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0601 Capital Development Committee



**Report to the
Colorado General Assembly**

**Capital Development
Committee**

Prepared by

*The Colorado Legislative Council
Research Publication No. 601
February 2011*

2010

CAPITAL DEVELOPMENT COMMITTEE

**Report to the
Colorado General Assembly**

**Research Publication No. 601
2011**

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February 2011

To Members of the Sixty-eighth General Assembly:

Submitted herewith is the 2010 Capital Development Committee (CDC) final report. The purpose of the CDC final report is to provide annual and historical information on the capital development process. The 2010 final report provides a complete summary of all capital construction and controlled maintenance appropriations during the 2010 session. A five-year history and four-year forecast of capital project funding are also included. The report concludes with a description of other action taken by the CDC in FY 2009-10, and a summary of 2010 legislation, enacted by the General Assembly, that impacts capital development funding or the capital development process.

The CDC final report serves as a permanent record of capital development funding. The report is referred to by CDC staff and other state agencies throughout the year to help facilitate the capital development process. The report also serves as an informational document for any other entity or individual interested in the progress of capital development in the state of Colorado.

Respectfully submitted,

Mike Mauer
Director

Capital Development Committee

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This report is also available on line at:

<http://www.colorado.gov/lcs/CDC>

Executive Summary

Primary Responsibility of the Capital Development Committee

The primary responsibility of the Capital Development Committee (CDC), established by House Bill 85-1070 (Section 2-3-1301, et seq., C.R.S.), is to review and make recommendations concerning capital construction and controlled maintenance requests and proposals for the acquisition of capital assets of each state department and higher education institution in Colorado. The CDC forwards its recommendations to the Joint Budget Committee (JBC).

Types of Projects that Qualify for State Funding

Appropriations from the Capital Construction Fund (CCF) and the Controlled Maintenance Trust Fund (CMTF) are used for capital projects. The term "capital" collectively refers to three types of projects: capital construction, capital renewal, and controlled maintenance.

1. *Capital construction* projects include the purchase of land, buildings, or other facilities; the construction, renovation, or remodeling of buildings or other facilities; the purchase and installation of equipment necessary to operate the buildings or facilities; and the architectural, engineering, or other consultant services associated with a capital construction project.
2. *Capital renewal* projects address controlled maintenance issues that have exceeded \$2 million in costs, or have grown in scope and are better addressed building by building, rather than system by system.
3. *Controlled maintenance* projects are system- or maintenance-driven, and address facility component systems at the end of their useful life. As such, controlled maintenance involves site improvements and corrective repairs or replacement of utilities and equipment at existing state-owned, General Fund operated buildings, and other physical facilities.

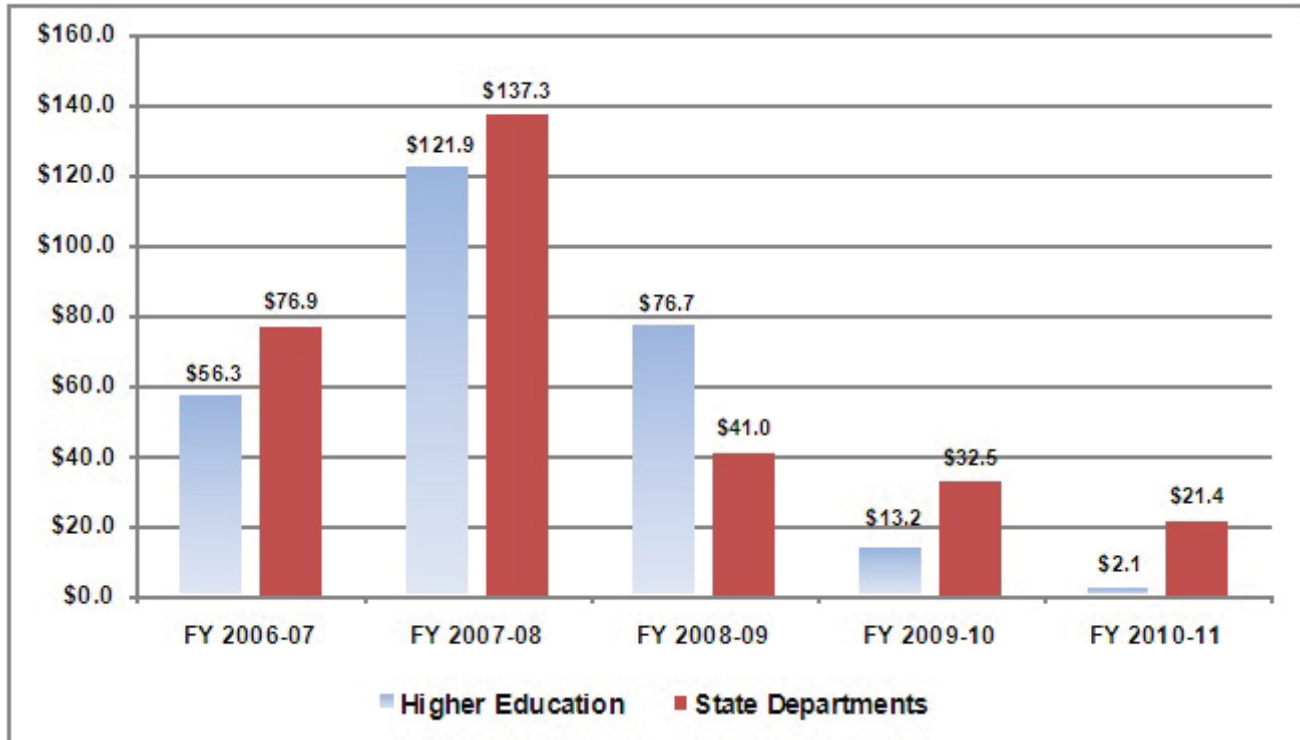
Five-Year History of Capital Construction and Controlled Maintenance Appropriations

State-funded appropriations totaled \$579.3 million for the five-year period ending in FY 2010-11. The low points in total appropriations during the last five-year period came in FY 2009-10 and FY 2010-11. The state entered a recession beginning in FY 2008-09. In the three fiscal years preceding FY 2009-10, an average of \$170 million per year was appropriated for capital projects. In contrast, an average of \$34.6 million was spent on capital projects in FY 2009-10 and FY 2010-11, or about one-fifth of the average amount appropriated in each of the previous three fiscal years.

Funding for state departments and higher education institutions. State departments received \$309.1 million (53.4 percent) of total capital appropriations over the five-year period, while higher education institutions received \$270.2 million (46.6 percent). **Figure A** provides a five-year overview of capital funding for higher education institutions and state departments.



Figure A
Five-Year History of Capital Appropriations
for Higher Education Institutions and State Departments (in millions)
FY 2006-07 to FY 2010-11



Certificates of participation projects. Certificates of participation (COPs) are a common form of lease-purchase financing that allows the state to enter into lease-purchase agreements to build capital facilities. The state is currently making payments on three COP projects, including:

- ✓ Various Projects at the Anschutz Medical Campus (formerly Fitzsimons);
- ✓ Various Higher Education Projects — November 2008 Issue; and
- ✓ Colorado State Penitentiary II, High Custody Expansion Facility.

Gross Square Footage of State Facilities

As of January 2010, the total gross square footage (GSF) of state-occupied facilities was 64.0 million GSF, according to the Office of the State Architect. The estimated replacement value is \$12.7 billion.

The total GSF of state-occupied facilities grew 0.8 million GSF, or 1.3 percent, between calendar year 2008 and calendar year 2009, which increased the total estimated replacement value by \$1.2 billion, or 9.2 percent.



Capital Construction Fund and Controlled Maintenance Trust Fund Revenue

Revenue made available for capital projects from all state sources totaled \$684.2 million for the last five fiscal years. Of this amount, \$47.4 million, or 6.9 percent, was made available for FY 2010-11 projects. Funding for FY 2010-11 projects was largely made available from General Fund transfers. Over the past five years, the CCF has been the primary source of revenue for capital construction and controlled maintenance projects.

Figure B identifies six sources of revenue for capital projects and the amounts attributable to each source. A description of each funding source follows.

General Fund transfers or appropriations. The General Assembly, during annual budget deliberations, may transfer or appropriate General Fund moneys to the CCF. Until 2009, the total appropriations from the General Fund were limited to 6 percent growth over the prior fiscal year; however, transfers were not subject to the 6 percent limit.

House Bill 02-1310 excess reserve credit. From 2004 to 2009, one-third of General Fund excess reserves were transferred annually to the CCF. The other two-thirds were credited to the Highway Users Tax Fund. Legislation passed during the 2009 session repealed the automatic transfer beginning in FY 2008-09; therefore, FY 2009-10 marked the last year that money was made available for capital projects from this revenue source.

Interest earnings, reversions, and deposits. Interest accruing to the CCF, through the investment of money in the fund, is retained in the fund. In addition, project balances that are unexpended after three years are retained in the fund as reversions. Also, the General Assembly may pass a law to deposit moneys into the fund.

Higher Education Federal Mineral Lease Revenues Fund. During the 2008 legislative session, the General Assembly passed Senate Bill 08-218 in order to provide a new source of revenue for higher education capital projects. The bill changed the allocation of federal mineral lease (FML) revenues, and created two funds to provide money for higher education capital construction and controlled maintenance projects.

State Land Board funds. The State Land Board manages eight public trusts that earn revenue from the lease of state trust lands. The Public Building Trust Fund is one of the trusts managed by the State Land Board. Pursuant to the enabling act of the Colorado Constitution, the available balance of this fund may be used for the purpose of erecting and maintaining public buildings.

Tobacco master settlement money. Under current law, a portion of the money the state receives annually from the tobacco master settlement agreement must be used to pay for the costs of constructing seven new academic facilities at the University of Colorado Denver, Anschutz Medical Campus (formerly called Fitzsimons). The facilities were financed through certificates of participation (COPs).



Figure B
Revenue Made Available for Capital Projects (in millions)
FY 2006-07 to FY 2010-11

Revenue Source		FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Five-Year Total
General Fund							
1a	Transfers for prison construction or expansion projects, or to fund a portion of prioritized projects identified during annual budget deliberations	\$145.9	\$93.7	\$24.9	(\$30.0)	\$15.8	\$250.3
1b	Appropriations to fund a portion of prioritized projects identified during annual budget deliberations	0.0	6.6	0.0	0.0	0.0	\$6.6
1c	One-third of the prior year's excess reserve, transferred pursuant to HB 02-1310	31.0	145.6	83.1	14.5	N/A	\$274.2
Subtotal		\$176.9	\$245.9	\$108.0	(\$15.5)	\$15.8	\$531.1
Capital Construction Fund (CCF)							
2a	Interest earnings, reversions, and other deposits made by the legislature	\$5.5	\$14.3	\$25.2	\$8.8	\$7.6	\$61.4
2b	Moneys made available for capital projects from cuts to appropriations in prior years	(2.9)	(16.2)	(66.1)	85.4	0.0	\$0.2
Subtotal		\$2.6	(\$1.9)	(\$40.9)	\$94.2	\$7.6	\$61.6
Higher Education Federal Mineral Lease Revenues Fund							
3	Moneys used for certificates of participation annual lease payment for 12 projects at various higher education campuses	N/A	N/A	N/A	\$15.8	\$8.9	\$24.7
State Land Board Funds							
4	Funds available for controlled maintenance in state-owned buildings from revenues earned on land for public buildings pursuant to Section 8 of the Enabling Act of Colorado	\$0.0	\$0.0	\$0.0	\$0.0	\$7.4	\$7.4
Tobacco Master Settlement							
5	Moneys used for cash-funded portion of certificates of participation annual lease payment for seven projects at the University of Colorado Denver, Anschutz Medical Campus	\$13.1	\$13.1	\$13.1	\$8.9	\$7.7	\$55.9
Controlled Maintenance Trust Fund (CMTF)							
6	Interest earnings on the principal balance can be expended on projects	\$3.2	\$0.3	\$0.0	\$0.0	\$0.0	\$3.5
Total		\$195.8	\$257.4	\$80.2	\$103.4	\$47.4	\$684.2



Controlled Maintenance Trust Fund Revenue

The General Assembly created the Controlled Maintenance Trust Fund (CMTF) in 1993 with the intent of establishing a stable and consistent source of revenue for controlled maintenance projects. **Figure C** provides a five-year history of revenue to and appropriations from the CMTF, as well as a history of total appropriations for controlled maintenance.

Figure C
Controlled Maintenance Trust Fund Revenue and Appropriations History
FY 2006-07 to FY 2010-11

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Five-Year Total
Principal						
Beginning Balance	\$29,000	\$29,000	\$1,589,516	\$1,286,837	\$483,227	N/A
General Fund Transfer	0	1,560,516	(302,679)	(803,610)	0	\$454,227
Ending Balance	\$29,000	\$1,589,516	\$1,286,837	\$483,227	\$483,227	N/A
Interest						
Interest Earned*	\$16,965	\$8,326	\$46,821	\$5,359	\$3,723	\$81,194
Interest Transferred from the CMTF to General Fund	0	0	0	0	0	\$0
Interest Appropriated for Controlled Maintenance Projects	\$3,200,000	\$340,000	\$0	\$0	\$0	\$3,540,000
Total Appropriated for Controlled Maintenance						
	\$35,129,807	\$50,702,815	\$26,087,798	\$24,235,321	\$10,129,588	\$146,285,329
Amount Appropriated from the CCF	31,929,807	50,362,815	26,087,798	24,235,321	2,695,589	\$135,311,330
Amount Appropriated from the CMTF	3,200,000	340,000	0	0	0	\$3,540,000
Amount Appropriated from cash sources**	0	0	0	0	7,433,999	\$7,433,999
% Appropriated from the CMTF	9.1%	0.7%	0.0%	0.0%	0.0%	2.4%

*The interest for FY 2009-10 is an estimate. Half of any interest moneys earned in FY 2009-10 can be appropriated for FY 2010-11 projects.

**The source of cash funds is State Land Board funds.



Four-Year Outlook — State-Funded Capital Need Versus Funding Projected to Be Available

State law requires the CDC to forecast the state's future needs for capital construction and controlled maintenance, although the term "need" is not defined in state law. However, state departments and institutions annually submit plans to the CDC that list their capital construction needs for the next four years. Based on these requests, there is a projected \$2.5 billion revenue shortfall to meet capital needs that are estimated to total \$2.7 billion over the next four years.

Of this amount, controlled maintenance needs total \$334.6 million, or 12.4 percent of the estimated four-year need, while capital construction needs (including certificates of participation payments) total \$2.4 billion, or 87.6 percent of the estimated need.

2010 Capital Construction and Controlled Maintenance Appropriations

The total amount in the final Long Bill for capital projects was \$411.3 million, including \$47.4 million for state-funded projects and \$363.9 million for cash-funded projects. A total of 56 projects were funded:

- 2 state-funded capital construction projects totaling \$10.7 million;
- 3 state-funded certificates of participation payments totaling \$26.6 million;
- 19 controlled maintenance projects totaling \$10.1 million; and
- 32 cash-funded projects totaling \$363.9 million.

Funding for the 56 projects includes:

- \$5.1 million from the Capital Construction Fund (state funds), including \$1.9 million in unused interest earning from FY 2008-09 and a fund balance of \$3.2 million;
- \$18.3 million transferred from the General Fund to the Capital Construction Fund, including \$2.5 million in FY 2009-10 interest earnings, \$6.7 million transferred to the Corrections Expansion Reserve Fund, and \$9.1 million transferred for FY 2010-11 projects;
- \$357.6 from cash funds; and
- \$30.3 from federal funds.

Breakdown of State-Funded Projects

Of the \$16.8 million in state funds included in the Long Bill, state departments received \$14.7 million (87.7 percent) of the funding allocation. Of this amount, the Department of Personnel and Administration received \$2.0 million for the emergency fund for controlled maintenance, which can be used for state departments and higher education institutions in the event of unforeseen controlled maintenance problems. Higher education institutions received \$2.1 million (12.3 percent) of the state-funded total.

Figure D lists the number of state-funded projects by category and notes the state-funded portion for each.



**Figure D
Summary of State-Funded FY 2010-11 Projects**

Category	# of State Department Projects	State Department Amount	# of Higher Education Projects	Higher Education Amount	Total Amount
Controlled Maintenance Projects	10	\$2,630,589	9	\$65,000	\$2,695,589
Capital Construction Projects	3	12,070,768	2	1,996,149	14,066,917
Totals	13	\$14,701,357	11	\$2,061,149	\$16,762,506

Action Taken By the CDC Regarding Supplemental Requests, Six-Month Waiver Requests, and Property Transactions

State departments and higher education institutions must submit requests for supplemental funding, including requests for extensions of time only, to the CDC. The 2010 Long Bill included 24 such requests. The combined impact of the projects from all funding sources is \$24.8 million, including a rescission of \$13.3 million of state funds.

Colorado law requires any department or institution that does not initiate a project and encumber funds within six months of the appropriation date to request a waiver of the six-month encumbrance deadline from the CDC. The Capital Development Committee considered and approved four six-month waiver requests during FY 2009-10. Three of the four approved waiver requests were made concurrent with the request for FY 2010-11 cash funds spending authority.

The CDC reviewed and commented on ten property transactions in FY 2009-10, including nine proposals from the Division of Wildlife, Department of Natural Resources, and one proposal from the Division of Parks and Outdoor Recreation, Department of Natural Resources. All ten property transaction proposals were favorably recommended.

2010 Legislation Impacting Capital Construction Funding or the Capital Development Process

Approximately 24 bills considered by the General Assembly during the 2010 legislative session affected capital construction and the duties of the Capital Development Committee. These bills addressed budget balancing measures, spending for capital construction projects, changes to the capital process, the renovation of the State Capitol dome, lease-purchase agreements, and the review of real property transaction proposals.



I. Statutory Establishment and Responsibilities of the Capital Development Committee

Establishment of the Capital Development Committee

The Capital Development Committee (CDC) was established in 1985 (House Bill 85-1070), and its statutory charge is found under Section 2-3-1301, et. seq., C.R.S. The CDC is a joint committee, consisting of three members of the House of Representatives and three members of the Senate. Each house is represented by two members of the majority party and one member of the minority party. Members of the CDC are chosen according to the rules of each house.

The CDC is required to elect a chair and a vice-chair each year. The election takes place at the first meeting held on or after October 15 in odd-numbered years and at the first meeting held after the General Election in even-numbered years. The chairmanship alternates between the House and Senate each year. The chair elected in fall 2009 was a Senate member.

Pursuant to Section 2-3-1308, C.R.S., the CDC's repeal date is July 1, 2014.

Responsibilities of the Capital Development Committee (CDC)

The CDC has the following statutory responsibilities:

Funding

- develop and make recommendations concerning new methods of financing the state's ongoing capital construction and controlled maintenance needs no later than January 1, 2016.

General Project Review and Oversight

- consider funding requests for capital construction and controlled maintenance projects submitted by state departments and higher education institutions, including regular and emergency supplemental capital construction requests;
- prioritize recommendations for the funding of capital construction and controlled maintenance projects for submittal to the Joint Budget Committee (JBC);
- forecast the state's requirements for capital construction, controlled maintenance, and the acquisition of capital assets for the next fiscal year and the following four fiscal years;
- consider cash-funded capital construction projects submitted by higher education institutions to be commenced without prior legislative authorization in an appropriations bill, and make recommendations to the JBC regarding projects subject to the Higher Education Revenue Bond Intercept Program (pursuant to Senate Bill 09-290);



- study the capital construction request from the Transportation Commission for state highway reconstruction, repair, and maintenance, and determine the projects that may be funded from money available in the Capital Construction Fund;
- consider requests for waivers of the six-month encumbrance deadline for capital construction appropriations;
- review and recommend minimum building codes for all construction by state agencies on state-owned or state lease-purchased properties or facilities;
- review the annual capital construction and controlled maintenance requests from the Office of Information Technology regarding the Public Safety Communications Trust Fund;
- review the annual report from the Department of Personnel and Administration regarding the high performance standard certification program, pursuant to Senate Bill 07-051; and
- review high performance standard certification program estimates that are expected to increase a building's costs by more than 5 percent.

Adult and Juvenile Correctional Facilities

- review facility program plans for adult correctional facilities in the Department of Corrections and for juvenile correctional facilities in the Division of Youth Corrections; and
- review proposals from the Department of Corrections to enter into agreements to acquire title to correctional facilities developed and constructed with private funds.

Property Transactions

- review real property transaction proposals by the Division of Parks and Outdoor Recreation and comment on the proposals to the Colorado State Parks Board;
- review real property transaction proposals by the Division of Wildlife and comment on the proposals to the Colorado Wildlife Commission;
- review real property transaction proposals, as administered by the executive director of the Department of Personnel and Administration, and comment on the proposals to the executive director;
- review real property transaction proposals by the Department of Military and Veterans Affairs and comment on the transactions to the Adjutant General; and



- receive an annual report from the Department of Personnel and Administration concerning state department and higher education institution facility management plans for vacant or abandoned state buildings.

State Capitol Building

- consider recommendations from the State Capitol Building Advisory Committee with respect to any plans to restore, redecorate, or reconstruct space within the public and ceremonial areas of the State Capitol Building and the surrounding grounds; and
- oversee a fund-raising effort by a private, non profit, statewide historic preservation organization for the purpose of making repairs to the cast-iron structure of the State Capitol dome; review and approve cause-related marketing efforts and any sponsorship recognitions that indicated the donations of major sponsors; and provide periodic reports regarding the fund-raising efforts to the Executive Committee of the Legislative Council.

Types of Projects that Qualify for State Funding

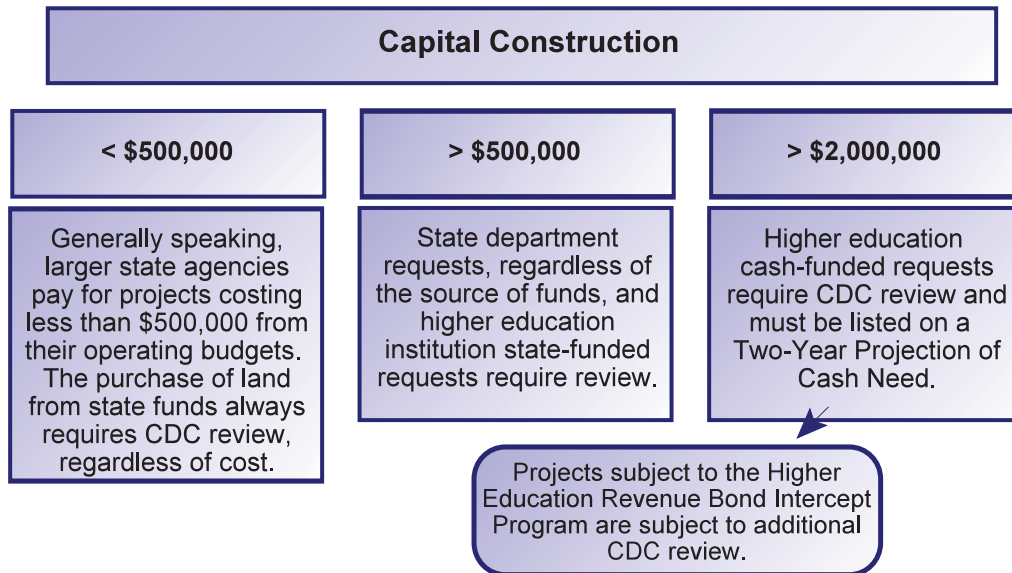
The term "capital" collectively refers to three types of projects: (1) capital construction; (2) capital renewal; and (3) controlled maintenance. Capital construction includes the following:

- the purchase of land;
- the purchase, construction, or demolition of buildings or other physical facilities, including utilities and state highways;
- the financing of a building or other physical facility acquired by lease-purchase and using certificates of participation (COPs);
- the remodeling or renovation of existing buildings or other physical facilities;
- site improvements or development of existing buildings or other physical facilities;
- the purchase and installation of the fixed and movable equipment necessary for the operation of new or renovated buildings and other physical facilities;
- any item of instructional or scientific equipment that costs more than \$50,000; and
- the purchase of the services of architects, engineers, and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses, and other studies associated with any capital construction project.



