

# JOINT BUDGET COMMITTEE



## SUPPLEMENTAL BUDGET REQUESTS FY 2020-21 AND FY 2011-12

### CAPITAL CONSTRUCTION PART 2 OF 2

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

PREPARED BY:  
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JANUARY 22, 2021

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# CAPITAL CONSTRUCTION

## SUMMARY: FY 2011-12 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2011-12					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>FY 2011-12 APPROPRIATION</b>					
SB 11-209 (Long Bill)	\$162,505,347	\$48,891,749	\$0	\$78,377,617	\$35,235,981
HB 07-1040	\$496,566	\$496,566	\$0	\$0	\$0
SB 07-096	\$750,990	\$750,990	\$0	\$0	\$0
SB 08-239	\$375,495	\$375,495	\$0	\$0	\$0
HB 12-1200	\$26,254,699	\$0	\$0	\$28,329,981	(\$2,075,282)
SB 13-107	358,400	0	0	125,390	233,010
HB 14-1249	3,000,000	0	0	3,000,000	0
HB 14-1336	51,009,221	0	0	5,100,922	45,908,299
<b>CURRENT FY 2011-12 APPROPRIATION</b>	<b>\$244,750,718</b>	<b>\$50,514,800</b>	<b>\$0</b>	<b>\$114,933,910</b>	<b>\$79,302,008</b>
<b>RECOMMENDED CHANGES</b>					
Current FY 2011-12 Appropriation	244,750,718	50,514,800	0	114,933,910	79,302,008
CDPHE, Superfund Sites Cleanup	0	0	0	0	0
<b>RECOMMENDED FY 2011-12 APPROPRIATION</b>	<b>\$244,750,718</b>	<b>\$50,514,800</b>	<b>\$0</b>	<b>\$114,933,910</b>	<b>\$79,302,008</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Percentage Change	0.0%	0.0%	n/a	0.0%	0.0%
<b>REQUESTED CHANGES</b>					
CDPHE, Superfund Sites Cleanup	35,000,000	0	3,507,544	0	31,492,456
<b>FY 2011-12 EXECUTIVE REQUEST</b>	<b>\$279,750,718</b>	<b>\$50,514,800</b>	<b>\$3,507,544</b>	<b>\$114,933,910</b>	<b>\$110,794,464</b>
Request Above/(Below) Recommendation	\$35,000,000	\$0	\$3,507,544	\$0	\$31,492,456

### REQUEST/RECOMMENDATION DESCRIPTIONS

**CDPHE, SUPERFUND SITES CLEANUP (FY 2011-12):** The Committee approved this interim request in December 2020. The recommendation includes an extension of spending authority for the FY 2011-12 Superfund Sites Cleanup project though June 30, 2021.

## SUMMARY: FY 2020-21 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2020-21					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>FY 2020-21 APPROPRIATION</b>					
FY 2020-21 Long Bill (H.B. 20-1360)	\$105,724,997	\$2,543,768	\$71,688,773	\$0	\$31,492,456
H.B. 20-1408 Dist H.B. 20-1377 CCF Funding	\$49,046,800	\$49,000,000	\$46,800	\$0	\$0
S.B. 20-003 State Parks Improvement Approp	1,000,000	1,000,000	0	0	0
<b>CURRENT FY 2020-21 APPROPRIATION</b>	<b>\$155,771,797</b>	<b>\$52,543,768</b>	<b>\$71,735,573</b>	<b>\$0</b>	<b>\$31,492,456</b>
<b>RECOMMENDED CHANGES</b>					
Current FY 2020-21 Appropriation	155,771,797	52,543,768	71,735,573	0	31,492,456
DNR, Increase State Parks Access	0	0	0	0	0
<b>RECOMMENDED FY 2020-21 APPROPRIATION</b>	<b>\$155,771,797</b>	<b>\$52,543,768</b>	<b>\$71,735,573</b>	<b>\$0</b>	<b>\$31,492,456</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Percentage Change	0.0%	0.0%	0.0%	n/a	0.0%
<b>REQUESTED CHANGES</b>					
DNR, Increase State Parks Access	20,000,000	20,000,000	0	0	0
<b>FY 2020-21 EXECUTIVE REQUEST</b>	<b>\$175,771,797</b>	<b>\$72,543,768</b>	<b>\$71,735,573</b>	<b>\$0</b>	<b>\$31,492,456</b>
Request Above/(Below) Recommendation	\$20,000,000	\$20,000,000	\$0	\$0	\$0

