



Capital Construction

During the 2018 legislative session, the General Assembly considered a number of bills affecting funding for capital construction and the duties of the Capital Development Committee (CDC).

Capital Appropriations and Transfers

House Bill 18-1322 provides funding in FY 2018-19 for 54 capital construction, controlled maintenance, and information technology (IT) projects totaling \$352.3 million, including \$153.8 million in state funds, and \$198.5 million in cash and federal funds.

House Bill 18-1170 makes supplemental capital construction appropriations and budgetary adjustments for a number of projects appropriated in prior fiscal years. *House Bill 18-1173* transfers \$2.9 million from the General Fund to the Capital Construction Fund (CCF) to pay for supplemental costs associated with one capital IT project.

House Bill 18-1340 makes several transfers to the CCF for FY 2018-19 projects. HB 18-1340 also transfers \$30 million from the General Fund in FY 2018-19 to the Controlled Maintenance Trust Fund. *House Bill 18-1293* transfers \$850,000 from the State Historical Fund to the Legislative Department Cash Fund to help pay for the restoration of the Old Supreme Court Chamber in the State Capitol Building.

Senate Bill 18-208, recommended by the CDC, creates the Governor's Mansion Maintenance Fund, which may be used to pay for rental operations and maintenance costs associated with the mansion.

House Bill 18-1006 expands newborn screening for genetic and metabolic diseases and includes General Fund appropriations for the Colorado Department of Public Health and Environment in the amounts of \$642,500 for laboratory construction, \$520,000 for specialized laboratory equipment, and \$700,000 for capital IT software costs, all of which are required to implement the bill.

Changes in Funding Methodology

Four bills adopted by the General Assembly make changes to the funding methodology for capital construction or controlled maintenance projects, two of which concern lease-purchase agreements. *Senate Bill 18-232*, recommended by the CDC, changes how the Art in Public Places program allocation is calculated for projects financed through lease-purchase agreements, in order to conform with how the calculation is made for capital projects financed through regular capital appropriations. *House Bill 18-1374*, recommended by the CDC, eliminates the eligibility of buildings financed through lease-purchase agreements to receive future state funding for controlled maintenance.

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House Bill 18-1372, recommended by the CDC, makes a technical change to exempt an account in the CCF from depreciation set-asides that are required under current law.

Senate Bill 18-267, recommended by the CDC, creates a maintenance fund for the Ralph L. Carr Judicial Center in Denver. Appropriations from the fund will be determined annually based on a report from the Judicial Department to the Joint Budget Committee that details the 20-year projection of maintenance needs for the Judicial Center.

Building Excellent Schools Today Program

Two bills adopted by the General Assembly make changes to the Building Excellent Schools Today (BEST) program. Under the BEST program, the state may enter into lease-purchase agreements for public school facility capital construction projects, provided that the lease payments do not exceed \$100 million per fiscal year. Previously, the first \$40 million of retail marijuana excise tax revenue collected annually was transferred to support the BEST program. *House Bill 18-1070* increases the annual limit to the greater of \$40 million or 90 percent of the revenue collected. The CDC is required to approve BEST projects that are financed through lease-purchase agreements.

House Bill 18-1277, recommended by the CDC, adds to the list of requirements for a grant to be awarded under the BEST program. The bill specifies that beginning in FY 2019-20, an application for financial assistance under the BEST program must include a plan for the future use or disposition of any public school facility that will be vacated as a result of a BEST grant award.

Other Capital-Related Bills

House Bill 18-1371, recommended by the CDC, relocates spending and encumbrance requirements from the headnotes of the capital construction section of the General Assembly's annual Long Bill to the Colorado Revised Statutes. The bill also codifies spending and encumbrance guidelines for capital projects approved or modified through a supplemental appropriations bill.

House Bill 18-1373, recommended by the CDC, authorizes the Governor's Office of Information Technology to enter into lease agreements with private entities for the use of the state's network towers through public-private partnerships.

House Bill 18-1049 allows the Department of Human Services (DHS) to continue leasing to third-party behavioral health providers on the Grand Junction Regional Center (GJRC) campus until June 2020. *Senate Bill 16-178* requires DHS to vacate the GJRC campus after relocating individuals currently residing on the campus to home-like settings of their choosing. HB 18-1322 includes an appropriation of \$3.5 million to construct two new state-owned group homes, which will serve some of the residents relocated from the GJRC.

House Bill 18-1383, which was postponed indefinitely, would have extended bonding requirements for contractors to include projects financed in whole or in part by a private entity, so long as a project is located on publicly-owned real property.