

# JOINT BUDGET COMMITTEE



## SUPPLEMENTAL BUDGET REQUESTS FY 2022-23, FY 2023-24

### CAPITAL CONSTRUCTION

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

PREPARED BY:  
ANDREA UHL, JBC STAFF  
JANUARY 18, 2024

JOINT BUDGET COMMITTEE STAFF  
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203  
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472  
<https://leg.colorado.gov/agencies/joint-budget-committee>

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# CAPITAL CONSTRUCTION

## DEPARTMENT OVERVIEW

The capital construction section of the Long Bill includes funding appropriated to state departments and institutions of higher education for controlled maintenance, capital renewal and recapitalization, and capital expansion. Capital construction appropriations are typically supported by General Fund transferred to the Capital Construction Fund (CCF). However, appropriations for FY 2022-23 were primarily funded, and for FY 2023-24 were partially funded, from the Revenue Loss Restoration Cash Fund from funds originating from the federal American Rescue Plan Act of 2021.

## SUMMARY: FY 2022-23 APPROPRIATION AND RECOMMENDATION

### CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2022-23

	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
<b>FY 2022-23 APPROPRIATION</b>					
HB 22-1329 Long Bill	\$491,102,435	\$5,246,375	\$484,090,730	\$0	\$1,765,330
SB 22-206 Disaster preparedness and recovery resources	2,700,000	2,700,000	0	0	0
SB 22-239 Buildings in the Capitol Complex	26,721,314	0	26,721,314	0	0
HB 22-1283 Youth and family behavioral healthcare	35,000,000	0	35,000,000	0	0
HB 22-1303 Increase residential behavioral health beds	10,683,678	0	10,683,678	0	0
SB 23-135 Supplemental	14,242,930	5,592,930	8,650,000	0	0
<b>CURRENT FY 2022-23 APPROPRIATION</b>	<b>\$580,450,357</b>	<b>\$13,539,305</b>	<b>\$565,145,722</b>	<b>\$0</b>	<b>\$1,765,330</b>
<b>RECOMMENDED CHANGES</b>					
Current FY 2022-23 Appropriation	\$580,450,357	\$13,539,305	\$565,145,722	\$0	\$1,765,330
HED: TSC Freudenthal Library Renovation	0	0	0	0	0
HED: CMU Robinson Theater Replacement	10,334,285	0	10,334,285	0	0
HED: UNC Gray Hall Mechanical Systems Improvements	(3,770,783)	0	(3,770,783)	0	0
<b>RECOMMENDED FY 2022-23 APPROPRIATION</b>	<b>\$587,013,859</b>	<b>\$13,539,305</b>	<b>\$571,709,224</b>	<b>\$0</b>	<b>\$1,765,330</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>\$6,563,502</b>	<b>\$0</b>	<b>\$6,563,502</b>	<b>\$0</b>	<b>\$0</b>
Percentage Change	1.1%	0.0%	1.2%	n/a	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

### REQUEST/RECOMMENDATION DESCRIPTIONS

**TRINIDAD STATE COLLEGE FREUDENTHAL LIBRARY RENOVATION (SCOPE REDUCTION):** The Colorado Commission on Higher Education (CCHE) and Trinidad State College requested, and the CDC approved, a scope reduction for Phase II of the Trinidad State College Freudenthal Library Renovation due to higher than anticipated construction inflation and in order to complete the project within its original appropriation. Phase I of the project was previously re-scoped due to construction inflation.

**INTERIM SUPPLEMENTAL - COLORADO MESA UNIVERSITY ROBINSON THEATER REPLACEMENT (CASH FUNDS INCREASE):** CCHE and Colorado Mesa University requested, and the Capital Development Committee (CDC) and Joint Budget Committee (JBC) approved, an increase of \$10,334,285 cash funds from institutional reserves and donations to cover construction inflation costs for the Robinson Theater Replacement project at Colorado Mesa University.

**INTERIM SUPPLEMENTAL - UNIVERSITY OF NORTHERN COLORADO GRAY HALL MECHANICAL SYSTEMS IMPROVEMENTS (SCOPE AND CASH FUNDS REDUCTION):** CCHE and the University of Northern Colorado (UNC) requested, and the CDC and JBC approved, a scope reduction and corresponding decrease of \$3,770,783 cash funds, including \$3,724,783 from the Revenue Loss Restoration Cash Fund and \$46,000 from institutional sources, for the University of Northern Colorado Gray Hall Mechanical Systems Improvements appropriation.