Capital construction projects are program-driven. An institution or department must justify a capital request based on how the project will allow it to improve or alter its ability to provide a certain program or service. Examples of capital construction projects include constructing a new state prison, renovating a biology building at a state university, and developing an automated fingerprinting identification system.

Figure 1.1
Dollar Threshold Triggering Review of Capital Construction Projects



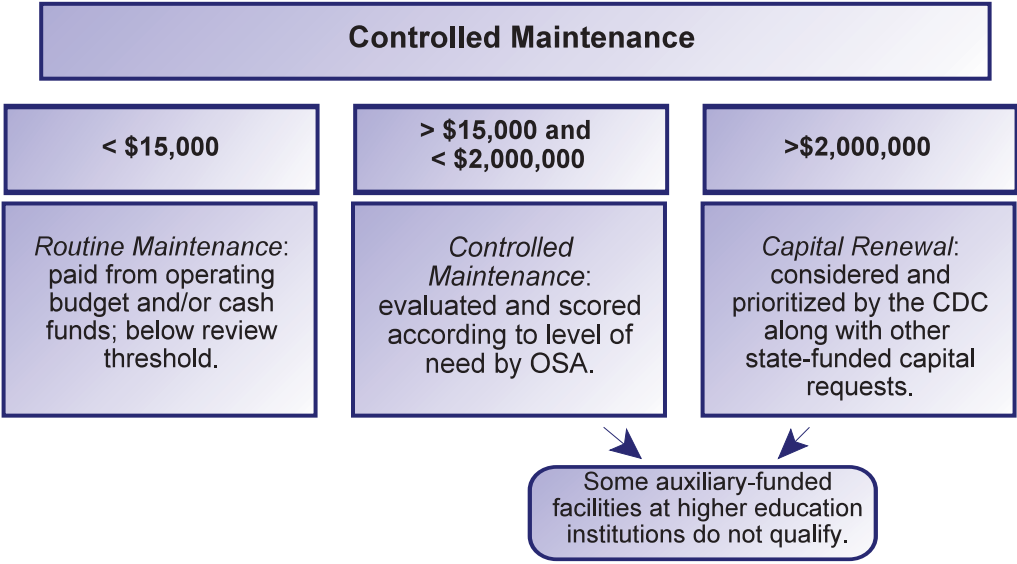
Controlled maintenance projects are system- or maintenance-driven, and address facility component systems at the end of their useful life. As such, controlled maintenance involves site improvements and corrective repairs or replacement of utilities and equipment at existing state-owned, General Fund operated buildings and other physical facilities. Examples of controlled maintenance projects include replacing deteriorated mechanical equipment and upgrading fire alarm systems.

Capital renewal projects are also program-driven, and address controlled maintenance issues that have exceeded \$2 million in costs, or have grown in scope and are better addressed building by building, rather than system by system. Capital renewal projects are prioritized by the CDC along with capital construction projects. An example of a capital renewal project is upgrading a heating/ventilation/air conditioning system in a chemistry building at a community college.

By contrast, operational maintenance is intended to maintain facilities and their component systems to the end of their expected useful life cycles. In Colorado, agencies submit requests for operational maintenance directly to the JBC within their operating budgets.



Figure 1.2
Dollar Threshold Triggering Categorization and
Review of Controlled Maintenance Projects



II. Five-Year History of State-Funded Appropriations for Capital Projects

This chapter provides a five-year history of state-funded appropriations for capital construction and controlled maintenance projects. It also provides information regarding the gross square footage of all state-owned facilities.

Five-Year History of Capital Construction and Controlled Maintenance Appropriations

State-funded appropriations totaled \$579.3 million for the five-year period ending in FY 2010-11. The low points in total appropriations during the last five-year period came in FY 2009-10 and FY 2010-11. The state entered a recession beginning in FY 2008-09. In the three fiscal years preceding FY 2009-10, an average of \$170 million per year was appropriated for capital projects. In contrast, an average of \$34.6 million was spent on capital projects in FY 2009-10 and FY 2010-11, or about one-fifth of the average amount appropriated in each of the previous three fiscal years.

Figure 2.1 shows a five-year appropriations history for capital construction projects by project type: capital construction, controlled maintenance, and certificates of participation (COPs).

Figure 2.1
Capital Appropriations by Project Type
FY 2006-07 to FY 2010-11
Total = \$579.3 million

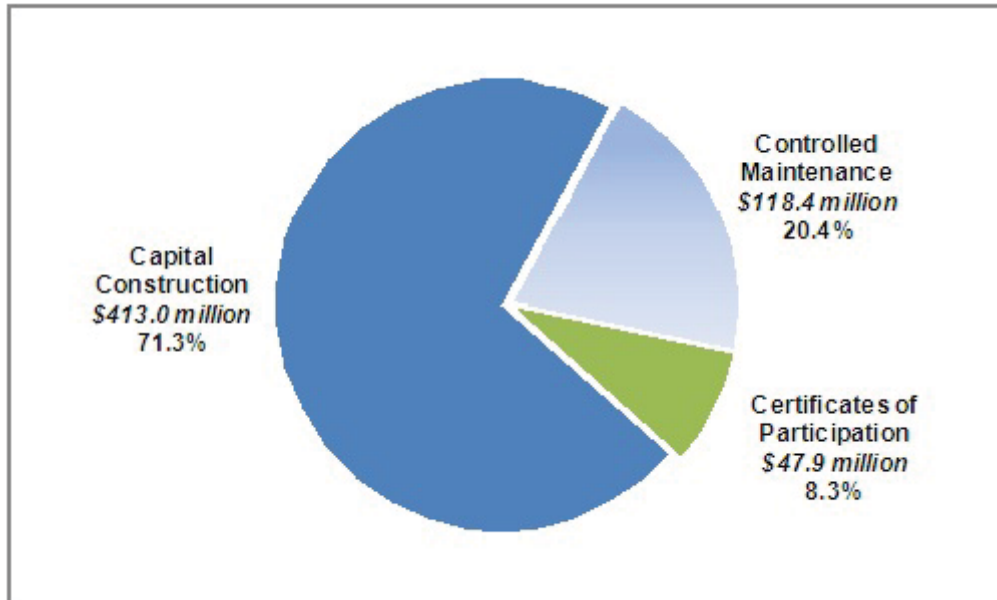
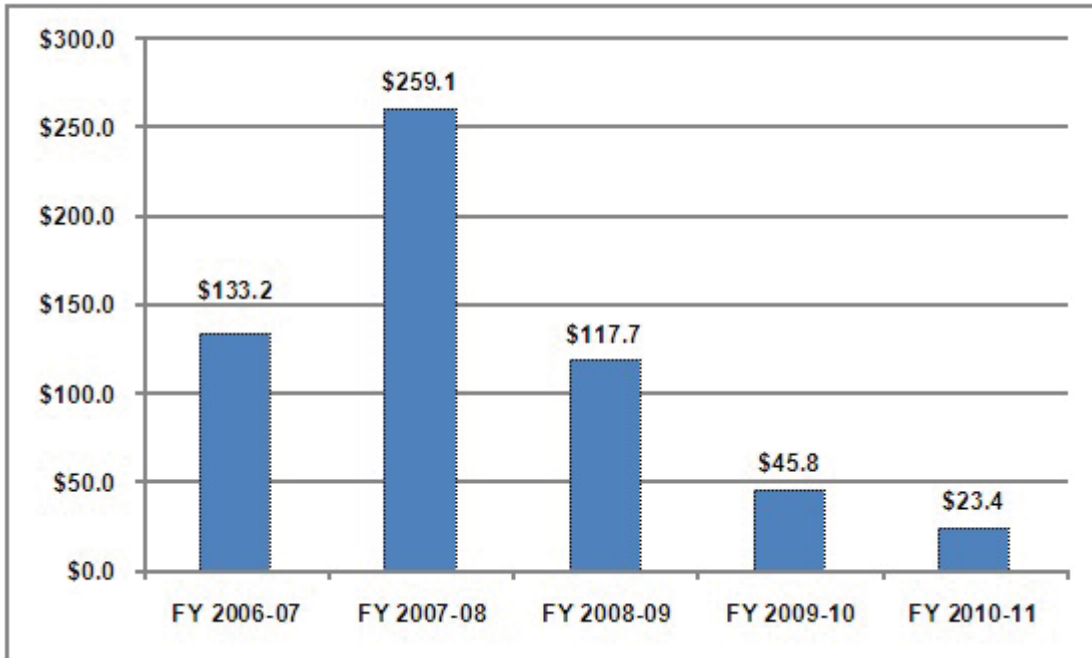


Figure 2.2 provides a five-year overview of capital funding.

Figure 2.2
Five-Year History of Capital Appropriations (in millions)
FY 2006-07 to FY 2010-11



Funding for state departments and higher education institutions. State departments received \$309.1 million (53.4 percent) of total capital appropriations over the five-year period, while higher education institutions received \$270.2 million (46.6 percent). Two departments accounted for 50.6 percent of the total *state department* appropriation:

- ✓ Department of Corrections, \$90 million (29.1 percent); and
- ✓ Department of Human Services, \$66.4 million (21.5 percent).

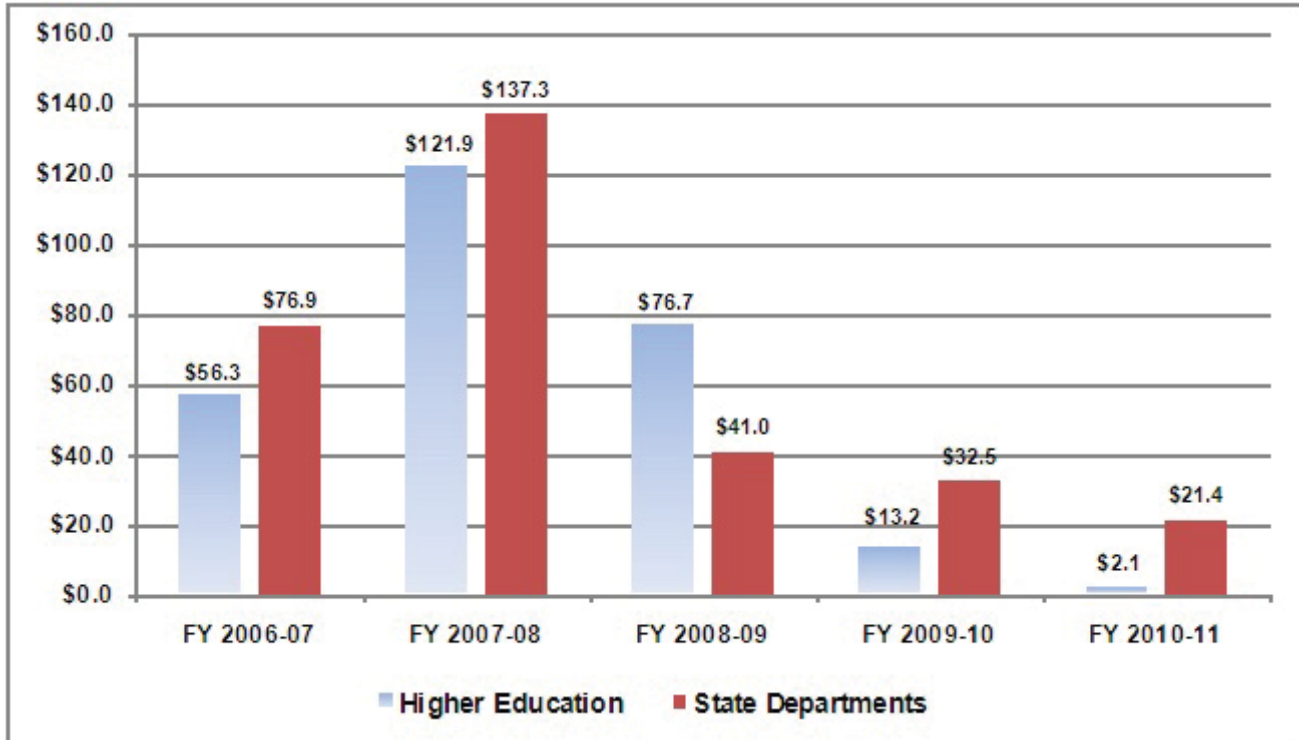
Two higher education systems accounted for 46.2 percent of the total *higher education* appropriation:

- ✓ Colorado State University System, \$67.2 million (24.8 percent); and
- ✓ University of Colorado System, \$57.7 million (21.4 percent).

Figure 2.3 provides a five-year overview of capital funding for higher education institutions and state departments.



Figure 2.3
Five-Year History of Capital Appropriations
for Higher Education Institutions and State Departments (in millions)
FY 2006-07 to FY 2010-11



Certificates of participation projects. Since 1979, the state has entered into a number of lease-purchase agreements to construct capital facilities by issuing COPs to finance the debt. COPs are a common form of lease-purchase financing that allows the state to enter into lease-purchase agreements to build capital facilities. A "certificate" refers to an investor's proportionate interest in the state's lease payments. COPs give the state the flexibility to build capital facilities even when funds are not available to pay for the projects on a pay-as-you-go basis.

The state is currently making payments on three COP projects,¹ including:

- ✓ the construction of seven academic facilities at the University of Colorado Denver's Anschutz Medical Campus (formerly known as Fitzsimons). The average annual COP payment totals about \$13.1 million, with a cash-funded component of up to \$8 million.

The COPs for this project were refinanced during the 2010 session, and the state-funded portion (\$5.1 million) of the scheduled FY 2009-10 payment was eliminated. The cash-funded component of the FY 2009-10 payment was

¹The totals in this chapter reflect only the state-funded portion of COP payments.



slightly increased (\$0.9 million). The scheduled FY 2010-11 payment, which represents the sixth of 26 annual payments, was also reduced. The average annual COP payment over the total repayment period is unaffected, although there will be a slight increase (about \$1.5 million per year for 12 years) in annual payments after FY 2011-12 as a result of the refinancing.

- ✓ the construction of 12 academic facilities at various higher education institutions. The average annual COP payment totals about \$16.5 million to be paid from the Higher Education Federal Mineral Lease Revenues Fund. The fund was established by the legislature after restructuring the allocation of revenue from federal mineral lease payments in order to create a dedicated funding stream for capital projects at higher education institutions.

The COPs for this project were refinanced during the 2010 session, and the scheduled payments for FY 2009-10, FY 2010-11, and FY 2011-12 were lowered. The FY 2010-11 payment represents the third of 20 annual payments. After FY 2011-12, the payments for this project will increase between \$0.5 and \$3.7 million a year for a period of 15 years, although the average annual payment over the total repayment period is unaffected by the refinancing.

- ✓ the construction of the Colorado State Penitentiary II, High Custody Expansion Facility. The average annual COP payment totals about \$13.9 million. The payment can be made from a combination of state funds and moneys in the Corrections Expansion Reserve Fund. The first three years of payments were made from capitalized interest fund proceeds.

The COPs for this project were refinanced during the 2010 session, resulting in the elimination of the scheduled payment for FY 2009-10 and a reduction in the FY 2010-11 payment. The FY 2010-11 payment represents the second of 12 annual payments from state funds. After FY 2011-12, the payments for this project will increase about \$4.2 million over the average annual payment for about seven years, and then decrease about \$4.1 million per year for the last three years of the repayment schedule. The average annual COP payment over the total repayment period is unaffected by the refinancing.

In addition, the state made payments on one other project during the five-year period:

- ✓ the lease purchase of the 1881 Pierce Street Building for the Department of Revenue (FY 2006-07 represented the last payment).

Combined capital construction and controlled maintenance funding history. The following pages contain two tables summarizing capital funding for the past five years. **Figure 2.4** ranks the capital construction and controlled maintenance appropriations for the last five fiscal years by the amount of the appropriation. **Figure 2.5** provides a five-year funding history for the state-funded portion of capital construction and controlled maintenance appropriations for each state department and higher education institution by fiscal year. Figure 2.5 also shows the distribution of project appropriations for state departments versus higher education. The funding amounts in these tables only reflect funding from state sources, including the Capital Construction Fund (CCF), the Corrections Expansion Reserve Fund (CERF), and the Controlled Maintenance Trust Fund (CMTF).



Figure 2.4
Five-Year History of State-Funded Capital Appropriations by Appropriation Amount
FY 2006-07 to FY 2010-11

Overall Rank	Department/Institution	Five-Year Capital Construction and Controlled Maintenance Appropriation	Percent of Total	Capital Construction Appropriation	Capital Construction Rank	Controlled Maintenance Appropriation	Controlled Maintenance Rank
1	Corrections	\$89,965,822	15.53%	\$75,806,779	1	\$14,159,043	2
2	Human Services	66,404,291	11.46%	52,442,145	2	13,962,146	3
3	Colorado State University	56,523,137	9.76%	44,077,048	4	12,446,089	4
4	Transportation	44,500,000	7.68%	44,500,000	3	0	T37
5	Revenue	44,267,261	7.64%	43,049,181	5	1,218,080	24
6	Auraria Higher Education Center	36,081,397	6.23%	32,316,976	7	3,764,421	8
7	Mesa State College	34,890,542	6.02%	33,206,188	6	1,684,354	19
8	University of Colorado Boulder	28,601,568	4.94%	20,334,242	9	8,267,326	5
9	University of Colorado - Colorado Springs	25,219,315	4.35%	23,500,000	8	1,719,315	18
10	Personnel and Administration	19,928,750	3.44%	1,919,645	22	18,009,105	1
11	Fort Lewis College	18,693,107	3.23%	17,199,453	10	1,493,654	21
12	Military and Veterans Affairs	16,822,720	2.90%	11,634,622	11	5,188,098	6
13	Adams State College	12,503,009	2.16%	10,194,683	12	2,308,326	14
14	Colorado State University - Pueblo	10,654,850	1.84%	9,673,616	13	981,234	27
15	Public Safety	10,369,097	1.79%	9,562,671	14	806,426	29
16	Office of Information Technology	7,945,000	1.37%	7,945,000	15	0	T37
17	Colorado School of Mines	7,451,588	1.29%	4,967,114	16	2,484,474	11
18	Western State College	6,934,224	1.20%	4,334,103	17	2,600,121	9
19	University of Northern Colorado	4,023,172	0.69%	0	T29	4,023,172	7

**Figure 2.4 (Cont.)
Five-Year History of State-Funded Capital Construction and Controlled Maintenance Appropriations by Appropriation Amount
FY 2006-07 to FY 2010-11**

Overall Rank	Department/Institution	Five-Year Capital Construction and Controlled Maintenance Appropriation	Percent of Total	Capital Construction Appropriation	Capital Construction Rank	Controlled Maintenance Appropriation	Controlled Maintenance Rank
20	University of Colorado Denver	\$3,914,442	0.68%	\$1,996,149	20	\$1,918,293	16
21	Front Range Community College	3,621,619	0.63%	1,305,712	24	2,315,907	13
22	Public Health and Environment	3,561,389	0.61%	3,000,000	18	561,389	31
23	Lamar Community College	2,884,548	0.50%	2,428,165	19	456,383	33
24	Education	2,533,030	0.44%	0	T29	2,533,030	10
25	Arapahoe Community College	2,463,407	0.43%	0	T29	2,463,407	12
26	Colorado Historical Society	2,242,642	0.39%	452,654	27	1,789,988	17
27	Agriculture	1,990,883	0.34%	0	T29	1,990,883	15
28	Cumbres & Toltec Scenic Railroad	1,950,000	0.34%	1,950,000	21	0	T37
29	Northeastern Community College	1,739,925	0.30%	919,565	25	820,360	28
30	Morgan Community College	1,662,435	0.29%	1,446,255	23	216,180	36
31	Trinidad State Junior College	1,628,212	0.28%	0	T29	1,628,212	20
32	Pikes Peak Community College	1,406,409	0.24%	0	T29	1,406,409	22
33	Northwestern Junior College	1,403,344	0.24%	0	T29	1,403,344	23
34	Pueblo Community College	1,166,555	0.20%	0	T29	1,166,555	25
35	Colorado Community College System	1,116,850	0.19%	0	T29	1,116,850	26
36	Judicial	777,579	0.13%	268,500	28	509,079	32
37	Otero Junior College	744,832	0.13%	483,662	26	261,170	35
38	Red Rocks Community College	702,948	0.12%	0	T29	702,948	30
	GRAND TOTAL	\$579,289,899	100.00%	\$460,914,128		\$118,375,771	

T = tied

* Certificates of participation payments were made from state funds for three projects and are included in the capital construction appropriation totals for the Department of Corrections, the Department of Personnel and Administration, and the University of Colorado Denver.

Figure 2.5
Five-Year History of State-Funded Capital Appropriations by Agency
FY 2006-07 through FY 2010-11

Department of Institution Name	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total	Percent of Total
Higher Education							
Adams State College	\$5,673,090	\$6,261,311	\$568,608	\$0	\$0	\$12,503,009	2.2%
Auraria Higher Education Center	2,429,100	31,623,844	949,467	1,078,986	0	\$36,081,397	6.2%
Colorado Historical Society	305,580	986,630	472,976	477,456	0	\$2,242,642	0.4%
Colorado School of Mines	3,397,375	2,431,032	1,023,887	599,294	0	\$7,451,588	1.3%
Cumbres & Toltec Scenic Railroad	1,350,000	600,000	0	0	0	\$1,950,000	0.3%
Colorado State University System							
Colorado State University	9,132,149	25,305,124	19,580,563	2,505,301	0	\$56,523,137	9.8%
Colorado State University – Pueblo	8,974,234	1,680,616	0	0	0	\$10,654,850	1.8%
Colorado State University System Subtotal	\$18,106,383	\$26,985,740	\$19,580,563	\$2,505,301	\$0	\$67,177,987	11.6%
Community College System							
Arapahoe Community College	579,726	939,983	42,682	901,016	0	\$2,463,407	0.4%
Colorado Community College System	0	1,116,850	0	0	0	\$1,116,850	0.2%
Front Range Community College	738,403	2,467,746	415,470	0	0	\$3,621,619	0.6%
Lamar Community College	178,380	2,262,312	443,856	0	0	\$2,884,548	0.5%
Morgan Community College	0	1,662,435	0	0	0	\$1,662,435	0.3%
Northeastern Junior College	1,299,565	440,360	0	0	0	\$1,739,925	0.3%
Northwestern Community College	705,600	15,744	682,000	0	0	\$1,403,344	0.2%
Otero Junior College	483,662	261,170	0	0	0	\$744,832	0.1%
Pikes Peak Community College	0	24,435	184,133	1,197,841	0	\$1,406,409	0.2%
Pueblo Community College	0	500,628	0	665,927	0	\$1,166,555	0.2%
Red Rocks Community College	43,732	150,000	130,450	378,766	0	\$702,948	0.1%
Trinidad State Junior College	0	898,212	0	730,000	0	\$1,628,212	0.3%
Community College System Subtotal	\$4,029,068	\$10,739,875	\$1,898,591	\$3,873,550	\$0	\$20,541,084	3.5%
Fort Lewis College	646,660	1,597,344	16,449,103	0	0	\$18,693,107	3.2%
Mesa State College	7,000,000	8,484,523	19,050,687	355,332	0	\$34,890,542	6.0%

**Figure 2.5 (Cont.)
Five-Year History of State-Funded Capital Appropriations
FY 2006-07 through FY 2010-11**

Department of Institution Name	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total	0.0%
Higher Education (Cont.)							
University of Colorado System							
University of Colorado at Boulder	\$4,325,537	\$13,231,917	\$8,576,487	\$2,467,627	\$0	\$28,601,568	4.9%
University of Colorado at Colorado Springs	5,792,018	12,376,859	7,050,438	0	0	\$25,219,315	4.4%
University of Colorado Denver	624,065	483,968	810,260	0	1,996,149	\$3,914,442	0.7%
University of Colorado System Subtotal	\$10,741,620	\$26,092,744	\$16,437,185	\$2,467,627	\$1,996,149	\$57,735,325	10.0%
University of Northern Colorado	1,409,100	1,093,800	0	1,520,272	0	\$4,023,172	0.7%
Western State College	1,213,280	5,005,104	291,157	359,683	65,000	\$6,934,224	1.2%
Higher Education Subtotals	\$56,301,256	\$121,901,947	\$76,722,224	\$13,237,501	\$2,061,149	\$270,224,077	46.6%
State Departments							
Agriculture	0	1,029,367	251,836	709,680	0	\$1,990,883	0.3%
Corrections	16,690,963	55,523,602	3,664,965	5,419,032	8,667,260	\$89,965,822	15.5%
Education	1,004,705	1,096,825	431,500	0	0	\$2,533,030	0.4%
Human Services	20,932,220	35,470,614	6,935,552	3,065,905	0	\$66,404,291	11.5%
Judicial	777,579	0	0	0	0	\$777,579	0.1%
Military and Veterans Affairs	1,484,598	1,629,500	1,536,720	12,171,902	0	\$16,822,720	2.9%
Office of Information Technology	0	0	7,945,000	0	0	\$7,945,000	1.4%
Personnel and Administration	6,658,204	4,295,568	3,433,107	3,530,250	2,011,621	\$19,928,750	3.4%
Public Health and Environment	3,377,300	0	0	184,089	0	\$3,561,389	0.6%
Public Safety	2,339,542	8,029,555	0	0	0	\$10,369,097	1.8%
Revenue	8,651,068	10,176,941	7,817,037	7,444,907	10,177,308	\$44,267,261	7.6%
Transportation	15,000,000	20,000,000	9,000,000	0	500,000	\$44,500,000	7.7%
State Department Subtotal	\$76,916,179	\$137,251,972	\$41,015,717	\$32,525,765	\$21,356,189	\$309,065,822	53.4%
GRAND TOTAL	\$133,217,435	\$259,153,919	\$117,737,941	\$45,763,266	\$23,417,338	\$579,289,899	100.0%

Gross Square Footage of State Facilities

As of January 2010, the total gross square footage (GSF) of state-occupied facilities was 64.0 million GSF, according to the Office of the State Architect. The estimated replacement value is \$12.7 billion. Of this amount, 41.6 million GSF reflects the square footage of state-owned buildings funded and maintained by the General Fund (state funds). The estimated replacement value of this 41.6 million GSF is \$8.5 billion.

