

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2020-21, FY 2019-20, FY 2018-19, FY 2016-17 CAPITAL CONSTRUCTION AND IT CAPITAL

(1 OF 2 STAFF CAPITAL CONSTRUCTION
DOCUMENTS/INCLUDES HIGHER EDUCATION CAPITAL
AND OTHER DEPARTMENTS)

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

PREPARED BY:
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JANUARY 21, 2021

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CAPITAL CONSTRUCTION

SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

| CAPITAL CONSTRUCTION | | | | | | |
|---|----------------------|---------------------------|----------------------|----------------------|---------------------|------------|
| | TOTAL FUNDS | CAPITAL CONSTRUCTION FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2016-17 APPROPRIATION: | | | | | | |
| HB 16-1405 | \$239,086,768 | \$115,569,901 | \$108,931,647 | \$0 | \$14,585,220 | 0.0 |
| SB 17-172 | 8,656,810 | 2,316,656 | 990,751 | 766,231 | 4,583,172 | 0.0 |
| HB 18-1170 | 1,796,117 | 0 | 1,796,117 | 0 | 0 | 0.0 |
| HB 20-1259 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| CURRENT FY 2016-17 APPROPRIATION | \$249,539,695 | \$117,886,557 | \$111,718,515 | \$766,231 | \$19,168,392 | 0.0 |
| RECOMMENDED CHANGES | | | | | | |
| UNC Campus Commons | 0 | 0 | 0 | 0 | 0 | 0.0 |
| MSU Aerospace Engineering Sciences | (6,451,420) | 0 | (6,451,420) | 0 | 0 | 0.0 |
| RECOMMENDED FY 2016-17 APPROPRIATION | \$243,088,275 | \$0 | \$105,267,095 | \$766,231 | \$19,168,392 | 0.0 |
| RECOMMENDED INCREASE/(DECREASE) | (\$6,451,420) | \$0 | (\$6,451,420) | \$0 | \$0 | 0.0 |
| Percentage Change | (2.6%) | 0% | (5.8%) | 0% | 0% | 0% |
| FY 2016-17 EXECUTIVE REQUEST | \$243,088,275 | \$0 | \$105,267,095 | \$766,231 | \$19,168,392 | 0.0 |
| Request Above/(Below) Recommendation | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |

REQUEST/RECOMMENDATION DESCRIPTIONS

UNC CAMPUS COMMONS: The Joint Budget Committee approved an interim supplemental in September 2020 to provide a time extension for up to \$5.0 million of existing appropriations on this project through June 30, 2022.

MSU AEROSPACE ENGINEERING SCIENCES: The Department requests a reduction in a cash appropriation first authorized in FY 2016-17 for the Metropolitan State University of Denver's Aerospace Engineering Sciences Building. A total of \$20.0 million state capital construction funds and \$40.0 million cash funds was appropriated for this project. The General Assembly previously approved extending the time available for MSU to raise and spend \$6,451,420 cash funds of the appropriation. The Department and MSU now request that this portion of MSU's cash funds appropriation be eliminated, relieving MSU of the obligation to raise and spend this amount. Staff recommends the request.

SUMMARY: FY 2018-19 APPROPRIATION AND RECOMMENDATION

| CAPITAL CONSTRUCTION | | | | | | |
|---|----------------------|---------------------------|----------------------|----------------------|--------------------|------------|
| | TOTAL FUNDS | CAPITAL CONSTRUCTION FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2018-19 APPROPRIATION: | | | | | | |
| HB 18-1322 | \$371,065,585 | \$153,845,526 | \$193,297,233 | \$18,743,326 | \$5,179,500 | 0.0 |
| HB 18-1006 | 1,862,500 | 700,000 | 1,162,500 | 0 | 0 | 0.0 |
| SB 19-127 | 843,838 | 843,838 | 0 | 0 | 0 | 0.0 |
| CURRENT FY 2018-19 APPROPRIATION | \$373,771,923 | \$155,389,364 | \$194,459,733 | \$18,743,326 | \$5,179,500 | 0.0 |
| RECOMMENDED CHANGES | | | | | | |
| CDPHE Newborn Screening | 546,976 | 0 | 546,976 | 0 | 0 | 0.0 |
| RECOMMENDED FY 2018-19 APPROPRIATION | \$374,318,899 | \$155,389,364 | \$195,006,709 | \$18,743,326 | \$5,179,500 | 0.0 |
| RECOMMENDED INCREASE/(DECREASE) | \$546,976 | \$0 | \$546,976 | \$0 | \$0 | 0.0 |
| Percentage Change | 0.1% | 0.0% | 0.3% | 0.0% | 0.0% | n/a |
| FY 2018-19 EXECUTIVE REQUEST | \$374,318,899 | \$155,389,364 | \$195,006,709 | \$18,743,326 | \$5,179,500 | 0.0 |
| Request Above/(Below) Recommendation | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |

REQUEST/RECOMMENDATION DESCRIPTIONS

CDPHE NEWBORN SCREENING: The Department of Public Health and Environment requests \$546,976 cash funds spending authority to increase an original appropriation in H.B. 18-1006 for the newborn screening laboratory mass spectrometry room. It also seeks a two-year extension of time for the project, which was supposed to be completed by the end of FY 2020-21, to June 30, 2023. Staff recommends the request.