## SUMMARY: FY 2023-24 APPROPRIATION AND RECOMMENDATION

### CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2023-24

	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
<b>FY 2023-24 APPROPRIATION</b>					
SB 23-214 Long Bill	\$471,149,105	\$256,358,189	\$212,411,819	\$0	\$2,379,097
SB 23-250 Transfers from Severance Tax Operations Cash Fund	13,108,609	10,000,000	3,108,609	0	0
SB 23-306 Buildings in the Capitol Complex	20,479,729	0	20,479,729	0	0
<b>CURRENT FY 2023-24 APPROPRIATION</b>	<b>\$504,737,443</b>	<b>\$266,358,189</b>	<b>\$236,000,157</b>	<b>\$0</b>	<b>\$2,379,097</b>
<b>RECOMMENDED CHANGES</b>					
Current FY 2023-24 Appropriation	\$504,737,443	\$266,358,189	\$236,000,157	\$0	\$2,379,097
HED: UNC Gray Hall Mechanical Systems Improvements	7,618,947	7,542,758	76,189	0	0
DHS: Additional Inpatient Beds, CMHIFL	11,419,342	11,419,342	0	0	0
Staff-initiated: SB 20-219 Lease Purchase Payments tech correction	9,000	9,000	0	0	0
<b>RECOMMENDED FY 2023-24 APPROPRIATION</b>	<b>\$523,784,732</b>	<b>\$285,329,289</b>	<b>\$236,076,346</b>	<b>\$0</b>	<b>\$2,379,097</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>\$19,047,289</b>	<b>\$18,971,100</b>	<b>\$76,189</b>	<b>\$0</b>	<b>\$0</b>
Percentage Change	3.8%	7.1%	0.0%	n/a	0.0%
<b>FY 2023-24 EXECUTIVE REQUEST</b>	<b>\$523,784,732</b>	<b>\$285,329,289</b>	<b>\$236,076,346</b>	<b>\$0</b>	<b>\$2,379,097</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

### REQUEST/RECOMMENDATION DESCRIPTIONS

**UNIVERSITY OF NORTHERN COLORADO GRAY HALL MECHANICAL SYSTEMS IMPROVEMENTS:** The Colorado Commission on Higher Education and the University of Northern Colorado requested, and the CDC approved, an increase of \$7,618,947 total funds, including \$7,542,758 General Fund/Capital Construction Fund, for the addition of a Phase II appropriation for the Gray Hall Mechanical Systems Improvements (Capital Renewal) project in FY 2023-24.

**DEPARTMENT OF HUMAN SERVICES ADDITIONAL INPATIENT BEDS AT COLORADO MENTAL HEALTH INSTITUTE, FORT LOGAN:** The Department of Human Services requested, and the CDC approved, an increase of \$11,419,342 General Fund/Capital Construction Fund for additional inpatient beds at the Colorado Mental Health Institute at Fort Logan (CMHIFL). This project was originally funded through H.B. 22-1303 (Increase Residential Behavioral Health Beds).

**STAFF-INITIATED S.B. 20-219 LEASE PURCHASE PAYMENTS TECHNICAL CORRECTION:** The recommendation includes \$9,000 Capital Construction Fund to correct a technical error in the appropriation for the S.B. 20-219 lease purchase payments in the FY 2023-24 Long Bill.

## PRIORITIZED SUPPLEMENTAL REQUESTS

### UNIVERSITY OF NORTHERN COLORADO GRAY HALL MECHANICAL SYSTEMS REPLACEMENT

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$7,618,947</b>	<b>\$7,618,947</b>
FTE	0.0	0.0
Capital Construction Fund/General Fund	7,542,758	7,542,758
Cash Funds	76,189	76,189
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 agrees that this request is the result of new data and unforeseen contingencies that render the project impossible to complete within its original budget.

**DEPARTMENT REQUEST:** The Colorado Commission on Higher Education and the University of Northern Colorado requested, and the CDC approved, an increase of \$7,618,947 total funds, including \$7,542,758 Capital Construction Fund, for the addition of a Phase II appropriation for the Gray Hall Mechanical Systems Replacement (Capital Renewal) project in FY 2023-24.