The total GSF of state-occupied facilities grew 0.8 million GSF, or 1.3 percent, between calendar year 2008 and calendar year 2009, which increased the total estimated replacement value by \$1.2 billion, or 9.2 percent.

Together, the Department of Corrections, the University of Colorado System, and the Colorado State University System account for about 51.9 percent of the GSF of all state-owned facilities. By comparison, these three agencies received 37.1 percent of all capital appropriations for FY 2010-11. The holdings of the Department of Corrections, the Department of Transportation, the University of Colorado System, and the Colorado State University System comprise \$7.2 billion, or 55.9 percent, of the current replacement value for all state-owned buildings. The highest ratio of current replacement value per GSF of all state-owned buildings is \$888.71 per GSF for the State Capitol Building.

Figure 2.6 shows the total GSF of each department, including the GSF of General Fund buildings, and the current replacement value (CRV). The Capitol Complex is used by the legislative branch and several state departments.

Figure 2.6
Gross Square Footage (GSF) by State Agency (as of January 2010)

Department	Total GSF - All Buildings	% of Total	CRV (\$ in Millions)	GSF - General Fund Buildings	% of Total	CRV (\$ in Millions)
State Departments						
Agriculture	828,823	1.30%	\$81.7	828,823	1.99%	\$81.7
Capitol Complex	1,683,188	2.63%	\$557.1	1,491,538	3.59%	\$546.6
Colorado Historical Society	167,825	0.26%	\$17.1	167,825	0.40%	\$17.1
Corrections	6,873,066	10.74%	\$1,087.0	6,598,152	15.86%	\$1,073.9
Cumbres & Toltec Scenic Railroad	53,188	0.08%	\$7.6	53,188	0.13%	\$7.6
Education	317,884	0.50%	\$52.6	317,884	0.76%	\$52.6
Human Services	3,747,527	5.86%	\$713.7	3,276,158	7.87%	\$580.1
Judicial	222,922	0.35%	\$47.0	222,922	0.54%	\$47.0
Labor and Employment	144,386	0.23%	\$32.2	0	0.00%	\$0.0
Military and Veterans Affairs	719,731	1.13%	\$99.6	537,825	1.29%	\$67.6



Figure 2.6 (Cont.)
Gross Square Footage (GSF) by State Department (as of January 2010)

Department	Total GSF - All Buildings	% of Total	CRV (\$ in Millions)	GSF - General Fund Buildings	% of Total	CRV (\$ in Millions)
State Departments (Cont.)						
Natural Resources	2,342,360	3.66%	\$338.4	0	0.00%	\$0.0
Office of Information Technology	23,118	0.04%	\$2.9	23,118	0.06%	\$2.9
Public Health and Environment	88,012	0.14%	\$27.7	88,012	0.21%	\$27.7
Public Safety	239,852	0.38%	\$23.3	239,852	0.58%	\$23.3
Revenue	132,507	0.21%	\$29.6	119,502	0.29%	\$21.2
Transportation	2,575,421	4.03%	\$1,283.8	0	0.00%	\$0.0
State Department Totals	20,159,810	31.52%	\$4,401.3	13,964,799	33.57%	\$2,549.3
Higher Education						
Adams State College	1,040,014	1.63%	\$201.4	572,758	1.38%	\$121.3
Auraria Higher Education Center	2,965,290	4.64%	\$487.3	1,555,013	3.74%	\$336.2
Colorado School of Mines	2,101,036	3.28%	\$542.8	1,312,246	3.15%	\$383.6
Colorado State University System						
CSU	8,306,314	12.99%	\$1,155.3	5,426,715	13.04%	\$1,135.8
CSU-Pueblo	1,062,698	1.66%	\$152.5	641,333	1.54%	\$96.1
Colorado State University Total	9,369,012	14.65%	\$1,307.8	6,068,048	14.59%	\$1,231.9
Community Colleges						
Arapahoe	421,067	0.66%	\$73.9	421,067	1.01%	\$73.9
Aurora	26,507	0.04%	\$4.3	26,507	0.06%	\$4.3
Front Range	613,547	0.96%	\$99.2	544,327	1.31%	\$87.9
Lamar	273,205	0.43%	\$36.7	222,205	0.53%	\$27.2
Lowry	925,474	1.45%	\$85.0	925,474	2.22%	\$85.0
Morgan	93,936	0.15%	\$19.2	90,795	0.22%	\$18.5
Northeastern	486,795	0.76%	\$70.8	337,031	0.81%	\$47.9
Northwestern	274,160	0.43%	\$38.3	189,843	0.46%	\$26.7
Otero	288,072	0.45%	\$49.9	202,041	0.49%	\$36.9
Pikes Peak	513,801	0.80%	\$77.5	459,885	1.11%	\$69.5
Pueblo	502,086	0.78%	\$68.2	443,456	1.07%	\$60.1



**Figure 2.6 (Cont.)
Gross Square Footage (GSF) by State Department (as of January 2010)**

Department	Total GSF - All Buildings	% of Total	CRV (\$ in Millions)	GSF - General Fund Buildings	% of Total	CRV (\$ in Millions)
Higher Education (Cont.)						
Community Colleges (Cont.)						
Red Rocks	387,572	0.61%	\$54.2	387,572	0.93%	\$54.2
Trinidad	375,462	0.59%	\$75.8	286,854	0.69%	\$58.3
Community Colleges Total	5,181,684	8.10%	\$753.0	4,537,057	10.91%	\$650.4
Fort Lewis College	1,127,346	1.76%	\$311.5	555,701	1.34%	\$168.3
Mesa State College	1,127,042	1.76%	\$200.3	618,939	1.49%	\$115.5
University of Colorado System						
CU-Boulder	10,266,147	16.05%	\$1,947.7	4,753,159	11.42%	\$1,012.8
CU-Colorado Springs	1,619,369	2.53%	\$271.0	894,151	2.15%	\$182.7
CU-Denver	5,059,486	7.91%	\$1,356.7	4,766,008	11.46%	\$1,223.7
University of Colorado Total	16,945,002	26.49%	\$3,575.4	10,413,318	25.03%	\$2,419.2
University of Northern Colorado	2,935,496	4.59%	\$659.1	1,488,697	3.58%	\$366.3
Western State College	1,014,820	1.59%	\$231.2	517,776	1.24%	\$116.1
Higher Education Totals	43,806,742	68.48%	\$8,269.8	27,639,553	66.43%	\$5,908.8
Grand Total						
	63,966,552	100.00%	\$12,671.1	41,604,352	100.00%	\$8,458.1

Source: Office of the State Architect Annual Report, January 2010. Differences from Office of the State Architect Annual Report are due to rounding.



III. Five-Year History of Revenue for State-Funded Capital Construction Projects

This chapter provides a five-year history of revenue for state-funded capital construction projects, including revenue to the Capital Construction Fund (CCF) and the Controlled Maintenance Trust Fund (CMTF) — the funds established by the legislature to make money available for state-funded capital construction and controlled maintenance projects. Money in the CCF and the CMTF can only be spent on projects that receive legislative appropriations, which are made in specific amounts annually or when money is available.

Revenue to the CCF and CMTF for capital projects totaled \$577.5 million over the last five fiscal years — FY 2006-07 through FY 2010-11. **Figure 3.1** provides a five-year total of state revenue in the CCF and the CMTF that was made available for funding capital construction and controlled maintenance projects.

Figure 3.1
Revenue to the Capital Construction Fund and
Controlled Maintenance Trust Fund (in millions)
FY 2006-07 to FY 2010-11

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Total
Capital Construction Fund*	\$182,425,338	\$260,215,887	\$133,210,717	(\$17,960,437)	\$19,621,902	\$577,513,407
Controlled Maintenance Trust Fund	3,200,000	340,000	0	0	0	\$3,540,000
Total	\$185,625,338	\$260,555,887	\$133,210,717	(\$17,960,437)	\$19,621,902	\$561,431,505

*Negative amounts indicate moneys transferred to the General Fund.

Revenue Made Available for Capital Projects

Revenue made available for capital projects from all state sources totaled \$684.2 million for the last five fiscal years. Of this amount, \$47.4 million, or 6.9 percent, was made available for FY 2010-11 projects. Funding for FY 2010-11 projects was largely made available from General Fund transfers. Over the past five years, the CCF has been the primary source of revenue for capital construction and controlled maintenance projects.

The CCF receives money from several sources. **Figure 3.2** on the following page identifies six sources of revenue for capital projects and the amounts attributable to each source. A description of each source follows the figure.



Figure 3.2
Revenue Made Available for Capital Projects (in millions)
FY 2006-07 to FY 2010-11

Revenue Source		FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Five-Year Total
General Fund							
1a	Transfers for prison construction or expansion projects, or to fund a portion of prioritized projects identified during annual budget deliberations	\$145.9	\$93.7	\$24.9	(\$30.0)	\$15.8	\$250.3
1b	Appropriations to fund a portion of prioritized projects identified during annual budget deliberations	0.0	6.6	0.0	0.0	0.0	\$6.6
1c	One-third of the prior year's excess reserve, transferred pursuant to HB 02-1310	31.0	145.6	83.1	14.5	N/A	\$274.2
Subtotal		\$176.9	\$245.9	\$108.0	(\$15.5)	\$15.8	\$531.1
Capital Construction Fund (CCF)							
2a	Interest earnings, reversions, and other deposits made by the legislature	\$5.5	\$14.3	\$25.2	\$8.8	\$7.6	\$61.4
2b	Moneys made available for capital projects from cuts to appropriations in prior years	(2.9)	(16.2)	(66.1)	85.4	0.0	\$0.2
Subtotal		\$2.6	(\$1.9)	(\$40.9)	\$94.2	\$7.6	\$61.6
Higher Education Federal Mineral Lease Revenues Fund							
3	Moneys used for certificates of participation annual lease payment for 12 projects at various higher education campuses	N/A	N/A	N/A	\$15.8	\$8.9	\$24.7
State Land Board Funds							
4	Funds available for controlled maintenance in state-owned buildings from revenues earned on land for public buildings pursuant to Section 8 of the Enabling Act of Colorado	\$0.0	\$0.0	\$0.0	\$0.0	\$7.4	\$7.4
Tobacco Master Settlement							
5	Moneys used for cash-funded portion of certificates of participation annual lease payment for seven projects at the University of Colorado Denver, Anschutz Medical Campus	\$13.1	\$13.1	\$13.1	\$8.9	\$7.7	\$55.9
Controlled Maintenance Trust Fund (CMTF)							
6	Interest earnings on the principal balance, which cannot be expended on projects	\$3.2	\$0.3	\$0.0	\$0.0	\$0.0	\$3.5
Total		\$195.8	\$257.4	\$80.2	\$103.4	\$47.4	\$684.2



General Fund transfers. From 1988 to 2001, state statutes provided for an annual transfer of General Fund moneys to the CCF. This ongoing transfer helped the CDC establish its base budget recommendation for capital construction and controlled maintenance projects. In the event of a state revenue shortfall, the statutory transfer amount was reduced such that money was actually transferred out of the CCF and back into the General Fund to help balance the state's budget.

The General Assembly, during annual budget deliberations, may also transfer additional General Fund moneys to the CCF. The additional transfer makes it possible to fund more capital or highway projects.

For FY 2010-11, the CCF received \$15.8 million in General Fund transfers for the following:

- \$0.5 million for transportation projects;
- \$6.7 million for prison construction or expansion projects; and
- \$8.6 million for FY 2010-11 prioritized capital construction projects.

Legislation passed during the 2010 session also transferred \$13.3 million from the CCF to the General Fund for FY 2009-10 in order to offset the budget shortfall resulting from the economic downturn that began in 2008. These moneys were made available after refinancing the certificates of participation annual lease payments for two projects, including a reversion of \$8.2 million in state funds for the Colorado State Penitentiary II, High-Custody Expansion project, and a reversion of \$5.1 million in state funds for the Various Projects at the Anschutz Medical Campus (formerly Fitzsimons) project.

General Fund appropriation. The General Assembly may pass legislation to designate General Fund moneys for appropriation to the CCF. Over the last five fiscal years, General Fund appropriations have totaled \$6.6 million, with FY 2007-08 accounting for the entire amount.

House Bill 02-1310 excess reserve credit. From 2004 to 2009, one-third of General Fund excess reserves were transferred annually to the CCF. The other two-thirds were credited to the Highway Users Tax Fund. Moneys transferred in a given fiscal year were excess funds from the prior fiscal year, and were generally used to fund projects in the subsequent fiscal year. A total of \$350.3 million was made available from this source for capital projects during the six fiscal years a transfer was made to the CCF.

Legislation passed during the 2009 session repealed the automatic House Bill 02-1310 transfer beginning in FY 2008-09; therefore, FY 2009-10 marked the last year that money was made available for capital projects from this revenue source.

Interest earnings, reversions, and deposits. Interest accruing to the CCF, through the investment of money in the fund, is retained in the fund. Interest earnings in a given fiscal year are generally used to fund capital projects in the subsequent fiscal year. In addition, project balances that are unexpended after three years are retained in the fund as reversions. Also, the General Assembly may pass a law to deposit moneys into the fund, although no deposits have been made in the past five years. Usually, such deposits are from the proceeds of a real estate transaction.

CCF interest used for capital projects in FY 2010-11 totaled \$2.5 million. A fund balance of \$5.1 million was also made available for FY 2010-11 projects.



Higher Education Federal Mineral Lease Revenues Fund. During the 2008 legislative session, the General Assembly passed Senate Bill 08-218 in order to provide a new source of revenue for higher education capital projects. The bill changed the allocation of federal mineral lease (FML) revenues, and created two funds to provide money for higher education capital construction and controlled maintenance projects, including the Higher Education FML Revenues Fund (revenues fund) and the Higher Education FML Maintenance and Reserve Fund.

There are three forms of FML revenue, of which the state receives a 50 percent share. Mineral and gas companies pay a one-time "bonus" to lease federal land for mineral development. The lessees pay regular rent for the right to develop mineral production on federal land. And, if minerals are extracted and sold, the lessees pay the federal government a royalty from the production. Under current law, FML revenues received by the state from bonus payments, rents, and royalties are commingled and distributed according to a complex formula to the State Public School Fund, the Colorado Water Conservation Board, and the Local Government Mineral Impact Fund.

Moneys to the revenues fund accrue from FML rent and royalty earnings that exceed their primary allocations, up to \$50 million annually. The principal and interest earnings of the revenues fund may be used to pay for higher education capital construction projects for academic purposes, or for financing of such projects. Moneys from this fund are currently used to make certificates of participation (COP) annual lease payments for COPs issued in November 2008 to pay for 12 projects at various higher education institutions. For FY 2010-11, the revenues fund was used to make the full COP annual lease payment of \$8.9 million.

At the time the General Assembly passed Senate Bill 08-218, it was anticipated that the upcoming auction of approximately 35,000 acres for mineral leasing and production on the Roan Plateau in western Colorado would result in sizeable bonus payments and an increase in future FML rent and royalty earnings. The state was projected to receive about \$140 million in FY 2008-09 from bonus payments from the auction of the Roan Plateau. In fact, the auction of lands on the Roan Plateau generated bonus payments of only \$114 million, of which the state received \$56 million. Additionally, due to the weak demand for energy and the falling energy prices resulting from the economic recession, the amount of FML revenue that the state has received in recent years from rent and royalty earnings is less than projected. Therefore, it is not anticipated that the revenues fund will support the total amount of the scheduled COP payments in the next few fiscal years, so some or all of the future payments will likely be made from the General Fund.

During the 2010 session, the General Assembly authorized a FY 2009-10 transfer of the available revenues fund balance of \$0.8 million to the General Fund in order to offset the budget shortfall.

State Land Board funds. The State Land Board manages eight public trusts that earn revenue from the lease of state trust lands. State trust lands were given to the state by the federal government when statehood was granted in 1876 for specific purposes such as the support of public schools. These lands are often leased for purposes such as ranching, farming, mineral extraction, and oil and gas production. The Public Building Trust Fund is one of the eight trusts managed by the State Land Board. Pursuant to the enabling act of the Colorado Constitution, the available balance of this fund may be used for the purpose of erecting and maintaining public buildings. In FY 2010-11, \$7.4 million was made available for controlled maintenance projects from this fund. Revenue to the fund accrues slowly, so it is not anticipated that additional moneys will be available from this revenue source in the near future.



Tobacco master settlement money. Under current law, a portion of the money the state receives annually from the tobacco master settlement agreement must be used to pay for the costs of constructing seven new academic facilities at the University of Colorado Denver, Anschutz Medical Campus (formerly called Fitzsimons). The facilities were financed through certificates of participation (COPs). The amount paid from tobacco settlement funds is the lesser of: (1) the amount owed to the lessor; or (2) 8 percent of the state's tobacco master settlement agreement received for the preceding fiscal year, not to exceed \$8 million per year (attorney fees and costs must be deducted from the 8 percent).

The COPs for the project were refinanced during the 2010 session. As discussed previously, the state-funded portion of the FY 2009-10 payment was rescinded, and those moneys were transferred to the General Fund to help balance the state's budget. The cash-funded portion of the payment was recalculated during the refinance process, and based on the availability of funds, it was increased by \$0.8 million to \$8.8 million.

For FY 2010-11, the amount of the COP payment paid from tobacco settlement funds was \$7.7 million.

Controlled Maintenance Trust Fund Revenue

The General Assembly created the Controlled Maintenance Trust Fund (CMTF) in 1993 with the intent of establishing a stable and consistent source of revenue for controlled maintenance projects. Prior to the creation of the CMTF, controlled maintenance projects were funded solely from the CCF. The sections below describe how money accrues to and is appropriated from the fund.

General Fund transfers to/from the CMTF. The CMTF principal is comprised of General Fund moneys. Each year, the legislature can transfer 50 percent of General Fund revenues for the prior fiscal year, in excess of expenditures and required reserves, up to \$50 million. In addition, the legislature can appropriate any amount of money to the CMTF. Although the CMTF principal balance cannot be appropriated for controlled maintenance projects, the principal earns interest to fund controlled maintenance projects.

A total of \$477.5 million has been transferred to and from the CMTF since 1993, as listed below:

- \$248.1 million transferred into the CMTF as principal in FY 1993-94 through FY 1995-96;
- \$4.1 million transferred to the General Fund in FY 2000-01 for flood relief;
- \$243.9 million transferred to the General Fund in FY 2001-02 to help address the state's revenue shortfall;¹
- \$40 million transferred to the CMTF as cash flow reserves in FY 2003-04 was transferred back to the General Fund that same year;
- \$185.7 million transferred to the CMTF at the end of FY 2004-05 to earn interest for the fund and transferred back to the General Fund in FY 2005-06;
- a net total of \$1.3 million transferred to the CMTF in FY 2007-08 and FY 2008-09 as reserve money in the event of a future budget shortfall; and
- \$0.8 million transferred to the General Fund in FY 2009-10 to help address the state's revenue shortfall.

¹The legislature's intent was to transfer the borrowed balance of \$243.9 million plus interest of \$32.5 million (for a total of \$276.4 million) back to the CCF on July 1, 2002. The transfer did not take place, however, because the state continued to experience a revenue shortfall. Several bills approved in 2002 and 2003 directed repayment of the \$276.4 million, but legislation in 2004 struck the requirement that the CMTF be repaid.



The current principal balance of the CMTF is \$0.5 million.

Interest earned, appropriated, and transferred. Interest earned on the CMTF has been available for appropriation for controlled maintenance projects since FY 1996-97. The General Assembly can appropriate up to 50 percent of the amount of interest expected to be earned in the current fiscal year, plus the amount of actual interest earned in the prior fiscal year and not already appropriated.

Since 1997, a total of \$105.0 million in interest earnings has been appropriated from the CMTF. Of this amount, \$93.6 million has funded controlled maintenance projects and \$11.5 million was transferred to the General Fund to help address the state's operating shortfall. The fund earned \$5,359 in interest in FY 2009-10

Figure 3.3 below provides a five-year history of revenue to the CMTF and appropriations from the fund.

Figure 3.3
Controlled Maintenance Trust Fund Revenue and Appropriations History
FY 2006-07 to FY 2010-11

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Five-Year Total
Principal						
Beginning Balance	\$29,000	\$29,000	\$1,589,516	\$1,286,837	\$483,227	N/A
General Fund Transfer	0	1,560,516	(302,679)	(803,610)	0	\$454,227
Ending Balance	\$29,000	\$1,589,516	\$1,286,837	\$483,227	\$483,227	N/A
Interest						
Interest Earned*	\$16,965	\$8,326	\$46,821	\$5,359	\$3,723	\$81,194
Interest Transferred from the CMTF to General Fund	0	0	0	0	0	\$0
Interest Appropriated for Controlled Maintenance Projects	\$3,200,000	\$340,000	0	0	0	\$3,540,000
Total Appropriated for Controlled Maintenance						
	\$35,129,807	\$50,702,815	\$26,087,798	\$24,235,321	\$10,129,588	\$146,285,329
Amount Appropriated from the CCF	31,929,807	50,362,815	26,087,798	24,235,321	2,695,589	\$135,311,330
Amount Appropriated from the CMTF	3,200,000	340,000	0	0	0	\$3,540,000
Amount Appropriated from cash sources**	0	0	0	0	7,433,999	\$7,433,999
% Appropriated from the CMTF	9.1%	0.7%	0.0%	0.0%	0.0%	2.4%

*The interest for FY 2009-10 is an estimate. Half of any interest moneys earned in FY 2009-10 can be appropriated for FY 2010-11 projects.