SUMMARY: FY 2019-20 APPROPRIATION AND RECOMMENDATION

| CAPITAL CONSTRUCTION | | | | | | |
|--|----------------------|---------------------------|----------------------|----------------------|---------------------|------------|
| | TOTAL FUNDS | CAPITAL CONSTRUCTION FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2019-20 APPROPRIATION: | | | | | | |
| SB 19-207 | \$260,727,454 | \$168,460,533 | \$72,690,215 | \$8,911,836 | \$10,664,870 | 0.0 |
| SB 19-172 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| HB 20-1259 | 132,082,023 | 16,606,366 | 111,543,964 | 0 | 3,931,693 | 0.0 |
| CURRENT FY 2019-20 APPROPRIATION | \$392,809,477 | \$185,066,899 | \$184,234,179 | \$8,911,836 | \$14,596,563 | 0.0 |
| RECOMMENDED CHANGES* | | | | | | |
| DPA Capitol Annex Repair and Renovation | 0 | 0 | 0 | 0 | 0 | 0.0 |
| RECOMMENDED FY 2019-20 APPROPRIATION* | \$392,809,477 | \$185,066,899 | \$184,234,179 | \$8,911,836 | \$14,596,563 | 0.0 |
| RECOMMENDED INCREASE/(DECREASE) | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |

| CAPITAL CONSTRUCTION | | | | | | |
|---------------------------------------|----------------------|---------------------------|----------------------|----------------------|---------------------|------------|
| | TOTAL FUNDS | CAPITAL CONSTRUCTION FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| Percentage Change | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | n/a |
| FY 2019-20 EXECUTIVE REQUEST | \$392,809,477 | \$185,066,899 | \$184,234,179 | \$8,911,836 | \$14,596,563 | 0.0 |
| Request Above/ (Below) Recommendation | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |

*Excludes previously approved Department of Human Services, CMHIFL cottage renovation addressed in Packet #2

REQUEST/RECOMMENDATION DESCRIPTIONS

CPA CAPITOL ANNEX REPAIR AND RENOVATION: The Department of Personnel requests that it be allowed to use \$1,699,360 Capital Construction Funds appropriated in FY 2019-20 for Capitol Annex sewer venting repairs for additional Capitol Annex repairs and renovations. The sewer venting repair project was appropriated at \$4,070,023 CCF, but has required less funding than originally anticipated. Staff recommends the request, which will require a change to the name of the project to indicate it is not solely for sewer venting repairs.

SUMMARY: FY 2020-21 APPROPRIATION AND RECOMMENDATION

| CAPITAL CONSTRUCTION | | | | | | |
|---|----------------------|---------------------------|---------------------|----------------------|---------------------|------------|
| | TOTAL FUNDS | CAPITAL CONSTRUCTION FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2020-21 APPROPRIATION BY CATEGORY AND BILL: | | | | | | |
| Controlled maintenance | \$2,043,768 | \$2,043,768 | \$0 | \$0 | \$0 | 0.0 |
| Capital Renewal and Recapitalization | 52,125,414 | 500,000 | 20,132,958 | 0 | 31,492,456 | 0.0 |
| Capital Expansion | 51,555,815 | 0 | 51,555,815 | 0 | 0 | 0.0 |
| Information Technology Projects | 8,135,795 | 445,000 | 3,685,795 | 0 | 4,005,000 | 0.0 |
| HB 20-1360 | \$113,860,792 | \$2,988,768 | \$75,374,568 | \$0 | \$35,497,456 | 0.0 |
| SB 20-003 | 1,000,000 | 1,000,000 | 0 | 0 | 0 | 0.0 |
| HB 20-1408 | 49,046,800 | 49,000,000 | 46,800 | 0 | 0 | 0.0 |
| CURRENT FY 2020-21 APPROPRIATION | \$163,907,592 | \$2,988,768 | \$75,421,368 | \$0 | \$35,497,456 | 0.0 |
| RECOMMENDED CHANGES* | | | | | | |
| DOC Take TWO Expansion | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |
| CSU National Western COP | (6,568,932) | 0 | (6,568,932) | 0 | 0 | 0.0 |
| DPA Capitol Security | 9,812,500 | 0 | 9,812,500 | 0 | 0 | 0.0 |
| OEHI Capital IT to HCPF | 0 | 0 | 0 | 0 | 0 | 0.0 |
| RECOMMENDED FY 2020-21 APPROPRIATION* | \$167,151,160 | \$2,988,768 | \$78,664,936 | \$0 | \$35,497,456 | 0.0 |
| RECOMMENDED INCREASE/(DECREASE) | \$3,243,568 | \$0 | \$3,243,568 | \$0 | \$0 | 0.0 |
| Percentage Change | 2.0% | 0.0% | 4.3% | n/a | 0.0% | n/a |
| FY 2020-21 EXECUTIVE REQUEST | \$168,151,160 | \$53,988,768 | \$78,664,936 | \$0 | \$35,497,456 | 0.0 |
| Request Above/ (Below) Recommendation | \$1,000,000 | \$1,000,000 | \$0 | \$0 | \$0 | 0.0 |

*Excludes Department of Natural Resources parks expansion request in Packet #2.

