

## Funds Available for Capital Construction Versus Identified Capital Construction Projects

<u>Transfers authorized in Statute</u>		
H.B. 06-1373 transfer for HUM CMHIP Forensics Unit	22,885,386	
Transfers to the Corrections Expansion Reserve Fund	<u>2,125,517</u>	Can only be used for corrections projects
	25,010,903	
<u>Other Funds Available for Capital Construction</u>		
1/3 of the FY 2005-06 excess General Fund Reserve	145,600,000	
Uncommitted balance in the Fitzsimons Trust Fund	18,400,000	Can only be used for Fitzsimons
Projected tobacco funds to the Fitzsimons Trust Fund	5,393,624	Can only be used for Fitzsimons
CDC projected interest for the Capital Construction Fund	9,900,000	
Uncommitted balance in Corrections Expansion Reserve Fund	2,441,432	Can only be used for corrections projects
Uncommitted interest earnings of Controlled Maintenance Trust Fund	340,000	Can only be used for controlled maintenance projects
Capital Construction Fund uncommitted balance as of July 1, 2006	<u>226,000</u>	
	182,301,056	
<b>Total Funds Available Without Any Statutory Change</b>	<b>207,311,959</b>	

<b>Capital and Controlled Maintenance Requests</b>		
<u>Supplementals</u>		
CSU Pueblo, HPER Building Renovation, Life/Safety Upgrade	1,734,718	
Northeastern Junior College, Telecom IT Upgrade	419,895	
Corrections, CSP II, High Custody Expansion	24,921,799	CDC has not acted yet
Revenue, Eastboud Lane and Scale Pit Repair, Fort Morgan POE	<u>165,440</u>	CDC has not acted yet
	27,241,852	
<u>FY 2007-08 Requests</u>		
Controlled Maintenance	30,195,700	
Certificates of Participation Fitzsimons	13,145,713	
Capital Construction Projects Requested Nov 1 by Owens Administration	145,527,996	
Budget Amendments Requested by Owens Administration	<u>18,516,350</u>	Of this \$17.9 million is related to CSP II prison
	207,385,759	
<b>TOTAL - Capital Construction Requests</b>	<b>234,627,611</b>	
Surplus/(Shortall)	(27,315,652)	

<u>Additional Projects Identified from Other Sources</u>		
New Center of Justice/History Museum Requested by Judicial Department	18,000,000	
Additional Higher Education Projects Requested by CCHE	122,843,998	
State Highway Construction Projects Requested by CDOT	86,012,000	
Additional Controlled Maintenance Identified by State Buildings	<u>43,483,553</u>	
	270,339,551	
<b>TOTAL - Including Additional Projects Identified from Other Sources</b>	<b>504,967,162</b>	
Surplus/(Shortall)	(297,655,203)	

# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



### **FY 2006-07 SUPPLEMENTAL: CAPITAL CONSTRUCTION**

### **PRIORITIZED AND NON-PRIORITIZED REQUESTS**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

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**CAPITAL CONSTRUCTION  
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

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Totals for All Supplementals	10	N.A.

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
<b>CAPITAL CONSTRUCTION</b>					
<b>Colorado State University</b>					
<i>(B) Capital Construction</i>					
		FY 2005-06 (S.B. 05-209)			
1 Regulated Materials Handling Facility	<u>1,502,078</u>	<u>1,502,078</u>	<u>301,000</u>	<u>301,000</u>	<u>1,803,078</u>
Capital Construction Funds Exempt	1,502,078	1,502,078	0	0	1,502,078
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	301,000	301,000	301,000
Federal Funds	0	0	0	0	0
2 Relocate NEW Computer Sciences Department -- Information Sciences and Technology Center		FY 2006-07 (H.B. 06-1385)			
<b>Addition/Renovation</b>	<u>12,993,100</u>	<u>12,993,100</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>14,493,100</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	12,993,100	12,993,100	1,500,000	1,500,000	14,493,100
Federal Funds	0	0	0	0	0
3 University Center for the Arts, Renovation	<u>28,388,142</u>	<u>22,617,841</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>29,617,841</u>
Capital Construction Funds Exempt	699,844	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	27,688,298	22,617,841	7,000,000	7,000,000	29,617,841
Federal Funds	0	0	0	0	0

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
<b>University of Colorado at Boulder</b>		FY 2006-07			
<i>(B) Capital Construction</i>		(H.B. 06-1385)			
4 Outdoor Recreation Facilities Improvements	<u>5,712,500</u>	<u>5,712,500</u>	<u>337,500</u>	<u>337,500</u>	<u>6,050,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	5,712,500	5,712,500	337,500	337,500	6,050,000
Federal Funds	0	0	0	0	0
<b>University of Colorado at Denver and Health Sciences Center</b>		FY 2006-07			
<i>(B) Capital Construction</i>		(H.B. 06-1385)			
NA Lease Purchase of Academic Facilities at Fitzsimons	<u>13,143,313</u>	<u>13,143,313</u>	<u>0</u>	<u>0</u>	<u>13,143,313</u>
Capital Construction Funds Exempt	6,138,669	6,138,669	0	(6,138,669)	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	7,004,644	7,004,644	0	6,138,669	13,143,313
Federal Funds	0	0	0	0	0
<b>Colorado School of Mines</b>		FY 2006-07			
<i>(B) Capital Construction</i>		(H.B. 06-1385)			
5 Marquez Hall Petroleum Engineering Building	<u>0</u>	<u>0</u>	<u>40,000,000</u>	<u>0</u>	<u>0</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	40,000,000	0	0
Federal Funds	0	0	0	0	0

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
FY 2006-07 (H.B. 06-1385)					
6 Berthoud Hall Classroom Renovation	<u>0</u>	<u>0</u>	<u>880,000</u>	<u>880,000</u>	<u>880,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	880,000	880,000	880,000
Federal Funds	0	0	0	0	0
<b>Historical Society</b>					
FY 2005-06 (H.B. 06-1235)					
7 Regional Museum Preservation Projects	<u>4,036,640</u>	<u>1,292,840</u>	<u>425,000</u>	<u>425,000</u>	<u>1,717,840</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	3,706,640	962,840	425,000	425,000	1,387,840
Federal Funds	330,000	330,000	0	0	330,000
<b>Northeastern Junior College</b>					
FY 2006-07 (H.B. 06-1385)					
8 Telecom Information Technology Upgrade	<u>499,670</u>	<u>499,670</u>	<u>419,895</u>	<u>419,895</u>	<u>919,565</u>
Capital Construction Funds Exempt	499,670	499,670	419,895	419,895	919,565
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	0	0	0
Federal Funds	0	0	0	0	0
FY 2006-07					