**CAPITAL DEVELOPMENT COMMITTEE ACTION:** The Capital Development Committee approved the request on January 11, 2024 and forwarded it to the JBC.

**STAFF RECOMMENDATION:** **Staff recommends that the Committee approve the request.** Additionally, Staff recommends the Committee sponsor legislation to transfer \$7,542,758 General Fund to the Capital Construction Fund for the recommended Capital Construction Fund appropriation.

**STAFF ANALYSIS:** The University of Northern Colorado Gray Hall Mechanical Systems Replacement (Capital Renewal) project was originally included as a single-phase project in the FY 2022-23 Long Bill. The project makes various upgrades to mechanical systems in Gray Hall, including the HVAC system and associated infrastructure, sprinkler system installation, and the addition of central air conditioning. The project was originally appropriated \$3,770,783 cash funds, including \$3,724,783 from the Revenue Loss Restoration Cash Fund and \$46,000 from institutional sources.

In June 2023, the JBC approved an interim supplemental request to reduce the appropriation and scope of this project to \$815,873 from the Revenue Loss Restoration Cash Fund to include only life-safety components of the project (discussed on page 9 of this document). It was communicated at this time that UNC would request funding for the remainder of the project at a future date. Phase II will replace the HVAC and plumbing systems and add central cooling to the building. The requested total for this project represents a \$3.8 million increase above the original appropriation, as shown below.

UNC GRAY HALL MECHANICAL SYSTEM IMPROVEMENTS - APPROPRIATIONS				
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	REVENUE LOSS RESTORATION CASH FUND	INSTITUTIONAL CASH FUNDS
H.B. 22-1329 (Long Bill) Appropriation	\$4,586,656	\$0	\$4,540,656	\$46,000
Interim Supplemental Request (Reduce FY 2022-23)	(3,770,783)	0	(3,724,783)	(46,000)
FY 2023-24 Supplemental Request	7,618,947	7,542,758	0	76,189
<b>TOTAL</b>	<b>\$8,434,820</b>	<b>\$7,542,758</b>	<b>\$815,873</b>	<b>\$76,189</b>
<b>INCREASE FROM ORIGINAL APPROPRIATION</b>	<b>\$3,848,164</b>	<b>\$7,542,758</b>	<b>(\$3,724,783)</b>	<b>\$30,189</b>

## DEPARTMENT OF HUMAN SERVICES ADDITIONAL INPATIENT BEDS AT COLORADO MENTAL HEALTH INSTITUTE FORT LOGAN

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$11,419,342</b>	<b>\$11,419,342</b>
FTE	0.0	0.0
Capital Construction Fund/General Fund	11,419,342	11,419,342
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 cost estimates that were not available when the original appropriation was made in H.B. 22-1303.

**DEPARTMENT REQUEST:** The Department of Human Services requested, and the CDC approved, an increase of \$11,419,342 Capital Construction Fund for additional inpatient beds at the Colorado Mental Health Institute at Fort Logan (CMHIFL).

**CAPITAL DEVELOPMENT COMMITTEE ACTION:** The Capital Development Committee approved the request on January 11, 2024 and forwarded it to the JBC.

**STAFF RECOMMENDATION:** **Staff recommends that the Committee approve the request.** Additionally, staff recommends the Committee sponsor legislation to transfer \$11,419,342 General Fund to the Capital Construction Fund for the recommended Capital Construction Fund appropriation.

**STAFF ANALYSIS:** The project in question received funding through H.B. 22-1303 (Increase Residential Behavioral Health Beds); it did not go through the Capital Development Committee prioritization process. H.B. 22-1303 appropriated \$6,991,567 from the Behavioral and Mental Health Cash Fund, from funds originating from the federal American Rescue Plan Act of 2021, for renovations at CMHIFL. The requested increase of \$11,419,342 brings the total cost of this project to \$18,410,909.