REQUEST/RECOMMENDATION DESCRIPTIONS

DOC TAKE TWO EXPANSION: The Department of Corrections requests \$1,000,000 from the Capital Construction Fund for a new metal building at the Buena Vista Correctional Facility to accommodate up to four manufacturing/production companies. Staff does not recommend the request, as it does not meet supplemental criteria.

CSU NATIONAL WESTERN COP: The request is to reduce the FY 2020-21 appropriation for National Western Center Certificates of Participation payments from \$18,696,574 cash funds from the National Western Center Trust Fund to \$12,127,642 cash funds from the National Western Center Trust Fund to reflect a change in the FY 2020-21 obligation. These cash funds originate as General Fund. Staff recommends the request to align the appropriation with current payment obligations.

DPA CAPITOL SECURITY: The Department requests \$9,812,500 cash funds from the Capitol Complex Master Plan Implementation Fund for State Capitol security upgrades. Staff recommends the request but notes that it could be delayed if the Committee wished the Capitol Development Committee to weight the project against other Capitol Complex needs.

OEHI CAPITAL IT TO HCPF: The FY 2020-21 Long Bill appropriated \$4,450,000 of IT Capital Construction (CCF-IT), General and federal funds to the Office of the Governor for the Governor’s Office of eHealth Innovation Phase three Health Information Technology Roadmap Initiatives. The request is for a technical correction to transfer this appropriation to the Colorado Department of Health Care Policy and Financing. Staff recommends the request.

CAPITAL BUILDING SUPPLEMENTAL REQUESTS

OSPB PRIORITY 2 - DEPARTMENT OF CORRECTIONS, BUENA VISTA CORRECTIONAL FACILITY - TAKE TWO EXPANSION (NEW FY 2020-21 APPROPRIATION)

| | REQUEST | RECOMMENDATION |
|----------------------------|--------------------|----------------|
| TOTAL | \$1,000,000 | \$0 |
| Capital Construction Funds | 1,000,000 | 0 |
| Cash 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 Executive Request did not articulate a supplemental criterion. This project was originally submitted as a FY 2021-22 prioritized request, and the CDC staff write-up indicated that the proposal was changed to a supplemental request to help the Department achieve its Wildly Important Goals and stimulate job creation. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider this "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 Corrections requests \$1,000,000 Capital Construction Fund for a new metal building at the Buena Vista Correctional Facility to accommodate up to four manufacturing/production companies. These businesses will employ inmates primarily

from the medium security population for their workforce. The building will include approximately 10,000 square feet within the Buena Vista perimeter fence. The construction will include a central core of mechanical, storage, office, restroom, and janitorial space designed to provide flexibility based on tenant finish requirements. Any manufacturing/production furniture, equipment, and construction will be provided by and the financial responsibility of the businesses that occupy the space.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 14, 2021 and forwarded it to the JBC.

STAFF RECOMMENDATION: **Staff does not recommend the request on the basis that it does meet supplemental criteria.** The project was originally submitted with the November 2020 OSPB priority list as a placeholder for late submission of an FY 2021-22 project. The Department of Corrections requests that the project be accelerated to assist it in meeting the “Wildly Important Goal” of having 252 inmates hired into transitional work positions by June 2021, although this project will not be completed by that time. It also notes that this fits into the Governor’s priorities of stimulating job creation. Based on additional information from the Department of Corrections, if funded, the Department anticipates facility completion by December 2023, approximately 6 months earlier than originally estimated, but still two years away.

STAFF ANALYSIS: As described above, the proposal is to construct additional space **within** the Buena Vista correctional facility that manufacturing and other businesses could use and employ inmates within the facility’s secure perimeter. Other relevant information for the JBC’s consideration:

- The Buena Vista facility began the Take TWO program in FY 2019-20 to encourage normalcy and progression. Currently, inmates participating in the program usually reside together in the former CCA/Boot Camp facility and leave it to work at employers’ places of business. There are approximately 36 low-custody inmates in the program and existing capacity for 72 low-custody offenders in the residential facility. The Department has submitted a FY 2021-22 operating request that would expand the capacity of this residential building to house 100 low-custody offenders, but that is separate from the capital request.
- The current capital construction request would help further expand the program’s capacity in future years by providing access for medium-custody inmates who are not eligible to work outside the facility. In response to a staff follow-up question, the Department indicated that the new facility *could expand the program by an additional 100 to 200 inmates, but it does not know the exact number as it is not yet certain what businesses will participate.* As noted above, even if this supplemental request is approved, the building would not be completed before December 2023.
- Inmates participating in the Take TWO program receive minimum wage less 20 percent that is used for restitution, child support, or similar obligations. This is far above the wage available through Colorado Correctional Industries, which averages \$0.58 per hour. Participants also build skills, work history, and networks that may help them obtain employment after exit from the DOC.
- During the CDC meeting, the Department indicated it has one business that is very interested in the collaboration, and the Department is working closely with Chaffee Economic Development to identify other interested businesses. Employers are reported to be happy with the Take TWO program so far, because it provides a consistent pool of minimum wage workers, and this is difficult to find in the Buena Vista area. Chaffee County Economic Development believes additional employers may be attracted to the area by this opportunity.