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
<b>Department of Labor and Employment</b>		(H.B. 06-1385)			
9 Telephone System	<u>0</u>	<u>0</u>	<u>3,211,302</u>	<u>3,211,302</u>	<u>3,211,302</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	2,113,802	2,113,802	2,113,802
Cash Funds Exempt	0	0	0	0	0
Federal Funds	0	0	1,097,500	1,097,500	1,097,500
		FY 2006-07			
<b>Department of Natural Resources</b>		(H.B. 06-1385)			
10 Cheyenne Mountain State Park	<u>16,148,000</u>	<u>3,080,000</u>	<u>2,350,000</u>	<u>2,350,000</u>	<u>5,430,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	14,938,000	2,505,000	2,350,000	2,350,000	4,855,000
Federal Funds	1,210,000	575,000	0	0	575,000
		FY 2006-07			
		(H.B. 06-1385)			
11 Corps Cost Share Improvements Phase III	<u>17,900,000</u>	<u>3,850,000</u>	<u>150,000</u>	<u>150,000</u>	<u>4,000,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	8,400,000	1,850,000	150,000	150,000	2,000,000
Federal Funds	9,500,000	2,000,000	0	0	2,000,000
		FY 2006-07			
		(H.B. 06-1385)			
12 Highline Lake State Park, Visitor Center and Maintenance Facility	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	1,000,000	1,000,000	1,000,000
Federal Funds	0	0	0	0	0
FY 2006-07 (H.B. 06-1385)					
13 Lone Mesa State Park	<u>700,000</u>	<u>100,000</u>	<u>150,000</u>	<u>150,000</u>	<u>250,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	700,000	100,000	150,000	150,000	250,000
Federal Funds	0	0	0	0	0
FY 2006-07 (H.B. 06-1385)					
14 Major Repairs, Minor Recreation Improvemetr	<u>41,018,000</u>	<u>4,461,000</u>	<u>(192,000)</u>	<u>(192,000)</u>	<u>4,269,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	6,700,000	0	0	0	0
Cash Funds Exempt	34,068,000	4,461,000	(192,000)	(192,000)	4,269,000
Federal Funds	250,000	0	0	0	0
FY 2006-07 (H.B. 06-1385)					
15 Reservoir Enhancements	<u>3,754,000</u>	<u>355,000</u>	<u>(98,000)</u>	<u>(98,000)</u>	<u>257,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0



	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
Cash Funds Exempt	1,617,000	167,000	(98,000)	(98,000)	69,000
Federal Funds	2,137,000	188,000	0	0	188,000
		FY 2006-07 (H.B. 06-1385)			
16 State Trails Grant Program	<u>9,464,000</u>	<u>1,600,000</u>	<u>67,000</u>	<u>67,000</u>	<u>1,667,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	3,579,000	600,000	67,000	67,000	667,000
Federal Funds	5,885,000	1,000,000	0	0	1,000,000
		FY 2006-07 (H.B. 06-1385)			
17 Staunton State Park	<u>100,000</u>	<u>100,000</u>	<u>400,000</u>	<u>400,000</u>	<u>500,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	100,000	100,000	400,000	400,000	500,000
Federal Funds	0	0	0	0	0
		FY 2006-07 (H.B. 06-1385)			
18 Water Acquisition/Lease Options and Dam Repairs	<u>6,750,000</u>	<u>600,000</u>	<u>179,000</u>	<u>179,000</u>	<u>779,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	6,750,000	600,000	179,000	179,000	779,000
Federal Funds	0	0	0	0	0

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
		FY 2006-07 (H.B. 06-1385)			
19 Wildfire Prevention	<u>2,550,000</u>	<u>600,000</u>	<u>100,000</u>	<u>100,000</u>	<u>700,000</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	950,000	200,000	100,000	100,000	300,000
Federal Funds	1,600,000	400,000	0	0	400,000
		FY 2006-07 (H.B. 06-1385)			
<b>Department of Revenue</b>					
20 Central City Building Repairs	<u>0</u>	<u>0</u>	<u>65,813</u>	<u>65,813</u>	<u>65,813</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	65,813	65,813	65,813
Cash Funds Exempt	0	0	0	0	0
Federal Funds	0	0	0	0	0
		FY 2006-07 (H.B. 06-1385)			
21 Monument Port of Entry, Scale Pit Repair	<u>0</u>	<u>0</u>	<u>191,400</u>	<u>191,400</u>	<u>191,400</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	191,400	191,400	191,400
Federal Funds	0	0	0	0	0

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
<b>Previously Approved 1331 Supplementals</b>					
<b>Colorado State University at Pueblo</b>					
		FY 2006-07 (H.B. 06-1385)			
<i>(B) Capital Construction</i>					
Multi-purpose Student Recreation Field	<u>0</u>	<u>0</u>	<u>1,527,300</u>	<u>1,527,300</u>	<u>1,527,300</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	1,527,300	1,527,300	1,527,300
Federal Funds	0	0	0	0	0
<b>University of Colorado at Boulder</b>					
		FY 2005-06 (H.B. 06-1385)			
<i>(B) Capital Construction</i>					
Business School Renovation and Addition	<u>34,300,000</u>	<u>32,915,455</u>	<u>3,760,000</u>	<u>3,760,000</u>	<u>36,675,455</u>
Capital Construction Funds Exempt	839,751	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	33,460,249	32,915,455	3,760,000	3,760,000	36,675,455
Federal Funds	0	0	0	0	0
<b>Auraria Higher Education Center</b>					
		FY 2006-07 (H.B. 06-1385)			
<i>(B) Capital Construction</i>					
Science Building Addition and Renovation	<u>2,429,100</u>	<u>2,429,100</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>5,429,100</u>
Capital Construction Funds Exempt	2,429,100	2,429,100	0	0	2,429,100
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	3,000,000	3,000,000	3,000,000
Federal Funds	0	0	0	0	0