**The source of cash funds is State Land Board funds.



IV. Four-Year Outlook — State-Funded Capital Need Versus Funding Projected to Be Available

This chapter provides a four-year summary of capital construction and controlled maintenance needs, and compares this need to revenue projected to be available over the same period. State law requires the CDC to forecast the state's future needs for capital construction and controlled maintenance, although the term "need" is not defined in state law. However, state departments and institutions annually submit plans to the CDC that list their capital construction needs for the next four years. Based on these requests, **Figure 4.2** on Page 37 shows a \$2.5 billion revenue shortfall to meet capital needs that are estimated at \$2.7 billion over the next four years.

State-Funded Capital Need

The estimated four-year capital need is \$2.7 billion. Of this amount, controlled maintenance needs total \$334.6 million, or 12.4 percent of the estimated four-year need, while capital construction needs (including certificates of participation payments) total \$2.4 billion, or 87.6 percent of the estimated need.

Each September, state departments and institutions submit plans to the CDC listing their capital construction plans and needs for the next four years. The plans submitted by agencies not only include improvements to existing facilities, but also include the expansion, addition, and construction of new facilities to meet growing or changing program and service needs. Based on the plans submitted in September 2010 (the most recent data available), the state's capital needs are estimated to be \$2.7 billion. As shown in Figure 4.2, the projected capital need in the final year of the forecast period is more than twice that in each of the first two years of the forecast period. This may, in part, be because agencies are delaying some capital requests because of the economic recession that began in 2008 and the resulting shortfall of available revenue for capital projects.

Controlled maintenance. Industry standards recommend annual expenditures of 2 percent to 4 percent of a building's current replacement value (CRV) to maintain and renew its infrastructure and systems. As of January 2010, the state's existing General Fund building inventory was valued at \$8.48 billion. Based on industry standards, the State Architect recommends a minimum of 1 percent of the CRV, or \$84.8 million annually, to maintain the state's facilities, and an additional 1 to 3 percent, or \$84.8 million to \$254.4 million, to improve existing facilities.

Each January, the Office of the State Architect prepares a report detailing the state's current and future controlled maintenance needs. The January 2010 report estimated an average annual need of \$83.6 million over the next four years, or about 1.0 percent of the current replacement value of the state's General Fund building inventory.

Due to an economic downturn in 2001 and the resulting state budget shortfall, funding for controlled maintenance was diminished in 2002 through 2005. The economic recession that began in 2008 also severely limited the ability of the state to fund controlled maintenance in FY 2010-11. Only about half of the requested Level 1 controlled maintenance projects for FY 2010-11 were funded. The CDC funded some of the Level 1 requested projects in hopes of avoiding an overwhelming unfunded backlog of controlled maintenance need. Level 1 controlled maintenance largely includes projects that, if left unfunded, may affect life safety and/or lead to loss of use of the facility or function.



Capital construction. Capital construction need varies from year to year because programs and services are introduced, altered, or eliminated based on factors such as changes in enrollment at institutions or a rising number of inmates incarcerated in the state's prisons. Capital construction needs over the next four years are projected to average \$558.7 million annually, based on the requests submitted by state departments and higher education institutions in fall 2010.

Certificates of participation (COPs). The state is currently making payments on three COP projects, two of which were authorized by House Bill 03-1256. The most recent COP project was authorized by Senate Bill 08-233 and constructs 12 buildings on various higher education campuses. The bill identified the source of funds for this COP project as revenue from federal mineral leases (FML). Figure 4.2 shows that based on projections included in the December 2010 Legislative Council Staff economic forecast, there are not sufficient funds from this source to make the full scheduled payment in the first two years of the forecast period.

The exact annual payment for all three projects varies slightly from year to year, but on average the state owes \$29.9 million state funds each year for at least the next 10 years. **Figure 4.1** summarizes the outstanding payments for all COP projects.

**Figure 4.1
Outstanding Payments for State-Funded Certificates of Participation Projects**

Agency	Project	Construction Cost	Approx. Annual Payment	Payment Term	Number of Payments Remaining	Date Payment Term Expires	Total Cost (principal and interest)
University of Colorado Denver	Construction of seven academic facilities at the Anschutz Medical Campus	\$202.9 million	\$5.1 million state funds ¹	25 years	20	June 30, 2031	\$335.6 million
Department of Corrections	Construction of Colorado State Penitentiary II (CSP II), a 948-bed high-custody prison	\$102.8 million	\$13.9 million state funds ²	15 years	10	June 30, 2021	\$208.3 million
Higher Education Institutions	Various (12 projects)	\$230.8 million	\$16.3 million FML revenue	20 years	17	June 30, 2028	\$325.5 million
Total		\$536.5 million	\$35.3 million	NA	NA	NA	\$869.4 million

¹The Anschutz COP payment also includes an annual cash-funded payment of up to \$8 million, bringing the total payment to about \$13.1 million.

²HB 03-1256 authorized a construction cost of \$102.8 million for the CSP II project. However, litigation challenging the law's constitutionality delayed the project's start, increasing the project's cost by \$40.9 million due to inflation. The department requested and received an additional \$36.9 million in FY 2007-08, \$2 million in FY 2008-09, and \$2 million in FY 2009-10. These amounts are not shown in the construction costs or COP payment amounts, but are included as part of the total project cost.



Anticipated Revenue

Revenue to the CCF is expected to total \$203.9 million over the next four years. Figure 4.2 (see Page 37) provides the revenue sources for the CCF for FY 2011-12 through FY 2014-15.

Transfers for legislation impacting the Corrections Expansion Reserve Fund (CERF).

The General Assembly cannot pass a bill resulting in a net increase in periods of imprisonment in state correctional facilities unless sufficient funds are appropriated to cover any increased capital construction costs. The current construction cost per prison bed is estimated to be \$125,165. If a bill becomes law, funds are transferred from the General Fund to the CCF for the estimated number of prison beds. The money is immediately appropriated from the CCF to the CERF, and is available for use on prison construction, expansion, or renovation projects.

In the last two fiscal years, the available CERF balance has been used to partially offset the General Fund transfer to the CCF for the annual payment of the Colorado State Penitentiary II COP. Figure 4.2 shows that \$1.9 million is projected to be available for prison construction and renovation projects over the next four years, including \$0.2 million authorized by legislation passed during the 2010 session.

Transfers for COP payments. The state is currently making payments on three certificates of participation (COP) projects. The state receives revenue annually from the tobacco master settlement agreement, and a portion of this money is used to help make annual payments on the Anschutz COP project. The payment is divided into two portions, one paid with tobacco settlement funds and one paid with state funds. It is anticipated that revenue for the state-funded portion of the annual payments will come from the General Fund.

In addition, the state began making annual payments in FY 2009-10 for the Colorado State Penitentiary II and Various Higher Education Facilities COP projects. It is anticipated that revenue for the Colorado State Penitentiary II COP project payment will also come from the General Fund. The authorized source of funds for the Various Higher Education Facilities COP project payment is FML revenue; however, for FY 2008-09 and FY 2009-10, there were insufficient funds to make the payment, so the payment amount was transferred from the Capital Construction Fund. Projections included in the December 2010 Legislative Council Staff economic forecast indicate that there will not be sufficient funds to make the full FY 2011-12 COP payment from FML revenues. It is anticipated that the balance of the FY 2011-12 payment (\$4.1 million) and the full FY 2012-13 payment (\$18.6 million) will come from the General Fund.

Over the next four years, the state portion of payments for all COP totals \$119.7 million. Figure 4.2 includes money for annual payments on COP projects.

Statutory General Fund transfer pursuant to Senate Bill 09-228. Prior to FY 2009-10, state law limited the growth of General Fund appropriations to 6 percent from one fiscal year to the next. Senate Bill 09-228 repealed the 6 percent limit and set the growth limit equal to 5 percent of Colorado personal income. The bill also repealed the automatic House Bill 02-1310 transfer to the Capital Construction Fund and the Highway Users Tax Fund (HUTF). Pursuant to House Bill 02-1310, excess General Fund reserves were transferred two-thirds to highways and one-third to capital construction. The excess General Fund reserve was any money left over after appropriations had been increased by 6 percent, a 4 percent reserve had been fully funded, and the Senate Bill 97-1 diversion of 10.355 percent of sales and use tax revenue was made in full to the HUTF.



In lieu of the House Bill 02-1310 transfer for capital construction and transportation, the General Assembly set a five-year statutory transfer from the General Fund to the Capital Construction Fund and the Highway Users Tax Fund, pursuant to Senate Bill 09-228. The statutory transfer for capital construction begins in FY 2012-13, provided Colorado personal income increases by 5 percent or more. If personal income increases by less than 5 percent in 2012, the entire five-year block of transfers is postponed until the first fiscal year in which personal income increases by at least 5 percent during the calendar year in which the fiscal year originated. The scheduled transfer to the Capital Construction Fund is 0.5 percent of General Fund revenue in FY 2012-13 and FY 2013-14, and 1.0 percent of General Fund revenue in FY 2014-15 through FY 2016-17.

Projections included in the December 2010 Legislative Council Staff economic forecast indicate that personal income will only increase by 3.0 percent in FY 2012-13, and the statutory transfer will likely be postponed by at least one year.

Capital Construction Fund interest earnings. The CCF is estimated to earn about \$2.3 million in interest over the next four years.

Federal mineral lease (FML) revenue. There are three forms of federal mineral lease (FML) revenue, of which the state of Colorado receives 50 percent. Mineral and gas companies pay a one-time "bonus" to lease federal land for mineral development. The leasees pay regular rent for the right to develop mineral production on federal land. And, if minerals are extracted and sold, the leasees pay the federal government a royalty from the production. Figure 4.2 shows \$8.9 million in FML revenue for higher education capital projects over the next four years. Senate Bill 08-218 changed the allocation of FML revenues, and created two new funds that provide money for higher education capital construction and controlled maintenance projects.

Senate Bill 08-218 segregates FML bonus payment revenue, and distributes 50 percent to the newly created Higher Education Maintenance and Reserve Fund. The principal of the reserve fund cannot be transferred or appropriated, unless there is insufficient General Fund revenue for a 4 percent reserve, in which case the legislature can authorize the expenditure of the principal for higher education operating expenses. Interest earnings on the reserve fund may be used for higher education controlled maintenance projects. Over the next four years, \$0.7 million is estimated to be available for higher education controlled maintenance projects from this FML source, including the spillover from the Higher Education FML Revenues Fund, discussed below.

Senate Bill 08-218 also specifies that up to \$50 million FML rent and royalty revenue that exceeds its primary allocations be distributed to the newly created Higher Education FML Revenues Fund, and anything over \$50 million be distributed to the Higher Education Maintenance and Reserve Fund. The principal and interest earnings of the revenues fund may be used to pay for higher education capital construction projects for academic purposes, or financing for such projects. No money is expected to be available through FY 2012-13 for higher education capital construction projects from this FML source.



**Figure 4.2
Four-Year Estimate of Revenue Versus State-Funded Capital Need**

Revenue Source	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Total	% of Total
General Fund						
prison construction, expansion, or renovation projects (Corrections Expansion Reserve Fund)	\$1,301,716	\$572,005	\$0	\$0	\$1,873,721	0.9%
Anschutz certificates of participation payments (state-funded portion only)	5,144,350	6,646,801	6,647,938	6,648,901	\$25,087,990	12.3%
Colorado State Penitentiary II certificates of participation payments	18,434,900	18,430,510	18,431,100	18,430	\$55,314,940	27.1%
certificates of participation payments for higher education projects (state-funded portion only)	4,066,510	18,585,375	0	0	\$22,651,885	11.1%
five-year statutory transfer beginning in FY 2012-13, pursuant to Senate Bill 09-228 ¹	0	0	43,500,000	43,500,000	\$87,000,000	42.7%
Capital Construction Fund Interest Earnings ²	1,135,400	400,000	400,000	400,000	\$2,335,400	1.1%
Federal Mineral Lease (FML) Revenue for higher education projects ²						
Higher Education Maintenance and Reserve Fund interest earnings, for controlled maintenance	54,000	129,000	270,000	270,000	\$723,000	0.4%
Higher Education FML Revenues Fund, for capital construction and/or financing for such projects	8,379,790	100,000	200,000	200,000	\$8,879,790	4.4%
	\$38,516,666	\$44,863,691	\$69,449,038	\$51,037,331	\$203,866,726	100.0%
Capital Need ³						
Certificates of Participation	\$26,351,999	\$43,174,532	\$25,079,038	\$25,079,851	\$119,685,420	4.5%
Controlled Maintenance - All Agencies	62,315,876	98,136,685	94,022,060	80,122,240	\$334,596,861	12.4%
Capital Construction - Higher Education Institutions	330,903,480	347,680,026	420,819,961	339,149,527	\$1,438,552,994	53.5%
Capital Construction - State Departments	19,630,778	63,412,082	152,664,882	560,380,095	\$796,087,837	29.6%
Total Capital Need	\$439,202,133	\$552,403,325	\$692,585,941	\$1,004,731,713	\$2,688,923,112	100.0%
SHORTFALL	(\$400,685,467)	(\$507,539,634)	(\$623,136,903)	(\$953,694,382)	(\$2,485,056,386)	

¹Estimates based on final fiscal note and December 2010 Legislative Council Staff economic forecast. The transfer is triggered only if Colorado personal income increases by 5 percent or more over the prior year. The December forecast shows that personal income is only projected to increase by 3.0 percent in FY 2012-13.

²Estimates are based on the December 20, 2010 Legislative Council Staff economic forecast.

³Estimates were provided by agencies on September 1, 2010, through submittal of their Five-Year Capital Construction Plans, which included requests for FY 2011-12, and by the State Architects annual report, submitted in January 2010.

V. 2010 Capital Construction and Controlled Maintenance Appropriations

This chapter describes the capital construction and controlled maintenance appropriations approved during the 2010 legislative session.

Requests Submitted to the Capital Development Committee

The Capital Development Committee (CDC) spent the months of December, January, and February reviewing FY 2010-11 requests for funding and compiling a prioritized list of capital construction and controlled maintenance projects to recommend to the Joint Budget Committee (JBC). The 124 capital construction requests submitted to the CDC totaled \$1.0 billion from all sources. Of this amount, there were 92 projects totaling \$491.0 million in state funds, including 39 controlled maintenance requests (\$13.3 million). The requests also included 32 projects totaling \$539.3 million in non-state funds, including \$502.2 million from cash fund sources and \$37.1 million from federal fund sources.

Projects Recommended by the Capital Development Committee

The CDC recommended, in prioritized order, funding \$421.7 million for 75 capital projects for FY 2010-11. Of the recommendations, 43 were state-funded projects totaling \$57.8 million — 1 capital construction project, 3 certificates of participation (COP) payments, and 39 controlled maintenance projects. The CDC also recommended 32 cash-funded projects for both state departments and higher education institutions totaling \$363.9 million. Recognizing the limited money available to spend on capital projects in FY 2010-11, the CDC recommended only those projects it considered to be essential. The committee did not recommend 49 state-funded requests.

Pursuant to the recommendation made by the Governor's Office of State Planning and Budgeting, the Office of the State Architect formally requested funding for only Level I controlled maintenance projects. The CDC recommended funding Level I controlled maintenance projects through score 6 (\$10.1 million), and the remaining Level I controlled maintenance projects should additional moneys become available (\$10.9 million).

In 2009, certain changes to the review and approval process for cash-funded capital construction projects at institutions of higher education were instituted. Pursuant to Senate Bill 09-290, higher education institutions must now annually submit two-year projections for all capital construction projects to be constructed using cash funds, and costing more than \$2 million. The CDC is directed to review and approve the two-year projections annually. If necessary, the CDC may direct institutions of higher education to modify the projections. The CDC first considered two-year projections during its December 2009 hearings. The higher education projects listed in the FY 2010-11 Long Bill were considered during the 2009 interim before the institution of the new process. It is not anticipated that cash-funded higher education projects will be listed in the Long Bill or another appropriations bill from this point forward. Rather, higher education cash projects approved as part of a two-year projection of cash need and commenced during the fiscal year, will be reported to the Department of Higher Education. The Department of Higher Education will publish a report annually showing the expenditures in the preceding fiscal year for all institution of higher education cash-funded capital construction, regardless of total cost.



Projects Recommended by the JBC and Approved by the General Assembly

The JBC recommended that 24 state-funded projects be included in the 2010 Long Bill, House Bill 10-1376. The JBC approved the CDC's state-funded capital construction priority list as submitted, including funding for Level I controlled maintenance projects through score 6. The JBC also recommended state funding for one additional project: Highway Construction Projects, Department of Transportation (\$500,000 CCF).

Of the \$16.8 million the JBC recommended in state funds, \$14.1 million (84 percent) was allocated to capital construction projects and \$2.7 million (16 percent) to controlled maintenance.

The total amount in the final Long Bill for capital projects was \$411.3 million, including \$47.4 million for state-funded projects and \$363.9 million for cash-funded projects. A total of 56 projects were funded:

- ✓ 2 state-funded capital construction projects totaling \$10.7 million;
- ✓ 3 state-funded certificates of participation payments totaling \$26.6 million;
- ✓ 19 controlled maintenance projects totaling \$10.1 million; and
- ✓ 32 cash-funded projects totaling \$363.9 million.

Funding for the 56 projects includes:

- ✓ \$5.1 million from the Capital Construction Fund (state funds), including \$1.9 million in unused interest earning from FY 2008-09 and a fund balance of \$3.2 million;
- ✓ \$18.3 million transferred from the General Fund to the Capital Construction Fund, including \$2.5 million in FY 2009-10 interest earnings, \$6.7 million transferred to the Corrections Expansion Reserve Fund, and \$9.1 million transferred for FY 2010-11 projects;
- ✓ \$357.6 from cash funds; and
- ✓ \$30.3 from federal funds.

The General Assembly adopted the Long Bill based upon the JBC's priorities. **Figure 5.1** shows the distribution of funding sources for the recommended projects.

Figure 5.1
Funding Sources for FY 2010-11 Projects

Funding Source	Amount Funded	% of Total Funded
Capital Construction Fund (CCF)	\$16,762,506	4.1%
Cash Funds (CF)*	364,284,909	88.6%
Federal Funds (FF)	30,273,498	7.4%
Total	\$411,320,913	100.0%

* Of this amount, \$6,654,832 is from the Corrections Expansion Reserve Fund and \$2,329,036 is from the Highway Users Tax Fund.



Breakdown of State-Funded Projects

Of the \$16.8 million in state funds included in the Long Bill, state departments received \$14.7 million (87.7 percent) of the funding allocation. Of this amount, the Department of Personnel and Administration received \$2.0 million for the emergency fund for controlled maintenance, which can be used for state departments and higher education institutions in the event of unforeseen controlled maintenance problems. Higher education institutions received \$2.1 million (12.3 percent) of the state-funded total.

Figure 5.2 below lists the number of state-funded projects by category and notes the state-funded portion for each.

Figure 5.2
Summary of State-Funded FY 2010-11 Projects

Category	# of State Department Projects	State Department Amount	# of Higher Education Projects	Higher Education Amount	Total Amount
Controlled Maintenance Projects	10	\$2,630,589	9	\$65,000	\$2,695,589
Capital Construction Projects	3	12,070,768	2	1,996,149	14,066,917
Totals	13	\$14,701,357	11	\$2,061,149	\$16,762,506

Figure 5.3 provides information about all projects authorized for funding for FY 2010-11. The projects are grouped in alphabetical order by department or institution, with higher education institutions listed first, followed by state departments. Each project includes the following information: (1) the title; (2) a funding history of the project, including the funding source, the total prior appropriations, the amount appropriated for FY 2010-11, any future requests, and the total project cost; and (3) a brief description of the project.

Funding sources for the projects shown in Figures 5.3 are one or more of the following:

- ✓ CCF (Capital Construction Fund, or state funds);
- ✓ CERF (Correction Expansion Reserve Fund, or state funds);
- ✓ CF (Cash Funds);
- ✓ HUTF (Highway Users Tax Fund, or cash funds);
- ✓ RF (Reappropriated Funds, which refer to cash funds appropriated more than once in the same fiscal year and not subject to the spending limits imposed by TABOR); and
- ✓ FF (Federal Funds).