- The Department does not anticipate that this request will drive additional operating costs paid by the State. Operating expenses for businesses such as maintenance and utilities will be metered, tracked and billed to the program business. Businesses will not, however, be charged other rent.
- According to the JBC analyst for the Department of Corrections, *the State does not collect data on the impact of correctional industries or other employment programs such as Take TWO on inmate recidivism, although national studies generally indicate positive impacts.* Staff assumes that the impact of a program that employs inmates within a correctional facility’s perimeter, where the job presumably ends when the prisoner is released, may be different from the impact of a program where a prisoner works in a more typical workplace environment outside the correctional facility, though both may be beneficial.

**OSPB PRIORITY 3 - NATIONAL WESTERN CENTER COP REDUCTION
(AMEND FY 2020-21 APPROPRIATION)**

| | REQUEST | RECOMMENDATION |
|---------------------------|----------------------|----------------------|
| TOTAL | (\$6,568,302) | (\$6,568,302) |
| Capital Construction Fund | 0 | 0 |
| Cash Funds | (6,568,932) | (6,568,302) |
| 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 available when the original appropriation was made, consisting of a new COP issuance and refinance in October 2020.

DEPARTMENT REQUEST: The request is to reduce the FY 2020-21 appropriation for National Western Center Certificates of Participation payments from \$18,696,574 cash funds from the National Western Center Trust Fund to \$12,127,642 Cash Funds from the National Western Center Trust Fund to reflect a change in the FY 2020-21 obligation. These cash funds originate as General Fund deposited to the cash fund. The Executive Branch request indicates that with the final issuance of the National Western Center Certificates of Participation in October 2020, it was decided by the State Treasurer to include capitalized interest to pay a portion of the interest due on previous 2018 and 2020 issuances, in order to provide some expense relief for the State.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 14, 2021 and forwarded it to the JBC.

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

STAFF ANALYSIS: House Bill 15-1344 (Section 23-31-902 (3) and 903, C.R.S.) authorizes issuance of \$250.0 million principal plus administrative, monitoring, closing costs and interest for COPs to support Colorado State University facilities on the new National Western Center campus and on the CSU main campus. The bill provides for an annual transfer of up to \$20.0 million General Fund to the National Western Center Trust Fund for 20 years, with any difference between the amount

required for National Western COP payments and \$20.0 million transferred to the Capitol Complex Master Plan Implementation Fund, based on an annual request from the CDC to the Treasury. Payments for the COP were authorized beginning July 1, 2019 (the point at which funds that had previously been used to make COP payments for the Centennial South Correctional Facility were to be completed) and will continue through 2039.

The State Treasurer refinanced the existing COPs and issued the final tranche in October 2020, and, based on the amounts in the issuance, including capitalized interest, lowered bond obligation for FY 2020-21. In December 2020, the CDC authorized \$7,872,358 be transferred to the Capitol Complex Master Plan Implementation Fund, based on the calculated difference between the bond payment as updated in October 2020 and \$20.0 million. **Staff recommends the appropriation adjustment to align the COP appropriation with the actual funds required for COP payment**, as well as the action the CDC has already taken to transfer the balance between the COP payment and \$20.0 million from the General Fund to the Capitol Complex Master Plan Implementation Fund.

Aggregate Debt Service
STATE OF COLORADO

JAL WESTERN CENTER Lease Purchase Financing Program Certificates of Part
Series 2020A & Series 2020B
**** Results of Pricing on 10/1/20 ****