	Total Approps To Date for the Project	Supplemental			New Total with with Rec.
		Approp Being Amended	Requested Change	Recommended Change	
<b>Colorado Historical Society</b>					
<i>(B) Capital Construction</i>					
		FY 2005-06 (H.B. 06-1235)			
Regional Museum Preservation Projects	<u>4,036,640</u>	<u>1,292,840</u>	<u>449,491</u>	<u>449,491</u>	<u>1,742,331</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	3,706,640	962,840	449,491	449,491	1,412,331
Federal Funds	330,000	330,000	0	0	330,000
 <b>Department of Labor and Employment</b>					
<i>(B) Capital Construction</i>					
		FY 2006-07 (H.B. 06-1385)			
Frisco Workforce Center Roof Replacement	<u>0</u>	<u>0</u>	<u>68,750</u>	<u>68,750</u>	<u>68,750</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	0	0	0
Federal Funds	0	0	68,750	68,750	68,750
 <b>Department of Public Health and Environment</b>					
<i>(B) Capital Construction</i>					
		FY 2003-04 (S.B. 03-258)			
California Gulch Superfund Site Cleanup	<u>0</u>	<u>24,070,696</u>	<u>(16,768,456)</u>	<u>(16,768,456)</u>	<u>7,302,240</u>
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	2,407,070	(1,676,846)	(1,676,846)	730,224
Federal Funds	0	21,663,626	(15,091,610)	(15,091,610)	6,572,016
		FY 2006-07 (H.B. 06-1385)			

	Total Approps To Date for the Project	Approp Being Amended	Supplemental		New Total with with Rec.
			Requested Change	Recommended Change	
Clear Creek Superfund Site	0	0	14,785,000	14,785,000	14,785,000
Capital Construction Funds Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	1,478,500	1,478,500	1,478,500
Federal Funds	0	0	13,306,500	13,306,500	13,306,500
<hr/>					
<b>Total</b>					
CAPITAL CONSTRUCTION	N.A.	N.A.	<u>65,259,995</u>	<u>25,259,995</u>	N.A.
Capital Construction Funds Exempt			419,895	(5,718,774)	
Cash Funds			2,179,615	2,179,615	
Cash Funds Exempt			63,279,345	29,418,014	
Federal Funds			(618,860)	(618,860)	

Key:

"N.A." = Not Applicable

**CAPITAL CONSTRUCTION  
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Supplemental #1 – Colorado State University, Regulated Materials Handling Facility**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$301,000</u>	<u>\$301,000</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	301,000	301,000
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
The request addresses <i>new data</i> about the cost of building materials for the project.	

**Department Request:** The Department requests \$301,000 cash funds exempt spending authority for construction of the Regulated Materials Handling Facility. Ten bids solicited by the institution all came in higher than the appropriation. The University underestimated global demand for construction materials in the original request. To complete the project the University will use reserves in a building renewal account.

**CDC Action:** The Capital Development Committee approved the request.

**Staff Recommendation:** Staff recommends approval of the request. Rather than reducing the scope of the project, the University has proposed spending reserves to complete the project as originally envisioned.

**Supplemental #2 – Colorado State University, Relocate Computer Sciences Department, Information Sciences and Technology Center**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$1,500,000</u>	<u>\$1,500,000</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	1,500,000	1,500,000
Federal Funds	0	0

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<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The request addresses <i>new data</i> about private giving available to enhance the facility.	

**Department Request:** The University considered two options for addressing space needs of the information sciences programs. In the FY 2006-07 Long Bill the legislature approved an option to relocate the facility. However, the University subsequently decided that a new facility south of the Rockwell School of Business on the main campus would better meet the needs of the institution. The University requests that the name of the project be changed to “New Computer Sciences Department – Information Sciences and Technology Center.” Also, the University has identified \$1.5 million in additional private donations to enhance the quality of the project and requests cash funds exempt spending authority.

**CDC Action:** The Capital Development Committee approved the request.

**Staff Recommendation:** Staff recommends approval of the request. The option to construct new space rather than relocate achieves the same purpose of providing more room for the information sciences programs and reconfiguring and modernizing the classrooms for current teaching methodologies. The requested increase in cash funds exempt spending authority is for private donations.

**Supplemental #3 – Colorado State University, University Center for the Arts, Renovation**

	Request	Recommendation
Total	<u>\$7,000,000</u>	<u>\$7,000,000</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	7,000,000	7,000,000
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The request addresses <i>new data</i> about labor and construction material costs, the HVAC system design, and the optimal quality of finishes and soundproofing for the facility.	

**Department Request:** The costs of labor and construction materials, especially steel, drywall, and concrete, have exceeded expectations for the project. The HVAC system had to be redesigned due to low ceilings in

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 FY 2006-07 SUPPLEMENTAL RECOMMENDATION  
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sections of the building. Finally, the University would like to upgrade finishes and soundproofing, which the University claims will help it better meet accreditation standards, but whether these upgrades are implemented or not will depend on fundraising. For the increased labor and materials costs the University expects that it needs \$2.1 million, and for the upgrades to the finishes it needs \$4.9 million, for a total increase of \$7.0 million for the project. The proposed source of cash funds exempt is private donations.

**CDC Action:** The Capital Development Committee approved the request.

**Staff recommendation:** Staff recommends approval of the request. The institution plans to raise funds through donations for the additional costs. A good portion of the additional costs can be avoided by not implementing the finish upgrades if fundraising is unsuccessful.

As a general rule, staff has concerns that approving projects based on projected donations, before a higher education institution has commitments for the funds, opens the door for frivolous and/or speculative requests. It also increases the potential that an institution will start a project and then request state funds to fill a whole in the ground when private donations are not received. However, the CDC recommended the project and it meets the JBC’s supplemental criteria.

**Supplemental #4 – University of Colorado at Boulder, Outdoor Recreation Facilities Improvements**

	Request	Recommendation
Total	<u>\$337,500</u>	<u>\$337,500</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	337,500	337,500
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
The request addresses an <i>unforeseen contingency</i> that infrastructure changes now would avoid the need for future work at higher costs.	