**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
Higher Education Institutions						
Colorado School of Mines						
Ford and Jones Road Property Purchase	CF	\$0	\$4,285,000	\$0	\$0	\$4,285,000
	Total	\$0	\$4,285,000	\$0	\$0	\$4,285,000
The project purchases 6.91 acres and two buildings the school is currently leasing adjacent to the campus, including a 23,431-GSF industrial building at 1301 19th Street, an eight-unit apartment building at 1920 Jones Road, and a 95-spot parking lot. The purchase of the buildings will allow Mines to take advantage of favorable long-term rates in the bond market to refinance existing debt and finance the purchase of the two buildings.						
Replace Corroded Piping	CF	\$0	\$410,730	\$0	\$0	\$410,730
	CCF	\$542,226	\$0	\$0	\$0	\$542,226
	Total	\$542,226	\$410,730	\$0	\$0	\$952,956
The three-phase project replaces domestic water and low-pressure steam distribution pipes in several buildings on campus. The pipes are at the end of their life cycle, and leak more frequently each year. The school has identified 67 pipe leaks repaired during the last decade. Several years ago, a water line ruptured in Meyer Hall, discharging water into a room of 480-volt electrical panels and transformers, and leaving two inches of standing water in the room.						
Funding history. Phase I of the project was appropriated in FY 2007-08 (\$410,730 CCF), but funding was later rescinded during the 2009 session due to the budgetary shortfall. Phase II was appropriated in FY 2008-09 and replaced piping in four buildings. This year's request for Phase III includes those repairs that were originally funded as part of Phase I, and will replace piping in Lakes Library, Meyer Hall, and the Guggenheim building.						
Student Health and Wellness Center	CF	\$0	\$2,799,892	\$0	\$0	\$2,799,892
	Total	\$0	\$2,799,892	\$0	\$0	\$2,799,892
The project constructs a 10,655-GSF Student Health and Wellness Center in order to replace the existing, deteriorating facility. The center will locate student medical, dental, counseling, and disability services in a single facility in order to provide a better standard of patient care and to meet federal privacy regulations. The existing facility is only 2,682 GSF, and a space analysis conducted by Mines shows a need for a larger facility. The student population has almost doubled since the Student Health Center opened in 1988.						
Weaver Tower Renovation	CF	\$0	\$9,999,993	\$0	\$0	\$9,999,993
	Total	\$0	\$9,999,993	\$0	\$0	\$9,999,993
The project renovates 57,655 GSF in the 228-bed Weaver Towers Residence Hall to address failing building systems and outdated fixtures. The building is more than 30 years old and has never been renovated. According to Mines, renovation of the existing building will provide upgraded housing at a 42 percent lower cost than construction of comparable new housing.						
West Campus Parking Garage (202 Project)	CF	\$0	\$10,454,387	\$0	\$0	\$10,454,387
	Total	\$0	\$10,454,387	\$0	\$0	\$10,454,387
The project constructs a five-story, 133,000-GSF, 400-space parking garage on the northwest corner of campus to address projected campus and enrollment growth needs. This is a Senate Bill 92-202 request, meaning the project will be designed, constructed, operated, and maintained with non-state money.						
Subtotals: Colorado School of Mines		Total	\$542,226	\$27,950,002	\$0	\$28,492,228
	CCF	\$542,226	\$0	\$0	\$0	\$542,226
	CF	\$0	\$27,950,002	\$0	\$0	\$27,950,002

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		All Future Requests	Total Cost
	Appropriations	Requests		
	FY 2010-11	FY 2011-12		
Higher Education Institutions (Cont.)				
Colorado State University				
Research Innovation Center				
	CF	\$52,000,000	\$10,700,000	\$0
	Total	\$52,000,000	\$10,700,000	\$0
The project completes construction of two additions totaling 72,000 GSF to the Regional Biocontainment Laboratory, an infectious disease and bioterrorism research facility. This request will bury overhead electric transmission lines, purchase a Magnetic Resonance Imaging (MRI) machine, and build an MRI suite. The project was previously approved in FY 2007-08, but the university has since amended the program plan in order to take advantage of potential National Institutes of Health (NIH) grants.				
Snow Mountain Ranch Conservation Easements (202 Project)				
	CF	\$0	\$1,000,000	\$0
	FF	\$0	\$5,000,000	\$0
	Total	\$0	\$6,000,000	\$0
The project purchases two conservation easements totaling 2,787 acres at Snow Mountain Ranch to protect back-country forest land from future subdivision and development. Snow Mountain Ranch is a year-round conference and family center owned and operated by the YMCA of the Rockies. The property will be monitored in accordance with the federal Forest Legacy Program by the Colorado State Forest Service, which is a part of the Colorado State University System. This project is a Senate Bill 92-202 request, meaning the property will be acquired, monitored, and maintained with non-state funds.				
Subtotals: Colorado State University				
	Total	\$52,000,000	\$16,700,000	\$0
	CF	\$52,000,000	\$11,700,000	\$0
	FF	\$0	\$5,000,000	\$0
Fort Lewis College				
Reconstruct Eighth Avenue				
	CCF	\$749,650	\$0	\$1,286,549
	CF	\$0	\$567,035	\$0
	Total	\$749,650	\$567,035	\$1,286,549
The three-phase project reconstructs Eighth Avenue to provide a safer, more efficient main traffic route on campus. An existing section of the street will be paved, and turning lanes will be added where necessary. Pedestrian access and safety will be improved with new sidewalks and lighting. This year's request for Phase II constructs a sidewalk along Eighth Avenue to the main entry of the campus. The sidewalk will provide a pedestrian route from housing adjacent to campus and will include night lighting and emergency phone stations. Phase I designed the project, repaved the approach to the campus from the south, and made minor improvements to the existing drainage system. Phase III will reconstruct the approach to the campus from the north.				
Subtotals: Fort Lewis College				
	Total	\$749,650	\$567,035	\$1,286,549
	CCF	\$749,650	\$0	\$1,286,549
	CF	\$0	\$567,035	\$0

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior Appropriations		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Higher Education Institutions (Cont.)					
Front Range Community College						
Replace High-Voltage Electrical System, Westminster Campus	CCF	\$0	\$0	\$479,562	\$0	\$479,562
	CF	\$0	\$309,761	\$0	\$0	\$309,761
	Total	\$0	\$309,761	\$479,562	\$0	\$789,323
The two-phase project replaces the high-voltage electrical line linking the campus's seven transformers. Since the transformers are connected in a series, if one of the transformers fails, power to an entire building would be shut down until the transformer could be replaced. According to the college, the replacement process can take more than two months. This year's request for Phase I designs and purchases high voltage switches in order to allow for isolation of each individual transformer. Phase II will install the switches and make corresponding upgrades to the system.						
Subtotals: Front Range Community College Total \$0 \$309,761 \$479,562 \$0 \$789,323						
Department of Higher Education						
Various Higher Education Projects – November 2008 Issue (COP Project)	CCF	\$0	\$0	\$0	\$57,503,150	\$57,503,150
	CF	\$25,667,624	\$8,877,550	\$8,824,755	\$1,347,093	\$44,717,022
	Total	\$25,667,624	\$8,877,550	\$8,824,755	\$58,850,243	\$102,220,172
The project pays the third of 20 annual lease payments for certificates of participation (COP) sold on November 6, 2008. The November 6 COP financed construction for projects at 12 higher education institutions. The total repayment cost to the state, based on a principal amount of \$202.3 million, for all the projects is \$325.5 million. The COP payments will continue for 17 more years, through FY 2027-28.						
Subtotals: Department of Higher Education Total \$25,667,624 \$8,877,550 \$8,824,755 \$58,850,243 \$102,220,172						
Metropolitan State College of Denver						
Hotel Learning Center	CF	\$0	\$39,327,762	\$0	\$0	\$39,327,762
	Total	\$0	\$39,327,762	\$0	\$0	\$39,327,762
The project constructs a 30,000-GSF Hotel Learning Center as part of a new hotel to be built on the site of Parking Lot R at the corner of Auraria Parkway and Speer Boulevard on the Auraria Higher Education Center campus. The college plans to establish a public-private partnership with a hotel operator to construct a new hotel and hotel learning center to be operated by the Metro Department of Hospitality, Tourism, and Events in order to create a hands-on learning laboratory to train students in the hospitality industry.						

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
Higher Education Institutions (Cont.)						
Metropolitan State College of Denver						
Neighborhood Building	CF	\$0	\$52,000,151	\$0	\$0	\$52,000,151
	Total	\$0	\$52,000,151	\$0	\$0	\$52,000,151
The project constructs a 142,231-GSF building on the corner of Auraria Parkway and 9th Street to house student services and administrative offices. The project will consolidate the various functions of enrollment services and expand the First Year Success Program to offer better customer service and improve student retention. The project will consolidate the college's administrative functions, including student services, in a single building. The consolidation of administrative offices and student services in a single building will allow the three schools that comprise the college to move to distinct locations and meet growth needs.						
Subtotals: Metropolitan State College of Denver		Total	\$0	\$91,327,913	\$0	\$91,327,913
		CF	\$0	\$91,327,913	\$0	\$91,327,913
Pueblo Community College						
Repair Waste Water Lagoon System and Replace Main Water Feed, West Campus	CF	\$0	\$599,390	\$0	\$0	\$599,390
	Total	\$0	\$599,390	\$0	\$0	\$599,390
The project replaces the main water line feed to the campus and the wastewater lagoon system. The water line uses a manifold system. Tests of the system indicate that there is an intrusion of ground water to the potable water system. The wastewater lagoon system is a three-pond system. According to the college, the system suffers from a lack of preventative or corrective maintenance, which has resulted in excessive vegetation and wildlife intrusion into the ponds. The Department of Public Health and Environment told the college that the system violates regulations and needs to be replaced.						
Subtotals: Pueblo Community College		Total	\$0	\$599,390	\$0	\$599,390
		CF	\$0	\$599,390	\$0	\$599,390
University of Colorado at Boulder						
Systems Biotechnology Building	CF	\$12,888,973	\$120,121,152	\$0	\$0	\$133,010,125
	FF	\$0	\$15,000,000	\$0	\$0	\$15,000,000
	Total	\$12,888,973	\$135,121,152	\$0	\$0	\$148,010,125
The request is for the second phase of a two-phase project to construct a Systems Biotechnology building (262,662 GSF) on the southwest corner of the Boulder research campus. The building will serve the Biochemistry, Chemical and Biological Engineering, and Molecular Biotechnology programs and help satisfy a need for more space due to growth in these programs. It will also allow the university to align its goals with an emerging industry, and will improve the university's position and national reputation as a premier research institution.						

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
Higher Education Institutions (Cont.)						
University of Colorado at Boulder (Cont.)						
Upgrade Fire Safety	CCF	\$325,252	\$0	\$0	\$0	\$325,252
	CF	\$0	\$518,063	\$0	\$0	\$518,063
	Total	\$325,252	\$518,063	\$0	\$0	\$843,315
<p>The two-phase project upgrades 31 buildings that do not meet life safety code. Deficiencies include an inadequate number of exits, lack of enclosure for fire exits, inappropriate door hardware such as door closers and latching hardware, inadequate exit signage, improper exit arrangement, inadequate handrails or guardrails, inadequate emergency lighting, and corridor enclosures at open stairwells.</p> <p>Funding history. Phase I of the project was appropriated in FY 2007-08, and Phase II was appropriated in FY 2008-09. Due to a budgetary shortfall, part of the Phase I appropriated amount (\$100,000 CCF) and the entire Phase II appropriated amount (\$418,063 CCF) were rescinded during the 2009 legislative session. This year's request for Phase II will address upgrades in all remaining buildings, including those from Phase I that were not completed due to the cuts to the project's appropriation.</p>						
Subtotals: University of Colorado at Boulder Total \$13,214,225 \$135,639,215 \$0 \$0 \$148,853,440						
University of Colorado at Colorado Springs						
Upgrade Fire Sprinkler System, University Hall	CF	\$0	\$497,152	\$0	\$0	\$497,152
	Total	\$0	\$497,152	\$0	\$0	\$497,152
<p>The project expands the existing fire suppression system and provides sprinkler coverage to the entire building. The building was constructed in three phases, and only the last phase of construction included the installation of a fire suppression system. According to the university, a fully sprinklered building will increase the amount of time occupants have to safely evacuate the building in the event of a fire. The project also provides additional exit signage in the building.</p>						
Subtotals: University of Colorado at Colorado Springs Total \$0 \$497,152 \$0 \$0 \$497,152						
University of Colorado Denver						
Health and Wellness Center	CF	\$0	\$37,720,827	\$0	\$0	\$37,720,827
	Total	\$0	\$37,720,827	\$0	\$0	\$37,720,827
<p>The project constructs a four-story, 94,848-GSF Health and Wellness Center on the northwest corner of the Anschutz Medical Campus. The facility will bring together nutrition, physical activity, and weight management programs that are currently housed in disparate locations in a center the university says will serve as a "new model for health promotion and disease prevention."</p>						

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
Higher Education Institutions (Cont.)						
University of Colorado Denver (Cont.)						
Various Projects at the Anschutz Medical Campus (formerly Fitzsimons) (COP Project)	CCF	\$0	\$1,996,149	\$5,144,350	\$19,943,638	\$27,084,137
	CF	\$55,362,476	\$7,698,527	\$8,000,000	\$24,000,000	\$95,061,003
	Total	\$55,362,476	\$9,694,676	\$13,144,350	\$43,943,638	\$122,145,140
The project makes the sixth certificates of participation (COP) payment for seven capital construction projects at the Anschutz Medical Campus. The authority to enter into the lease-purchase agreements was provided by House Bill 03-1256. The COP payments for the Anschutz projects will continue for 20 more years, through FY 2030-31.						
Subtotals: University of Colorado Denver Total \$55,362,476 \$47,415,503 \$13,144,350 \$43,943,638 \$159,865,967						
University of Northern Colorado						
Butler Hancock Interior Renovation	CF	\$0	\$3,000,000	\$0	\$0	\$3,000,000
	Total	\$0	\$3,000,000	\$0	\$0	\$3,000,000
The project renovates 40,100 GSF in the Butler Hancock Sports Pavilion, and constructs 20,380 GSF of additional space on the north and south sides of the building. Butler Hancock houses the Athletics Department and elements of the School of Sport and Exercise Science. The project will consolidate these programs in one facility, mitigate code compliance and life-safety issues, alleviate a space deficit, and aid the Athletics Department's transition to Division I competition.						
Subtotals: University of Northern Colorado Total \$0 \$3,000,000 \$0 \$0 \$3,000,000						
Western State College						
Improve Life Safety, Fire Hydrants, and Gas Distribution System	CCF	\$0	\$65,000	\$0	\$0	\$65,000
	Total	\$0	\$65,000	\$0	\$0	\$65,000
The project replaces outdated fire hydrants and installs seven gas shut-off valves to allow for isolated areas of the gas distribution system to be shut down. The fire hydrants are 44 years old and replacement parts are no longer manufactured. The gas distribution system has only one master shut-off valve and, according to the college, if a line were to break, the gas would be shut off in every building on campus.						
Subtotals: Western State College Total \$0 \$65,000 \$0 \$0 \$65,000						
Higher Education Institution Subtotals						
Total		\$147,536,201	\$332,948,521	\$23,735,216	\$102,793,881	\$607,013,819
CCF		\$1,617,128	\$2,061,149	\$6,910,461	\$77,446,788	\$88,035,526
CF		\$145,919,073	\$310,887,372	\$16,824,755	\$25,347,093	\$498,978,293
FF		\$0	\$20,000,000	\$0	\$0	\$20,000,000

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments						
Colorado Historical Society						
New Colorado History Museum (COP Project)	CF	\$30,000,000	\$5,000,000	\$0	\$0	\$35,000,000
	Total	\$30,000,000	\$5,000,000	\$0	\$0	\$35,000,000
<p>The project constructs a new 202,480-GSF Colorado History Museum in downtown Denver, and purchases warehouse space for storage. The project will allow the society to better fulfill its statutory requirement to collect, preserve, interpret, and make accessible to the public various artifacts related to life and work in Colorado. This year's request includes the purchase of warehouse space for storage, professional costs for the architect and project manager, legal fees associated with the issuance of certificates of participation, 1 percent for public art, and museum furnishings and equipment.</p>						
Regional Museum Preservation Projects						
	CF	\$7,558,131	\$600,001	\$0	\$0	\$8,158,132
	FF	\$1,145,878	\$0	\$0	\$0	\$1,145,878
	Total	\$8,704,009	\$600,001	\$0	\$0	\$9,304,010
<p>The project addresses a number of historic preservation issues at regional museums throughout the state. This year's request makes repairs and upgrades at the following facilities: Georgetown Loop Mining & Railroad Park (Georgetown/Silver Plume); Grant-Humphreys Mansion (Denver); Byers-Evans House (Denver); El Pueblo History Museum (Pueblo); Fort Garland Museum (Fort Garland); Fort Vasquez Museum (Platteville); Pike's Stockade (Stanford); Healy House (Leadville); Lebanon Mill Dam (Georgetown); Pearce-McAllister Cottage (Denver); Trinidad History Museum (Trinidad); and Ute Indian Museum (Montrose).</p>						
Reinforce Structure, Healy House						
	CCF	\$0	\$0	\$147,950	\$0	\$147,950
	CF	\$0	\$206,250	\$0	\$0	\$206,250
	Total	\$0	\$206,250	\$147,950	\$0	\$354,200
<p>The two-phase project makes structural reinforcements to load-bearing walls and addresses the uneven settlement of the foundation. When the third floor addition was added to the original structure, the floor joints were placed perpendicular to the original joist direction, which made all the interior walls below load-bearing walls. Since the interior walls were not designed for load bearing, the addition caused stress and cracking. This year's request for Phase I will make repairs to the load-bearing walls in the parts of the house impacted by the addition of a third story to alleviate stresses. Phase II will address the settling foundation in the kitchen and rear additions to the house.</p>						
Subtotals: Colorado Historical Society						
	Total	\$38,704,009	\$5,806,251	\$147,950	\$0	\$44,658,210
	CCF	\$0	\$0	\$147,950	\$0	\$147,950
	CF	\$37,558,131	\$5,806,251	\$0	\$0	\$43,364,382
	FF	\$1,145,878	\$0	\$0	\$0	\$1,145,878

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Cumbres & Toltec Scenic Railroad						
Upgrade HVAC and Electrical Systems, Chama Depot	CF	\$0	\$100,600	\$0	\$0	\$100,600
	Total	\$0	\$100,600	\$0	\$0	\$100,600
The project rewires the depot, replaces heaters, and installs an air-conditioning system. The existing electrical wiring does not meet code; the heating units are ineffective and costly to operate; and the lack of air conditioning causes discomfort to employees and patrons during the summer months. The project will improve fire safety and improve operating efficiency.						
Subtotals: Cumbres & Toltec Scenic Railroad Total						
	CF	\$0	\$100,600	\$0	\$0	\$100,600
Department of Corrections						
Colorado State Penitentiary II, High-Custody Expansion (COP Project)						
	CCF	\$0	\$1,393,460	\$17,308,415	\$54,804,406	\$73,506,281
	CERF	\$0	\$6,654,832	\$1,126,485	\$488,144	\$8,269,461
	Total	\$0	\$8,048,292	\$18,434,900	\$55,292,550	\$81,775,742
The project makes the second of 12 certificates of participation (COP) payments for the Colorado State Penitentiary (CSP II) high custody expansion project and constructs a 948-bed high-custody facility in Canon City (801,601 GSF), adjacent to the existing 336-bed Centennial Correctional Facility in order to house the highest custody level of the state's convicted felons. The COP payments will continue for 11 more years, through FY 2020-21.						
Correctional Industries -- Miscellaneous Small Projects						
	CF	\$23,630,000	\$945,063	\$350,000	\$1,050,000	\$25,975,063
	Total	\$23,630,000	\$945,063	\$350,000	\$1,050,000	\$25,975,063
The project allows the department to expand Colorado Correctional Industries (CCI) where needed to accommodate new business or maintain current operations. This year's request constructs eight greenhouse fisheries at the East Canon City Prison Complex. The department anticipates that raising fish for the retail market will be profitable for many years to come.						
Improve Fixtures and Showers, Cellhouse 1, Colorado Territorial Correctional Facility						
	CF	\$0	\$458,116	\$0	\$0	\$458,116
	Total	\$0	\$458,116	\$0	\$0	\$458,116
The two-phase project replaces finishes and increases the capacity of fixtures and showers. In 2008, the facility capacity was increased from 265 to 363 inmates due to the decision to double-bunk offenders in Cellhouse I. The cellhouse does not have sufficient sinks, toilets, urinals, or showers, and there were three outbreaks of methicillin-resistant staphylococcus aureus at the facility in the first few months after the cellhouse increased its holding capacity. This year's request for Phase I increases the capacity of the fixtures and showers in the right pods. Phase II, also requested for FY 2010-11 as a Level II controlled maintenance project (see project #2011-107), will replace finishes in the left pods.						

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Department of Corrections (Cont.)						
Improve Perimeter Security, Arkansas Valley Correctional Facility and Fremont Correctional Facility	CCF	\$339,745	\$618,968	\$922,152	\$750,338	\$2,631,203
	Total	\$339,745	\$618,968	\$922,152	\$750,338	\$2,631,203
<p>The four-phase project replaces or repairs lighting and fencing in order to improve perimeter security at two state prisons. At Arkansas Valley, there is deficient security lighting in the north recreation yard, and the facility has a history of attempted escapes. At Fremont Correctional Facility, there are numerous deficiencies in the 50-year-old perimeter security fence. Deficiencies include rust at the concrete bases of fence posts, weakened chain-link fence fabric, missing top rails, inadequate separation distance between exterior and interior fences, and deteriorating razor coil. This year's request for Phase II replaces the transponders and microprocessor head in the motion detection system at Fremont, and begins repairs to the perimeter fence. Phase I installed new security lighting in the north recreation yard at Arkansas Valley, and funded a department-wide security audit and vulnerability analysis regarding perimeter security. Phases III and IV will continue repairs to the perimeter fence, install a non-lethal electrified fence surrounding Arkansas Valley and Fremont, and conduct a lighting analysis.</p>						
Replace Door Controls and Improve Perimeter Security	CCF	\$923,885	\$0	\$0	\$0	\$0
	CF	\$0	\$635,083	\$0	\$0	\$0
	Total	\$923,885	\$635,083	\$0	\$0	\$1,558,968
<p>The two-phase project replaces the door control and intercom systems in the control center and housing pods, and makes improvements to the perimeter motion detection system. According to the department, the existing door control system is failing, and the intercom system does not function. Both conditions put staff and inmates at risk, particularly in emergency situations. This year's request for Phase I makes improvements to the perimeter security system and replaces the door controls and intercom system in Cellhouses 1 and 2. Phase II will replace door controls and the intercom system in the remaining four cellhouses.</p>						
Subtotals: Department of Corrections						
	Total	\$24,893,630	\$10,705,522	\$19,707,052	\$57,092,888	\$110,840,124
	CCF	\$1,263,630	\$2,012,428	\$18,230,567	\$55,554,744	\$76,137,484
	CF	\$23,630,000	\$2,038,262	\$350,000	\$1,050,000	\$26,433,179
	CERF	\$0	\$6,654,832	\$1,126,485	\$488,144	\$8,269,461
Department of Education						
Upgrade Electrical Distribution, Colorado School for the Deaf and the Blind	CCF	\$945,168	\$0	\$0	\$0	\$945,168
	CF	\$0	\$621,672	\$0	\$0	\$621,672
	Total	\$945,168	\$621,672	\$0	\$0	\$1,566,840
<p>The three-phase project makes upgrades to the school's electrical distribution system, which is over 30 years old. The system's panels do not meet National Electrical Code grounding and bonding requirements. Further, the wiring combines various insulation types and has not been properly sized for the buildings' loads. The project replaces the main distribution panels, sub-distribution panels, and conductors in the school's buildings. This year's request for Phase III completes the work in the Palmer Residential Hall, Jones Preschool, Administration, and Barn. Phase I completed work in the Student Health Center, Industrial Building, Gottlieb Building, and Argo Dining Hall. Phase II completed work in the West Residential Hall and Stone Vocational High School.</p>						
Subtotals: Department of Education						
	Total	\$945,168	\$621,672	\$0	\$0	\$1,566,840
	CCF	\$945,168	\$0	\$0	\$0	\$945,168
	CF	\$0	\$621,672	\$0	\$0	\$621,672

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Department of Human Services						
Automated Child Support Enforcement System (ACSES) Migration and Modernization	CF	\$0	\$2,677,500	\$2,142,000	\$6,426,000	\$11,245,500
	FF	\$0	\$5,197,500	\$4,158,000	\$12,474,000	\$21,829,500
	Total	\$0	\$7,875,000	\$6,300,000	\$18,900,000	\$33,075,000
The project modernizes the Automated Child Support Enforcement System (ACSES). The year's request for Phase I will migrate the existing system to a new technology platform. Subsequent phases will upgrade system capabilities and features incrementally in a series of separate modernization projects.						
Colorado AWARE VR Case Management System	FF	\$2,305,700	\$1,747,584	\$415,630	\$0	\$4,468,914
	Total	\$2,305,700	\$1,747,584	\$415,630	\$0	\$4,468,914
The project replaces the case-management software systems with a user-friendly, integrated system in order to improve client services. Case management functions for vocational rehabilitation are currently performed by three existing legacy systems, which the department says do not adequately support the needs of the program. This request is for informational purposes only. The project is 100 percent federally funded under the American Recovery and Reinvestment Act of 2009.						
Replace Fire Alarm Systems, Colorado Mental Health Institute at Fort Logan	CCF	\$0	\$0	\$723,883	\$0	\$723,883
	CF	\$0	\$762,647	\$0	\$0	\$762,647
	Total	\$0	\$762,647	\$723,883	\$0	\$1,486,530
The two-phase project continues upgrades to the campus fire alarm system begun in a previous controlled maintenance project. This year's request for Phase I replaces fire alarms in residential buildings 2, 13, 14, 25, and the daycare center in building 9, installs transmitters in two office buildings, provides new interface equipment between the fire alarm system and the Denver Fire Department, and replaces the main fire alarm control panels at the Marvin Foote Youth Services Center and Platte Valley Youth Services Center. Phase II will replace fire alarms and/or install transmitters in eight additional buildings.						
Upgrade Electronic Security Systems	CCF	\$0	\$0	\$771,927	\$2,566,882	\$3,338,809
	CF	\$0	\$439,864	\$0	\$0	\$439,864
	Total	\$0	\$439,864	\$771,927	\$2,566,882	\$3,778,673
The four-phase project replaces the existing manual security controls with a computer-programmable security system in six facilities in the youth corrections system. According to the department, the new system will integrate voice communications, locking and exiting controls, visual security and digital recording, and a secure key system with personnel use tracking and monitoring functions. This year's request for Phase I designs the project for all sites and installs a new system at the Marvin Foote Youth Services Center. Phases II, III, and IV will continue upgrades in five additional facilities, including: (1) Platte Valley Youth Services Center; (2) Spring Creek Youth Services Center; (3) Lookout Mountain Youth Services Center; (4) Mount View Youth Services Center; and (5) Gilliam Youth Services Center.						
Subtotals: Department of Human Services		Total	\$2,305,700	\$10,825,095	\$8,211,440	\$21,466,882
	CCF	\$0	\$0	\$1,495,810	\$2,566,882	\$4,062,692
	CF	\$0	\$3,880,011	\$2,142,000	\$6,426,000	\$12,448,011
	FF	\$2,305,700	\$6,945,084	\$4,573,630	\$12,474,000	\$26,298,414

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Department of Labor and Employment						
Consolidated Enterprise System, Division of Oil and Public Safety	CF	\$0	\$641,287	\$332,168	\$0	\$973,455
	FF	\$0	\$213,762	\$110,723	\$0	\$324,485
	Total	\$0	\$855,049	\$442,891	\$0	\$1,297,940
The information technology project purchases a hosted database system to replace multiple existing databases used by various programs within the Division of Oil and Public Safety. The new system will replace a collection of disparate databases using different software platforms, all of which are obsolete or near-obsolete. The department says continued dependence on these databases is rapidly becoming a security, support, and business risk.						
Subtotals: Department of Labor and Employment Total \$0 \$855,049 \$442,891 \$0 \$1,297,940						
Department of Military and Veterans Affairs						
Alamosa Readiness Center Construction	CCF	\$0	\$0	\$2,721,263	\$0	\$2,721,263
	CF	\$0	\$853,568	\$0	\$0	\$853,568
	FF	\$0	\$610,702	\$7,100,000	\$0	\$7,710,702
	Total	\$0	\$1,464,270	\$9,821,263	\$0	\$11,285,533
The two-phase project constructs a new, 27,153-GSF Readiness Center (armory) in Alamosa. The building will accommodate a weapons company of 79 soldiers that is part of a new 800-soldier infantry battalion assigned to the Colorado National Guard under the U.S. Army's "Grow the Force" initiative. This year's request for Phase I funds site acquisition and design. Phase II will construct and equip the facility.						
Grand Junction Readiness Center Construction	CCF	\$311,720	\$0	\$0	\$0	\$311,720
	CF	\$0	\$3,688,553	\$0	\$0	\$3,688,553
	FF	\$11,228,713	\$0	\$0	\$0	\$11,228,713
	Total	\$11,540,433	\$3,688,553	\$0	\$0	\$15,228,986
The two-phase project constructs a new, 337,446-GSF armory in Grand Junction. The building will accommodate a 131-soldier company that is part of a new 800-soldier infantry battalion assigned to the Colorado National Guard under the U.S. Army's "Grow the Force" initiative. The department says the new assignments will help the department meet its objectives of responding to state emergencies and conducting search and rescue operations. This year's request for Phase II completes construction of the facility. Phase I designed, initiated construction of, and purchased equipment for the facility.						