| Period Ending | Series 2020A (Tax Exempt) | Series 2020B (Federally Taxable) | Series 2020 Capitalized Int. | 2018 Issuance | New 2018 Capl | Aggregate Debt Service |
|---------------|---------------------------|----------------------------------|------------------------------|----------------|----------------|------------------------|
| 6/30/2021 | 1,306,637.50 | 462,499.27 | (1,769,136.77) | 14,532,765.75 | (2,405,124.10) | 12,127,641.65 |
| 6/30/2022 | 3,433,500.00 | 1,215,326.56 | (4,648,826.56) | 14,527,031.71 | (4,667,031.71) | 9,860,000.00 |
| 6/30/2023 | 7,752,750.00 | 1,215,326.56 | | 8,528,714.19 | | 17,496,790.75 |
| 6/30/2024 | 7,755,500.00 | 1,215,326.56 | | 8,528,521.51 | | 17,499,348.07 |
| 6/30/2025 | 7,761,375.00 | 1,215,326.56 | | 8,524,429.86 | | 17,501,131.42 |
| 6/30/2026 | 7,759,875.00 | 1,215,326.56 | | 8,525,804.86 | | 17,501,006.42 |
| 6/30/2027 | 7,755,625.00 | 1,215,326.56 | | 8,525,679.86 | | 17,496,631.42 |
| 6/30/2028 | 7,753,000.00 | 1,215,326.56 | | 8,528,429.86 | | 17,496,756.42 |
| 6/30/2029 | 7,756,125.00 | 1,215,326.56 | | 8,528,429.86 | | 17,499,881.42 |
| 6/30/2030 | 7,754,250.00 | 1,215,326.56 | | 8,530,054.86 | | 17,499,631.42 |
| 6/30/2031 | 7,761,500.00 | 1,215,326.56 | | 8,522,804.86 | | 17,499,631.42 |
| 6/30/2032 | 7,757,125.00 | 1,215,326.56 | | 8,525,929.86 | | 17,498,381.42 |
| 6/30/2033 | 7,755,500.00 | 1,215,326.56 | | 8,528,429.86 | | 17,499,256.42 |
| 6/30/2034 | 5,386,375.00 | 3,581,263.23 | | 8,528,506.24 | | 17,496,144.47 |
| 6/30/2035 | | 8,977,130.70 | | 8,522,562.94 | | 17,499,693.64 |
| 6/30/2036 | | 8,975,339.63 | | 8,524,054.26 | | 17,499,393.89 |
| 6/30/2037 | | 8,974,833.68 | | 8,523,404.58 | | 17,498,238.26 |
| 6/30/2038 | | 8,978,960.55 | | 8,520,209.20 | | 17,499,169.75 |
| 6/30/2039 | | 8,980,935.75 | | 8,518,962.25 | | 17,499,898.00 |
| | 95,449,137.50 | 63,514,881.53 | (6,417,963.33) | 173,994,726.37 | (7,072,155.81) | 319,468,626.26 |

OSPB PRIORITY 4 - DEPARTMENT OF PERSONNEL, CAPITOL SECURITY UPGRADES (NEW FY 2020-21 APPROPRIATION)

| | REQUEST | RECOMMENDATION |
|---------------------------|--------------------|--------------------|
| TOTAL | \$9,812,500 | \$9,812,500 |
| Capital Construction Fund | 0 | 0 |
| Cash Funds* | 9,812,500 | 9,812,500 |

| | REQUEST | RECOMMENDATION |
|---------------|---------|----------------|
| Federal Funds | 0 | 0 |

*Funds are from the Capitol Complex Master Plan Implementation Fund and originate as General Fund.

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 new data. The request notes that the Capitol building has been the focus of frequent protests since the spring of 2020 which have caused significant damage. The request is for capital changes to protect the building and its occupants in the future. While protests began during the 2020 legislative session, staff assumes that additional time was required to determine an appropriate package of security upgrades, leading to this supplemental request.

DEPARTMENT REQUEST: The Department requests \$9,812,500 cash funds from the Capitol Complex Master Plan Implementation Fund for State Capitol security upgrades. The project would include: installing fencing around the perimeter of Lincoln Park, providing four to six points of public access that will remain open during the day and be closed at night; placing bollards along the streets that form the perimeter of the Capitol; restoring the historic metal doors on the first floor of the Capitol and moving the glass doors; and installing fencing at the four quadrants of the Capitol building. Due to the sensitive nature of the work, submission documents do not outline the project in further detail.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 14, 2021 and forwarded it to the JBC.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request in light of the recommendations of other committees and based on the fact that the request can be justified under supplemental criteria.

STAFF ANALYSIS: Given the limited public information available, staff is not well positioned to assess the project. However, for the Committee's consideration, staff notes:

- The Capitol Building Advisory Committee, of which Senator Moreno is Vice Chair, has reviewed the project, as has the Capitol Development Committee.
- The Department of Personnel indicates that there are sufficient revenues in the Capitol Complex Master Plan Implementation Fund to support the request. The current balance in the Fund is \$13,824,488, based on the FY 2019-20 transfer of \$5,5952,130 and the FY 2020-21 transfer of \$7,872,358 approved by the CDC in December 2020. These funds originate as General Fund (the difference between \$20.0 million General Fund and the National Western COPs).
- There are many Capitol Complex needs, and future revenue to the Capitol Complex Master Plan Implementation Fund will be limited. Based on the difference between \$20.0 million General Fund and the National Western COP payment schedule, \$10.1 million should be deposited to the Fund in FY 2021-22, but after that annual revenue will be just \$2.5 million. If the Executive request to allocate some of these funds to History Colorado COP payments is approved, revenue to the Capitol Complex Implementation Fund will be just \$8.7 million in FY 2021-22 and \$600,000 per

year thereafter. Capitol Complex needs that are not supported through the Master Plan Implementation Fund will need to be addressed through General Fund transfers to the Capital Construction Fund.

