

This file contains the following documents:

1. January 25, 2017, JBC staff memo titled: "Capital Construction S6 Recommendation from the CDC".
2. January 25, 2017, JBC Staff document titled: "Capital Construction Supplemental Budget Requests FY 2011-12, FY 2014-15, FY 2015-16, and FY 2016-17".

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Alfredo Kemm, JBC Staff (303.866.4549)
DATE January 25, 2017
SUBJECT Capital Construction S6 Recommendation from the CDC

On January 24, 2017, the Capital Development Committee (CDC) reconsidered and approved partial funding for a Department of Human Services supplemental request for Suicide Risk Mitigation project funded in FY 2016-17.

STATE-FUNDED SUPPLEMENTAL REQUESTS

S6 HUMAN SERVICES, BEHAVIORAL HEALTH SERVICES, MENTAL HEALTH INSTITUTES, SUICIDE RISK MITIGATION (FY 2016-17)

	REQUEST	RECOMMENDATION
TOTAL	\$235,109	\$120,000
Capital Construction Fund	235,109	120,000
Cash Funds	0	0
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of an unforeseen contingency.

DEPARTMENT REQUEST: The Department requests an additional \$235,109 Capital Construction Fund for the Behavioral Health Services, Mental Health Institutes, Suicide Risk Mitigation project.

CDC RECOMMENDATION: The CDC approved and recommends partial funding of \$120,000 for this request.

STAFF RECOMMENDATION: Based on the series of deliberations and sequence of Committee actions taken by the CDC, staff recommends that the Committee approve the funding amount recommended by the CDC.

STAFF ANALYSIS:

The CDC Recommendation

The total request amount was adjusted by the CDC to reflect concerns expressed by members of the CDC about the accuracy of the cost estimates provided by the Department. The revised amount is based on cost estimates provided by members of the CDC after consultation with private-sector contractors.

On January 12, the CDC opted to lay over the request in order to receive additional information from the Department. On January 19, the motion to approve the Department request failed on a tie

vote. On January 24, a motion to approve the supplemental request at a reduced funding amount of \$120,000 passed on a 5-1 vote.

It is staff's understanding that several CDC members were concerned that the cost estimates for various components of the project were excessive. The request includes the replacement of fixtures for 12 showers and 4 tubs, leading to an average project cost of \$14,700 per fixture and an average construction cost of \$11,000 per fixture

Construction costs are estimated to be \$176,103, representing 74.9 percent of total project cost; professional services are projected at \$37,633, representing 16.0 percent of project cost; and a project contingency of \$21,373 is included, representing 9.1 percent of total project cost and 12.1 percent of construction costs.

Cost information provided by the Department includes: \$3,594 in materials costs and \$3,906 in labor costs for non-ADA tubs; \$4,105 in materials costs and \$3,906 in labor costs for non-ADA tub/showers; and \$4,504 in materials costs and \$4,506 in labor costs for ADA showers. A further breakdown of costs include: \$630 or \$1,046 for shower/tub fixtures; wall structure repair materials of just under \$1,400 per unit; demolition of \$1,232 per unit; plumber install and trim out of \$1,286 per unit; and wall repair and build of \$1,232 per unit.

Generally, the Capital Development Committee is charged with considering whether capital construction projects should be constructed and the appropriate cost for the construction. On that basis, staff recommends that the Committee approve the request at the funding level recommended by the CDC.

The Request

As the result of a recent patient incident, the Department identified an additional safety and security risk associated with the shower fixtures in the patient units in three buildings; specifically, the project replaces a shower fixture that has been identified as a potential tie-off point. The additional project funding requested through the supplemental request will be used to replace shower fixtures in two of the three buildings. The Department states that the cost of replacing fixtures in the third building will be paid from contingency funds.

The request will replace 16 shower or tub fixture units, in 8 different shower rooms with ligature-resistant shower fixtures, including:

- 10 showers (6 ADA and 4 Non-ADA);
- 2 non-ADA shower/tubs; and
- 4 non-ADA tubs.

The Department provided the following responses to CDC questions related to the cost of the project:

The primary driver of expense to replace each shower fixture is the result of the following factors.

