



**Colorado
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Council
Staff**

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MEMORANDUM

December 13, 2017

TO: Capital Development Committee

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SUBJECT: FY 2018-19 Capital Construction Requests and Projected Available Revenue

Summary

This memorandum provides an overview of projected revenue available in FY 2018-19 for capital construction and controlled maintenance projects. It also summarizes the capital construction requests for FY 2018-19.

Revenue

There is currently projected to be about \$3.6 million available for FY 2018-19 capital construction projects from the Capital Construction Fund (CCF), as shown in Table 1. Table 1 also shows the General Fund transfer to the CCF recommended by the Governor’s Office of State Planning and Budgeting (OSPB) and the additional transfer amount that would be required to meet the committee’s goal of funding at least 1.0 percent of the current replacement value (CRV) of the state’s General Fund-supported buildings. The Office of the State Architect identifies the CRV of the state’s inventory of buildings in its annual report. As of December 2017, 1.0 percent of the CRV of the state’s General Fund-supported buildings is \$125.6 million, as compared to \$120.8 million identified in the December 2016 report.

**Table 1
FY 2018-19 Capital Construction Fund (CCF) Revenue**

<i>CCF Balance, July 1, 2017</i>	\$1,813,916
Projected CCF interest earnings in FY 2017-18	1,800,000
<i>Projected CCF Balance – July 1, 2018</i>	\$3,613,916
FY 2018-19 General Fund transfer recommended by OSPB in November 1 submission	99,437,682
Additional General Fund transfer required to meet goal of funding 1.0 percent of CRV	22,594,288
<i>CCF Balance – July 1, 2018 (with additional transfer)</i>	\$125,645,886

Source: Legislative Council Staff.

Pursuant to Senate Bill 17-262, a FY 2018-19 transfer of \$60.0 million is scheduled to the CCF on June 30, 2019. Since the transfer is not scheduled until the end of the fiscal year, it is not reflected in the projection of available revenue for FY 2018-19 shown in Table 1. CDC staff assumes this transfer will be made available for FY 2019-20 projects.

Requests

State-funded requests. As of December 8, 2017, there are 41 state-funded capital construction requests for FY 2018-19, including 15 from state departments and 26 from higher education institutions. In addition, there are 112 state-funded controlled maintenance projects requested for funding. Table 2 lists the number of projects, by type, and the associated total request amounts. This year's capital budget request does not include any certificates of participation (COP) lease payments.

Table 2
FY 2018-19 State-Funded Capital Construction Requests

Project Type	Number of Projects	Amount (in millions)
Higher education continuation projects	2	\$8.1
Higher education new or previously requested projects	24	\$237.4
State department continuation projects	4	\$38.9
State department new or previously requested projects	11	\$54.5
Subtotal: Capital Construction	41	\$338.9
Controlled maintenance, level 1	23	\$15.1
Controlled maintenance, level 2	63	\$53.4
Controlled maintenance, level 3	26	\$22.4
Subtotal: Controlled Maintenance	112	\$90.9
Grand Total: Capital Construction and Controlled Maintenance	153	\$429.8

Source: Legislative Council Staff.

In a letter dated November 1, 2017, OSPB recommended funding 11 state-funded projects for FY 2018-19, including the full list of Level 1 controlled maintenance projects, 5 continuation projects, and 5 new projects. It also recommends one project for financing under a future COP issuance. The state-funded cost to fully fund the OSPB recommended project list is \$99.4 million.

Cash-funded requests. In addition to the state-funded projects requested for FY 2018-19, there are seven cash-funded requests. The total cash funds requested for all projects is \$209.9 million. The total cash funds request amount for projects funded solely from cash sources, excluding the cash component of the various state-funded requests, is \$27.9 million.