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Department of Military and Veterans Affairs						
Windsor Readiness Center Construction						
	CCF	\$0	\$0	\$3,793,155	\$0	\$3,793,155
	CF	\$0	\$1,888,105	\$0	\$0	\$1,888,105
	FF	\$0	\$714,315	\$8,300,250	\$0	\$9,014,565
	Total	\$0	\$2,602,420	\$12,093,405	\$0	\$14,695,825
<p>The project constructs a new, 30,717-GSF armory in Windsor. The building will accommodate a 130-soldier company that is part of a new 800-soldier infantry battalion assigned to the Colorado National Guard under the U.S. Army's "Grow the Force" initiative. The department says the new assignments will help the department meet its objectives of responding to state emergencies and conducting search and rescue operations.</p>						
Subtotals: Department of Military and Veterans Affairs						
	Total	\$11,540,433	\$7,755,243	\$21,914,668	\$0	\$41,210,344
	CCF	\$311,720	\$0	\$6,514,418	\$0	\$6,826,138
	CF	\$0	\$6,430,226	\$0	\$0	\$6,430,226
	FF	\$11,228,713	\$1,325,017	\$15,400,250	\$0	\$27,953,980
Department of Natural Resources, Division of Parks and Outdoor Recreation (Parks)						
Land and Water Acquisitions, Division of Parks and Outdoor Recreation	CF	\$0	\$950,000	\$950,000	\$2,850,000	\$4,750,000
	Total	\$0	\$950,000	\$950,000	\$2,850,000	\$4,750,000
<p>The project allows the division to purchase lands adjacent to state parks to provide a buffer between park lands and new development, and to acquire water for recreational purposes at various state parks. The request addresses acquisitions for two programs: (1) the property acquisitions program; and (2) the water resources program. The division says it is necessary to provide a buffer between park lands and new development to protect wildlife habitat.</p>						
New Park Development	CF	\$0	\$5,500,000	\$1,120,000	\$2,600,000	\$9,220,000
	Total	\$0	\$5,500,000	\$1,120,000	\$2,600,000	\$9,220,000
<p>The project funds an ongoing program aimed at identifying and developing new state parks. This year's request continues the development of Staunton State Park. The division estimates that once the new Staunton State Park is open for day use by the public, about 135,000 people will visit the park each year, which will provide significant new revenue.</p>						
Park Infrastructure and Facilities	CF	\$0	\$9,107,049	\$14,972,750	\$42,947,950	\$67,027,749
	FF	\$0	\$1,405,500	\$2,642,250	\$7,579,050	\$11,626,800
	Total	\$0	\$10,512,549	\$17,615,000	\$50,527,000	\$78,654,549
<p>The project addresses the division's infrastructure needs statewide. The division owns and maintains more than 950 individual structures at its various state parks, many of which are heavily used and require repair and/or replacement. The division says it is necessary to keep its recreational facilities well maintained in order to meet its statutory charge to promote outdoor recreation, and to protect public health and safety.</p>						
Subtotals: Parks						
	Total	\$0	\$16,962,549	\$19,685,000	\$55,977,000	\$92,624,549
	CF	\$0	\$15,557,049	\$17,042,750	\$48,397,950	\$80,997,749
	FF	\$0	\$1,405,500	\$2,642,250	\$7,579,050	\$11,626,800

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations					
State Departments (Cont.)						
Department of Natural Resources, Division of Wildlife (Wildlife)						
Asset Development or Improvements						
	CF	\$0	\$2,471,600	\$2,471,600	\$7,414,800	\$12,358,000
	Total	\$0	\$2,471,600	\$2,471,600	\$7,414,800	\$12,358,000
The project funds 31 small projects that create or improve division assets. Asset development and improvement may address the construction of new facilities, erecting or repairing fencing, building or repairing public access roads and parking lots, developing water resources, posting signs, and/or manipulating habitat and vegetation. The division states these projects are necessary to provide good customer service and to decrease potential safety hazards.						
Infrastructure and Real Property Maintenance						
	CF	\$0	\$681,030	\$681,030	\$2,043,090	\$3,405,150
	Total	\$0	\$681,030	\$681,030	\$2,043,090	\$3,405,150
The project funds 12 small projects that maintain and improve division properties. The projects included in this request are maintenance projects rather than large development projects and are intended to address maintenance on an as-needed basis rather than address ongoing controlled maintenance needs. The division says these projects are necessary to provide good customer service and decrease potential safety hazards.						
Land and Water Acquisitions, Division of Wildlife						
	CF	\$42,500,000	\$4,500,000	\$4,500,000	\$13,500,000	\$65,000,000
	Total	\$42,500,000	\$4,500,000	\$4,500,000	\$13,500,000	\$65,000,000
The project allows the division to acquire property, including easements, management agreements, and fee title acquisitions, through a competitive bidding process. The purpose of the ongoing request is to protect, enhance, and restore critical habitat to ensure the survival and stability of a variety of wildlife species, and to secure public access to wildlife. When the division identifies specific parcels to acquire, it provides a more detailed justification to the Capital Development Committee through its request to the committee to review and comment on the proposal pursuant to Section 33-1-105 (3) (a), C.R.S. Specific acquisitions have not yet been identified.						
Motorboat Access on Lakes and Streams						
	CF	\$2,973,413	\$128,045	\$128,045	\$384,135	\$3,613,638
	FF	\$9,319,302	\$384,135	\$384,135	\$1,152,405	\$11,239,977
	Total	\$12,292,715	\$512,180	\$512,180	\$1,536,540	\$14,853,615
The project makes improvements to motorboat access on lakes and streams in Colorado and promotes fishing recreation in the state. This year's request addresses ten small projects. The division says that greater motorboat access enhances fishing and other recreational opportunities on public waters and contributes to the safety and health of those using the waters.						
Subtotals: Wildlife		Total	\$54,792,715	\$8,164,810	\$24,494,430	\$95,616,765
	CF	\$45,473,413	\$7,780,675	\$7,780,675	\$23,342,025	\$84,376,788
	FF	\$9,319,302	\$384,135	\$384,135	\$1,152,405	\$11,239,977

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Department of Personnel and Administration						
Controlled Maintenance Emergency Fund	CCF	\$22,519,894	\$2,000,000	\$0	\$0	\$24,519,894
	Total	\$22,519,894	\$2,000,000	\$0	\$0	\$24,519,894
<p>The project funds the Controlled Maintenance Emergency Fund, which is administered by the Office of the State Architect for emergency projects on an as-needed basis throughout the fiscal year. Criteria for requests for emergency funding are: (1) a need that is immediate in nature; and (2) a problem that directly affects the health, safety, and welfare of the public and day-to-day operations of the agencies. Requests may involve systems and fixed equipment critical to the functionality of a facility, but cannot involve movable equipment, furniture, and fixtures related to the programmatic activities conducted in the facility.</p>						
Replace Fire Alarm System, 1570 Grant	CF	\$0	\$303,544	\$0	\$0	\$303,544
	Total	\$0	\$303,544	\$0	\$0	\$303,544
<p>The project replaces the fire alarm system at 1570 Grant Street. The building was constructed in 1951, and acquired by the state in 2001. According to the department, the life safety systems are not code compliant. Also, there is no sprinkler system in the building and the smoke-detection systems are outdated.</p>						
Replace Main Transformer, State Office Building	CCF	\$0	\$11,621	\$0	\$0	\$11,621
	CF	\$0	\$203,478	\$0	\$0	\$203,478
	Total	\$0	\$215,099	\$0	\$0	\$215,099
<p>The project replaces a 13,200/480 volt transformer. The transformer is the main transformer for the State Office Building and controls some of the chiller equipment for buildings in the Capitol Complex. According to the department, the existing transformer is overheating and, if the equipment were to fail, there would be a prolonged power outage in the State Office Building, and all of the downtown Capitol Complex buildings would be affected.</p>						
Subtotals: Department of Personnel and Administration						
	Total	\$22,519,894	\$2,518,643	\$0	\$0	\$25,038,537
	CCF	\$22,519,894	\$2,011,621	\$0	\$0	\$24,531,515
	CF	\$0	\$507,022	\$0	\$0	\$507,022
Department of Public Health and Environment						
Brownfields Cleanup Program (aka HB 00-1306 Site Cleanups)	CF	\$2,500,000	\$250,000	\$250,000	\$750,000	\$3,750,000
	FF	\$2,925,000	\$0	\$0	\$0	\$2,925,000
	Total	\$5,425,000	\$250,000	\$250,000	\$750,000	\$6,675,000
<p>The project provides for the ongoing cleanup of former hazardous waste sites through the Brownfields Cleanup Program, pursuant to House Bill 00-1306. The bill provided for an annual appropriation of \$250,000 from the state's Hazardous Substance Response Fund to perform cleanup on properties: (1) that do not have a responsible party to perform remediation; (2) that have been determined to present a threat to human health or the environment; and (3) where remediation will facilitate redevelopment of the property for the public good.</p>						
Subtotals: Department of Public Health and Environment						
	Total	\$5,425,000	\$250,000	\$250,000	\$750,000	\$6,675,000
	CF	\$2,500,000	\$250,000	\$250,000	\$750,000	\$3,750,000
	FF	\$2,925,000	\$0	\$0	\$0	\$2,925,000

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Department of Revenue						
Colorado Integrated Tax Architecture (CITA)	CCF	\$32,854,907	\$10,177,308	\$8,628,383	\$4,184,250	\$55,844,848
	Total	\$32,854,907	\$10,177,308	\$8,628,383	\$4,184,250	\$55,844,848
<p>The project completes the fourth phase of a five-phase project to upgrade the state's tax system. The project replaces the department's existing outdated tax processing system with a single integrated system modified to ensure the department can continue to collect and process tax revenue. This year's request for Phase IV funds the development of taxpayer access points (TAPS) and discovery modules, as well as bankruptcy filing protocols. TAPS is a secure, self-service Internet filing feature that will allow taxpayers to view their account status, previous filings, and payment histories, and make payments online. Discovery is a software feature that will allow non-registrants, non-filers, and under-reporters to see opportunities for revenue recovery. The project is following a multi-phased deployment schedule. The phases will be implemented 12 to 16 months apart. Each phase will integrate specific tax types into the new system. Tax types not yet integrated into the new system will be administered on the existing systems.</p>						
Port-of-Entry Mobile Scale Replacement	HUTF	\$629,854	\$258,284	\$352,774	\$0	\$1,240,912
	Total	\$629,854	\$258,284	\$352,774	\$0	\$1,240,912
<p>The project replaces 14 of the 20 mobile scales used by the Ports of Entry program. Portable scales are used for the enforcement of commercial motor vehicle weight limits on secondary traffic routes. The department says that the existing scales have exceeded their expected useful life and that new scales are necessary to continue weight enforcement and ensure accurate measurements.</p>						
Westbound Building Replacement, Limon Port-of-Entry	HUTF	\$0	\$487,451	\$0	\$0	\$487,451
	Total	\$0	\$487,451	\$0	\$0	\$487,451
<p>The project constructs a new facility to relocate and replace the 693-GSF westbound Limon Port-of-Entry building. The project will improve officer- and highway-user safety and address concerns with limited lane visibility and space deficiencies.</p>						
Westbound Scale Lane Pavement Repair / Replacement, Dumont Port-of-Entry	HUTF	\$0	\$768,678	\$0	\$0	\$768,678
	Total	\$0	\$768,678	\$0	\$0	\$768,678
<p>The Department of Revenue is requesting cash funds spending authority from the Highway Users Tax Fund (HUTF) to remove and replace the westbound concrete scale lane at the Dumont port-of-entry, and repave a portion of the lot for additional truck parking. The project will address deteriorated concrete to provide the infrastructure necessary to accurately weigh commercial vehicles for safety assessment, regulatory compliance, and revenue collection.</p>						
Westbound Scale Lane Replacement, Limon Port-of-Entry	HUTF	\$0	\$814,623	\$0	\$0	\$814,623
	Total	\$0	\$814,623	\$0	\$0	\$814,623
<p>The project replaces the westbound scale lane at the Limon port-of-entry. The project will address concerns with subsurface conditions that may render the scales inoperable and unable to accurately weigh commercial vehicles for safety assessment, regulatory compliance, and tax collection. The project will repair and replace slabs of concrete in the scale lane as needed.</p>						
Subtotals: Department of Revenue						
	Total	\$33,484,761	\$12,506,344	\$8,981,157	\$4,184,250	\$59,156,512
	CCF	\$32,854,907	\$10,177,308	\$8,628,383	\$4,184,250	\$55,844,848
	HUTF	\$629,854	\$2,329,036	\$352,774	\$0	\$3,311,664

**Figure 5.3
FY 2010-11 Appropriations**

Project Name	Prior		FY 2010-11	FY 2011-12	All Future Requests	Total Cost
	Appropriations	Requests				
State Departments (Cont.)						
Department of Transportation						
Highway Construction Projects	CCF	\$440,504,419	\$500,000	\$0	\$0	\$441,004,419
	Total	\$440,504,419	\$500,000	\$0	\$0	\$441,004,419
<p>The project will fund critical state highway projects that are in the currently approved Statewide Transportation Improvement Program. The Transportation Commission is required to annually submit a capital construction request for state highway construction, repair, and maintenance projects to the Capital Development Committee to be funded with capital construction funds. The commission formally requested \$0 for FY 2010-11, but the JBC recommended \$500,000 for state highway projects from General Fund Exempt moneys at its March 22, 2010, meeting.</p>						
Subtotals: Department of Transportation		Total	\$440,504,419	\$500,000	\$0	\$441,004,419
CCF			\$440,504,419	\$0	\$0	\$441,004,419
Office of Information Technology						
Replace Microwave Site Towers	CCF	\$0	\$0	\$876,057	\$0	\$876,057
	CF	\$0	\$800,614	\$0	\$0	\$800,614
	Total	\$0	\$800,614	\$876,057	\$0	\$1,676,671
<p>The two-phase project replaces six microwave towers. The towers are part of the state public safety radio network used by public safety officers and first responders. Many of the towers are more than 35 years old, and a recent structural analysis of the towers revealed that many suffer from metal fatigue due to continued exposure to poor weather conditions and loading stresses. This year's request for Phase I replaces three tower structures, including: (1) Coaldale; (2) Mines Mountain; and (3) Walsenburg. Phase II will replace three additional towers.</p>						
Subtotals: Office of Information Technology		Total	\$0	\$800,614	\$876,057	\$1,676,671
CCF			\$0	\$0	\$0	\$876,057
CF			\$0	\$800,614	\$0	\$800,614
State Department Subtotals						
Total		\$635,115,729	\$78,372,392	\$88,381,025	\$163,965,450	\$965,834,596
CCF		\$498,399,738	\$14,701,357	\$35,893,185	\$62,305,876	\$610,376,271
CF		\$109,161,544	\$44,413,669	\$27,897,593	\$79,965,975	\$260,803,698
FF		\$26,924,593	\$10,273,498	\$23,110,988	\$21,205,455	\$81,514,534
CERF		\$0	\$6,654,832	\$1,126,485	\$488,144	\$8,269,461
HUTF		\$629,854	\$2,329,036	\$352,774	\$0	\$3,311,664
Grand Total						
Total		\$782,651,930	\$411,320,913	\$112,116,241	\$266,759,331	\$1,571,289,447
CCF		\$500,016,866	\$16,762,506	\$42,803,646	\$139,752,664	\$698,411,797
CF		\$255,080,617	\$355,301,041	\$44,722,348	\$105,313,068	\$759,781,991
FF		\$26,924,593	\$30,273,498	\$23,110,988	\$21,205,455	\$101,514,534
CERF		\$0	\$6,654,832	\$1,126,485	\$488,144	\$8,269,461
HUTF		\$629,854	\$2,329,036	\$352,774	\$0	\$3,311,664

VI. Other Action Taken by the CDC During FY 2009-10

The Capital Development Committee (CDC) acted on a number of other items during FY 2009-10, in addition to making recommendations for FY 2010-11 capital construction and controlled maintenance projects. This chapter summarizes action taken by the CDC regarding supplemental requests, six-month waiver requests, and property transactions. This chapter also summarizes three tours of various state-owned facilities taken by the committee during FY 2009-10 and a description of other miscellaneous committee activities.

Supplemental requests. State departments and higher education institutions must submit requests for supplemental funding, including requests for extensions of time only, to the CDC. **Figure 6.1** (Page 61) describes 24 supplemental projects considered and approved by the CDC. The JBC approved all 24 requests. The combined impact of the projects from all funding sources is \$24.8 million, including a rescission of \$13.3 million state funds.

The certificates of participation annual lease payments for three projects were refinanced through the supplemental process in order to reduce the amount owed for the payments in FY 2009-10 or FY 2010-11, and to transfer moneys to the General Fund to offset the budget shortfall for FY 2009-10. The three projects include: (1) Colorado State Penitentiary II, High Custody Expansion; (2) Various Projects at the Anschutz Medical Campus (formerly Fitzsimons); and (3) Various Higher Education Projects -- November 2008 Issue. These projects are listed in Figure 6.1.

The Governor made available about \$9.2 million in federal American Recovery and Reinvestment Act of 2009 discretionary funds for six projects through the supplemental process. These projects include: (1) Track Rehabilitation, Cumbres and Toltec Scenic Railroad; (2) Suicide Risk Mitigation; (3) Colorado AWARE VR Case Management System; (4) F Cottage Life Safety Improvements; (5) Quality of Life Improvements Project; and (6) Loma Port-of-Entry Repair and Abatement. These projects are listed in Figure 6.1.

Six-month waivers. Colorado law requires most departments and institutions that do not initiate a project and encumber funds within six months of the appropriation date to request a waiver of the six-month encumbrance deadline from the CDC. Upon approval, the CDC forwards its recommendation to the State Controller. Higher education capital construction projects funded from cash sources held by the institution or federal sources are exempted from this requirement. **Figure 6.2** (Page 64) lists four six-month waiver requests considered and approved by the CDC in FY 2009-10.

Three of the four approved waiver requests were made concurrent with the request for FY 2010-11 cash funds spending authority. These projects are included in Figure 6.2.

Property transactions. The Division of Parks and Outdoor Recreation and the Division of Wildlife, both within the Department of Natural Resources, are statutorily required to submit property transaction proposals to the CDC for review and comment. The CDC makes its recommendations regarding Parks and Wildlife property transactions to the State Parks Board and the Wildlife Commission, respectively. The source of funds for Department of Natural Resources property transactions is cash funds, including revenue earned from the sale of the Habitat Stamp



and state lottery proceeds dedicated to the Great Outdoors Colorado Trust Fund. **Figure 6.3** (Page 65) lists the ten Department of Natural Resources property transactions that the CDC reviewed and commented on in FY 2009-10. The Division of Wildlife submitted nine proposals, and the Division of Parks and Outdoor Recreation submitted one proposal. All of the property transaction proposals submitted during FY 2009-10 were favorably recommended.

Figure 6.1



Figure 6.1
Supplemental Appropriations Included in 2010 Long Bill

Fiscal Year Affected	Fund Source	Supplemental Request Amount
Supplemental to FY0506		
University of Colorado at Colorado Springs		
<i>Science / Engineering Buildings, Phase I of III</i> 2001-009	FF	\$1,100,000
	RF	(\$11,000,000)
The university is seeking to reduce its FY 2005-06 cash funds spending authority in order to lift a restriction imposed by the State Controller's Office regarding the expenditure of the remaining state funds appropriated to the project.		
Supplemental to FY0607		
Military and Veterans Affairs		
<i>HVAC Modifications, Englewood STARC Headquarters</i> 2002-096	FF	\$118,978
The department is seeking to lift a restriction on another capital project due to an overexpenditure of federal funds for the project in violation of a capital construction headnote.		
<i>New Field Maintenance Shop, Grand Junction</i> 2007-010	FF	\$437,087
The department is seeking to lift a restriction on another capital project due to an overexpenditure of federal funds for the project in violation of a capital construction headnote.		
Public Health and Environment		
<i>Superfund Site Cleanup, Clear Creek/Central City, Chem Sales, Summitville, Vasquez Boulevard</i> 2001-117		
This is a request to extend spending authority only. The department says this supplemental request is necessary due to unanticipated delays experienced during activities leading up to remedial action at the Clear Creek site.		
Supplemental to FY0708		
Cumbres and Toltec Scenic Railroad		
<i>Track Rehabilitation, Cumbres and Toltec Scenic Railroad</i> 2006-036	FF	\$1,000,000
	RF	\$1,000,000
The railroad is requesting a combination of cash and federal funds spending authority for the third phase of a five-phase project to upgrade the railroad's 69-mile track and railbed.		
Mesa State College		
<i>W.W. Campbell College Center (202 Project)</i> 2008-047	RF	\$4,373,434
The college encountered unforeseen construction cost inflation and additional equipment and furnishing expenses.		
Public Health and Environment		
<i>Superfund Site Cleanup - California Gulch, Captain Jack Mill, Standard Mine</i> 2004-006		
This is a request to extend spending authority only. The department says this supplemental request is necessary due to delays in receiving federal funding and implementation difficulties involving federal agencies.		
Supplemental to FY0809		
Colorado Northwestern Community College		
<i>Career and Technical Center, Craig Campus</i> 2009-043	CF	\$604,162
Additional cash funds spending authority is required in order for the college to sign construction contracts and begin construction in April 2010.		