The project renovates a vacant geriatric wing at the Fort Logan campus to add sixteen additional forensic beds, which will serve at least 53 additional patients annually and reduce the wait time for competency treatment. The Department is under a consent decree to reduce wait times for admissions for inpatient beds for those requiring competency evaluation and restoration treatments before they can participate in their legal defense in a criminal trial. The Department did not start to design the project until after H.B. 22-1303 was passed. After an architect was engaged, it became clear that the mechanical and structural systems would require more work than originally thought. Additionally, the project requires high standards for safety and security futures such as anti-ligature hardware; costs for these related accessories also came in higher than originally estimated.

The documents submitted to the CDC identify this project as “budget neutral” due to an anticipated reversion from the Mental Health Transitional Living Homes project that also received funding through H.B. 22-1303. The appropriation clause in Section 5 (1)(c) of the bill provides \$33.5 for contract beds in and the renovation of mental health residential facilities, including \$15.0 million specifically for renovations that OSPB has identified as underspent by \$11.4 million. The budget neutrality of this project is part of a larger plan for the reallocation of ARPA funds identified in *Attachment 3: Stimulus Funds Overview* in the Governor’s January 2<sup>nd</sup> letter. The Committee is scheduled to hear a presentation concerning statewide requests related to federal ARPA funds on Tuesday, January 16<sup>th</sup>, 2024. The Committee should consider the requested \$11.4 million independently of reductions that may be made elsewhere in the budget.

## TRINIDAD STATE COLLEGE FREUDENTHAL LIBRARY RENOVATION (FY 2022-23 SCOPE REDUCTION)

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0
Capital Construction Fund/General 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 agrees that this request is the result of unforeseen contingencies causing the project to significantly exceed its original budget.

**DEPARTMENT REQUEST:** CCHE and Trinidad State College requested, and the CDC approved, a scope reduction for Phase II of the Trinidad State College Freudenthal Library renovation project due to higher than anticipated construction inflation and in order to complete the project within its original appropriation. OSPB did not include this project with its January 2<sup>nd</sup> request, however, it was approved by OSPB prior its CDC hearing. Therefore, staff assumes OSPB intended to include this change in the supplemental capital bill.

**CAPITAL DEVELOPMENT COMMITTEE ACTION:** The Capital Development Committee approved the request on October 25, 2023 and forwarded it to the JBC.

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve the request. To signify the scope reduction, the project will be renamed “Freudenthal Library Renovation PHASE II, LIBRARY ARCHIVES AND PATIO AREA”.

**STAFF ANALYSIS:** The supplemental budget request includes a scope reduction for Phase II of the Trinidad State College Freudenthal Library renovation project due to higher than anticipated construction inflation and in order to complete the project within its original appropriation. Phase I of the project was previously re-scoped due to construction inflation. The Phase II re-scoping will add a patio renovation that was cut from the Phase I scope in lieu of a parking project that has been deemed a lower priority.

## STAFF-INITIATED SUPPLEMENTAL REQUESTS

### STAFF-INITIATED – S.B. 20-219 LEASE PURCHASE PAYMENTS TECHNICAL CORRECTION

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$9,000</b>	<b>\$9,000</b>
FTE	0.0	0.0
Capital Construction Fund/General Fund	9,000	9,000
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 identified this technical error in the FY 2023-24 Long Bill. The amount approved by the CDC was transposed from the OSPB request and actual required payment, resulting in a shortfall of \$9,000.

**DEPARTMENT REQUEST:** This request was not submitted by a Department or OSPB; however, the State Treasurer’s Office is aware of the issue and agrees with the proposed solution.

**STAFF RECOMMENDATION:** Staff recommends an increase of \$9,000 Capital Construction Fund to correct an error in the FY 2023-24 appropriation for S.B. 20-219 Lease Purchase Payments. Additionally, staff recommends the Committee sponsor legislation to transfer \$9,000 General Fund to the Capital Construction Fund for the increased appropriation. While the Capital Construction Fund has a sufficient balance to absorb this cost, staff assumes the Committee will be sponsoring legislation related to other requests and therefore recommends that the amount of the transfer exactly match the sum of all approved supplemental requests.

**STAFF ANALYSIS:** Senate Bill 20-219 authorized the General Assembly to issue certificates of participation (COPs) of approximately \$65.5 million for building construction projects at Colorado State University, the University of Colorado, and Fort Lewis College. Annual payments of

approximately \$4.75 million originate from the General Fund and continue through 2041. The payments are appropriated in the Capital Construction portion of the Long Bill. The FY 2023-24 Long Bill includes an appropriation of \$4,745,875 as recommended by the CDC. JBC staff recently discovered this number was transposed and should have been \$4,754,875. Because the exact dollar amount is needed to pay the debt holders, staff recommends a \$9,000 increase to the appropriation to correct the error.

## PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUESTS

### COLORADO MESA UNIVERSITY - ROBINSON THEATER REPLACEMENT (FY 2022-23 CASH FUNDS INCREASE)

	REQUEST	APPROVED
<b>TOTAL</b>	<b>\$10,334,285</b>	<b>\$10,334,285</b>
FTE	0.0	0.0
Capital Construction Fund/General Fund	0	0
Cash Funds	10,334,285	10,334,285
Federal Funds	0	0

**DEPARTMENT REQUEST/CDC ACTION:** The Department requested, and the CDC approved, an increase of \$10,334,285 cash funds from institutional reserves and donations for the Robinson Theater Replacement Project at Colorado Mesa University.

**SUMMARY:** The Colorado Mesa University Robinson Theater Replacement was appropriated in H.B. 22-1329 (Long Bill). The appropriation included \$39,454,194 from the Capital Construction Fund/General Fund and \$4,432,562 cash funds from institutional reserves and donations. By July 2022, CMU was already aware that the project was expected to be substantially over budget and submitted an interim supplemental request to CCHE at that time. CCHE approved the request but OSPB declined to move it forward. CMU submitted the request again as a regular supplemental in October of 2022 with documentation stating that from the time of the original cost calculations in May 2021 to the would-be approval of a regular supplemental request in January 2023, Colorado saw construction inflation between 15 and 25 percent while experts had only estimated between 8 and 10 percent. OSPB once again declined to move the request forward.

In March 2023, CMU submitted a revised request for \$10.3 million from institutional funds based on changes to the project design to cut overall costs. The original project envisioned razing the existing Robinson Theater and rebuilding in its current location. The revised scope calls for building the theater in a new location while continuing to use the existing theater during construction. The \$10.3 million increase, as well as the original \$4.4 million cash funds appropriation, will be paid for by a combination of donations and capital reserves. The University indicated they hope to fundraise \$8.0 million of the cost. CMU submitted a new request for \$12.3 million CCF and \$1.4 million cash funds for FY 2024-25 to complete the remaining renovations at the Moss Performing Arts Center that were removed from the original scope; OSPB has recommended this project for funding.

JBC ACTION: Staff recommended, and the Committee approved, the interim supplemental request on June 20, 2023. The approved increase of \$10,334,285 cash funds from institutional reserves and donations will modify a FY 2022-23 appropriation originally made in H.B. 22-1329 (Long Bill).

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## UNIVERSITY OF NORTHERN COLORADO – GRAY HALL MECHANICAL SYSTEMS IMPROVEMENTS (FY 2022-23 SCOPE AND CASH FUNDS REDUCTION)

	REQUEST	APPROVED
<b>TOTAL</b>	<b>(\$3,770,783)</b>	<b>(\$3,770,783)</b>
FTE	0.0	0.0
Capital Construction Fund/General Fund	0	0
Cash Funds	(\$3,770,783)	(\$3,770,783)
Federal Funds	0	0

DEPARTMENT REQUEST/CDC ACTION: The Department requested, and the CDC approved, a scope reduction and corresponding decrease of \$3,770,783 cash funds, including \$3,724,783 from the Revenue Loss Restoration Cash Fund and \$46,000 from institutional sources, for the University of Northern Colorado Gray Hall Mechanical Systems Improvements appropriation in the FY 2022-23 Long Bill.

SUMMARY: The Gray Hall Mechanical Systems Improvements project design was based on the University's original FY 2016-17 submission with costs escalated in subsequent years to account for inflation. However, actual inflation for that time period greatly exceeded estimates and the project engineer suggested splitting the project into two phases as the best course of action. The total funding provided in the FY 2022-23 Long Bill was \$4,586,656 cash funds, including \$4,450,656 from the Revenue Loss Restoration Cash Fund and \$46,000 from institutional capital reserves.

