

JOINT JBC-CDC MEETING
Thursday, February 4, 2016
7:30 am – 8:30 am

7:30 PROPOSED LEGISLATION:

Controlled Maintenance

43. Staff recommends that the Committee pursue legislation that requires funding controlled maintenance and capital renewal at an amount at least equal to 1.0 percent of the current insured replacement value of State buildings. Staff also recommends a provision that specifies that state funding may not be provided for new construction or real property purchases until the 1.0 percent threshold for controlled maintenance is met. (page 19, CAP-brf, 11/12/2015)

45. Staff recommends that the Committee consider pursuing legislation that would require any capital construction transfer from S.B. 09-228 in FY 2016-17 and beyond to be credited to the CMTF rather than directly funding capital construction. This approach will help refill the CMTF while more accurately projecting available funds for the capital construction budget. (page 19, CAP-brf, 11/12/2015)

Department of Human Services/State Building Financing and Asset Management

46. Staff recommends that the Committee pursue legislation to create a State Asset Management Trust enterprise to manage all Department of Human Services real property assets. (page 22, CAP-brf, 11/12/2015)

Institutions of Higher Education (representing 70 percent of state building assets CRV)

47. Staff recommends that the Committee pursue legislation and adopt Committee policies that:
- a. Funds higher education institutions capital construction and controlled maintenance through a per capita method like the College Opportunity Fund (COF), based on a Colorado resident FTE count attending each institution. In recognition of the higher facility costs for science labs, it is recommended that the "Capital COF" include a 0.5 FTE proportional increase for each Colorado FTE in a third year or higher undergraduate or graduate degree program in lab sciences, applied sciences or engineering, or health sciences.
 - b. Places the Capital COF amount in the operating budget as a "base budget" line item to provide a consistent level of funding from year to year.
 - c. Requires each institution to plan and account for all state-funded capital construction and controlled maintenance spending through a capital asset management plan to be approved by institution boards, the Colorado Commission on Higher Education, and the Capital Development Committee.
(page 36, CAP-brf, 11/12/2015)

8:20 ADDITIONAL JBC-CDC ISSUES FOR DISCUSSION

FY 2016-17 Executive Request – state-funded:

- \$10.3 million for 11 Level 1 controlled maintenance items, including:
 - \$8.3 million for 10 Level 1 controlled maintenance projects; and
 - \$2.0 million for the State Architect's emergency controlled maintenance fund.
- \$70.7 million for 12 capital construction continuation projects.
 - Capital renewal/upgrade projects: \$19.0 million

State Buildings:

- Current replacement value (CRV) of state buildings for 2015: \$11.3 billion.
- Value of 1.0 percent of CRV for controlled maintenance: \$113.2 million
- Percent of CRV for controlled maintenance in Executive Request: 0.09 percent (equal to \$453 on a half-million dollar home)
- Capital renewal/upgrade projects in Executive Request: \$19.0 million
- Percent of CRV for controlled maintenance and capital renewal/upgrade: 0.26 percent
- Percent of state buildings built since: 2001: 20.8 percent; 1991: 32.3 percent; 1981: 41.2 percent. Built prior to 1981: 58.8 percent.

State Architect controlled maintenance recommendations:

- Level 1: \$26.1 million; 30 items (29 projects plus \$2.0m emergency cm fund); 11 continuation projects; (3 continuation projects included in Executive Request, 8 continuation projects not included in Executive Request
- Level 2: \$37.8 million; 50 projects
- Level 3: \$26.4 million; 39 projects
- Total FY 2016-17 controlled maintenance recommendation: \$90.4 million
- Executive Request percentage of State Architect recommendation: 11.3 percent

State agencies five-year plan project requests (representing identified and estimated cm needs):

- FY 2016-17: \$96.6 million; FY 2017-18: \$104.0 million; FY 2018-19: \$103.4 million;
- FY 2019-20: \$95.1 million; FY 2020-21: \$97.2 million
- Five-year total identified need: \$496.2 million
- State agency total estimated long-term major maintenance needs: \$1.96 billion