Figure 6.1 (Cont.)
Supplemental Appropriations Included in 2010 Long Bill

Fiscal Year Affected	Fund Source	Supplemental Request Amount
Colorado State University		
<i>Moby B & C Wings Expansion and Remodel, Human Performance/Clinical Research Lab</i> 2009-038	CF	(\$3,400,000)
	FF	\$5,000,000
The college says it needs additional cash funds spending authority for FY 2009-10 and amended cash funds spending authority for FY 2008-09 in order to take advantage of potential federal funds from a National Institutes for Health (NIH) grant.		
Fort Lewis College		
<i>New Residence Hall (202 Project) - FLC</i> 2009-030	CF	\$2,712,281
The college says it needs additional cash funds spending authority to address below-cost estimates in the original program plan and escalating construction costs.		
<i>New Student Union (202 Project)</i> 2009-029	CF	\$10,500,000
The college needs additional cash funds spending authority in order to complete the project as designed. The project is currently under construction and scheduled for completion in August 2011.		
Human Services		
<i>Suicide Risk Mitigation</i> 2009-007	FF	\$3,480,190
The department is requesting federal funds spending authority to continue suicide risk mitigation efforts at two state mental health institutes and to maintain transparency in its budget.		
Mesa State College		
<i>Saunders Fieldhouse Renovation and Expansion (Phase II of III)</i> 2007-132	CF	\$3,627,000
The project is scheduled for completion in December 2009. An emergency supplemental is required in order to include new value-added features at the time of construction and address additional required renovations prior to project completion.		
University of Colorado Denver		
<i>Business School Purchase and Renovation of 1475 Lawrence Street</i> 2009-134	CF	\$5,000,000
The university is requesting additional cash funds spending authority in order to replace obsolete mechanical and electrical infrastructure to better meet the programmatic needs of the Business School.		
Supplemental to FY0910		
Adams State College		
<i>Auxiliary Facilities (202 Project)</i> 2010-016	CF	\$10,000,000
The college says this supplemental request is necessary in order to refinance some of its existing debt and take advantage of tax-free Build America Bonds.		
Colorado School of Mines		
<i>New Residence Hall (202 Project)</i> 2010-019	CF	\$3,016,497
The school is increasing the scope of its New Residence Hall project in order to provide additional housing for first-year students and to improve energy efficiency.		
Corrections		
<i>Centennial Correctional Facility Expansion (formerly CSP II) (COP Project)</i> 2008-192	CCF	(\$8,175,782)
	CERF	(\$5,766,568)
The FY 2009-10 lease-purchase payment was eliminated by the recent refinancing of the certificates of participation issued for the project.		

**Figure 6.1 (Cont.)
Supplemental Appropriations Included in 2010 Long Bill**

Fiscal Year Affected	Fund Source	Supplemental Request Amount
Higher Education		
<i>Various Higher Education Projects -- November 2008 Issue (COP Project)</i> 2009-203	CF	(\$832,360)
The FY 2009-10 lease-purchase payment was reduced by the recent refinancing of the certificates of participation issued for the project.		
Human Services		
<i>Colorado AWARE VR Case Management System</i> 2011-021	FF	\$1,152,850
The department commenced work on the project in the summer of 2009, and is seeking immediate legislative approval in order to maintain transparency in its budget.		
<i>F Cottage Life Safety Improvements, Colorado Mental Health Institute at Fort Logan</i> 2007-118	FF	\$1,995,290
The department is requesting federal funds spending authority to install an air conditioning unit, and is seeking immediate legislative approval in order to maintain transparency in its budget.		
<i>Quality of Life Improvement Project, Colorado State Veterans Home at Walsenburg</i> 2011-031	CF	\$708,315
	FF	\$1,315,443
The department is seeking legislative authorization prior to the awarding of a federal State Homes Construction Grant from the Veterans Administration for the project, which the department anticipates will occur in October or November 2009.		
Revenue		
<i>Loma Port-of-Entry Repair and Abatement</i> 2011-028	FF	\$259,683
The department commenced work on this project in October 2009 in order to address the emergency mitigation of critical health and safety issues. The department is seeking immediate legislative approval in order to maintain transparency in its budget.		
University of Colorado at Boulder		
<i>Basketball and Volleyball Practice Facility (202 Project)</i> 2009-128	CF	\$815,000
The university is requesting additional cash funds spending authority to address additional costs identified during the project's design phase.		
University of Colorado Denver		
<i>Various Projects at the Anschutz Medical Campus (formerly Fitzsimons) (COP Project)</i> 2005-031	CCF	(\$5,142,063)
	CF	\$945,082
The FY 2009-10 lease-purchase payment was reduced by the recent refinancing of the certificates of participation issued for the project.		
		CF 28,069,411
Totals		FF 15,859,521
		CERF (5,766,568)
		CCF (13,317,845)
		Grand Total \$24,844,519

Figure 6.2
Six-Month Waiver Requests Approved by the CDC
July 1, 2009 - June 30, 2010

Department	Project Name	Reason for Waiver	Waiver Amount and Fund Source	Date Waiver Heard
Department of Natural Resources, Division of Wildlife	Land and Water Acquisitions*	The project allows the division to acquire real property through a competitive bid process. The division requested a waiver because it takes time to develop and publicize requests for proposal, and to review the bid proposals that it receives. In addition, the process can be delayed by various factors, such as the availability of property in areas of interest to the division or the need to negotiate with landowners. According to the division, entering into an agreement within six months is not always feasible, practical, or in the best interest of the division or the state.	\$3,535,000 CF	12/3/09
Department of Natural Resources, Division of Wildlife	Land and Water Acquisitions**	See Description Above.	\$4,500,000 CF	3/4/10
Department of Natural Resources, Division of Wildlife	Motorboat Access on Lakes and Streams**	The project constructs boat ramps and docks and makes parking lot, road, and restroom improvements on property owned by the division or to other public property. The division requested a waiver because it needs to submit and obtain approval of a grant application from the U.S. Fish and Wildlife Service for all six projects included in the request, which can be a lengthy process.	<u>\$512,180 Total</u> 128,045 CF 384,135 FF	3/4/10
Department of Labor and Employment, Division of Oil and Public Safety	Consolidated Enterprise System**	The project purchases a hosted database system to replace multiple existing databases used by various programs within the Division of Oil and Public Safety. The division requested a waiver because the accounting requirements triggered by the use of American Recovery and Reinvestment Act of 2009 funds for other projects have delayed the encumbrance process for this project.	<u>\$855,049 Total</u> 641,287 CF 213,762 FF	6/16/10
Grand Total			<u>\$9,402,229 Total</u> 8,804,332 CF 597,897 FF	

* This request is to waive part of the FY 2009-10 appropriation to the project.

** This waiver request was made concurrent to the FY 2010-11 request for spending authority for the project. The waiver will not take effect until October 29, 2010, or six months after the passage of the 2010 Long Bill.

Figure 6.3
Property Transactions Reviewed and Commented Upon by the CDC
July 1, 2009 - June 30, 2010

Property Name and Type	Purpose of Acquisition	Acres	Location	Cash Funds Amount
Division of Parks and Outdoor Recreation				
McClure Fee Title Acquisition	The project purchases property bordering Lory State Park to the west in order to guarantee access to a gravel road that crosses the property and continues into the park backcountry.	99 acres	4 miles west of Fort Collins, bordering Lory State Park	\$395,000
Division of Parks and Outdoor Recreation Subtotal				
Division of Wildlife				
Asnicar Farms, Inc. Fee Title Acquisition	The project purchases an 80 acre in-holding in the Elliot State Wildlife Area to connect various tracts for greater accessibility for hunters and improve wetland habitats for spring migrating waterfowl, shorebirds, and wading birds.	80 acres	About 9 miles northeast of Brush and six miles east of Snyder	\$258,500
Berthelson Ranch State Habitat Area Conservation Easement	The acquisition protects big game habitat and migration corridors, and sage-dependent species habitat from residential development.	1,634 acres	11 miles east of Meeker	\$1,840,000
Bodo State Wildlife Area Shooting Range Property Exchange	The transaction exchanges 46 acres between the Division of Wildlife and La Plata County at the Bodo State Wildlife Area. The county will develop and operate a law enforcement shooting range on its new parcel and the division will provide better wildlife habitat and improved public hunting/recreation opportunities.	46 acres	2.5 miles south of Durango	\$0
Jumping Cow Ranch State Wildlife Area Public Access Easement and Conservation Easement	The acquisition will provide hunting access for pronghorn, mule deer, white-tailed deer, and migratory birds.	12,495 acres	Ramah, about 40 miles east of Castle Rock	\$1,492,000
Loma Boat Launch State Wildlife Area, Property Exchange	The property exchange deeds 0.11 acres of state-owned land managed by the Division of Wildlife for 1.42 acres of privately owned land in order to preserve public access to the Colorado River at the Loma Boat Launch.	1.42 acres	Two miles southeast of Loma on the Colorado River	\$0

Figure 6.3
Property Transactions Reviewed and Commented Upon by the CDC
July 1, 2009 - June 30, 2010

Property Name and Type	Purpose of Acquisition	Acres	Location	Cash Funds Amount
Orchard State Habitat Area, EnCana Conservation Easement Donation	The property transaction permits the donation of 160 acres to protect mule deer and elk winter range, and seasonal use by Greater sage-grouse.	160 acres	About 30 miles northeast of Grand Junction and 4 miles southeast of De Beque	\$0
Orient Mine State Wildlife Area Conservation and Access Easement(s)	The project purchases a perpetual conservation easement and public access easement to improve access for hunting and wildlife viewing on adjacent division-owned lands and to provide a critical link between lands managed by the Bureau of Land Management, the Division of Wildlife, and the Rio Grande National Forest.	350 acres	About 20 miles southeast of Salida and 7 miles southeast of Villa Grove	\$5,000
Torres Ranch State Habitat Area Conservation Easement #5	The acquisition protects habitat for Colorado's second largest elk herd from increased subdivision, residential development, and methane gas exploration.	276 acres	Stonewall, 30 miles west of Trinidad	\$201,000
Trout Creek State Habitat Area Conservation Easement	The project will protect 15 acres of land adjacent to Trout Creek from future development.	15 acres	About 3 miles south of Buena Vista, along Highway 285 and east of Johnson Village	\$0
Division of Wildlife Subtotal				\$3,796,500
Grand Total				\$4,191,500

CDC tours of state-owned facilities. During the 2009 legislative interim, the CDC took three tours to visit various state-owned facilities. The tours included a two-day tour in July of facilities in the metro Denver area, a one-day tour of facilities in the north central region of the state in August, and a three-day tour of the south central region of the state in September. **Figure 6.4**, below, lists the sites visited during each of the tours conducted by the committee during FY 2009-10.

Figure 6.4
CDC Tours of State-owned Facilities
July 1, 2009 — June 30, 2010

Date of Visit	Region Visited	Sites Visited
July 28-29, 2009	Metro Denver	<ul style="list-style-type: none"> • Auraria Higher Education Campus • Adams Youth Correctional Facility • Anschutz Medical Campus • Denver Reception and Diagnostic Center • Lowry Campus • Colorado School of Mines • Colorado Mental Health Institute at Fort Logan • Staunton State Park • State Capitol Dome
August 24, 2009	North Central	<ul style="list-style-type: none"> • University of Northern Colorado • Foothills Wildlife Research Facility • Front Range Community College • Colorado State University <ul style="list-style-type: none"> ▸ Veterinary Teaching Hospital ▸ Main Campus ▸ Foothills Campus
September 21-23, 2009	South Central	<ul style="list-style-type: none"> • Colorado School for the Deaf and the Blind • Colorado State University -- Pueblo • Pueblo Community College • Canon City Correctional Complex • Colorado Mental Health Institute at Pueblo • Pueblo Fish Hatchery • University of Colorado at Colorado Springs

Miscellaneous CDC activities, Figure 6.5, on the following page, provides a description of miscellaneous actions taken by the CDC during FY 2009-10.



Figure 6.5
Miscellaneous CDC Action and Activities
July 1, 2009 — June 30, 2010

Date	Action
July 28, 2009	Voted to allow the Capitol Building Advisory Committee to assist Colorado Preservation, Inc., in the development of a public-private fund-raising campaign to finance the restoration of the State Capitol dome and to give the Capitol Building Advisory Committee permission to apply for the 2010 Most Endangered Places List on behalf of the State Capitol dome.
July 29, 2009	Heard an update from representatives of the Judicial Branch and the Colorado Historical Society about the financing of and construction timeline for two projects: the Colorado History Center and the Ralph L. Carr Judicial Center.
October 23, 2009	Elected a new committee chair and vice chair.
	Approved a proposal from the Capitol Building Advisory Committee that the Department of Human Services, Division of Vocational Rehabilitation Business Enterprise Program, replace and refurbish the furniture in State Capitol café using federal stimulus dollars.
	Directed the Office of Legislative Legal Services to work with the Governor's Office of State Planning and Budgeting and the Department of Personnel and Administration (DPA) to draft legislation authorizing lease-purchase authority to DPA to acquire or build a new state office building on land adjacent to the State Capitol using existing agency lease appropriations.
December 1-3, 2009	Conducted annual hearings to consider regular capital budget requests.
January 14, 2010	Heard a report from the Office of the State Treasurer about the Higher Education Revenue Bond Intercept program.
January 21, 2010	Heard a report from the Department of Natural Resources, Division of Wildlife about the Habitat Stamp program.
	Pursuant to House Rule 50 (a), voted to favorably recommended House Bill 10-1083 to the House Judiciary Committee. The bill authorizes the state to enter into lease-purchase agreements for the purchase of a day surgery center for the Denver Reception and Diagnostic Center (DRDC) within the Department of Corrections.
January 28, 2010	Considered a draft of proposed committee legislation: "Lease-purchase Building Agreements," which authorizes the executive director of the Department of Personnel and Administration to enter into lease-purchase agreements for real property with prior approval by the Governor's Office of State Planning and Budgeting and the Capital Development Committee.
February 2, 2010	Heard an update from representatives of the Judicial Branch and the Colorado Historical Society about two projects: the Colorado History Center and the Ralph L. Carr Judicial Center.
February 4, 2010	Voted to introduce committee legislation, "Lease-purchase Building Agreements," to the General Assembly. The bill authorizes the executive director of the Department of Personnel and Administration to enter into lease-purchase agreements for real property with prior approval by the Governor's Office of State Planning and Budgeting and the Capital Development Committee.



Figure 6.5 (Cont.)
Miscellaneous CDC Action and Activities
July 1, 2009 — June 30, 2010

Date	Action
February 4, 2010 (Cont.)	Pursuant to Senate Rule 42 (a), voted to favorably recommend Senate Bill 10-094 to the Senate Business, Labor, and Technology Committee. The bill defines capital construction appropriation for the purposes of the Arts in Public Places Program (1 percent for art).
March 16, 2010	Voted to favorably recommend draft legislation granting the power of eminent domain to Metropolitan State College of Denver, "Concerning Necessary Authority for Metropolitan State College of Denver to Access Favorable Financing," to the General Assembly for introduction as a Capital Development Committee bill.
March 18, 2010	Considered a request from a representative of Colorado Preservation, Inc. (CPI), and the State Architect to allow CPI to spearhead a statewide fund-raising effort on behalf of the State Capitol dome renovation project.
March 25, 2010	Considered a draft resolution concerning fund-raising for the State Capitol dome.
April 1, 2010	Considered a draft of proposed committee legislation, "Capitol Dome Restoration Funding."
April 6, 2010	Voted to introduce committee legislation, "Capitol Dome Restoration Fundraising," to the General Assembly. The bill authorizes a private, non profit organization to fund-raise on behalf of the state for the State Capitol dome restoration project.
May 6, 2010	Approved a proposal from the Capitol Building Advisory Committee to accept the permanent donation of a replica of a House member's desk to be placed in Mr. Brown's Attic.
May 11, 2010	Discussed the interim meeting schedule.
	Pursuant to House Rule 50 (a), voted to favorably recommend Senate Bill 10-207 to the House Committee on State, Veterans, and Military Affairs. The bill authorizes the state to enter into lease-purchase agreements to finance capital construction projects proposed by the Governor's Energy Office in order to improve the energy efficiency of state facilities.



VII. Legislation Impacting Capital Construction Funding or the Capital Development Process — 2010 Legislative Session

A number of the bills considered by the General Assembly during the 2010 legislative session affected capital construction and the duties of the Capital Development Committee (CDC). **Figure 7.1** (Page 75) summarizes and provides fiscal information about 24 bills. A discussion of the full impact of the most significant of these measures on the capital construction process and the duties of the CDC follows.

Budget Balancing

The effects of an economic recession that began in FY 2008-09 continued to create a state budget shortfall for FY 2009-10, leading the General Assembly to consider a number of budget balancing measures during the 2010 session. **House Bill 10-1327** transfers moneys from various cash funds to augment state General Fund revenue for FY 2009-10. The transfers include two cash funds that affect capital construction, the Higher Education Federal Mineral Lease Maintenance and Reserve Fund (maintenance and reserve fund) and the Controlled Maintenance Trust Fund (CMTF). The transfer amount from the principal of the maintenance and reserve fund for FY 2009-10 is \$2.3 million. This amount is based on actual fund earnings to date. The transfer amount for FY 2009-10 from the principal of the CMTF is \$335,000. This represents the remaining principal balance of the fund.

House Bill 10-1389 transfers moneys from funds typically reserved for capital projects to the General Fund and eliminates certain transfers from the General Fund to the Capital Construction Fund. The certificates of participation (COPs) issued for three capital projects were refinanced during the 2009 interim, which resulted in three negative supplemental requests that either eliminated or reduced the funds appropriated for the FY 2009-10 payments. The savings realized from the negative supplemental requests were transferred, in part, to the General Fund to offset the budgetary shortfall for FY 2009-10 and FY 2010-11. The transfers include \$20.9 million for FY 2009-10 and \$10.4 million for FY 2010-11.

Capital Construction Projects

Spending on capital construction. **House Bill 10-1376** (the Long Bill) provides funding in FY 2010-11 for 56 capital construction and controlled maintenance projects totaling \$411.3 million, including \$16.8 million in state funds, and \$394.5 million in cash and federal funds. The bill funds 3 certificates of participation payments, 2 state-funded capital construction projects, 19 state-funded controlled maintenance projects, and 32 cash projects.

The add-on to the 2010 Long Bill makes supplemental capital construction appropriations for 22 projects, including 2 requests for extensions of time only. The combined impact of the 22 supplemental requests from all funding sources is \$13.7 million. Some state-funded appropriations for prior fiscal years were adjusted by these supplemental requests, but no new state funds were appropriated for any projects.



Revenue for state-funded capital construction. Moneys for capital construction and controlled maintenance projects approved during the 2010 session were provided in two bills. **House Bill 10-1389** provides \$9.1 million in revenue for FY 2010-11 projects from a General Fund transfer to the Capital Construction Fund. **House Bill 10-1376** provides \$7.6 million in revenue for FY 2010-11 projects from the balance and projected FY 2009-10 interest earnings of the Capital Construction Fund.

Other revenue for capital construction. **House Bill 10-1140** authorizes the appropriation of cash funds from the State Veterans Trust Fund for the construction of three readiness centers requested by the Department of Military and Veterans Affairs. The appropriation for the three projects is listed in the 2010 Long Bill.

Changes to the Capital Process

Several bills considered by the General Assembly during the 2010 session make changes to the capital process, including changes to public notice requirements, how certain types of projects are reviewed, and what projects are subject to the requirement to allocate money for art in public places. **House Bill 10-1181** makes changes to public notice requirements for state departments in order to conform to changes made for higher education institutions in Senate Bill 09-290. The threshold for giving public notice for professional services for all state agencies is now \$1 million for total project costs and \$100,000 for professional services.

Another bill, **Senate Bill 10-003**, makes one change to current law that directly affects the capital process for higher education institutions. The act repeals the requirement that the Colorado Commission on Higher Education approve acquisitions of real property funded from cash sources. Rather, acquisition projects expected to cost more than \$2 million in cash funds are to be listed as part of an institution's two-year projection of cash need. The CDC considers and approves two-year projections of cash need once a year. Institutions of higher education are authorized to commence projects on the two-year list once the list has been considered by the CDC and so long the cost of a project does not exceed the original estimate by more than 15 percent.

Senate Bill 10-094 expands the types of capital projects subject to the Art in Public Places Program administered by the State Council on the Arts. Under current law, the common practice has been to require state agencies to allocate 1 percent of a project's state-funded construction costs to the program. The act defines capital construction appropriation to include any appropriation or transfer for a public construction project from state funds, including the cost of financing a capital construction project. This act extends the 1 percent requirement to projects financed through mechanisms such as certificates of participation.

Legislation Concerning the Renovation of the State Capitol Dome

The General Assembly considered two bills that make provisions for repairs to the State Capitol dome. **House Bill 10-1402** authorizes a nonprofit statewide historic preservation organization (nonprofit organization) to raise money for crucial dome repairs using cause marketing, a children's campaign, a public campaign, gifts, and/or grants. **Senate Bill 10-192** directs the transfer of moneys from the State Historical Fund to the Capitol Dome Restoration Fund for repairs to the State Capitol dome. The act transfers up to \$12.0 million from the State Historical Fund to the newly created Capitol Dome Restoration Fund over the course of three fiscal years beginning in FY 2010-11, or \$4.0 million annually. The moneys transferred in FY 2011-12 and



FY 2012-13 are to be reduced by the amount donated by the nonprofit organization and/or the amount granted for the dome repair project by the Colorado Historical Society. House Bill 10-1402 creates the Capitol Dome Restoration Trust Fund and outlines the process by which moneys raised by the nonprofit organization will be credited to the newly created fund. As moneys are needed for discrete phases of the project, the nonprofit organization and the Department of Personnel and Administration are directed to coordinate the timing and amount of the donations of moneys raised through the fund-raising efforts.

House Bill 10-1402 expands the duties of the CDC to require the committee to review, approve, and oversee a two-year, private fund-raising campaign for repairs to the State Capitol dome. The CDC is required to provide periodic reports to the Executive Committee of Legislative Council regarding the types and status of approved fund-raising efforts. The act also directs the Capitol Building Advisory Committee to review, advise, and make recommendations to the CDC about any proposed fund-raising efforts. The authority of the CDC to oversee the fund-raising process and the advisory role of the Capitol Building Advisory Committee in that process are repealed on July 1, 2012.

Neither act makes an appropriation. Prior to commencing any repair work on the State Capitol dome, the Department of Personnel and Administration must submit a capital construction request for the project to the CDC for review and approval. It is anticipated that the department, with the assistance of the Governor's Office of State Planning and Budgeting, will submit such a request during the 2010 interim as an emergency supplemental request for cash funds spending authority. The project will therefore require approval from both the CDC and the Joint Budget Committee before any moneys can be expended. The project would later be listed in the 2011 Long Bill

Legislation Concerning Lease-Purchase Agreements

Lease-purchase transactions authorized during the 2010 session. House Bill 10-1083 authorizes the state to enter into lease-purchase agreements for the purchase of a day surgery center for the Denver Reception and Diagnostic Center (DRDC) within the Department of Corrections (DOC). The lease-purchase agreements are authorized for a period of up to 12 years and for a total amount not to exceed \$2.8 million. The department will locate a modular surgical facility adjacent to the existing DRDC facility. **Senate Bill 10-207** authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the state to finance capital construction projects proposed by the Governor's Energy Office in order to improve the energy efficiency of state facilities. The act establishes the process for identifying, recommending, and approving eligible projects. After consideration of a prioritized list of projects, the CDC is directed to provide a letter specifying the final approval priority of the projects to the Governor's Energy Office, OSPB, the Joint Budget Committee, and the State Treasurer. The act limits the total par value of any lease-purchase agreement to \$73 million and grants the State Treasurer the sole discretion to determine the timing of any agreements.