**Department Request:** The Department requests additional cash funds exempt spending authority to take care of infrastructure problems now and avoid the need for future excavation work at Farrand Field. Specifically, the additional funding will replace a storm sewer line, leaking fire hydrant valve, and a decaying irrigation pipe.



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**CDC Action:** The Capital Development Committee approved the request.

**Staff Recommendation:** Staff recommends approval of the project. The source of revenues for the project is student recreation fees.

**Staff-initiated Supplemental -- University of Colorado at Denver and Health Sciences Center, Lease Purchase of Academic Facilities at Fitzsimons**

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
Capital Construction Funds Exempt	0	(6,138,669)
Cash Funds	0	0
Cash Funds Exempt	0	6,138,669
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
<p>There is <i>new data</i> about tobacco revenues available for the lease purchase payments associated with Fitzsimons. Also, due to a <i>technical error</i>, information was not presented to the JBC about the balance in the Fitzsimons Trust Fund. This information might have caused the JBC to make a different decision about the source of funds for the lease purchase payments.</p>	

**Department Request:** The Department did not request an adjustment to the lease purchase payments.

**CDC Action:** This is a JBC staff-initiated recommendation that the CDC has not considered.

**Staff Recommendation:** Actual revenues from the tobacco litigation settlement agreement came in lower than the forecast that was used to set the appropriation for the Fitzsimons lease purchase payments. Pursuant to statute, the Fitzsimons Trust Fund receives from tobacco revenues the lowest amount of either the amount due to a lessor for Fitzsimons lease purchase payments, or eight percent of total tobacco revenues, or \$8.0 million. Moneys deposited in the Fitzsimons Trust Fund may be used for lease purchase payments or capital construction projects at Fitzsimons.

In researching the impact of the lower tobacco revenues on appropriations from the Fitzsimons Trust Fund, staff discovered an oversight made during the FY 2006-07 budget process. The JBC Staff failed to inform the Committee that pursuant to Section 24-75-217, C.R.S. the Fitzsimons Trust Fund received \$18.4 million

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from the General Fund at the end of FY 2005-06<sup>1</sup>. This \$18.4 million is currently unobligated. The FY 2006-07 appropriation for lease purchase payments for Fitzsimons is for a total of \$13.1 million, including \$6,138,669 from the Capital Construction and \$7,004,644 from the Fitzsimons Trust Fund. Staff recommends eliminating the appropriation from the Capital Construction Fund and increasing the appropriation from the Fitzsimons Trust Fund. This will free up money in the Capital Construction Fund for use on other priorities of the General Assembly.

**Supplemental #5 – Colorado School of Mines, Marquez Hall Petroleum Engineering Building**

	Request	Recommendation
Total	<u>\$40,000,000</u>	<u>\$0</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	40,000,000	0
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>NO</b>
<p>The Capital Development Committee staff write-up describes the supplemental criteria that applies to this project as "other." According to the institution, it has a pledge for \$10 million that is dependent on further fundraising, and the institution believes that accelerating the design of the project will help with fundraising. Staff does not believe that this project meets the JBC's supplemental criteria.</p>	

**Department Request:** The University proposes constructing a new 77,064 GSF building that will face 16th and Arapahoe streets adjacent to Alderson Hall on the site of the current Annex Building. The new facility will house the Petroleum Engineering Department. The space in Alderson Hall currently occupied by the Petroleum Engineering Department will be assumed by other programs. The new facility will be three stories high and contain classrooms, offices, laboratories, and a Center for Visualization devoted to the presentation and exploration of complex three-dimensional information. The institution has raised approximately \$3.5 million in donations for the project and has a commitment of another \$10 million contingent on the institution's success with further fundraising. Mines intends to raise the remaining funds necessary to complete the project from private gifts. It has requested supplemental approval to expedite the design of the

<sup>1</sup> Section 24-75-217, C.R.S. restored funds transferred to augment the General Fund during FY 2001-02 if certain fiscal conditions were met. One of the funds restored was the Fitzsimons Trust Fund. The fiscal conditions were met in FY 2005-06 after the passage of Referendum C.

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project, because Mines believes that a completed design will help with fundraising efforts.

**Staff Recommendation:** Staff does not recommend approval of the project through the supplemental process. As with the CSU University Center for the Arts, staff has concerns about approving the project before the institution has the private donations in hand. Unlike the CSU University Center for the Arts, this is a new project that has never received approval from the General Assembly before. Staff believes that a new project of this magnitude should be approved through the normal budget cycle, rather than a supplemental appropriation. Also unlike the CSU University Center for the Arts, this proposed appropriation is not for optional upgrades that can be foregone if the fundraising efforts are unsuccessful. The project has been presented as necessary for the campus. This raises the question of whether the institution will request General Fund for the project if it is not able to raise private donations.

If the Committee wants to approve the project, the Committee may want to consider providing just \$1.2 million at this time, which is the amount of grant funds that the institution has in hand, and would be sufficient to start planning for the project, according to the institution.

**Supplemental #6 – Colorado School of Mines, Berthoud Hall Renovation**

	Request	Recommendation
Total	<u>\$880,000</u>	<u>\$880,000</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	880,000	880,000
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The request addresses <i>new data</i> about safety hazards in the Hall of Justice Building and the need to renovate space in Berthoud Hall to relocate programs from the Hall of Justice.	

**Department Request:** The Department originally submitted a request to renovate Berthoud Hall as part of a FY 2007-08 proposal to demolish the Hall of Justice. On further review of the life/safety issues in the Hall of Justice, Mines proposes to expedite the renovation of space in Berthoud Hall so that it can close the hall of Justice sooner. The Department requests \$880,000 cash funds exempt spending authority including \$800,000 from the Colorado School of Mines Foundation and \$80,000 from an Academic Computing and Networking Technology grant.

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**CDC Action:** The Capital Development Committee approved the request.

**Staff Recommendation:** Staff recommends approval of the project. The significant life/safety issues in the Hall of Justice justify the need for alternate space for the institution. The renovation of Berthoud Hall will be accomplished with institutional funds, and can be considered independently of the decision of whether to demolish the Hall of Justice.

