



Joint Budget Committee Staff

FY 2014-15 Budget Briefing Summary

Capital Construction

Colorado General Assembly
Joint Budget Committee

The capital construction section of the Long Bill includes funding appropriated to state departments and higher education institutions for capital construction, controlled maintenance, and capital lease purchase payments. Capital construction appropriations are primarily supported by General Fund transferred to the Capital Construction Fund. The FY 2013-14 General Fund transfer to the Capital Construction Fund (\$186.7 million) represents 2.2 percent of FY 2013-14 General Fund revenues, based on the September 2013 Legislative Council Staff forecast. The Capital Development Committee is responsible for reviewing all capital requests and making capital funding recommendations to the Joint Budget Committee.

FY 2013-14 Appropriation and FY 2014-15 Request

Capital Construction – Governor’s Request					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$283,668,966	\$188,069,493	\$86,218,813	\$7,113,670	\$2,266,990
TOTAL	\$283,668,966	\$188,069,493	\$86,218,813	\$7,113,670	\$2,266,990
FY 2014-15 Requested Appropriation					
FY 2013-14 Appropriation	\$283,668,966	188,069,493	\$86,218,813	\$7,113,670	\$2,266,990
Annualize FY 2013-14 appropriation	(283,668,966)	(188,069,493)	(86,218,813)	(7,113,670)	(2,266,990)
<i>Requests Prioritized by OSPB*</i>					
R1 HED: Anschutz Medical Campus COP	14,290,738	7,290,738	7,000,000	0	0
R2 HED: Federal Mineral Lease COP	18,587,556	18,587,556	0	0	0
R3 DOC: CSP II COP	18,426,771	18,426,771	0	0	0
R4 Level 1 Controlled Maintenance	25,818,673	25,818,673	0	0	0
R5 GOV/OIT: Digital Trunked Radio	3,636,760	3,636,760	0	0	0
R6 HUM: MHI Suicide Risk Mitigation	4,478,533	4,478,533	0	0	0
R7 HUM: DYC Facility Refurbishment	1,100,000	1,100,000	0	0	0
R8 MIL: Veterans Cemetery Expansion	6,007,922	4,564,922	0	0	0
R9 REV: DMV IT System Replacement	41,021,167	41,021,167	0	0	0
R10 COR: YOS Multiuse Support Building	4,897,755	4,897,755	0	0	0
R11 HUM: Vets Nursing Home Upgrades	1,428,500	1,428,500	0	0	1,443,000
R12 HUM: Health Records and Pharmacy IT Systems Replacement	9,849,610	9,849,610	0	0	0
R13 HUM: MHI Facility Modernization Plans	815,000	815,000	0	0	0
R14 GOV/OIT: Timekeeping, Scheduling and Leave IT System Modernization	16,070,000	16,070,000	0	0	0
R15 DPA: Capitol Complex Leased Space Maintenance	5,400,000	5,400,000	0	0	0
R16 HED: Auraria Library Renovation	22,848,307	22,848,307	0	0	0
R17 HED: UCCS Visual and Performing Arts	34,695,438	13,281,999	21,413,439	0	0

Capital Construction – Governor’s Request					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
R18 HED/History CO: Georgetown Loop Lebanon Mill Dam Restoration	768,210	768,210	0	0	0
R19 HED/History CO: Georgetown Loop Locomotive	<u>400,000</u>	<u>300,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Subtotal - Prioritized Projects	\$230,540,940	\$200,584,501	\$28,513,439	\$0	\$1,443,000
Subtotal - Non-prioritized Projects [100% cash and federally-funded] - 16 projects**	<u>96,162,387</u>	<u>0</u>	<u>48,335,086</u>	<u>0</u>	<u>47,827,301</u>
TOTAL	\$326,703,327	\$200,584,501	\$76,848,525	\$0	\$49,270,301
Percentage Change	15.2%	6.7%	(10.9%)	(100.0%)	2,073.4%

*Reflects the Governor's Office of State Planning and Budgeting (OSPB) prioritization order. Higher Education projects are separately prioritized by the Colorado Commission on Higher Education, which ordered projects differently from OSPB

**Higher Education cash-funded projects, which do not require appropriations from the General Assembly, are not included.

Summary of Issues Presented to the Joint Budget Committee

Overview of Capital Construction Request: The Governor’s Office of State Planning and Budgeting capital construction request, submitted to the Capital Development Committee, includes \$200.6 million from the Capital Construction Fund. This would require an estimated transfer of \$199.3 million from the General Fund to the Capital Construction Fund.

State Controlled Maintenance Needs: The State Architect’s Office reflects a growing need for controlled maintenance funding, which it recommends funding at 1.0 percent of current replacement value or about \$100 million per year. The General Assembly has not been able to support funding at this level since the early 2000s. The Governor’s FY 2014-15 request includes funding for Level I controlled maintenance only (\$25.8 million).

Preliminary Estimate of Flood Recovery General Fund Costs: The Governor’s November 1 letter to the JBC proposes that \$144 million in FY 2013-14 revenues (General Fund projected to be received in excess of amounts originally budgeted for FY 2013-14) be used to address costs associated with the September 2013 floods and other recent disasters. Staff believes the *net* need for funding, after federal reimbursements are received, could be far less than this. However, very little data is yet available, and state expenditures are dependent in part on the level of state assistance provided to local governments to address their costs.

Capital Construction Long Bill Reformat Option: The Capital Construction section of the Long Bill currently intersperses capital construction and controlled maintenance projects. Staff recommends restructuring the Long Bill to separate these two categories.

For More Information

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To read the entire briefing: http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2013-14/capbrf.pdf