

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR
FY 2015-16, 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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CAPITAL CONSTRUCTION

Summary: FY 2015-16 Appropriation and Recommendation

Capital Construction: Requested and Recommended Changes for FY 2015-16					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$396,231,034</u>	<u>\$249,945,429</u>	<u>\$116,938,201</u>	<u>\$13,911,135</u>	<u>\$15,436,269</u>
Current FY 2015-16 Appropriation	\$396,231,034	\$249,945,429	\$116,938,201	\$13,911,135	\$15,436,269
Requested and Recommended Changes					
Current FY 2015-16 Appropriation	\$396,231,034	249,945,429	\$116,938,201	\$13,911,135	\$15,436,269
S1 - Cell Modifications, Limon Correctional Facility	1,547,348	1,547,348	0	0	0
S2 - Biochemistry Laboratory Facility Pesticide Laboratory Equipment	860,000	0	860,000	0	0
S3 Berndt Hall Reconstruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Recommended FY 2015-16 Appropriation	\$398,638,382	\$251,492,777	\$117,798,201	\$13,911,135	\$15,436,269
Recommended Increase/(Decrease)	\$2,407,348	\$1,547,348	\$860,000	\$0	\$0
Percentage Change	0.6%	0.6%	0.7%	0.0%	0.0%

FY 2015-16 Capital Construction Fund - Estimated Balance					
	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds
FY 2015-16 Transfers to the Capital Construction Fund					
General Fund transfer to the Capital Construction Fund (S.B. 15-250)	143,951,639	0	0	0	143,951,639
General Fund transfer to the Information Technology Capital Account in the CCF (S.B. 15-250)	76,877,790	0	0	0	76,877,790
General Fund Exempt transfer to the CCF (S.B. 15-250)	500,000	0	0	0	500,000
State Historical Fund transfer to the CCF (S.B. 15-250)	0	1,000,000	0	0	1,000,000
Estimated S.B. 09-228 General Fund transfer to the CCF (Dec 2015 LCS Forecast)	<u>49,900,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,900,000</u>
Subtotal - Transfers to the CCF	271,229,429	1,000,000	0	0	272,229,429
FY 2015-16 Appropriations from the Capital Construction Fund					
Long Bill Appropriations from the CCF (S.B. 15-234)					(249,945,429)
FY 2015-16 Capital Construction Fund Estimated Balance					22,284,000

State-funded Requests Recommended by the CDC

**S1 – CELL MODIFICATIONS, LIMON CORRECTIONAL FACILITY
(DEPARTMENT OF CORRECTIONS)**

	Request	Recommendation
Total	<u>\$1,547,348</u>	<u>\$1,547,348</u>
Capital Construction Fund	1,547,348	1,547,348
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

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.]	YES
JBC staff and the Department agree that this request is the result of data that was not previously available.	

Department Request: The Department of Corrections requests \$1,547,348 Capital Construction Fund for cell modifications to the close custody living units.

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

Staff Analysis: The Department is requesting state funds to replace hardware in 480 close custody living unit cells at Limon Correctional Facility (LCF). The project will also update software to support the new hardware. The project will provide increased security in the close custody living units. LCF is a 930-bed Level IV correctional facility, primarily designated for housing close management and escape-risk offenders. Close custody offenders represent 47.6 percent of the total population at LCF. The cost assumption is based on a per cell cost of \$2,841, professional services, and a 10 percent contingency.

Non-state-funded Technical Recommendations by the CDC

**S2 – BIOCHEMISTRY LABORATORY FACILITY PESTICIDE
LABORATORY EQUIPMENT (DEPARTMENT OF AGRICULTURE)**

	Request	Recommendation
Total	<u>\$860,000</u>	<u>\$860,000</u>
Capital Construction Fund	0	0
Cash Funds	860,000	860,000

JBC Staff Supplemental Recommendations: FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

	Request	Recommendation	
Reappropriated Funds	0	0	0
Federal Funds	0	0	0

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.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: The Department of Agriculture requests \$860,000 cash funds from the Marijuana Tax Cash Fund to purchase testing equipment for the pesticide laboratory to accommodate an increased demand for testing pesticide residue on marijuana plants.