**Supplemental #7 – Historical Society, Regional Museum Preservation Projects**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$425,000</u>	<u>\$425,000</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	425,000	425,000
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The request addresses <i>new data</i> about grants for the Byers-Evans House Museum landscaping, and the condition of the engines on the Georgetown Loop Railroad.	

**Department Request:** The Department requests a total increase of \$425,000 cash funds exempt spending authority, including \$75,000 for landscape design at the Byes-Evans House Museum funded with donations from the Colorado Historical Foundation and the Colorado Home and Garden Show, and \$350,000 for engine repairs for the Georgetown Loop Railroad from the State Historical Fund. During the 2006 operating season the axle on engine #12 failed, and engine #9 needs repairs and upgrades.

**Staff Recommendation:** Staff recommends approval of the request. The Byers-Evans improvements are being paid for with donations. The Georgetown Loop Railroad is a significant facility for the Society because of its popularity, proximity to I-70, and historic value.

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**Supplemental #8 – Northeastern Junior College, Telecom Information Technology Upgrade**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$419,895</u>	<u>\$419,895</u>
Capital Construction Funds Exempt	419,895	419,895
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The request addresses new data that existing infrastructure will not support the new telecommunications system funded for installation.	

**Department Request:** The Department requests \$419,895 Capital Construction Funds Exempt to upgrade the campus' un-interruptable power supply, fiber backbone, internal copper wiring, underground conduits, and redundant paths. The original request for the project was put together based on the expenditures of other community colleges that had successfully installed a new voice over internet protocol (VoIP) communication system. However, when consultants reviewed the infrastructure at Northeastern, they found deficiencies that need to be addressed to comply with industry standards for security and emergency functionality.

**CDC Action:** The Capital Development Committee approved the request.

**Staff Recommendation:** Staff recommends approval of the project. The campus voice communication system is essential to the operation of the institution.

**Supplemental #9 - Labor and Employment, Unemployment Insurance Programs Telephony Solution**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$3,211,302</u>	<u>\$3,211,302</u>
Capital Construction Funds Exempt	0	0
Cash Funds	2,113,802	2,113,802
Cash Funds Exempt	0	0
Federal Funds	1,097,500	1,097,500

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<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
Staff and the Department agree that this request is based on a variety of <i>new data</i> .	

**Department Request:** The Department requests a total appropriation of \$3,211,302 – \$1,097,500 in federal funds and \$2,113,802 in cash funds from the Employment Support Cash Fund – for the replacement of call center infrastructure for their Customer Contact Center. The Center handles incoming customer calls to the Benefits, Tax, and Integrity business units. The current infrastructure mishandles about 40% of all calls in one way or another, and continues to do so despite two years of effort to correct the problems.

**CDC Action:** The Capital Development Committee approved the request.

**Staff Recommendation:** Staff recommends that the Committee approve this request. This recommendation is based on the following analysis.

**Current infrastructure was acquired as part of *genesis* project.** In 1998, the Department began the *genesis* project to re-engineer the unemployment insurance programs' work processes and to replace their IT infrastructure in order to support that re-engineering. An important component of the effort was to establish a Customer Contact Center (CCC) to handle all incoming customer telephone calls. The CCC was established and handles calls for the Benefits, Tax and Integrity business units. Call loads are approximately 5,000 per day for the Benefits unit during the seasonal peak period, 375 per day for the Tax unit, and 100 per day for the Integrity unit. Calls are answered by a staff of about 400 (including supervisors). Additional temporary agents are hired during the peak season for benefits-related calls. Some of the hardware used in the *genesis* project involved the reuse of existing equipment, and that equipment is nearing the end of its normal life span.

**Current infrastructure is subject to high-rate of ongoing problems.** The current call center application delivered by Accenture, the original *genesis* vendor, suffers from a high rate of serious problems. Based on test calls into the system, approximately 20% of all incoming calls are disconnected by the system at various stages. The disconnects appear to occur at random points in processing. For calls that are not disconnected, approximately 20% end with one or another type of system error. These errors include arbitrary rejection of valid customer Social Security numbers, incorrectly routed calls, and "bridging" of multiple calls together. Daily reporting features are also broken: for example, the daily report regularly indicates that 150% of incoming calls have been answered.

**Efforts to correct problems have failed to date.** Problems with the call center infrastructure became apparent almost immediately after delivery by Accenture, the initial *genesis* vendor. The Department terminated its contract with Accenture in December 2005; under the terms of that termination, Accenture has no liability for problems in the components which it delivered, nor responsibilities for correcting such

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problems. The system developed by Accenture is based on a framework provided by Genesys Telecommunications Labs, Inc. In August 2006, the Department began an effort with Genesys to attempt to stabilize the telephony system. Three weeks of investigation resulted in several recommendations. Implementation of the recommended changes have, however, resulted in only minimal improvements to the stability of the system. Roughly 40% of all calls are still being disconnected or mishandled in other ways.

**Initial cost estimates for three alternatives.** The Department has compared two alternatives for correcting the problem, as well as estimating costs associated with doing nothing. The first alternative would replace the current infrastructure with a new, streamlined design. Based on three responses to a Request for Information (RFI) published early in 2006, the Department estimated the cost for a system based on the new design to be \$2.7 million. The second alternative would upgrade the current application. A quote from Genesys for this alternative states that not all errors can be corrected, nor would Genesys be able to provide any guarantees regarding the performance of the final product. The estimated cost for this alternative is \$2.8 million. Costs for doing nothing are primarily impacts on customers rather than direct State expenses, and are estimated by the Department to be \$2.8 million per year until the current problems are corrected.

**Alternative one is consistent with long-term *genesis* goals, but delays some features.** The *genesis* project envisioned a complete integration of the computer and telephone systems used in the CCC. For example, if a CCC worker found it necessary to transfer a client's call to another worker, the system would also transfer the computer session, with all of the necessary client information, to the screen of the second worker. In alternative one, the system as initially delivered would not support full integration. However, the necessary interfaces have been specified and would be available, so that full integration could be added at a later time. The Department's primary goal at this time is to fix the problems with disconnects and improperly routed calls; by delaying the full computer-telephony integration, the Department believes that they can have the new system installed more quickly.