- While the project can be assessed as meeting supplemental criteria under the “new data” criterion, approval as a supplemental will only marginally speed project implementation. If the Committee wished the CDC to weigh this project against other state needs, it could request this project be prioritized through the usual CDC process.

**OSPB PRIORITY 5 - METROPOLITAN STATE UNIVERSITY OF DENVER
AEROSPACE ENGINEERING SCIENCES (AMEND FY 2016-17 APPROPRIATION,
PREVIOUSLY AMENDED IN H.B. 20-1259)**

| | REQUEST | RECOMMENDATION |
|---------------------------|--------------------|--------------------|
| TOTAL | (6,451,420) | (6,451,420) |
| Capital Construction Fund | 0 | 0 |
| Cash Funds* | (6,451,420) | (6,451,420) |
| 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: The Department requests this adjustment as the result of an unforeseen contingency resulting from the COVID-19 pandemic, specifically the sharp decline in revenue to MSU Denver that has resulted from the pandemic and, related to this, reduced ability to raise capital donations. Staff notes that state and matching cash funding for this project were first authorized between FY 2014-15 and FY 2016-17, and the deadline for raising the associated cash was previously extended via supplemental action.

DEPARTMENT REQUEST: The Department requests a reduction in a cash appropriation first authorized in FY 2016-17 for the Metropolitan State University of Denver’s Aerospace Engineering Sciences Building. A total of \$20.0 million state capital construction funds and \$40.0 million cash funds was appropriated for this project. In Fall 2019, MSU requested, and the General Assembly approved, extending the time available for MSU to raise and spend \$6,451,420 cash funds of the appropriation. The Department and MSU now request that this portion of MSU’s cash funds appropriation be eliminated, relieving MSU of the obligation to raise and spend this amount.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 14, 2021 and forwarded it to the JBC.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request. Based on the structure of current appropriations, this will require a supplemental adjustment to reduce the FY 2016-17 cash funds appropriation for MSU Denver for the Aerospace Engineering Sciences building by \$6,451,420. The intent is to relieve MSU Denver of the requirement to fund this portion of the match it had committed for the project.

STAFF ANALYSIS: The table below shows the original appropriation for the project. As shown, the total project was for \$60.0 million, of which \$40.0 million (2/3rds) was proposed to come from funds raised by MSU Denver.

| AEROSPACE ENGINEERING BUILDING APPROPRIATIONS | | | | TOTAL PROJECT |
|---|--------------------|---------------------|---------------------|---------------------|
| | FY 2014-15 | FY 2015-16 | FY 2016-17 | |
| Total | \$5,279,128 | \$31,125,032 | \$23,595,840 | \$60,000,000 |
| Cap. Construction Funds | 5,279,128 | 14,720,872 | 0 | 20,000,000 |
| Cash Funds | 0 | 16,404,160 | 23,595,840 | 40,000,000 |

During the 2020 regular legislative session, the General Assembly amended the FY 2016-17 cash funds appropriation for the project (via H.B. 20-1259) to specify that the FY 2016-17 appropriation (entirely cash funds) remained available through June 30, 2022. The intent, as described above, was to provide MSU Denver additional time to fully raise and expend the cash match to which it had previously committed.

- Pursuant to Section 24-75-303 (3.5), C.R.S., concerning capital projects at state higher education institutions: “For any project funded in part by capital construction appropriations pursuant to this section, if there are cash funds or other nonstate moneys remaining after the project is completed, the institution shall refund moneys to the state capital construction fund in proportion to the amount of state capital construction moneys appropriated for the project.” Because Capital Construction Funds comprised one-third of the total project cost, in the absence of legislative action, MSU would be required to refund one-third of the \$6.45 million cash funds it has failed to raise and expend (\$2,348,323) to the Capital Construction Fund.
- As described in the request, MSU Denver has been significantly affected by the COVID-19 pandemic. Staff believes that, in this environment, it is appropriate for the agency to redirect its fundraising capacity to other activities, rather than capital initiatives.
- In general, staff believes that it is important for institutions to be held to cash match commitments, because otherwise these commitments may become meaningless. Institutions could include aspirational match figures in order to score high on CCHE prioritization rubrics and later fail to honor these commitments. *The Colorado Commission on Higher Education was sufficiently concerned about the situation that it considered sanctioning MSU, though it ultimately chose not to do so.* However:

(1) the COVID-19 pandemic does represent a highly unusual set of circumstances that has had a significant impact on higher education institutions and particularly those that serve low income students, such as MSU Denver. MSU states that “expenditures of this magnitude would further reduce our cash reserves at a time when the institution is facing unprecedented financial challenges. Given our current situation, proceeding as previously authorized will fundamentally and negatively impact our ability to remain accessible to a majority of our students or ascertain resources to fully support our modified open-access mission”.

(2) MSU Denver has invested significant match in this project already: \$33,548,580, representing 62.7 percent of the total expended for the project. Most of the cash funds were spent in FY 2018-19. MSU had hoped to raise and spend the additional \$6.45 million on security features, a mock cyber-attack lab, storage solutions, optimized functionality, and some enhanced classroom spaces.