This is a capital renewal project that makes various upgrades to mechanical systems in Gray Hall, including the HVAC system and associated infrastructure, sprinkler system installation, and the addition of central air conditioning. The revised recommendation includes an initial phase to install the life-safety systems portion of the project using \$815,873 of the original appropriation from the Revenue Loss Restoration Cash Fund and a second phase to address HVAC, plumbing, and cooling systems. The second phase was submitted as a supplemental request for FY 2023-24 as part of the Governor's January 2<sup>nd</sup>, 2024 submission.

JBC ACTION: Staff recommended, and the Committee approved, the interim supplemental request on June 20, 2023. The approved scope reduction and corresponding decrease of \$3,770,783 cash funds, including \$3,724,783 from the Revenue Loss Restoration Cash Fund and \$46,000 from institutional sources, will modify a FY 2022-23 appropriation originally made in H.B. 22-1329 (Long Bill).

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## APPENDIX A: RELATED CDC DOCUMENTS

Sen. Nick Hinrichsen, *Chair*  
Sen. Kyle Mullica  
Sen. Cleave Simpson

Rep. Tammy Story, *Vice Chair*  
Rep. Marc Catlin  
Rep. Mandy Lindsay



## Capital Development Committee

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



January 15, 2024

Representative Shannon Bird, Chair  
Joint Budget Committee  
200 East 14th Avenue, Third Floor  
Denver, CO 80203

Dear Representative Bird,

On January 11, 2024, the Capital Development Committee (CDC) considered two regular supplemental requests submitted pursuant to Section 24-75-111, C.R.S. *The CDC approved requests on votes of 6-0.* Table 1 summarizes the requests. Descriptions of the approved requests are attached.

**Table 1**  
**Capital Development Committee Recommendation**  
**Regarding Emergency Supplemental Requests**

Department Name	Project Title	Project Short Description	Cost
Human Services	Renovation for Additional Inpatient Beds, CMHHI Fort Logan	Pursuant to HB 22-1303, the project converts a wing in H Building at the Colorado Mental Health Hospital in Fort Logan into a new, 16-bed unit that serves patients with severe mental illness. The department will use the space for competency evaluation and restoration treatment so that patients are able to participate in their own legal defense in criminal trials.	\$11,419,342 CCF
University of Northern Colorado	Gray Hall Mechanical Systems Improvements (Capital Renewal)	The capital renewal project upgrades various mechanical systems in the 27,531-GSF Gray Hall. A previous supplemental request rescoped the project into two phases due to cost inflation; this request completes the original project scope.	\$7,542,758 CCF \$76,189 CF

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

Sincerely,

Senator Nick Hinrichsen  
Chair, Capital Development Committee

C:

Capital Development Committee Members

Joint Budget Committee Members

Adrian Leiter, Governor's Office of State Planning and Budgeting

Tammy Pacheco, Governor's Office of State Planning and Budgeting

Lauren Gilliland, Department of Higher Education

Emily Hanson, Department of Human Services

Kirk Leichtler, University of Northern Colorado

Nate Reinhard, University of Northern Colorado

Amanda Bickel, Joint Budget Committee Staff

Andrea Uhl, Joint Budget Committee Staff

Capital Development Committee Staff

# FY 2022-23 Supplemental Capital Construction Request

## Human Services

Renovation for Additional Inpatient Beds, CMHHI Fort Logan

### MOTION

Approve the supplemental request from the Department of Human Services for the Renovation for Additional Inpatient Beds, CMHHI Fort Logan project (\$11,419,342 CCF).

### GENERAL INFORMATION

2023-109

#### 1. Which supplemental criterion does the request meet?

New Data

Costs for renovating space under the project have increased significantly since the original appropriation was authorized in 2022.

#### 2. Which projects will be restricted to fund the supplemental request?

No emergency restriction is required because this is a regular supplemental request. Further, the department says the request is budget neutral overall.