**Impact of Voice over Internet Protocol (VoIP).** The State of Colorado has an initiative led by the Department of Personnel and Administration (DPA) to migrate the State's network to voice over internet protocol (VoIP) technology for voice communications services. The Department has examined the changes that would be necessary to their streamlined design to make use of VoIP equipment compatible with the DPA initiative. They estimate the use of VoIP would increase the cost of the system to \$3.2 million. The use of VoIP may result in long-term expense savings similar to those identified by DPA for the State's initiative, but specific values for those savings were not estimated by the Department. If the VoIP approach is approved, the Department will be able to make use of the work that DPA has already done with respect to procurement, which should shorten the time needed to take delivery of a new system. The Department believes that the combination of reducing the scope of the computer-telephony integration and using the existing DPA procurement process may enable them to have a new system in place in a July-August 2007 time frame.

**Analysis.** Staff agrees with the Department's analysis in choosing the alternative of replacing the system with a new, streamlined design. Staff believes that the present situation needs to be corrected; a total of 40% of

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incoming calls are mishandled in one way or another by the current system. Staff believes that the alternative of attempting to repair the current system should be discarded: it would fail to fix all of the current problems, is slightly more expensive, and because of Accenture’s reuse of existing equipment, would leave the Department with multiple components nearing the end of their normal life cycle. Further, staff believes that the Department should acquire a system that is compatible with the State initiative to migrate to VoIP technology for telephony services.

**Funding.** The Department has identified resources from its federal unemployment insurance base grant and other federal sources that can be applied to this project totaling \$1,097,500. In addition to spending authority for these federal funds, the Department requests authority to spend \$2,113,802 cash funds from the Employment Support Fund. The Employment Support Fund will have estimated revenue of approximately \$23.7 million in FY 2006-07, and its ending balance is currently forecast to increase by about \$10 million compared to the previous fiscal year. Current year revenues for the fund appear to be adequate to support this request.

**Committee on Information Management approval.** The replacement project is an IT project and as such, must be approved by the IMC within the Governor's Office. The project was approved by the IMC at their December meeting.

**Supplemental #10 through #19 - Natural Resources, Various Projects**

**Overview of Natural Resources Capital Supplemental Request.** The Department of Natural Resources has requested ten supplemental requests for capital construction projects. Each of these projects is funded with either proceeds from the State Lottery or with funds from Great Outdoors Colorado (GOCO). These requests were submitted as a result of increased Lottery sales. Specifically, the Department is requesting \$1,258,000 in additional Lottery proceeds, and \$2,848,000 in additional GOCO funds. The following table summarizes the funds requested for each of the ten projects.

<b>Department of Natural Resources — FY 2006-07 Supplemental Capital Construction Requests RECOMMENDED BY JBC STAFF</b>				
<b>Supplemental Request*</b>		<b>Cash Funds Exempt</b>		<b>Total</b>
		<b>State Lottery Funds</b>	<b>GOCO Funds</b>	
10	Cheyenne Mountain State Park	\$319,000	\$2,031,000	\$2,350,000
11	Corps Cost Share Improvements – Phase III	150,000	0	150,000
12	Highline Lake State Park – Visitor Center and Maintenance Facility	1,000,000	0	1,000,000



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<b>Department of Natural Resources — FY 2006-07 Supplemental Capital Construction Requests            RECOMMENDED BY JBC STAFF</b>			
<b>Supplemental Request*</b>	<b>Cash Funds Exempt</b>		<b>Total</b>
	<b>State Lottery Funds</b>	<b>GOCO Funds</b>	
13 Lone Mesa State Park	(100,000)	250,000	150,000
14 State Parks – Major Repairs / Minor Improvements	(192,000)	0	(192,000)
15 State Parks – Reservoir Enhancements	(98,000)	0	(98,000)
16 State Parks – State Trails Grant Program	0	67,000	67,000
17 Staunton State Park	(100,000)	500,000	400,000
18 State Parks – Water Acquisition, Lease Options, and Dam Repairs	179,000	0	179,000
19 State Parks – Wildfire Prevention	<u>100,000</u>	<u>0</u>	<u>100,000</u>
<b>Total – DNR Capital Construction Requests</b>	<b>\$1,258,000</b>	<b>\$2,848,000</b>	<b>\$4,106,000</b>

\* The requests summarized in this table are not prioritized.

**Project Descriptions.** Below please find a description of each of the 10 capital construction supplemental requests submitted by the Department of Natural Resources.

10. *Cheyenne Mountain State Park.* The Division of State Parks and Outdoor Recreation has requested \$2,350,000 cash funds exempt in additional funding to accelerate completion of the Cheyenne Mountain State Park in El Paso County. The funds will be used for construction of park facilities, including roads, the service center, picnic areas, and restroom facilities. The trails and visitor center are completed. This request will enable the Department to open its campground earlier than anticipated. Of the funding requested, \$2,031,000 is GOCO funds, and \$319,000 is from Lottery proceeds.
  
11. *Corps Cost Share Improvements – Phase III.* The Division of State Parks and Outdoor Recreation has requested \$150,000 cash funds exempt (Lottery proceeds) for improvements at three state parks: Hatfield, Cherry Creek, and Trinidad. The improvements include repairs and renovations to water, sewer, and electrical systems, roads, buildings, grounds, and trails. This project is a cost-share project between the state of Colorado and the U.S. Army Corps of Engineers. The state is eligible to receive a 50 percent match in federal money.

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12. *Highline Lake State Park.* The Division of Parks and Outdoor Recreation has requested \$1,000,000 cash funds exempt (Lottery proceeds) to construct a visitor center. The center will have 2,368 square feet and will serve as the entrance to the park. As such, it will be used to sell park passes, camping permits, and boat registrations.
13. *Lone Mesa State Park.* The Division of Parks and Outdoor Recreation has requested \$150,000 cash funds exempt to develop Lone Mesa State Park. The funding request includes a reduction of \$100,000 in Lottery proceeds, offset by an increase of \$250,000 in GOCO funds.