- *Showers fixture replacement must be completed one room at a time due to a need to ensure the rest of the showers remain functional to provide appropriate patient care. This results in repeated contractor mobilization and site clean up to complete the project (rather than a single mobilization and clean up if the project were to be completed all at one time).*

- *Replacing each fixture requires demolition of one shower/tub wall, complete re-build of the underlying plumbing and wall structure, and replacement of the shower insert material (Manstone).*
- *Demolition of the wall will result in damage to both the ceiling and epoxy flooring for the showers which will need to be repaired and repainted.*
- *Professional services, including architect/engineer fees, code inspections and review, and site surveys for asbestos abatement are required for this project.*
- *Installation of ADA fixtures is more expensive because the fixtures include installation of an additional valve and require more complex plumbing. ...*
- *Fixtures are professional-grade and ligature resistant, which are more expensive than standard commercial or residential shower/tub fixtures.*

The Project

The Suicide Risk Mitigation project improves patient units at the Colorado Mental Health Institutes at Fort Logan and Pueblo in areas where residents are considered to be most vulnerable, such as restrooms, sleeping rooms, and treatment rooms, in order to mitigate the risk of patient suicide or self-harm.

The Suicide Risk Mitigation project has been funded over multiple years as ongoing improvements with a total appropriation of \$10,902,488 Capital Construction Fund since FY 2014-15. The project was last funded in FY 2016-17 with an appropriation of \$1,867,586 Capital Construction Fund; in FY 2015-16 with an appropriation of \$4,556,369 CCF; and in FY 2014-15 with an appropriation of \$4,478,533 CCF. Additionally, an appropriation was made in FY 2008-09 for Suicide Risk Mitigation in Mental Health and Alcohol and Drug Abuse Services of \$1,342,253 CCF and \$3,480,190 federal funds.

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2011-12, 2014-15, 2015-16, and 2016-17

CAPITAL CONSTRUCTION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
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JANUARY 25, 2017

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CAPITAL CONSTRUCTION

SUMMARY: FY 2011-12 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2011-12					
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2011-12 APPROPRIATION					
SB 11-209 (Long Bill)	\$162,505,347	\$48,891,749	\$78,377,617	\$0	\$35,235,981
SB 07-096	750,990	750,990	0	0	0
HB 07-1040	496,566	496,566	0	0	0
SB 08-239	375,495	375,495	0	0	0
HB 12-1200	26,254,699	0	28,329,981	0	(2,075,282)
SB 13-107	358,400	0	125,390	0	233,010
HB 14-1249	3,000,000	0	3,000,000	0	0
HB 14-1336	51,009,221	0	5,100,922	0	45,908,299
CURRENT FY 2011-12 APPROPRIATION	\$244,750,718	\$50,514,800	\$114,933,910	\$0	\$79,302,008
RECOMMENDED CHANGES					
Current FY 2011-12 Appropriation	244,750,718	50,514,800	114,933,910	0	79,302,008
S3 Public Health and Environment, Superfund Sites Cleanup	0	0	0	0	0
RECOMMENDED FY 2011-12 APPROPRIATION	\$244,750,718	\$50,514,800	\$114,933,910	\$0	\$79,302,008
RECOMMENDED INCREASE/(DECREASE)					
Percentage Change	0.0%	0.0%	0.0%	n/a	0.0%
REQUESTED CHANGES					
S3 Public Health and Environment, Superfund Sites Cleanup	0	0	0	0	0
FY 2011-12 EXECUTIVE REQUEST	\$244,750,718	\$50,514,800	\$114,933,910	\$0	\$79,302,008
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

REQUEST/RECOMMENDATION DESCRIPTIONS

S3 PUBLIC HEALTH AND ENVIRONMENT, SUPERFUND SITES CLEANUP: The request is to extend spending authority through FY 2019-20 for the Superfund Sites Cleanup project. The request does not include changes to existing appropriations. The recommendation is to extend spending authority through FY 2016-17 and include anticipated or remaining funding in a new line item for FY 2017-18.