### REQUEST/RECOMMENDATION DESCRIPTIONS

**DNR, INCREASE STATE PARKS ACCESS:** The request is for an additional \$20.0 million Capital Construction Fund to construct, rehabilitate, and improve infrastructure and facilities at 12 state parks. The recommendation is denial of the request.

# STATE-FUNDED SUPPLEMENTAL REQUESTS

## DEPARTMENT OF NATURAL RESOURCES, INCREASE STATE PARKS ACCESS (FY 2020-21)

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$20,000,000</b>	<b>\$0</b>
Capital Construction Fund	20,000,000	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?** **NO**  
 [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:** The Department submitted this request under the criterion: "Data Which Was Not Available When the Original Appropriation Was Made". The sole reason provided by the Department that this request qualifies under this criterion is the fact that the amount of available General Fund is higher than anticipated last session. There is no new data specific to this project. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider changes in the amount of available General Fund, "new data". Thus, staff concludes that this request does not fall under any of the criteria used to screen supplemental funding requests.

**DEPARTMENT REQUEST:** The Department of Natural Resources requests an additional \$20.0 million Capital Construction Fund to construct, rehabilitate, and improve infrastructure and facilities at 12 state parks.

**CDC RECOMMENDATION:** The Capital Development Committee (CDC) recommends approval of the request.

**STAFF RECOMMENDATION:** Staff does not recommend the request on the basis that it does meet supplemental criteria.

**STAFF ANALYSIS:** The Department states that Colorado's state parks system has seen an unprecedented increase in use during the 2020 stay at home/safer at home orders and that a \$20.0 million investment in capacity expansion projects at existing parks, including accelerated buildout of Fishers Peak State Park, will relieve pressure on the system while providing new amenities to meet future demand.

Expansion projects at existing parks include new campgrounds, improved amenities at existing campgrounds, improved fishing and boating opportunities, and additional trail miles. The Department states that any incremental increase in ongoing management costs for expanded amenities would be covered by fee revenue. The Department states that this investment will support shovel-ready projects at parks around the state, which will stimulate economic growth for nearby communities and is identified as one of the Governor's economic stimulus request items.

Identified capital projects include the following:

1. Fishers Peak additional improvement – \$3.0 million

This request will help complete a trails feasibility study, which will guide the construction of environmentally friendly and sustainable trails. Approximately 15-20 miles of trails will be built for hikers and bikers, including a hiking trail to the top of Fishers Peak. Funding will also be used to create additional trailheads and trail amenities like signage and benches.

2. Steamboat Camper services building – \$1.8 million total, \$900,000 CCF requested

Steamboat Lake State Park has one Camper Services Building servicing two major campgrounds. Visitors in the Sunrise Vista Campground are forced to drive to Dutch Hill to shower. There are 188 campsites using the current building, which results in crowding and maintenance challenges. A second Camper Services Building has been designed for the Sunrise Vista Campground and is ready to bid.

*Technical note:* The total project amount identified for this portion of the project is \$1.8 million. The Department states that half of that will come from the Land and Water Conservation Fund. However, the Department has not included a request for that portion of the appropriation in its request for this project. Any non-Capital Construction Fund amount not appropriated in a capital construction appropriation reduces the Capital Construction Fund portion by the same amount. This portion of the request appears to be technically deficient.

3. Ridgway Group Campground – \$1.5 million

This request adds a Group Campground to Ridgway State Park's camping options. Currently the park does not offer a separate consolidated group camping facility. The new Group Campground will provide individual sites closely grouped together with the flexibility to accommodate a variety of group sizes up to a capacity of 60+ individuals within the campground. The Group Campground will consist of 15 individual RV sites, 8-10 walk-in tent sites, a small camper services building with showers, and a group picnic shelter with fire pit and grills.