However, in response to staff questions, it indicated that “at this time, there are no critical needs or fully vetted opportunities identified where funds of this magnitude would be spent”.

- The Department is in the process of revising matching requirements to better reflect the ability of different types of institutions to raise private donations. If these changes to CCHE prioritization scoring are approved, MSU would receive maximum CCHE scoring “points” based on a cash match of over 15%. The institutional share for this project significantly exceeded that percentage. This project was intended in large part to house private businesses, which was the reason for the far greater match required; however, MSU has historically had greater difficulty raising donations than many of the other higher education institutions.

OSPB PRIORITY 6 - DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, NEWBORN SCREENING LABORATORY MASS SPECTROMETRY ROOM (AMEND FY 2018-19 APPROPRIATION)

| | REQUEST | RECOMMENDATION |
|---------------------------|------------------|------------------|
| TOTAL | \$546,976 | \$546,976 |
| Capital Construction Fund | 0 | 0 |
| Cash Funds | 546,976 | 546,976 |
| 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 new data related to project cost overruns and temporary use of the space to be modified for activities related to the COVID-19 pandemic

DEPARTMENT REQUEST: the Department of Public Health and Environment requests \$546,976 cash funds spending authority to increase an original appropriation of \$1,162,500 cash funds in H.B. 18-1006 for the newborn screening laboratory mass spectrometry room. It also seeks a two-year extension of time for the project, which was supposed to be completed by the end of FY 2020-21, to June 30, 2023.

The goal of the project funded in H.B. 18-1006 is to provide space to improve testing capability for the Colorado newborn screening program. The program provides testing for all newborns in Colorado and Wyoming (130,000 samples annually). As more medical conditions are added to the recommended newborn screening panel, additional space and instruments are required.

The additional project costs in the supplemental request are primarily due to revised estimates of construction costs provided by the department’s architect, and costs for data cabling and equipment that were not included in original estimates. In addition, a space study analysis supported by the Office of the State Architect has led to changes in scope, including scaling the HVAC for the project to also support an adjacent 4,400 square foot space where other lab functions will be relocated, concrete flooring preparation for this additional space, and construction of a wall to separate the lab space from

the rest of the warehouse in which it will be situated. Additional project costs also include a 10.0 percent contingency and construction cost inflation.

The request indicates that the warehouse where the new mass spectrometry room and other laboratory space will be located is currently being used as a COVID receiving/distribution center, and any current construction in the space would be disruptive. In addition, a new emergency generator required for the room is delayed due to COVID-19.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 14, 2021 and forwarded it to the JBC.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request to amend H.B. 18-1006 to provide an increased capital appropriation of \$546,976 cash funds and a two-year time extension for the project. Staff anticipates that the cash funds will be from the Newborn Screening and Genetic Counseling Cash Fund but requests Committee permission to modify the cash funds source if appropriate based on further consultation with the Department of Public Health and Environment.

STAFF ANALYSIS: As outlined in the request, the proposal will amend an appropriation in H.B. 18-1006 (Infant Newborn Screening) which included substantive provisions for expanding newborn screening and provided the capital construction appropriation to help achieve these broader legislative goals. Additional factors to consider:

- Project delays are clearly associated with COVID-19 given CDPHE’s role in addressing the pandemic.
- Some of the requested project expansion could potentially be addressed in a separate appropriation; however the expansion is sufficiently intertwined with the original request (e.g., HVAC costs to serve both the new lab and a larger space) that staff is recommending the request to increase the original appropriation.

**OSPB PRIORITY 7 - DEPARTMENT OF PERSONNEL, CAPITOL ANNEX
SEWER VENTING REPAIR (~~CAPITAL RENEWAL~~) REPAIR AND
RENOVATION (AMEND FY 2019-20 APPROPRIATION)**

| | REQUEST | RECOMMENDATION |
|----------------------------|------------|----------------|
| TOTAL | \$0 | \$0 |
| Capital Construction Fund* | 0 | 0 |
| Cash Funds | 0 | 0 |
| Federal Funds | 0 | 0 |

*The request would allow \$1,699,360 CCF in unused funds from the Sewer Venting Repair project to be used for additional renovations in the Capitol Annex, necessitating a change to the name of the project specified in S.B. 19-207.

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 available when the original appropriation was made.

DEPARTMENT REQUEST: The Department requests that it be allowed to use \$1,699,360 Capital Construction Funds originally appropriated in FY 2019-20 for Capitol Annex sewer venting repairs for additional Capitol Annex repairs and renovations. The sewer venting repair project was appropriated at \$4,070,023 CCF, but has required less funding than originally anticipated.

CAPITAL DEVELOPMENT COMMITTEE ACTION: The Capital Development Committee approved the request on January 14, 2021 and forwarded it to the JBC.

STAFF RECOMMENDATION: Staff recommends the request and recommends changing the name of this FY 2019-20 capital renewal project to “Capitol Annex Repair and Renovation”.