SUMMARY: FY 2014-15 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2014-15					
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2014-15 APPROPRIATION					
HB 14-1336 (Long Bill)	\$492,833,491	\$364,420,213	\$116,124,738	\$8,566,515	\$3,722,025
SB 15-165	32,261,879	23,008,332	11,295,025	(1,138,978)	(902,500)
HB 15-1333	594,750	594,750	0	0	0
HB 16-1252	38,120,788	0	38,120,788	0	0
HB 16-1405	321,427	0	321,427	0	0
CURRENT FY 2014-15 APPROPRIATION	\$564,132,335	\$388,023,295	\$165,861,978	\$7,427,537	\$2,819,525
RECOMMENDED CHANGES					
Current FY 2014-15 Appropriation	564,132,335	388,023,295	165,861,978	7,427,537	2,819,525
S1 History Colorado, Lebanon Mill Dam Restoration	355,452	355,452	0	0	0
RECOMMENDED FY 2014-15 APPROPRIATION	\$564,487,787	\$388,378,747	\$165,861,978	\$7,427,537	\$2,819,525
RECOMMENDED INCREASE/(DECREASE)	\$355,452	\$355,452	\$0	\$0	\$0
Percentage Change	0.1%	0.1%	0.0%	n/a	0.0%
REQUESTED CHANGES					
S1 History Colorado, Lebanon Mill Dam Restoration	355,452	355,452	0	0	0
FY 2014-15 EXECUTIVE REQUEST	\$564,487,787	\$388,378,747	\$165,861,978	\$7,427,537	\$2,819,525
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 HISTORY COLORADO, LEBANON MILL DAM RESTORATION: The request is for an additional \$355,452 Capital Construction Fund for the Lebanon Mill Dam Restoration project. The recommendation is for an additional \$355,452 Capital Construction Fund.

SUMMARY: FY 2015-16 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2015-16					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2015-16 APPROPRIATION					
SB 15-234 (Long Bill)	\$396,231,034	\$249,945,429	\$116,938,201	\$13,911,135	\$15,436,269
HB 15-1310	552,500	0	552,500	0	0
HB 15-1333	730,510	730,510	0	0	0
HB 16-1252	2,407,348	1,547,348	860,000	0	0
CURRENT FY 2015-16 APPROPRIATION	\$399,921,392	\$252,223,287	\$118,350,701	\$13,911,135	\$15,436,269
RECOMMENDED CHANGES					
Current FY 2015-16 Appropriation	399,921,392	252,223,287	118,350,701	13,911,135	15,436,269
S4 Colorado School of Mines, Heating Plant Renovation	325,000	0	325,000	0	0
RECOMMENDED FY 2015-16 APPROPRIATION	\$400,246,392	\$252,223,287	\$118,675,701	\$13,911,135	\$15,436,269
RECOMMENDED INCREASE/(DECREASE)	\$325,000	\$0	\$325,000	\$0	\$0
Percentage Change	0.1%	0.0%	0.3%	n/a	0.0%
REQUESTED CHANGES					
S4 Colorado School of Mines, Heating Plant Renovation	325,000	0	325,000	0	0
FY 2015-16 EXECUTIVE REQUEST	\$400,246,392	\$252,223,287	\$118,675,701	\$13,911,135	\$15,436,269
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

REQUEST/RECOMMENDATION DESCRIPTIONS

S4 COLORADO SCHOOL OF MINES, HEATING PLANT RENOVATION: The request is for an additional \$325,000 cash funds spending authority to restore the contingency reserve for the Heating Plant Renovation project. The recommendation is for an additional \$325,000 cash funds spending authority.

SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2016-17					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 APPROPRIATION					
HB 16-1405 (Long Bill)	\$239,086,768	\$115,569,901	\$108,931,647	\$0	\$14,585,220
CURRENT FY 2016-17 APPROPRIATION	\$239,086,768	\$115,569,901	\$108,931,647	\$0	\$14,585,220
RECOMMENDED CHANGES					
Current FY 2016-17 Appropriation	239,086,768	115,569,901	108,931,647	0	14,585,220
S2 Department of Personnel, Replace Cooling System, Capitol Annex Building	2,417,830	1,351,599	300,000	766,231	0
S5 Colorado Mesa University, Health Science Nurse Practitioner	110,000	0	110,000	0	0
RECOMMENDED FY 2016-17 APPROPRIATION	\$241,614,598	\$116,921,500	\$109,341,647	\$766,231	\$14,585,220
RECOMMENDED INCREASE/(DECREASE)	\$2,527,830	\$1,351,599	\$410,000	\$766,231	\$0
Percentage Change	1.1%	1.2%	0.4%	n/a	0.0%
REQUESTED CHANGES					
S2 Department of Personnel, Replace Cooling System, Capitol Annex Building	1,351,599	1,351,599	0	0	0
S5 Colorado Mesa University, Health Science Nurse Practitioner	110,000	0	110,000	0	0
FY 2016-17 EXECUTIVE REQUEST	\$240,548,367	\$116,921,500	\$109,041,647	\$0	\$14,585,220
Request Above/(Below) Recommendation	(\$1,066,231)	\$0	(\$300,000)	(\$766,231)	\$0