#### 3. Has the request been approved by OSPB and CCHE?

Yes

### PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: HB22-1303

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$0	\$11,419,342	\$0	\$11,419,342
CF	\$6,991,567	\$0	\$0	\$6,991,567
Totals	\$6,991,567	\$11,419,342	\$0	\$18,410,909

### REASON FOR SUPPLEMENTAL REQUEST

The project was funded outside of the usual capital construction process under House Bill 22-1303, concerning an increase in the number of residential behavioral health beds. Under the bill the Department of Human Services (DHS) received \$7.0 million to renovate space at the Colorado Mental Health Hospital in Fort Logan (CMHHI Fort Logan), and \$15.0 million for minor renovations at contracted private facilities. Under this request, DHS seeks \$11.4 million in Capital Construction Fund moneys to cover cost escalation associated with the CMHHI Fort Logan renovations. The department says costs for these renovations are significantly higher than originally estimated. The department will in turn revert \$11.4 million in federal American Recovery Plan Act (ARPA) moneys to the state for use on other ARPA-related programming. The contracts for renovating private facilities have come in at \$11.4 million under budget, thus making the request a net-neutral transfer. DHS says this arrangement will allow for flexibility in addressing supply chain, inflation, and other timing challenges affecting capital projects, with the returned money to be used for other non-construction programs that are less vulnerable to delays associated with capital projects.

# FY 2022-23 Supplemental Capital Construction Request

## Human Services

*Renovation for Additional Inpatient Beds, CMHHI Fort Logan*

### MOTION

Approve the supplemental request from the Department of Human Services for the Renovation for Additional Inpatient Beds, CMHHI Fort Logan project (\$11,419,342 CCF).

### SUMMARY OF PROJECT

Pursuant to HB 22-1303, the project converts a wing in H Building at CMHHI Fort Logan into a new, 16-bed unit that serves patients with severe mental illness. DHS will use the space for competency evaluation and restoration treatment so that patients are able to participate in their own legal defense in criminal trials. The bill seeks to reduce or eliminate the waiting list for these types of treatment in accordance with a 2019 consent decree stemming from a federal lawsuit over wait times for court-ordered competency services. The new space will serve an additional 53 patients annually.

### QUESTIONS / OUTSTANDING ISSUES

None.

# FY 2022-23 Supplemental Capital Construction Request

## University of Northern Colorado Gray Hall Mechanical Systems Improvements (Capital Renewal)

### MOTION

Approve the supplemental request from the University of Northern Colorado for additional state funds and cash funds spending authority to complete the rescoped Gray Hall Mechanical Systems Improvements (Capital Renewal) project (\$7,542,758 CCF; \$76,189 CF).

### GENERAL INFORMATION

2017-049

#### 1. Which supplemental criterion does the request meet?

Unforeseen Contingency

Construction inflation significantly outpaced budgeted inflation contingency, requiring the project to be rescoped. In June 2023, the Capital Development Committee approved a supplemental request to rescope the project and partially rescind the FY 2022-23 appropriation. This request is to fund the completion of the original request under a second phase.

#### 2. Which projects will be restricted to fund the supplemental request?

An emergency restriction is not required because the request is a regular supplemental request.

#### 3. Has the request been approved by OSPB and CCHE?

Yes

### PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: HB22-1329

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$815,873	\$7,542,758	\$0	\$8,358,631
CF	\$0	\$76,189	\$0	\$76,189
Totals	\$815,873	\$7,618,947	\$0	\$8,434,820

### REASON FOR SUPPLEMENTAL REQUEST

The project design is based on the original FY 2016-17 submission. Although the university escalated costs in subsequent years to account for estimated inflation, actual inflation outpaced these estimates, requiring the project to be rescoped. In June 2023, the committee approved a request to rescope the project into two phases. Under that request, Phase I retains some of the spending authority from the FY 2022-23 appropriation of federal American Rescue Plan Act (ARPA)-originating funds, reverts the remaining ARPA funds, and eliminates the university's cash contribution, with the understanding that the university would return to request the funding for the remaining project scope as Phase II. This request is for the Phase II funding. For informational purposes, the original FY 2022-23 appropriation was for \$4.6 million, including \$46,000 CF.

### SUMMARY OF PROJECT

The capital renewal project upgrades various mechanical systems in the 27,531-GSF Gray Hall. The previously approved project scope upgrades the HVAC system and associated infrastructure, installs a sprinkler system, and installs air conditioning in certain areas of the building. Under the supplemental request approved by the committee in June 2023, Phase I designs and installs the life-safety systems portion of the project (\$815,873 CCF, ARPA funds). This supplemental request for Phase II addresses HVAC, plumbing, and cooling systems (\$7,542,578 CCF; \$76,189 CF).