4. Navajo Candelaria and Marina Wells – \$150,000

Parks and Wildlife recently completed construction of a domestic water treatment system and storage facility at Navajo State Park for water use throughout the park's main campgrounds and central infrastructure including fire suppression supply. The system is currently supplied by two wells that are dependent on groundwater levels. The project to incorporate additional wells into the water system will better ensure uninterrupted clean water supply for the park.

5. Lake Pueblo boat ramp parking, ramps 1 & 2 – \$3.2 million

This project will add additional paved parking spots at each boat ramp, to accommodate more boaters. The project also includes adding a new fish cleaning station and demolishing an old toilet building that is beyond its useful life and replacing it with a new, cost efficient vault toilet.

6. North Sterling Elks and Chimney View electrical upgrade – \$714,400

This project will provide 50 upgraded sites and 25 new sites for electric camping spots. The Elks Campground has 50 sites that need to be upgraded to a 50 amp electric supply, and the Chimney View Campground has 44 sites with no electricity at all. RV users currently experience problems with breakers at many campsites, and increased usage has tripped the breakers at many group sites over the summer. This project will provide better customer service through an upgraded system that provides the electricity the public demands while reducing staff time to respond to complaints and repair electrical systems.

7. Jackson Lake Foxhills electrical improvements – \$721,000

Foxhills Campground is the largest campground and contains 90 non-electric campsites. This project will increase the number of electric sites.

8. Cherry Creek swim beach services building – \$2.0 million

This project will replace a 45-year-old building that accommodates over 2,000 people on any given weekend day. It also addresses public safety and health concerns by providing an adequate number of toilets, sinks, and stalls, which are required by CDPHE to operate a natural swim area. In addition to compliance with regulatory standards, the new facilities will improve the customer experience, increase utility efficiency, and improve maintenance capabilities at the swim beach.

9. Boyd Lake Campground redevelopment – \$5.5 million

This project will redevelop the campground to remove 148 primitive campsites and replace them with approximately 200 new campsites, including re-configuring roads to minimize excess asphalt and providing concrete pads and full hookups for some campsites. Boyd Lake currently accommodates 50,000+ campers per year, and existing campsites are full weekends from April through October and 80-100% full during the week with increasing shoulder and off season usage.

10. AHRA – Salida East Campground upgrades phases 2 & 3 – \$1,514,600

The Salida East site has been an area with little oversight where campers park wherever possible with little campsite organization. Parks and Wildlife worked with the federal Bureau of Land Management to obtain a lease to create a campground with designated campsites and other amenities. This request creates a structured campground that will add approximately 35 additional campsites, amenities and day use parking for river access.

11. Chatfield – Plum Creek entrance expansion – \$600,000

This project will expand the park entrance to double lanes to accommodate increased traffic. The Plum Creek entrance backs up frequently due to increased development and visitation.

12. Cameo shooting bays – \$200,000

This project will add eight additional shooting bays, and associated share shelters, to the existing 12 bays. By increasing the number of bays available for hosting competitions, Cameo Shooting and Education Center will be able to host national events.

**STAFF CONCERNS**

The Division of Parks and Wildlife annually receives direct distributions from lottery proceeds for Parks and Wildlife projects. In FY 2018-19 the direct distribution to the Division totaled approximately \$13.7 million. The Division of Parks and Wildlife additionally receives a distribution of about half of Great Outdoors Colorado (GOCO) funding; distributions of lottery proceeds to GOCO totaled \$68.5 million in FY 2018-19.

Section (1)(b)(II) of Section 3 of Article XXVII of the Colorado Constitution specifies:

*(II) Ten percent to the Division of Parks and Outdoor Recreation for the acquisition, development and improvement of new and existing state parks, recreation areas and recreational trails; and*

It is staff's opinion that a state agency that receives a constitutionally-specified funding stream of \$40 to \$50 million per year for the same purposes included in this request item should not also be subsidized with additional state funds. If this item is a priority to be considered for funding with state funds, then it should be funded with this Department's constitutionally-provided funding stream ahead of other projects.