REQUEST/RECOMMENDATION DESCRIPTIONS

S2 DEPARTMENT OF PERSONNEL, REPLACE COOLING SYSTEM, CAPITOL ANNEX BUILDING:

The request is for an additional \$1,351,599 Capital Construction Fund to replace the cooling fan in the Capitol Annex building. The recommendation is for an additional \$2,417,830 total funds, including \$1,351,599 Capital Construction Fund. The recommendation includes cash and reappropriated funds spending authority reflecting the full cost of the project and to establish spending authority for those fund sources in the appropriation for this capital construction project.

S5 COLORADO MESA UNIVERSITY, HEALTH SCIENCE NURSE PRACTITIONER: The request is for an additional \$110,000 cash funds spending authority to replace the roof in the Community Medical Plaza building for the Health Science Nurse Practitioner project. The recommendation is for an additional \$110,000 cash funds spending authority.

FY 2016-17 CAPITAL CONSTRUCTION FUND BALANCE

FY 2016-17 Capital Construction Fund Balance	
FY 2016-17 CCF Appropriations in Long Bill	
Capital Construction	\$78,745,246
Controlled Maintenance	26,127,246
IT Capital Projects	10,697,409
Total CCF appropriations in Long Bill	\$115,569,901
CCF Begin Balance Total* - FY 2016-17	\$7,286,094
H.B. 16-1416 Transfers (S.B. 09-228 Replacement)	
FY15-16 Transfer	49,800,000
FY15-16 S.B. 09-228 Transfers assumed for L.B. Appropriations	(26,500,000)
FY15-16 Supplemental Appropriation	(1,547,348)
FY16-17 Transfer	52,700,000
Subtotal - H.B. 16-1416 Transfers Available	\$74,452,652
H.B. 16-1417 Transfers (Capital-related Transfers)	
GF for CC and CM	20,586,398
GF for IT Capital Account	10,697,409
CMTF Interest	1,000,000
State Historical Fund	1,000,000
GFE for Transportation	500,000
Subtotal - H.B. 16-1417 Transfers	\$33,783,807
CCF Reversions FY 2015-16 (as of 11/1/16)	955,734
CCF Interest - FY 2015-16	2,514,969
Total CCF Available - FY 2016-17	\$118,993,256
FY 2016-17 CCF Balance after Long Bill appropriations	\$3,423,355
CC Recommended Supplemental Appropriations	(1,707,051)
IT Requested and Recommended Supplemental Appropriation	(845,057)
Subtotal - Supplementals	(\$2,552,108)
FY 2016-17 CCF Balance after supplemental appropriations	\$871,247
* CCF begin balance includes interest and reversions	

The Governor's Office of State Planning and Budgeting supplemental prioritization letter of January 3, 2017, identifies reversions and interest available for FY 2017-18. However, those reversions and interest are reflected in the above table as available in FY 2016-17. It is staff's understanding that reversions and interest are for FY 2015-16 making them available in FY 2016-17. Based on the updated Capital Construction Fund balance outlined in the table, there is no need for a General Fund transfer for recommended supplemental appropriations.

STATE-FUNDED SUPPLEMENTAL REQUESTS

S1 HISTORY COLORADO, LEBANON MILL DAM RESTORATION (FY 2014-15)

	REQUEST	RECOMMENDATION
TOTAL	\$355,452	\$355,452
Capital Construction Fund	355,452	355,452
Cash Funds	0	0
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of an unforeseen contingency.

DEPARTMENT REQUEST: History Colorado requests an additional \$355,452 Capital Construction Fund for the Lebanon Mill Dam Restoration.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: The additional funding will be used to install permeation grouting along the north side of the reservoir and a small berm at the top of the tailings pile, which will be sloped to redirect uphill runoff. History Colorado states that the additional requirement was mandated by the Department of Public Health and Environment in order to comply with EPA's Clean Water Act, as a component of the 401 and 404 permitting process, to minimize the leaching of heavy metals into Clear Creek.