This state park is a new park located in Southwest Colorado. Once open, the park is estimated to serve 150,000 visitors annually. The request will be used to pay for consultants for master plan development. The planning will include a soils analysis, natural resource inventory, an analysis of threatened and endangered species, boundary surveys, visual and noise analysis, mapping, and geographic information systems (GIS) work.

14. *Major Repairs / Minor Recreation Improvements.* The Division of Parks and Outdoor Recreation has requested to reduce the appropriation for "Major Repairs / Minor Recreation Improvements" by \$192,000 cash funds exempt (Lottery proceeds). This project was approved to repair dated facilities to bring them into compliance with health, safety, and accessibility standards. The Department requests to redirect the appropriation for these projects in an effort to use the funds for water acquisition at the John Martin Reservoir. This request, if approved, would enable the Division of Wildlife to draw down additional federal funds for the water acquisition project.
15. *Reservoir Enhancements.* The Division of Parks and Outdoor Recreation requests to reduce the funding for various reservoir enhancement projects throughout the Colorado State Park system by \$98,000 cash funds exempt (Lottery proceeds). The Division requested this reduction so that the funds could be used on the "Corps Cost Share" project. The funds used for the "Corps Cost Share" project will be eligible for a federal match.
16. *State Trails Grant Program.* The Division of Parks and Outdoor Recreation is requesting \$67,000 cash funds exempt (GOCO funds) for a program that provides grant assistance to local communities and trails organizations. The funds are used for the planning, design, and construction of trails. The program also provides public information regarding trails and encourages volunteerism and public stewardship.
17. *Staunton State Park.* The Division of Parks and Outdoor Recreation is requesting a net increase of \$400,000 cash funds exempt to develop Staunton State Park. The funds will be used to develop a master plan for the park. Once the master plan has been developed, the Division intends to design and construct day use facilities for the park. The Division expects to open the park in July 2008. It is estimated that the park will serve 250,000 visitors per year. Of the funds requested, the Division

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requests an increase of \$500,000 (GOCO funds), with a corresponding reduction of \$100,000 (Lottery proceeds).

18. *Water Acquisition, Lease Options and Dam Repairs.* The Division of Parks and Outdoor Recreation requests an appropriation of \$179,000 cash funds exempt (Lottery proceeds) for projects to provide water management plans and restoration of dams at certain water-based state parks in order to meet water needs for recreation and environmental quality. The Division has indicated that the management plans are necessary to protect water levels, water quality, and natural environment in the parks. The request will enable the Division to draw down additional federal funds from the Wallop-Breaux matching grant.
  
19. *Wildfire Prevention.* The Division of Outdoor Recreation has requested an additional \$100,000 cash funds exempt (Lottery proceeds) for fire suppression activities. Specifically, the funding will provide the Division with the ability to treat up to 1,500 acres of hazardous forest fuels in the following seven state parks along the Front Range: Cheyenne Mountain, Eldorado, Golden Gate, Lory, Mueller, Roxborough, and Staunton.

**Supplemental Criteria Met.** Each of these capital construction supplementals was submitted under the criteria of "New Data" because of higher than expected Lottery sales. Staff concurs with this assessment.

**CDC Approval.** The Capital Development Committee approved each of the 10 capital construction supplemental requests submitted by the Department of Natural Resources.

**Staff Recommendation.** Staff recommends that the JBC approve each of the capital construction supplemental requests submitted by the Department of Natural Resources. The requests meet the supplemental criteria. The requests were approved by the Capital Development Committee. The requests are consistent with the intended uses of Lottery proceeds and GOCO funds. Furthermore, the projects that utilize funds from GOCO were approved by the GOCO Board.

**Supplemental #20 - Revenue, Central City Building Repairs**

	Request	Recommendation
Total	<u>\$65,813</u>	<u>\$65,813</u>
Capital Construction Funds Exempt	0	0
Cash Funds	65,813	65,813
Cash Funds Exempt	0	0
Federal Funds	0	0

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<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The request is the result of an unforeseen contingency, because the Central City Building roof is leaking.	

**Department Request:** The Department requests \$65,813 cash funds from the Limited Gaming Fund to repair the roof and gutters of the Central City Building.

Please see the attached Project Description.

**CDC Action:** The Capital Development Committee approved the request.

**Staff Recommendation:** Staff recommends that the Committee approve \$65,813 cash funds from the Limited Gaming Fund for the project.

**Supplemental #21 - Revenue, Scale Pit Repair - Monument Port of Entry**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$191,400</u>	<u>\$191,400</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	191,400	191,400
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The request is the result of an unforeseen contingency, because the Department recently discovered cracking and water leaking into the scale lane pit at the port.	

**Department Request:** The Department requests \$191,400 cash funds exempt from the Highway Users Tax Fund (HUTF) "off the top" to repair the Monument port of entry scale lane.

Please see the attached Project Description.

The Capital Development Committee has approved this request.

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The current FY 2006-07 budget includes the maximum HUTF off-the-top expenditure. In order to fund this request, the Committee would need to approve offsetting amounts from other HUTF off-the-top expenditures.

The Department of Revenue has requested a reduction of \$36,992 HUTF off-the-top for common policy items, and the Department of Public Safety has requested a reduction of \$281,322 HUTF off-the-top for common policy items, for a total of \$318,314. If approved, these reductions would offset the amount requested for this capital construction supplemental, so that the HUTF off-the-top expenditures for FY 2006-07 would remain within the statutory limit.

**Staff recommends that the Committee approve \$191,400 cash funds exempt from the Highway Users Tax Fund for this project.**

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Eric Kurtz (303-866-4952)

**SUBJECT:** Additional Capital Construction Supplemental Requests

**DATE:** January 24, 2007

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In addition to the capital construction requests described in the main packet of JBC Staff Supplemental Recommendations, there are three requests from the executive branch that would require capital construction funds. The Capital Development Committee delayed taking action on these in order to consider them with the FY 2007-08 capital requests. The projects are:

	Total	Capital Construction Fund Exempt	Cash Funds Exempt
Colorado State University, HPER Building Renovation, Life/Safety Upgrade	\$1,966,800	\$1,734,718	\$232,082
Department of Corrections, Colorado State Penitentiary II, High Custody Expansion	\$24,921,799	\$24,921,799	\$0
Department of Revenue, Eastbound Land and Scale Pit Repair, Fort Morgan Port of Entry	\$284,174	\$165,440	\$118,734
TOTAL	\$27,172,773	\$26,821,957	\$350,816

After further consideration, the Capital Development Committee decided on Tuesday to forward a favorable recommendation on the Colorado State University, HPER Building Renovation, Life/Safety Upgrade for consideration by the JBC with the other supplemental requests. The CDC is still holding onto the other two projects. The CSU project is described on the next page with the JBC staff recommendation.