Additionally, discussion among the CDC questioned the acceleration of this project ahead of other request items for FY 2021-22. This discussion suggested that this supplemental request in particular, and supplemental requests generally that fund a new project, appear to be prioritized ahead of new project requests for the next fiscal year. While the CDC approved this item on a 3-2 vote, staff is concerned that capital construction projects are occasionally requested and funded ahead of projects that have risen in priority over several years of request. As a general rule, new capital construction projects should only be initiated through the standard budget cycle, in competition and comparison with all other requests.

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## PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUESTS

### SUPERFUND SITES CLEANUP (FY 2011-12) [AND SUPERFUND-COLORADO SMELTER (FY2020-21)], PUBLIC HEALTH AND ENVIRONMENT

FY 2011-12 SUPERFUND SITES CLEANUP	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$35,000,000</b>	<b>\$0</b>
FTE	0.0	0.0
Capital Construction Fund	0	0
Cash Funds	3,507,544	0
Federal Funds	31,492,456	0

FY 2020-21 SUPERFUND-COLORADO SMELTER	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>(\$35,000,000)</b>	<b>\$0</b>
FTE	0.0	0.0
Capital Construction Fund	0	0
Cash Funds	(3,507,544)	0
Federal Funds	(31,492,456)	0

**DEPARTMENT REQUEST:** The Department of Public Health and Environment requested that the FY 2020-21 capital construction project, Superfund-Colorado Smelter, be eliminated and the associated funding instead be added as a supplemental appropriation to the FY 2011-12 capital construction project, Superfund Sites Cleanup.

In moving this appropriation authority into the FY 2011-12 appropriation through a supplemental appropriation, the statutory provisions in Section 24-75-303 (5), C.R.S., would automatically extend the FY 2011-12 spending authority for an additional three years. A supplemental appropriation provided in FY 2020-21 would extend spending authority until June 30, 2023 (FY 2022-23).

**SUMMARY:** The request envisioned a single Superfund appropriation located in the FY 2011-12 Superfund Sites Cleanup project. Creating a supplemental appropriation that moves the funding included in the FY 2020-21 Superfund-Colorado Smelter project appropriation to the FY 2011-12 appropriation, engages the provision in Section 24-75-303 (5), C.R.S., which grants an automatic three-year extension of spending authority, and would provide spending authority for the FY 2011-12 appropriation through June 30, 2023.

The FY 2020-21 Superfund-Colorado Smelter appropriation currently has spending authority through June 30, 2023 without a supplemental action. The FY 2011-12 Superfund Sites Cleanup appropriation period of spending authority expired on June 30, 2020.

As staff presented this, there are a sequence of three items or questions that needed to be addressed by the Committee:

- 1 Is it appropriate and reasonable budget policy to continue appropriating new funding indefinitely over time to an appropriation from FY 2011-12? If yes, the Committee may approve the Department's request and no further consideration is necessary.
- 2 If not, should the FY 2011-12 appropriation be extended through June 30, 2021, after which a new appropriation can be provided in the budget to accommodate ongoing work that is anticipated to continue indefinitely?
- 3 And if yes, does a new appropriation more properly belong in the capital construction budget or in the operating budget?

Staff presented examples of capital construction appropriations that are continued each year, representing new work, on a sequence of ongoing and related projects. Such ongoing projects sidestep the problem of appropriating back to a single, original appropriation. Staff also presented examples of operating budget appropriations in the Department of Natural Resources which appear to more closely resemble the reclamation work identified as Superfund-related activity. Staff presented potential statutory definition issues that suggest the Superfund-related work does not transpire on state property, the basic definition of "real property" as defined in the capital construction definitions.

COMMITTEE ACTION: Staff recommended, and the Committee approved the following:

- 1) The Committee denied the request to combine the FY 2020-21 appropriation for the Superfund-Colorado Smelter capital construction project with the FY 2011-12 appropriation for the Superfund Sites Cleanup capital construction project.
- 2) The Committee approved an extension of spending authority for the FY 2011-12 appropriation for the Superfund Sites Cleanup capital construction project through June 30, 2021.
- 3) The Committee approved a transition of the remaining FY 2011-12 appropriation for ongoing work of the Superfund Sites Cleanup capital construction project into the operating budget for FY 2021-22 and ongoing.