The Lebanon Mill Dam Restoration was funded in FY 2014-15 with an appropriation of \$768,210 Capital Construction Fund. The project reconstructs the Lebanon Mill Dam and creates a total of 1.65 acre-feet of water storage. The dam will be built with a concrete retaining wall and a timber crib facade. The dam will be eight feet high with a 40-foot spillway. The project creates a secure water augmentation source for the Georgetown Loop Railroad that will:

- Store decreed water rights from Clear Creek to augment water depletions from wells used to serve the Georgetown Loop Railroad;
- Potentially generate electricity to power the Lebanon Mine and Mill sites; and
- Provide an educational tool about historic mining dams and water mills for visitors.

The Georgetown Loop Railroad is currently operating under a Substitute Water Supply Plan from the State Engineer's Office that allows for augmentation from water stored in Chicago Creek Reservoir. However, Chicago Creek Reservoir is downstream of the Georgetown Loop Railroad's wells. The project will allow History Colorado to make augmentation releases at the location of the well depletions in order to prevent injury to water rights between the Georgetown Loop Railroad and Chicago Creek Reservoir.

The Capital Development Committee approved this request and recommends it for funding.

S2 DEPARTMENT OF PERSONNEL, REPLACE COOLING SYSTEM, CAPITOL ANNEX BUILDING (FY 2016-17)

	REQUEST	RECOMMENDATION
TOTAL	\$1,351,599	\$2,417,830
Capital Construction Fund	1,351,599	1,351,599
Cash Funds	0	300,000
Reappropriated Funds	0	766,231
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of an unforeseen contingency.

DEPARTMENT REQUEST: The Department requests \$1,351,599 Capital Construction Fund to replace the cooling fan in the Capitol Annex building. This request replaces an interim supplemental approved by the Committee in June 2016.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Department's request for Capital Construction Fund.

Staff further recommends recognizing the additional identified sources of funding within the appropriation as follows:

- Funds from previously appropriated controlled maintenance line items be reflected as reappropriated funds; and
- The FY 2015-16 reversion from Capitol Complex utilities be reflected as cash funds from the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S., in this FY 2016-17 appropriation.

STAFF ANALYSIS: This supplemental request replaces an interim supplemental approved by the Committee in June 2016, totaling \$628,000 General Fund/Capital Construction Fund. After the department commenced the project, it was discovered that the roof of the building was not structurally sound enough to support the weight of the rooftop air conditioning unit and that additional funding is required in order to make necessary repairs to the roof prior to installation of the rooftop unit.

The original cooling fan for the Capitol Annex building is 85 years old and cannot be run at full speed in its current condition. The Department became aware of a vibration during routine maintenance in April 2016 in preparation for summer weather. Running the fan at full speed caused extreme noise and vibration which can cause damage to the building structure. Maintenance and cleaning attempts to correct the issue were unsuccessful. The Department is currently running the system at two-thirds speed to avoid extreme vibration. The Department proposed replacing the fan with an energy efficient roof top unit (RTU). In the June 2016 interim supplemental request, the Department estimated a total project cost of \$1.67 million and identified other available fund

sources totaling \$1.04 million, including \$450,000 from the State Architect's Controlled Maintenance Emergency Fund, leaving an identified need of \$628,000.

The current projected total project cost is \$2,417,830. The Department is requesting partial funding for the project totaling \$1,351,599 Capital Construction Fund. The Department identifies other available fund sources totaling \$1.07 million, including \$450,000 from the State Architect's Controlled Maintenance Emergency Fund, \$300,000 in available funds from reversions from the FY 2015-16 Capitol Complex utilities line item, and \$316,231 unspent from the FY 2013-14 Upgrade Public Restrooms and Wheelchair Lifts for ADA Compliance, State Capitol Building controlled maintenance project.

The Department identifies the need for roll-forward authority for the FY 2015-16 Capitol Complex utilities line item. Instead, staff recommends that \$300,000 of cash funds spending authority from the Department of Personnel Revolving Fund (Capitol Complex cash fund) be included in the project appropriation. The remaining funds currently include necessary spending authority for controlled maintenance projects and on that basis may not need to be reflected in the project appropriation. Nevertheless, staff recommends including controlled maintenance fund sources in the appropriation as reappropriated funds for the purpose of identifying the full cost of the project in the appropriation and to provide definite spending authority for this former controlled maintenance project and now capital construction project.

The Capital Development Committee approved this request and recommends it for funding.

