179,939 Capital Construction Fund (CCF) in FY 2013-14. The expansion of project scope will allow for demolition of a hazardous waste storage facility which lies adjacent to the General Classroom Building.

Staff Recommendation: Staff recommends that the Committee approve this request for FY 2013-14.

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves.

Staff Analysis: The institution states that the Hazardous Waste Storage Facility is a deteriorating campus building that has not been in use for more than 10 years and lies adjacent to the General Classroom Building. The institution proposes to use \$250,000 of available project contingency funds for the demolition/site improvement. The institution's request narrative identifies that the total construction cost of the project will increase from \$11,743,250 to \$11,993,250 and reduce the available project contingency amount available for reversion from \$543,750 to \$293,750.

Technical clarification: This interim supplemental was submitted as an FY 2014-15 request and approved for that fiscal year by the Colorado Commission on Higher Education (CCHE), the Governor's Office of State Planning and Budgeting (OSPB), and the Capital Development Committee (CDC). However, the original appropriation was made in FY 2013-14. An appropriation for FY 2014-15 would require the creation of a new or continuation project line item. On that basis, staff recommends approving the expansion of project scope as part of the original appropriation in FY 2013-14.

	FY 2013-14	FY 2014-15	Fiscal Year 2014-15 Interim Supplemental		
	Appropriation	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

CAPITAL CONSTRUCTION

Interim Supplemental #1 - Department of Higher Education, Colorado School of Mines, Meyer Hall Replacement

Part I, Capital Construction, Capital Renewal, and Capital Lease Purchase Payments

(4) Department of Higher Education

(C) Colorado School of Mines

Meyer Hall Replacement	N.A.	14,600,000	38,120,788	38,120,788	52,720,788
FTE		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Capital Construction Fund		14,600,000	0	0	14,600,000
Cash Funds		0	38,120,788	38,120,788	38,120,788
Reappropriated Funds		0	0	0	0
Federal Funds		0	0	0	0

Totals					
CAPITAL CONSTRUCTION					
TOTALS for ALL Departmental line items	283,748,966	525,690,120	38,120,788	38,120,788	563,810,908
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Capital Construction Fund	188,069,493	387,428,545	0	0	387,428,545
Cash Funds	86,298,813	128,014,513	38,120,788	38,120,788	166,135,301
Reappropriated Funds	7,113,670	7,427,537	0	0	7,427,537
Federal Funds	2,266,990	2,819,525	0	0	2,819,525

Key:

"N.A." = Not Applicable or Not Available

	FY 2012-13	FY 2013-14	Fiscal Year 2013-14 Interim Supplemental		
	Appropriation	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

CAPITAL CONSTRUCTION

Interim Supplemental #2 - Department of Higher Education, Colorado State University – Pueblo, General Classroom Building

Part V, Department of Higher Education

(5) Colorado State University - Pueblo

(B) Capital Construction

General Classroom Building	N.A.	16,179,939	0	0	16,179,939
FTE		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Capital Construction Fund		16,179,939	0	0	16,179,939
Cash Funds		0	0	0	0
Reappropriated Funds		0	0	0	0
Federal Funds		0	0	0	0

Totals					
CAPITAL CONSTRUCTION					
TOTALS for ALL Departmental line items	171,166,818	283,748,966	0	0	283,748,966
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Capital Construction Fund	63,100,367	188,069,493	0	0	188,069,493
Cash Funds	87,351,635	86,298,813	0	0	86,298,813
Reappropriated Funds	8,626,790	7,113,670	0	0	7,113,670
Federal Funds	12,088,026	2,266,990	0	0	2,266,990

Key:

"N.A." = Not Applicable or Not Available