The Department and JBC staff are in agreement that transitioning these capital budget items into the operating budget is a reasonable resolution that the Department finds acceptable. JBC staff believes the annual appropriation process in the operating budget is a better structure for providing legislative oversight of this ongoing operation and funding stream. JBC staff does not believe it is appropriate or reasonable budget policy to continue extending the FY 2011-12 appropriation indefinitely.

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## Capital Development Committee

State Capitol Building, Room 029  
 Denver, Colorado 80203-1784  
 (303) 866-3521



January 14, 2021

Senator Dominick Moreno, Chair  
 Joint Budget Committee  
 200 East 14th Avenue, Third Floor  
 Denver, CO 80203

Dear Senator Moreno,

On January 14, 2021, the Capital Development Committee (CDC) considered five regular supplemental requests submitted pursuant to Section 24-75-111, C.R.S. *The CDC approved the requests as submitted.* Table 1 summarizes the requests. Descriptions of the approved requests are attached.

**Table 1**  
**Capital Development Committee Recommendation**  
**Regular Supplemental Requests**

Department Name	Project Title	Project Short Description	Cost	Vote
Natural Resources	Increase State Parks Access	The project makes improvements at 12 state parks to accommodate increased parks usage.	\$20 million CCF	3-2, 1 excused
Corrections	Buena Vista Correctional Complex TakeTWO Expansion	The project constructs a metal building to expand the transitional work opportunity program.	\$1,000,000 CCF	5-1
Personnel and Administration	Annex Sewer Repair	The project broadens the scope to perform additional renovations in the Annex building, using savings from asbestos abatement.	\$0 CCF	6-0
Metropolitan State University of Denver	Aerospace Engineering Sciences Building	The project constructs a new academic building, and the supplemental request reduces the project scope and cash spending authority due to unforeseen fiscal circumstances.	(\$6,451,420) CF	6-0
Public Health and Environment	Newborn Screening Laboratory Mass Spectrometry Room	The project constructs a mass spectrometry room to support the Colorado Newborn Screening Program. The supplemental covers cost overruns and extends spending authority to June 30, 2023.	\$546,976 CF	6-0

In addition, the Capital Development Committee (CDC) considered two emergency supplemental requests submitted pursuant to Section 24-75-111, (1)(c)(IV) C.R.S. *The CDC approved the*

*projects as submitted.* Table 2 summarizes the requests. Descriptions of the approved requests are attached.

**Table 2**  
**Capital Development Committee Recommendation**  
**Emergency Supplemental Requests**

<b>Department Name</b>	<b>Project Title</b>	<b>Project Short Description</b>	<b>Cost</b>	<b>Vote</b>
Personnel and Administration	Capital Security Upgrades	The project improves security infrastructure at the Capitol building.	\$9,812,500	6-0
Colorado State University	National Western Center COP	The request reduces the payment on certificates in participation following refinancing.	(\$6,568,932)	6-0

If you have any questions or concerns about the CDC's recommendation, please call Bo Pogue, Legislative Council Staff, at 303-866-5390.

Sincerely,

  
Representative Edie Hooton  
Chair, Capital Development Committee

c: Capital Development Committee Members  
Joint Budget Committee Members  
Jeanni Stefanik, Governor's Office of State Planning and Budgeting  
Seth Cohn, Governor's Office of State Planning and Budgeting  
Alice Cosgrove Horgan, Department of Natural Resources  
Doug Vilsack, Department of Natural Resources  
Ruth Coffman, Department of Corrections  
Aaron Greco, Department of Corrections  
Kara Veitch, Department of Personnel and Administration  
Jack Wylie, Department of Personnel and Administration  
Dr. George Middlemist, Metropolitan State University of Denver  
Lauren Gilliland, Department of Higher Education  
Jason Schrock, Department of Higher Education  
Mary Brosy-Wiwchar, Department of Public Health and Environment  
Ian Higgins, Department of Public Health and Environment  
Shelley Carroll, Colorado State University  
Alfredo Kemm, Joint Budget Committee Staff  
Amanda Bickel, Joint Budget Committee Staff  
Capital Development Committee Staff