



Capital Construction

During the 2017 legislative session, the General Assembly considered a number of bills affecting funding for capital construction and the duties of the Capital Development Committee (CDC).

Appropriations for Capital Construction Projects

Senate Bill 17-254 provides funding in FY 2017-18 for 62 capital construction, controlled maintenance, and information technology projects totaling \$183.4 million, including \$91.9 million in state funds, and \$91.5 million in cash and federal funds. SB 17-254 also includes \$1.0 million in the operating budget to make repairs and renovations to the Governor's mansion during FY 2017-18.

Senate Bill 17-172 makes supplemental capital construction appropriations and budgetary adjustments for a number of projects appropriated in prior fiscal years.

Revenue for Capital Projects

Senate Bill 17-263 makes several transfers to the Capital Construction Fund (CCF) for FY 2017-18 projects. SB 17-263 also transfers \$20,000,000 from the General Fund in FY 2017-18 to the Controlled Maintenance Trust Fund to serve as part of the TABOR reserve and to replace funds transferred in FY 2016-17 under various executive orders.

Senate Bill 17-267 makes a number of changes to areas of state policy. One of these changes authorizes the issuance of certificates of participation on or after July 1, 2018, for capital construction and transportation projects. Up to \$120.0 million of the proceeds of the first issuance are allocated for capital construction.

Changes in Funding Methodology for Capital Projects

Two bills adopted by the General Assembly make changes in the anticipated funding methodology for future capital projects. *House Bill 17-1144* changes how depreciation equivalent payments from cash fund sources are recorded by state departments. The bill requires payments to be appropriated through the operating budget to a capital reserve account within the cash fund used to construct a project. *Senate Bill 17-262* replaces the final three years of transfers created through Senate Bill 09-228 with actual dollar amounts. The bill eliminates the FY 2017-18 transfer to the CCF and transfers \$60.0 million to the CCF in FY 2018-19 and again in FY 2019-20.

Bills That May Lead to Future Capital Construction Requests

Several bills adopted by the General Assembly may lead to future capital construction requests. *House Bill 17-1329* changes the focus of services provided by the Division of Youth Corrections within the

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Department of Human Services. The bill, in part, directs the division to perform construction and renovation as necessary to place youth in a home-like, least-restrictive environment.

House Bill 17-1317 gives the Colorado Historical Society the authority to sell real property in the Lowry neighborhood of Denver. The bill directs the proceeds from the sale of the real property to be deposited in the State Museum Cash Fund and allows the proceeds to be spent on capital outlay, controlled maintenance, and capital construction in museums statewide.

House Bill 17-1346 authorizes the Department of Human Services to sell up to 66 acres of vacant land around the Colorado Mental Health Institute at Fort Logan to the U.S. Department of Veterans Affairs in order to expand the Fort Logan National Cemetery. House Bill 16-1456 authorized the sale of the first 15 acres. This bill authorizes the sale of an additional 51 acres. The sale proceeds from the first 15 acres can be used to pay one-time costs for the Veterans Community Living Centers. The sale proceeds from the remaining acres may be used for future capital construction, capital renewal, or controlled maintenance expenses.

Changes to Post-Appropriation Administration of Capital Projects

Several bills considered by the General Assembly during the 2017 session concerned the post-appropriation administration of capital projects. *House Bill 17-1051* makes a number of changes to the laws concerning the state procurement code. Most construction contracting activities are codified in a different part of statute; however, some activities associated with capital construction fall under the procurement code.

House Bill 17-1067 updates references to a building standard promulgated by the American National Standards Institute that governs construction of accessible housing.

House Bill 17-1300, which was postponed indefinitely, would have required contractors employed on public projects expected to cost more than \$500,000, and not funded with federal dollars, to use apprentices enrolled in a registered apprenticeship program for at least 25 percent of the project workforce in apprenticeable occupations, or to make a good faith effort to do so.

Other Bills Affecting the Capital Process or the Duties of the CDC

The General Assembly considered a number of bills during the 2017 session that have some bearing on the duties of the CDC. *Senate Bill 17-122* repeals the Fallen Heroes Memorial Commission in the Department of Personnel and Administration, and requires the Capitol Building Advisory Committee (CBAC) to take on any remaining duties of the commission. The CBAC is advisory to the CDC.

House Bill 17-1082 expands the definition of capital construction under the Building Excellent Schools Today (BEST) program to include technology. The CDC reviews and approves the use of certificates of participation to finance projects under the BEST program.

House Bill 17-1321, which was postponed indefinitely, would have increased the limit for fees set in rule by the Colorado Parks and Wildlife (CPW) Commission. The CDC reviews any CPW real property transaction that exceeds 25 years in length or \$100,000 in cost.

House Bill 17-1362, which was postponed indefinitely, would have required the Transportation Legislation Review Committee and the CDC to meet at least once during the 2017 legislative interim to discuss strategies to address critical infrastructure needs in the state.