STAFF ANALYSIS: The supplemental budget request proposes to use funds that were not required for the sewer repair to: remove and replace old waste, vent, and water supply lines, convert security to the electronic system monitored by State Patrol, refurbish elevator door components, replace maglocks on perimeter doors with panic hardware and electronic latches, repair the acoustical ceiling, paint walls and ceiling, patch travertine in public areas, refinish terrazzo flooring in common areas, and replace window coverings. Relevant information for the Committee’s consideration:

- During discussions with the CDC, the Department indicated that the original project had been less expensive than originally anticipated because the Department of Revenue had vacated the building, allowing for faster progress. In addition, there was less asbestos abatement than originally anticipated.
- Project under expenditure should not, in and of itself, result in permission to spend on additional projects on a supplemental basis. However, having a vacant building provides a useful opportunity for efficiently renovating a building and preparing it for a new tenant. Failure to address some of these repairs will affect the building’s ability to be occupied.
- The Capitol Annex has previously been identified as a priority for renovation. The State took ownership of the Capitol Annex in 1937. It is part of the National Historic Register and was identified as being in “poor condition” and a top priority for major repairs and renovations in the 2014 Capitol Complex Master Plan. Fully addressing all deficits was estimated at \$55.8 million in 2018. The State has been addressing repairs and renovations over time, in part based on emergency requests to address health and safety issues.

IT CAPITAL SUPPLEMENTAL REQUESTS

GOVERNOR’S OFFICE AND DEPARTMENT OF HEALTH CARE POLICY
AND FINANCING, OEHI CAPITAL IT PROJECT TO HCPF (AMEND FY 2020-21
APPROPRIATION)

| | REQUEST | RECOMMENDATION |
|----------------------------|------------|----------------|
| TOTAL | \$0 | \$0 |
| Capital Construction Fund* | 0 | 0 |

| | REQUEST | RECOMMENDATION |
|---------------|---------|----------------|
| Cash Funds | 0 | 0 |
| Federal Funds | 0 | 0 |

*The request is for a net \$0 transfer of an appropriation from the Governor’s Office to the Department of Health Care Policy and Financing.

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 a technical error in the FY 2020-21 appropriation

DEPARTMENT REQUEST: The FY 2020-21 Long Bill appropriated \$4,450,000 of IT Capital Construction (CCF-II) and federal funds to the Office of the Governor for the Office of eHealth Innovation’s phase three Health Information Technology Roadmap Projects. The request is for a technical correction to instead identify this project as appropriated to the Colorado Department of Health Care Policy and Financing (HCPF).

In order to receive the federal funds match from the Center for Medicare and Medicaid Services for American Reinvestment and Recovery Health Information Technology Act funds, including \$4.0 million federal funds for this phase of this project, all state funds amounts must be appropriated to HCPF.

This is the third and final phase of this multi-year capital IT request. All other phases were appropriated to HCPF.

JOINT TECHNOLOGY COMMITTEE ACTION: The Joint Technology Committee approved the request on January 14, 2021 and forwarded it to the JBC.

STAFF RECOMMENDATION: Staff recommends the request.

STAFF ANALYSIS: As described in the request, the appropriation for this project includes a technical error. The request indicates that if without the correction, the project may face additional delays in receipt of federal matching funds.

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUEST - CAPITAL BUILDING

UNIVERSITY OF NORTHERN COLORADO CAMPUS COMMONS (AMEND FY 2016-17 APPROPRIATION PREVIOUSLY AMENDED IN H.B. 20-1259)

| | REQUEST | APPROVED |
|--------------|-------------|-------------|
| TOTAL | \$0* | \$0* |
| FTE | 0.0 | 0.0 |
| General Fund | 0 | 0 |

| | REQUEST | APPROVED |
|---------------|---------|----------|
| Cash Funds | 0 | 0 |
| Federal Funds | 0 | 0 |

*Time extension

DEPARTMENT REQUEST/CDC ACTION: In September 2020, the Capital Development Committee approved a time extension for the existing appropriation for the University of Northern Campus Commons project to allow expenditure of \$4 million not previously expended. The \$73.5 million Campus Commons project was first authorized in FY 2016-17 and is largely complete. UNC sought a non-monetary adjustment to extend spending authority to complete a parking lot that was part of the original program plan. The CDC staff recommended an interim supplemental because extension through FY 2021-22 was not included in appropriation bills during the 2020 session due to technical errors (H.B. 20-1259 extended authority through June 30, 2020). Although the CDC initiated the action, OSPB submitted a letter concurring.

SUMMARY: Statute requires that if the JBC approves an interim supplemental request for a non-monetary adjustment under the provisions of Section 24-75-111.5 (5), C.R.S., it must introduce a supplemental appropriation bill to modify the appropriation.

COMMITTEE ACTION: JBC Staff recommended, and the Committee approved, allowing the University of Northern Colorado to expend the balance of the appropriation for the Campus Commons project (up to \$5.0 million) through June 30, 2022. A letter indicating this approval was sent to the Controller on September 18, 2020.