## FY 2022-23 Supplemental Capital Construction Request

### University of Northern Colorado

#### *Gray Hall Mechanical Systems Improvements (Capital Renewal)*

#### **MOTION**

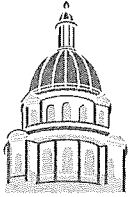
Approve the supplemental request from the University of Northern Colorado for additional state funds and cash funds spending authority to complete the rescoped Gray Hall Mechanical Systems Improvements (Capital Renewal) project (\$7,542,758 CCF; \$76,189 CF).

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#### **QUESTIONS / OUTSTANDING ISSUES**

None.

Sen. Nick Hinrichsen, *Chair*  
Sen. Kyle Mullica  
Sen. Cleave Simpson



## Capital Development Committee

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

Rep. Tammy Story, *Vice Chair*  
Rep. Mary Bradfield  
Rep. Mandy Lindsay



November 20, 2023

Senator Rachel Zenzinger, *Chair*  
Joint Budget Committee  
200 East 14th Avenue, Third Floor  
Denver, CO 80203

Dear Senator Zenzinger,

On October 25, 2023, the Capital Development Committee (CDC) considered one nonmonetary supplemental scope change pursuant to Section 24-75-111.5, C.R.S. The CDC approved the request on a vote of 6-0. Table 1 summarizes the request. Descriptions of the approved requests are attached.

**Table 1**  
**Capital Development Committee Recommendation**  
**Regarding Emergency Supplemental Requests**

Department Name	Project Title	Project Short Description	Cost
Trinidad State College	Freudenthal Library Renovation	The nonmonetary supplemental alters the project scope to reprioritize portions of a previous phase's scope that were value engineered out by a previous supplemental request. The project addresses multiple building spaces including study spaces, student support offices, and the building's patio.	N/A Nonmonetary supplemental

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

Sincerely,

Senator Nick Hinrichsen  
Chair, Capital Development Committee

- c: Dr. Rhonda Epper, Trinidad State College  
Danny Rogers, Trinidad State College  
Patrick Brodhead, Colorado Community College System  
Jennifer Henry, Office of the State Controller  
Mark Ferrandino, Governor's Office of State Planning and Budgeting  
Tammy Pacheco, Governor's Office of State Planning and Budgeting  
Capital Development Committee Members  
Amanda Bickel, Joint Budget Committee Staff  
Andrea Uhl, Joint Budget Committee Staff  
Capital Development Committee Staff

## FY 2022-23 Supplemental Capital Construction Request

### Trinidad State College Freudenthal Library Renovation

<b>MOTION</b>	Approve the supplemental request from Trinidad State College for new project scope for FY 2022-23 for the Freudenthal Library Renovation.
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#### GENERAL INFORMATION

2017-057

##### 1. Which supplemental criterion does the request meet?

Unforeseen Contingency

Unexpected cost increases caused Phase I to be rescoped under a previous supplemental request. This request rescopes Phase II consistent with the new scope for Phase I.

##### 2. Which projects will be restricted to fund the supplemental request?

No emergency restriction is required because no additional state funds are sought under the request.

##### 3. Has the request been approved by OSPB and CCHE?

Yes

#### PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: HB22-1329

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Costs</u>
CCF	\$7,441,464	\$0	\$0	\$7,441,464
Totals	\$7,441,464	\$0	\$0	\$7,441,464

#### REASON FOR SUPPLEMENTAL REQUEST

Due to high construction inflation, Phase I was value engineered to reduce the project scope within the existing appropriation. At that time, Phase II had already been appropriated (\$1,165,125 CCF), and the college anticipated rescoping Phase II based on the approval of the previous supplemental request.

This request replaces parking infrastructure in the Phase II scope with patio renovation that was previously cut from the Phase I scope. This component has been designed to fit within the existing appropriation. The college has identified this as a higher priority for building users based on existing parking availability.

#### SUMMARY OF PROJECT

Trinidad State College (TSC) is requesting state funds for the second phase of a two-phase project to renovate its Freudenthal Library. This building houses the campus library, student services, classroom space, faculty offices, and the Loudon-Henritze Archaeology Museum. The project creates new student study spaces and reorganizes student support offices.

#### QUESTIONS / OUTSTANDING ISSUES

None.