CASH-FUNDED SUPPLEMENTAL REQUESTS

S3 PUBLIC HEALTH AND ENVIRONMENT, SUPERFUND SITES CLEANUP (FY 2011-12)

	REQUEST	RECOMMENDATION	
TOTAL		\$0	\$0
Capital Construction Fund		0	0
Cash Funds		0	0
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of technical errors.

DEPARTMENT REQUEST: The Department requests an extension of spending authority through FY 2019-20 for the Superfund Sites Cleanup line item first appropriated in FY 2011-12 and amended in the 2014 Long Bill (H.B. 14-1336).

STAFF RECOMMENDATION: Staff recommends that the Committee approve a footnote to extend spending authority for the FY 2011-12 appropriation through June 20, 2017, the current year, and include anticipated or remaining funding in a new line item for FY 2017-18.

Alternatively, staff recommends that the Committee approve a footnote to extend spending authority for the FY 2011-12 appropriation through June 30, 2020, a total of nine years.

STAFF ANALYSIS: The supplemental budget request extends the spending authority for the Superfund Sites Cleanup project first appropriated in FY 2011-12 and amended in the 2014 Long Bill. The project will continue work at multiple superfund sites currently undergoing remediation activities, including the California Gulch, Central City/Clear Creek, Captain Jack Mine, and Standard Mine sites.

The federal government provides up to 90 percent of funding for Superfund site cleanup. Senate Bill 85-109 created the Hazardous Substance Response Fund to provide the state's 10 percent share of site cleanup costs. The state is authorized to obtain federal funds to complete cleanup activities when no responsible party is willing or able to perform the necessary cleanup. The Department states that if spending authority for the project is allowed to expire, it would forfeit federal Superfund grant funds (approximately \$43 million) and no longer have the authorization to meet its ten 10 percent state match obligation.

Technical Concern

The supplemental appropriation in the 2014 Long Bill did not provide an extension of spending authority for the original appropriation. It appears that the FY 2011-12 initial appropriation and the 2014 Long Bill amendment only provide spending authority for three years from the FY 2011-12 appropriation. It is unclear how the Department has accessed spending authority for this appropriation beyond FY 2013-14.

A supplemental footnote amendment can provide the missing authority for the intervening years, while a new appropriation for FY 2017-18 will provide the additional years of spending authority requested by the Department. A new appropriation for FY 2017-18 will provide current and updated fiscal information by including in the budget anticipated or remaining funding for the next three-year period which would otherwise be lacking by simply extending spending authority through FY 2019-20 for the original appropriation.

The Department's supplemental request narrative states that the supplemental appropriation included in the 2014 Long Bill was originally to be submitted by the Department as a FY 2014-15 request, but based on a request by Capital Development Committee staff, it was instead requested as a supplemental appropriation for FY 2013-14. Technically, the supplemental appropriation was an amendment to the original appropriation in FY 2011-12 and not a FY 2013-14 supplemental. Even if the supplemental appropriation had instead been included as a new line item for FY 2014-15 in the Capital Construction budget, three-year spending authority would have been provided through FY 2016-17 and not through FY 2017-18 as stated in the Department's request narrative. The JBC staff write-up from the 2014 capital construction figure setting document recounts the late supplemental request from the Department for the appropriation adjustment for FY 2011-12 but does not speak to a request or need to extend spending authority. Nevertheless, it appears that there

may have been technical errors throughout the request and approval process related to the CDC recommendation and JBC appropriation that may not be entirely attributable to the Department.

Staff's largest concern is the nine-year length of spending authority that is being requested and possibly provided for a FY 2011-12 appropriation. Staff would prefer to (1) clean-up the current lack of spending authority through the end of the current fiscal year (FY 2016-17) for the existing appropriation and (2) include anticipated or remaining funding in a new line item for FY 2017-18 for the period thought FY 2019-20.

The Capital Development Committee approved this request and recommends it for funding.

S4 COLORADO SCHOOL OF MINES, HEATING PLANT RENOVATION (FY 2015-16)

	REQUEST	RECOMMENDATION
TOTAL	\$325,000	\$325,000
Capital Construction Fund	0	0
Cash Funds	325,000	325,000
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

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

DEPARTMENT REQUEST: Colorado School of Mines (CSM) requests \$325,000 cash funds spending authority to restore the contingency reserve for the Heating Plant Renovation project.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: The original project contingency budget was reduced to pay regular project costs because the budget increased due to inflation. This request adds money to the contingency budget in order to allow for additional unforeseen conditions or other unexpected costs. The additional project contingency may not be needed, but increasing the contingency to the original amount (10 percent of construction cost) through cash funds spending authority will afford the institution the flexibility needed to complete the project within the original scope.