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

Staff Analysis: The project was originally submitted as an FY 2016-17 capital budget request. The CDC approved the request as an FY 2015-16 supplemental upon verification of funds available from the Marijuana Tax Cash Fund in order to expedite the project. The project purchases a new nitrogen gas storage and delivery system and additional laboratory testing equipment, including two types of liquid chromatographs. The equipment will be moveable. The Department states that the number of complaints about pesticide misapplication has increased significantly since marijuana agriculture was legalized. The equipment will reduce the amount of time to test marijuana samples and increase testing capacity by allowing operation of more equipment simultaneously. Current capacity allows two instruments to run at the same time and current testing time ranges from several weeks to several months. The Department believes it will reach its target testing turnaround time of 14 to 30 days within three months of installation, which matches the turnaround time of most commercial laboratories. Cost assumptions are based on estimates from July 2015 with purchases beginning in Spring 2016.

S3 – BERNDT HALL RECONSTRUCTION (FORT LEWIS COLLEGE, DEPARTMENT OF HIGHER EDUCATION)

	Request	Recommendation	
Total		<u>\$0</u>	<u>\$0</u>
Capital Construction Fund		0	0
Cash Funds		0	0
Reappropriated Funds		0	0
Federal Funds		0	0

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.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: Fort Lewis College (FLC) requests an expansion of scope to use remaining project funds to design, procure, and install additional engineering equipment. The proposed expenditure is outside the approved project scope and requires additional legislative authorization.

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

Staff Analysis: The two-phase project totaled \$35.3 million, including \$29.1 million Capital Construction Fund and \$6.2 million cash funds for a geosciences, physics, and engineering building. FLC states that construction bids were lower than estimated. The estimated cost of the additional equipment is \$1.0 to \$2.0 million depending on final design, specific equipment, and potential infrastructure upgrades to accommodate the equipment. The project is schedule for occupancy in Fall 2016 with monies for the request for additional equipment to be expended by the end of 2018.

Previously Approved Supplemental Requests

IS1 (FY 2014-15) – MEYER HALL REPLACEMENT (COLORADO SCHOOL OF MINES) 1331 – JUNE 2015

	Previously Approved
Total	<u>\$38,120,788</u>
Cash Funds	38,120,788

Summary: The Committee approved this interim supplemental in June 2015. The Colorado School of Mines (CSM) requested \$38,120,788 cash funds spending authority for the Meyer Hall Replacement. CSM 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 increased the originally identified \$44.6 million cost of the project by \$8.1 million.

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 will include this supplemental in the Department's supplemental bill.

**IS2 (FY 2013-14) – GENERAL CLASSROOM BUILDING (COLORADO STATE UNIVERSITY – PUEBLO)
1331 – JUNE 2015**

	Previously Approved
Total	<u>\$0</u>
Capital Construction Fund	0

Summary: The Committee approved this interim supplemental in June 2015. The Colorado State University – Pueblo (CSU-P) requested 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 allowed for demolition of a hazardous waste storage facility adjacent to the General Classroom Building. CSU-P used \$250,000 of available project contingency funds for the demolition/site improvement and reduced the available project contingency amount available for reversion from \$543,750 to \$293,750.

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 will include this supplemental in the Department's supplemental bill.

JBC Staff-initiated Supplemental Recommendation

JS1 – DEPARTMENT OF NATURAL RESOURCES HUTF LETTER NOTE CORRECTION (FY 2014-15 AND FY 2015-16)

Staff Recommendation: Staff recommends that the Committee allow staff to make a correction to Department of Natural Resources letter note references to HUTF funds in the 2015 capital construction supplemental (S.B. 15-165) and the capital construction section of the 2015 Long Bill (S.B. 15-234).

Staff Analysis: Staff erroneously cited HUTF funds available to the Department of Natural Resources. Staff will correct the letter notes as follows:

S.B. 15-165, Section 1 of the bill, Part I, (9) Department of Natural Resources, letter note c:

Of this amount, \$10,413,244 shall be from grants from the Great Outdoors Colorado Board, established in Article XXVII, Section 1, of the State Constitution, and Lottery proceeds, pursuant to Section 3 of Article XXVII of the State Constitution, and \$300,000 shall be from the Highway Users Tax Fund created in Section 43-4-201 (1) (a), C.R.S., AND PURSUANT TO SECTION 33-10-111(4), C.R.S. Lottery proceeds are based on estimates and are shown for informational purposes only.