**Additional Capital Construction Supplemental Requests**

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January 24, 2007

**Colorado State University, HPER Building Renovation, Life/Safety Upgrade**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$301,000</u>	<u>\$301,000</u>
Capital Construction Funds Exempt	1,734,718	1,734,718
Cash Funds	0	0
Cash Funds Exempt	232,082	232,082
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?**      **YES**  
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]

The request addresses *new data* regarding the cost of construction materials.

**Department Request:** The institution requests a total increase of \$1,966,800 including \$1,734,718 capital construction funds and \$232,082 cash funds exempt for the project due to inflation. The institution has already reduced the scope of the project as follows:

- Reduced the number of plumbing fixtures in athletic locker rooms;
- Reduced the size of the building's lobbies;
- Switched to less expensive materials in locker rooms and restrooms;
- Reduced the ceiling height in the building additions;
- Reduced the size of the exterior seating plaza;
- Redesigned an area originally slated for demolition to keep the existing walls and plumbing locations;
- Eliminated suspended ceilings in all areas except offices, classrooms, toilet rooms, and shower areas; and
- Reduced the light fixture count.

If the supplemental is not approved, the institution will need to reduce the scope of the project even further and eliminate 9,584 square feet of academic and programmatic space and the re-facing of a portion of the existing structure to meet campus design guidelines. The Department will still be able to address critical life/safety issues with the existing facility.

**CDC Action:** The Capital Development Committee approved the request.

**Additional Capital Construction Supplemental Requests**

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January 24, 2007

**Staff Recommendation:** Staff recommends approval of the request. To accomplish the programmatic goals of the project as originally approved by the General Assembly will require the requested additional funds. The University proposes approximately the same share of funds from institutional resources versus the Capital Construction Fund as the original appropriation.



# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



### **2007 LEGISLATIVE SESSION SUPPLEMENTAL: CAPITAL CONSTRUCTION**

### **PRIORITIZED AND NON-PRIORITIZED REQUESTS**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:**

**Eric Kurtz, JBC Staff**

**December 18, 2007**

**For Further Information Contact:**

**Joint Budget Committee  
200 East 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061**

**CAPITAL CONSTRUCTION  
SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

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	Prior	Appropriation	Supplemental		
	Appropriations Being Amended	Being Amended	Requested Change	Recommended Change	Project Approps to Date with Rec.
<b>CAPITAL CONSTRUCTION</b>					
<b>1331 Supplemental - University of Colorado at Boulder</b>		FY 2005-06			
<i>(B) Capital Construction</i>		(H.B. 06-1385)			
Business School Renovation and Addition	<u>1,384,545</u>	<u>32,915,455</u>	<u>3,760,000</u>	<u>3,760,000</u>	<u>38,060,000</u>
Capital Construction Funds Exempt	839,751	0	0	0	839,751
Cash Funds	0	0	0	0	0
Cash Funds Exempt	544,794	32,915,455	3,760,000	3,760,000	37,220,249
Federal Funds	0	0	0	0	0
<hr/>					
<b>Total</b>					
CAPITAL CONSTRUCTION	N.A.	N.A.	<u>3,760,000</u>	<u>3,760,000</u>	N.A.
Capital Construction Funds Exempt			0	0	
Cash Funds			0	0	
Cash Funds Exempt			3,760,000	3,760,000	
Federal Funds			0	0	

Key:  
"N.A." = Not Applicable

**CAPITAL CONSTRUCTION  
SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**1331 Supplemental - University of Colorado at Boulder, Business School Renovation and Addition**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$3,760,000</u>	<u>\$3,760,000</u>
Capital Construction Funds Exempt	0	0
Cash Funds	0	0
Cash Funds Exempt	3,760,000	3,760,000
Federal Funds	0	0

<p>Does JBC staff believe the request is consistent with the emergency supplemental criteria outlined in Section 24-75-111, C.R.S.? Pursuant to statute, the Controller may authorize an over expenditure of the existing budget if the over expenditure meets the following criteria: (1) Is approved in whole or in part by the Joint Budget Committee; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not meeting in regular or special session during which such over expenditure can be legislatively addressed; (3) Is approved by the Office of State Planning and Budgeting (except State, Law, Treasury, Judicial, or 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 over expenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the over expenditure is made as of the date of the over expenditure.</p> <p>The Department did not anticipate the degree of construction inflation that has actually occurred, nor did they anticipate the availability of additional private grant funds to complete the project. Most of the additional spending authority is necessary to complete the project with the scope originally intended by the General Assembly. A small portion of the funding will be used to expand the scope of classroom technology from the original design, but this can be viewed as "necessary" to meet current classroom technology standards.</p>	<b>YES</b>
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**Department Request:** During construction of the 54,000 GSF annex to the College of Business Building and the renovation of 36,300 GSF in the existing building, the University of Colorado at Boulder has encountered increased materials costs due to unexpectedly high inflation. Also, code compliance issues and classroom technology costs are running higher than expected. The University has expanded the scope of classroom technology that it wants to implement with the project. The University has received donations to fund another \$3,760,000 of the project and is seeking cash funds exempt spending authority from the legislature in this amount. At least one of the donors stipulated as part of the grant that the money be encumbered by January 1.

**CDC Action:** The Capital Development Committee approved the Department's request and has recommended it for approval to the Joint Budget Committee.

**Staff Recommendation:** Staff recommends that the committee approve the University's request for an

**CAPITAL CONSTRUCTION  
SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

additional \$3,760,000 cash funds exempt spending authority. The Department did not anticipate the additional construction costs, or the availability of additional private grant funds.

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