The Heating Plant Renovation project was funded in FY 2015-16 with \$6.6 million Capital Construction Fund and a matching \$6.6 million cash funds from institutional general funds set aside for capital renewal, for a total appropriation of \$13.1 million. The capital renewal project renovates the 15,888-GSF Heating Plant, which uses steam to provide heating, domestic hot water, and cooling to all of the major buildings on campus through tunnels and pipes.

The Capital Development Committee approved this request and recommends it for funding. Cash funding is from institutional general funds set aside for capital renewal.

S5 COLORADO MESA UNIVERSITY, HEALTH SCIENCE NURSE PRACTITIONER (FY 2016-17)

	REQUEST	RECOMMENDATION
TOTAL	\$110,000	\$110,000
Capital Construction Fund	0	0
Cash Funds	110,000	110,000
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

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

DEPARTMENT REQUEST: Colorado Mesa University (CMU) requests \$110,000 cash funds spending authority to replace the roof of the Community Medical Plaza building.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: The supplemental budget request addresses leaks in the existing roof of the Community Medical Plaza building. The leaks were not visible until the grid ceiling was removed during the project demolition phase. CMU is requesting additional cash funding to replace, rather than patch, the existing roof. According to CMU, replacing the roof will decrease energy consumption, improve drainage, and better protect the recent renovations to the building's interior.

The Health Science Nurse Practitioner project is a two-phase project funded in FY 2015-16 with \$3.0 million Capital Construction Fund and in FY 2016-17 with \$9.2 million Capital Construction Fund and \$105,299 cash funds, for total appropriations of \$12.2 million Capital Construction Fund and \$105,299 cash funds.

The project demolishes 20,414 GSF and renovates 9,600 GSF in the Community Medical Plaza building and constructs an additional 25,718-GSF building. When the project is complete, the new building will accommodate the Health Sciences Department, the Student Health Clinic, and Behavioral Clinical Services. The renovations to the Community Medical Plaza include replacement of all mechanical systems, electrical systems, plumbing, and interior finishes in the existing space.

The Capital Development Committee approved this request and recommends it for funding. Cash funding is from institutional reserves.

PREVIOUSLY APPROVED SUPPLEMENTAL REQUESTS

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUEST

INTERIM SUPPLEMENTAL #1 – CONTROLLED MAINTENANCE, DEPARTMENT OF PERSONNEL, CAPITOL ANNEX BUILDING COOLING SYSTEM EMERGENCY REPLACEMENT (FY 2016-17)

	REQUEST	APPROVED
TOTAL	\$628,000	\$628,000
General Fund/Capital Construction Fund	628,000	628,000
Cash Funds	0	0
Federal Funds	0	0

DEPARTMENT REQUEST: The Department, on behalf of the Department of Revenue, requested \$628,000 Capital Construction Fund in FY 2016-17 for emergency replacement of the cooling system in the Capitol Annex building located at 1375 Sherman Street.

SUMMARY: The original cooling fan for the Capitol Annex building is 85 years old and cannot be run at full speed in its current condition. The Department became aware of a vibration during routine maintenance in April 2016 in preparation for summer weather. Running the fan at full speed caused extreme noise and vibration which can cause damage to the building structure. Maintenance and cleaning attempts to correct the issue were unsuccessful. The Department is currently running the system at two-thirds speed to avoid extreme vibration. The Department proposed replacing the fan with an energy efficient roof top unit (RTU). The Department estimated a total project cost of \$1.67 million and identified other available fund sources totaling \$1.04 million, including \$450,000 from the State Architect's Controlled Maintenance Emergency Fund, leaving an identified need of \$628,000.

COMMITTEE ACTION: Staff recommended, and the Committee approved, \$628,000 General Fund, until a General Fund to Capital Construction Fund transfer could be made in the 2017 legislative session.

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. However, request item S2 was submitted as a replacement for the previously-approved interim supplemental based on additional information received for the project. If the Committee approves the S2 request, staff will not include the previously-approved interim supplemental.