S.B. 15-165, Section 1 of the bill, Grand Totals (Capital Construction) letter note a:

Of this amount, ~~\$545,633~~ ~~\$845,633~~ \$545,633 shall be from the Highway Users Tax Fund pursuant to Section 43-4-201 (3) (a) (I) (C), C.R.S., AND \$300,000 SHALL BE FROM THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 33-10-111 (4), C.R.S. Of this amount, \$16,924,298 contains an (I) notation.

S.B. 15-234, Section 3 of the bill, Part I, (7) Department of Natural Resources, letter note a:

Of these amounts, \$5,151,542 shall be from grants from the Great Outdoors Colorado Board, established in Article XXVII, Section 1, of the State Constitution, \$4,935,458(I) shall be from Lottery proceeds, pursuant to Section 3 of Article XXVII of the State Constitution, and \$300,000 shall be from the Highway Users Tax Fund created in Section 43-4-201 (1) (a), C.R.S., AND PURSUANT TO SECTION 33-10-111(4), C.R.S. Lottery proceeds are based on estimates and are shown for informational purposes only.

S.B. 15-234, Section 3 of the bill, Grand Totals (Capital Construction) letter note a:

Of this amount, ~~\$2,376,402~~ \$2,076,402 shall be from the Highway Users Tax Fund pursuant to Section 43-4-201 (3) (a) (I) (C), C.R.S., AND \$300,000 SHALL BE FROM THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 33-10-111 (4), C.R.S. Of this amount, \$4,935,458 contains an (I) notation.

	FY 2014-15	FY 2015-16	Fiscal Year 2015-16 Supplemental		
	Appropriation	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

CAPITAL CONSTRUCTION

S1 - Cell Modifications, Limon Correctional Facility

PART I - CAPITAL CONSTRUCTION, CAPITAL RENEWAL, AND CAPITAL LEASE PURCHASE PAYMENTS

(1) DEPARTMENT OF CORRECTIONS

Cell Modifications, Limon Correctional Facility	N/A	0	1,547,348	1,547,348	1,547,348
Capital Construction Fund		0	1,547,348	1,547,348	1,547,348
Cash Funds		0	0	0	0
Reappropriated Funds		0	0	0	0
Federal Funds		0	0	0	0

S2 - Biochemistry Laboratory Facility Pesticide Laboratory Equipment

PART I - CAPITAL CONSTRUCTION, CAPITAL RENEWAL, AND CAPITAL LEASE PURCHASE PAYMENTS

(11) DEPARTMENT OF AGRICULTURE

Biochemistry Laboratory Facility Pesticide Laboratory Equipment	N/A	0	860,000	860,000	860,000
Capital Construction Fund		0	0	0	0
Cash Funds		0	860,000	860,000	860,000
Reappropriated Funds		0	0	0	0
Federal Funds		0	0	0	0

S3 - Berndt Hall Reconstruction

PART I - CAPITAL CONSTRUCTION, CAPITAL RENEWAL, AND CAPITAL LEASE PURCHASE PAYMENTS

(4) DEPARTMENT OF HIGHER EDUCATION

(D) Fort Lewis College

Berndt Hall Reconstruction	22,943,742	10,409,332	0	0	10,409,332
Capital Construction Fund	20,827,755	8,293,345	0	0	8,293,345
Cash Funds	2,115,987	2,115,987	0	0	2,115,987
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

	FY 2014-15	FY 2015-16	Fiscal Year 2015-16 Supplemental		
	Appropriation	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Totals					
CAPITAL CONSTRUCTION					
TOTALS for ALL line items	22,943,742	10,409,332	2,407,348	2,407,348	12,816,680
Capital Construction Fund	20,827,755	8,293,345	1,547,348	1,547,348	9,840,693
Cash Funds	2,115,987	2,115,987	860,000	860,000	2,975,987
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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