Changes to the approval process for lease-purchase agreements. Under current law, lease-purchase agreements for real property that require total payments in excess of \$500,000 must be approved by a bill other than the general appropriation bill or a supplemental appropriation bill. **Senate Bill 10-166** authorizes the executive director of the Department of Personnel and Administration to enter into a lease-purchase agreement for real property if two conditions are met, including: (1) the amount of rent appropriated for the state agency to be located in the building plus any anticipated rent from private persons exceeds the amount of annual costs for lease-purchase



payments, operating costs, maintenance costs, and all other lease-purchase costs; and (2) the plan for the transaction is approved by the Office of State Planning and Budgeting and the CDC. The bill does not change the responsibilities of the CDC regarding the review of reports submitted prior to the acquisition of property through a lease-purchase agreement.

Legislation Concerning Real Property Transactions

The General Assembly considered several bills concerning the sale, lease, or purchase of real property during the 2010 session. **House Bill 10-1375** grants Metropolitan State College of Denver the power of eminent domain, or the authority to acquire real property, for the purpose of receiving more favorable interest rates when it bonds for certain capital projects. **House Bill 10-1219**, which was postponed indefinitely, would have authorized the Department of Corrections to sell a correctional facility. The bill also would have authorized the department to place inmates in a private contract prison, regardless of custody level. Another bill, **House Bill 10-1421**, which was deemed lost, would have required the department to reduce its prison bed capacity by at least 300 beds or create comparable savings.

Sale of the Trinidad State Nursing Home. The General Assembly considered two bills that would have affected the sale of the Trinidad State Nursing Home. The sale of the home was authorized during the 2009 session. Both bills considered by the General Assembly during the 2010 session were postponed indefinitely. **House Bill 10-1217** would have repealed the authority of the executive director of the Department of Human Services to sell the Trinidad State Nursing Home. **House Bill 10-1426** would have created the Trinidad State Nursing Home Cash Fund in order to separate the finances of the home from the operation of the other four state veterans nursing homes. The bill permitted the sale of the home, but specified that money from the sale would have been deposited into the newly created cash fund in order to be used to pay costs associated with the sale of the home.

Department of Natural Resources real property transactions. The General Assembly considered two bills concerning real property transactions within the Department of Natural Resources during the 2010 session. **House Bill 10-1197** caps the total state income tax credit taxpayers are allowed to claim for donating a conservation easement. The bill caps the total amount of credit that may be claimed for income tax purposes for tax years 2011, 2012, and 2013. The aggregate cap is \$26 million annually. **House Bill 10-1361**, which was postponed indefinitely, would have restricted the authority of the Division of Wildlife, within the Department of Natural Resources, to purchase and retain a fee simple title to real property using proceeds from the sale of habitat stamps. This type of purchase would have been permitted only when no other type of interest in the property was viable or available.



**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session**

Signed Into Law	
<p>Bill Number: House Bill 10-1081</p> <p>Sponsors: Representative Priola Senators Steadman</p>	<p>Short Title: Money Laundering Criminal Fraud</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act transfers \$91,370 in FY 2010-11 from the General Fund to the Capital Construction Fund, and then appropriates the funds from the Capital Construction Fund to the Corrections Expansion Reserve Fund. The funds will then be made available for capital construction projects within the Department of Corrections.</p> <p>The transfer is contingent upon realizing the projected cost savings from another bill, House Bill 10-1338, which permits individuals with two or more felony convictions to apply for probation with certain exceptions.</p>
<p>The act broadens the crime of money laundering to include fraud-related offenses. Under current state law, the crime of money laundering applies only to drug-related offenses. This change enables prosecutors to charge individuals with money laundering for an increased number of crimes.</p> <p>Under state law, no bill can be passed by the General Assembly which results in a net increase in periods of imprisonment in state correctional facilities unless it contains an appropriation sufficient to cover the increased capital construction and operating costs in the first five fiscal years of the bill. The fiscal note estimates that one additional offender will be convicted of the crime of money laundering and imprisoned every five years.</p>	<p>Short Title: Lease-Purchase Agreements for Day Surgery Center</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The lease-purchase payments will not commence until the facility is operational. Moneys for the lease-payments must be annually appropriated. The source of funds for the lease-purchase is moneys currently paid by the department to public hospitals for the day surgery procedures. The fiscal note estimates that the act will reduce state General Fund expenditures by \$201,920 beginning in FY 2010-11.</p>
<p>Bill Number: House Bill 10-1083</p> <p>Sponsors: Representative B. Gardner Senator Steadman</p> <p>The act authorizes the state to enter into lease-purchase agreements for the purchase of a day surgery center for the Denver Reception and Diagnostic Center (DRDC) within the Department of Corrections (DOC). The lease-purchase agreements are authorized for a period of up to 12 years and for a total amount not to exceed \$2.8 million. The department will locate a modular surgical facility adjacent to the existing DRDC facility. The department typically contracts for 660 surgeries a year at an off-site, public hospital at an average rate of \$2,187 per surgery. These costs are higher than the cost to perform the surgery at a DOC facility due to the costs associated with transporting and supervising inmates.</p>	<p>Short Title: Lease-Purchase Agreements for Day Surgery Center</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The lease-purchase payments will not commence until the facility is operational. Moneys for the lease-payments must be annually appropriated. The source of funds for the lease-purchase is moneys currently paid by the department to public hospitals for the day surgery procedures. The fiscal note estimates that the act will reduce state General Fund expenditures by \$201,920 beginning in FY 2010-11.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: House Bill 10-1140</p> <p>Sponsors: <i>Representatives Nikkel and Todd</i> <i>Senators B. Shaffer and Spence</i></p> <p>The act permits the appropriation of cash funds from the State Veterans Trust Fund for the construction of three readiness centers requested by the Department of Military and Veterans Affairs. The use of moneys in the trust fund for this purpose is repealed July 1, 2012. The proposed armories will be located in Grand Junction, Windsor, and Alamosa. Additional moneys for the projects are requested from federal sources and from the Real Estate Proceeds Fund. The projects were approved and recommended for inclusion in the 2010 Long Bill by the Capital Development Committee and the Joint Budget Committee.</p>	<p>Short Title: Transfer from Veterans Trust Fund for Armory Projects</p> <p>Status: Signed into Law</p> <p>Fiscal Information: Revenue accrues to the Veterans Trust Fund from the annual Tobacco Master Settlement payment, up to 1 percent or \$1.0 million annually. Over the past several years, about \$900,000 annually has been transferred to the trust fund. About \$4.7 million will be available from the fund for the FY 2010-11 armory project requests.</p>
<p>Bill Number: House Bill 10-1181</p> <p>Sponsors: <i>Representative Todd</i> <i>Senator Bacon</i></p> <p>The act makes changes to public notice requirements for state departments in order to conform to changes made for higher education institutions in Senate Bill 09-290. Under current law, state departments other than the Department of Transportation are required to issue public notice for professional services if a project is estimated to cost more than \$500,000, or if the fee for professional services is estimated to exceed \$50,000. The threshold for giving public notice for professional services for the Department of Transportation and higher education institutions is twice that of state departments, or \$1 million for total project costs and \$100,000 for professional services. This act eliminates the discrepancy between state agency and higher education notification requirements. In addition, the act eliminates the requirement that public notice be given by state departments at least two times in one or more daily newspapers. Instead, all state agencies will be required to give public notice at least once in one or more daily newspapers, or through an electronic medium approved by the state personnel director.</p>	<p>Short Title: DPA Administrative Clean Up</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act may result in some savings for state agencies associated with the reduced requirement to post public notice in daily newspapers.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: House Bill 10-1197</p> <p>Sponsors: Representative Ferrandino Senator Heath</p> <p>Under current law, taxpayers are allowed to claim a state income tax credit for donating a conservation easement. The credit is equal to 50 percent of the fair market value of the easement, with a cap of \$375,000 per easement. The act caps the total amount of credit that may be claimed for income tax purposes for tax years 2011, 2012, and 2013. The aggregate cap is \$26 million annually.</p> <p>The Capital Development Committee makes advisory recommendations prior to the purchase of conservation easements by the Division of Wildlife and the Division of Parks and Outdoor Recreation. A cap in state income tax credit for donating a conservation easement may reduce the number of conservation easements considered by the committee.</p>	<p>Short Title: Reduce Conservation Easement Tax Credit</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act is expected to increase General Fund revenue by an estimated \$18.5 million in FY 2010-11 and \$37.0 million in FY 2011-12, because a cap has been placed on the amount of the total conservation easement tax credit that can be refunded in FY 2010-11 through FY 2012-2013.</p> <p>The act requires a cash fund expenditure of \$9,028 and 0.2 FTE per year for FY 2010-11 through FY 2012-13, the years in which the \$26 million cap is in place, in order to collect, record, and track claims for certification of conservation easement tax credits.</p>
<p>Bill Number: House Bill 10-1277</p> <p>Sponsors: Representative DeGrosso Senator Steadman</p> <p>The act extends the prohibition of engaging in sexual conduct with an individual in the custody of a correctional facility to employees, contractors, or volunteers of juvenile detention or commitment centers and community corrections facilities. Current law prohibits an employee, contractor, or volunteer of a correctional facility from engaging in sexual conduct with an individual in custody of the facility.</p> <p>Under state law, no bill can be passed by the General Assembly which results in a net increase in periods of imprisonment in state correctional facilities unless it contains an appropriation sufficient to cover the increased capital construction and operating costs in the first five fiscal years of the bill. The fiscal note estimates that one additional offender will be convicted of the crime of engaging in sexual conduct with an individual in the custody of a juvenile detention or commitment center or community corrections facility and be imprisoned every five years.</p>	<p>Short Title: Sexual Conduct in Correctional Facility</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act transfers \$83,861 in FY 2010-11 from the General Fund to the Capital Construction Fund, and then appropriates the funds from the Capital Construction Fund to the Corrections Expansion Reserve Fund. The funds will be made available for capital construction projects within the Department of Corrections.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: House Bill 10-1327</p> <p>Sponsors: Representative Pommer Senator White</p> <p>The act transfers moneys from various cash funds to augment state General Fund revenue for FY 2009-10. The transfers include two cash funds that affect capital construction, the Higher Education Federal Mineral Lease Maintenance and Reserve Fund (maintenance and reserve fund) and the Controlled Maintenance Trust Fund (CMTF).</p> <p>The maintenance and reserve fund earns revenue primarily from one-time "bonus" payments made by mineral and gas companies to lease federal land for mineral development. The principal of the fund cannot be transferred or appropriated, unless there is insufficient General Fund revenue for a 4 percent reserve, in which case the legislature can authorize the expenditure of the principal for higher education operating expenses. Interest earnings on the maintenance and reserve fund may be used for higher education controlled maintenance projects.</p> <p>Moneys to the CMTF are transferred or appropriated from the General Fund. Interest earning in the fund may be used for controlled maintenance projects. However, the principal balance of the fund cannot be appropriated for controlled maintenance projects. Historically, part of the fund's principal balance has been transferred multiple times during the last 10 years to address the state's revenue shortfall, including a transfer authorized during the 2009 legislative session for FY 2009-10.</p>	<p>Short Title: Cash Fund Transfers to Augment General Fund</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The transfer amount from the principal of the maintenance and reserve fund is \$2.3 million. This amount is based on actual fund earnings to date. The transfer amount from the principal of the CMTF is \$335,000. This represents the remaining principal balance of the fund.</p> <p>Both the maintenance and reserve fund and the CMTF have earned minimal interest for use in FY 2009-10 due to transfers of the principal balance authorized during the 2009 legislative session. Therefore, no moneys were recommended for FY 2010-11 controlled maintenance projects from these sources. It is likely that there will not be sufficient interest earnings in either fund to offset controlled maintenance requests during the fiscal forecast period.</p>
<p>Bill Number: House Bill 10-1375</p> <p>Sponsors: Representative Riesberg Senator Bacon</p> <p>The Capital Development Committee bill adds Metropolitan State College of Denver (Metro State) to a list of other higher education governing boards that may exercise the power of eminent domain. Metro State is requesting the power of eminent domain for the purpose of receiving more favorable interest rates when it bonds for certain capital projects. Under current law, all other state higher education institutions are statutorily granted the power of eminent domain, including the University of Colorado Denver and the Community College of Denver – the two institutions that share the Auraria Higher Education Center campus with Metro State.</p>	<p>Short Title: Metro State College Finance Authority</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act is assessed as having no fiscal impact. It simply grants Metro State the authority to acquire real property.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: House Bill 10-1376</p> <p>Sponsors: <i>Representative Pommer</i> <i>Senator Keller</i></p> <p>The act makes appropriations for 56 capital construction and controlled maintenance projects totaling \$411.3 million. Of this amount, \$16.8 million (4.1 percent) is from state funds, and \$394.0 million (95.9 percent) is from cash and federal funds. House Bill 10-1376 funds 3 certificates of participation payments, 2 state-funded capital construction projects, 19 state-funded controlled maintenance projects, and 32 cash-funded projects.</p> <p>The add-on to the 2010 Long Bill also authorizes 22 requests for supplemental funding, including 2 requests for extensions of time only. The combined impact of these requests from all funding sources is \$13.7 million. The certificates of participation issued for three projects were refinanced during the 2009 interim, which resulted in three negative supplemental requests that either eliminated or reduced the funds appropriated for the FY 2009-10 payments. The savings realized from the negative supplemental requests were transferred, in part, to the General Fund to offset the budgetary shortfall for FY 2009-10 and FY 2010-11. These transfers are included in House Bill 10-1389.</p>	<p>Short Title: Long Appropriations Bill</p> <p>Status: Signed into Law</p> <p>Fiscal Information: A \$9.1 million General Fund transfer is required to pay for the FY 2010-11 capital construction and controlled maintenance projects listed in the capital section of the 2010 Long Bill.</p>
<p>Bill Number: House Bill 10-1387</p> <p>Sponsors: <i>Representative Pommer</i> <i>Senator White</i></p> <p>The act diverts money from or changes the use of moneys from the Highway Users Tax Fund (HUTF) for the purpose of paying expenses incurred by the Department of Revenue in licensing drivers and issuing identification cards. The act permits the use of HUTF off-the-top appropriations in FY 2010-11 for expenses incurred by the Division of Motor Vehicles.</p> <p>HUTF off-the-top appropriations fund the capital and operating expenses associated with the Department of Revenue, Colorado Ports-of-Entry, and the Department of Public Safety, Colorado State Patrol. Revenue to the HUTF comes from the state motor fuel tax, vehicle registration fees, driver's license fees, and court fines. Off-the-top distributions are funded from the motor fuel tax, which is divided into two pots prior to distribution: the first 7 cents of the tax rate and everything else (above 7 cents). Off-the-top distributions are made from revenue received from the first 7 cents of the motor fuel tax rate.</p>	<p>Short Title: Finance Driver's Licences DOR</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act permits a \$2.7 million off-the-top appropriation from the HUTF to the Department of Revenue, Division of Motor Vehicles, for FY 2010-11. Four capital projects are requested from this source of funds for FY 2010-11. According to the Joint Budget Committee staff, there is sufficient money available in the fund for both the additional transfer and the FY 2010-11 operating and capital requests of the Department of Revenue, Colorado Ports-of-Entry, and the Department of Public Safety, Colorado State Patrol, as listed in the 2010 Long Bill.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: House Bill 10-1389</p> <p>Sponsors: Representative Ferrandino Senator Tapia</p> <p>The act transfers moneys from funds typically reserved for capital projects to the General Fund and eliminates certain transfers from the General Fund to the Capital Construction Fund. The certificates of participation (COPs) issued for three capital projects were refinanced during the 2009 interim, which resulted in three negative supplemental requests that either eliminated or reduced the funds appropriated for the FY 2009-10 payments. The savings realized from the negative supplemental requests were transferred, in part, to the General Fund to offset the budgetary shortfall for FY 2009-10 and FY 2010-11.</p> <p>The act also transfers moneys in FY 2010-11 from the General Fund to the Capital Construction Fund for capital construction and controlled maintenance projects.</p> <p>Finally, the act changes the source of funds for one FY 2008-09 transfer for highway construction projects within the Department of Transportation from General Fund Exempt to General Fund dollars</p>	<p>Short Title: Capital Construction Transfers</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The transfers include \$20.9 million for FY 2009-10 and \$10.4 million for FY 2010-11.</p> <p>The transfers that impact FY 2009-10 include:</p> <ul style="list-style-type: none"> • \$13,317,845 from the Capital Construction Fund to the General Fund, made available from the elimination of the state-funded portion of two FY 2009-10 COP payments; • \$1,807,306 in eliminated transfers from the General Fund to the Corrections Expansion Reserve Fund (CERF), made available from the elimination of the CERF moneys appropriated for one FY 2009-10 COP payment; • \$750,000 from the Federal Mineral Lease Higher Education Revenues Fund to the General Fund, made available from the elimination of some of the moneys from this fund for one FY 2009-10 COP payment; and • \$5,054,918 from the Fitzsimons Trust Fund from available fund balance, made available from the COP refinance for one capital project. <p>The transfers that impact FY 2010-11 include:</p> <ul style="list-style-type: none"> • \$7,000,000 from the Federal Mineral Lease Higher Education Revenues Fund to the General Fund, made available from the COP refinance for one capital project and after budgeting for the FY 2009-10 through FY 2011-12 COP payments for the project; and • \$3,448,537 from the Fitzsimons Trust Fund from available fund balance, made available from the COP refinance for one capital project; and • \$9,125,506 from the General Fund to the Capital Construction Fund for FY 2010-11 capital construction and controlled maintenance projects.

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: House Bill 10-1402</p> <p>Sponsors: Representative Riesberg Senator Bacon</p>	<p>Short Title: Capitol Dome Restoration Fundraising</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act does not make an appropriation. The expenditure impact of the act is contingent upon revenue raised. Colorado Preservation, Inc. estimates the budget for the project to be between \$11 million and \$30 million, and plans to set a fundraising goal of \$20 million. A 15 percent administrative fee will be retained by Colorado Preservation, Inc. from the funds raised, except for any grants made by the State Historical Society from the State Historical Fund for the project. All moneys received will be credited to the Capitol Dome Restoration Fund.</p>
<p>The act expands the duties of the Capital Development Committee (CDC) to require the committee to review, approve, and oversee a two-year, private fundraising campaign for repairs to the State Capitol Building dome. The CDC is required to provide periodic reports to the Executive Committee of Legislative Council regarding the types and status of approved fundraising efforts. The act also directs the Capitol Building Advisory Committee to review, advise, and make recommendations to the CDC about any proposed fundraising efforts. The authority of the CDC to oversee the fundraising process and the advisory role of the Capitol Building Advisory Committee in that process are repealed on July 1, 2012.</p> <p>The act authorizes a nonprofit statewide historic preservation organization to raise money for crucial dome repairs using cause marketing, a children's campaign, a public campaign, gifts, and/or grants. Although the act does not name the nonprofit statewide historic preservation organization, in February 2010, the CDC considered a preliminary project funding strategy from Colorado Preservation, Inc., including a cause marketing campaign. Cause marketing is a commercial marketing partnership between a business and a nonprofit which creates opportunities for the nonprofit to market a product or service linked to a social cause or issue to companies, corporations, and trade associations. In approving cause marketing proposals, the CDC is directed to consider how these efforts will promote public support for the project and recognize major sponsors of the restoration project in a tasteful and appropriate manner.</p> <p>The act creates the Capitol Dome Restoration Trust Fund and outlines the process by which moneys raised by Colorado Preservation, Inc., will be credited to the newly created fund. As moneys are needed for discrete phases of the project, Colorado Preservation, Inc. and the Department of Personnel and Administration are directed to coordinate the timing and amount of the donations of moneys raised through the fundraising efforts.</p> <p>Prior to commencing any repair work on the Capitol dome, the Department of Personnel and Administration must submit a capital construction request for the project to the CDC for review and approval. It is anticipated that the department, with the assistance of the Governor's Office of State Planning and Budgeting, will submit such a request during the 2010 interim as an emergency supplemental request for cash funds spending authority. The project will therefore require approval from both the CDC and the Joint Budget Committee before any moneys can be expended. The project would later be listed in the 2011 Long Bill.</p>	

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: Senate Bill 10-003</p> <p>Sponsors: Senator Morse Representative Middleton</p> <p>The act makes several changes to state law concerning state institutions of higher education, including changes to how tuition is set, planning requirements, admissions and financial aid, state fiscal rules, and certain approvals required for property acquisitions. The act makes one change to current law that directly affects the capital process for higher education institutions. The act repeals the requirement that the Colorado Commission on Higher Education approve acquisitions of real property funded from cash sources. Rather, acquisition projects expected to cost more than \$2 million in cash funds will be listed as part of an institution's two-year projection of cash need. The CDC considers and approves two-year projections of cash need once a year. Institutions of higher education are authorized to commence projects on the two-year list once the list has been considered by the CDC and so long the cost of a project does not exceed the original estimate by more than 15 percent.</p>	<p>Short Title: Higher Education Flexibility</p> <p>Status: Signed into Law</p> <p>Fiscal Information: This act does not change current capital processes or financing; it codifies the review process for certain capital construction projects at higher education institutions. Because construction costs increase over time, shortening the review process could allow projects to commence sooner and result in cost savings.</p>
<p>Bill Number: Senate Bill 10-094</p> <p>Sponsors: Senator Steadman Representative Rice</p> <p>The act defines capital construction appropriation for the purposes of the Art in Public Places Program administered by the State Council on the Arts. The act's definition of capital construction appropriation includes any appropriation or transfer for a public construction project from state funds, including the cost of financing a capital construction project. Under current law, capital construction appropriation is not defined for purposes of this program. Since the law was implemented, the common practice has been to require state agencies to allocate 1 percent of a project's state-funded construction costs to the program. This act extends the 1 percent requirement to projects financed through mechanisms such as certificates of participation. The act also removes obsolete language from existing statute.</p>	<p>Short Title: Define Capital Appropriation for Art in Public Places</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act will likely increase the number of capital projects required to allocate moneys for the purposes of the Art in Public Places Program because it extends the 1 percent requirement to projects funded with certificates of participation. However, since state-funded appropriations for capital projects are already subject to this requirement, this act is not expected to greatly impact the amount of state funds required for capital construction. There may be some increase in state funds for future projects financed through certificates of participation. However, no such projects are planned at this time, so it is difficult to calculate the exact fiscal impact.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: Senate Bill 10-122</p> <p>Sponsors: Senator Morse Representative Weissmann</p> <p>The act abolishes the Capital Finance Corporation, the state's lessor in the master lease program, and transfers the corporation's power to execute documents related to existing lease-purchase agreements to the executive director of the Department of Personnel and Administration. The Capital Finance Corporation has not been active for at least ten years. Lease-purchase agreements between various departments and lessors have instead been legislatively authorized.</p> <p>Under current law, the Capital Development Committee is required to review real property transaction proposals, including lease-purchase agreements, as administered by the executive director of the Department of Personnel and Administration, and comment on the proposals to the executive director. This act is not expected to change or increase the duties of the committee.</p>	<p>Short Title: Abolishment of Capital Finance Corporation</p> <p>Status: Signed into Law</p> <p>Fiscal Information: It is expected that the available balance from accounts held by the Capital Finance Corporation (about \$542,000) will be transferred to the General Fund in FY 2010-11.</p>
<p>Bill Number: Senate Bill 10-128</p> <p>Sponsors: Senator Hudak Representative Rice</p> <p>The act moves the offense of invasion of privacy for sexual gratification from the unlawful sexual contact statute to its own statute. The penalty for invasion of privacy for sexual gratification is raised from a class 1 misdemeanor to a class 6 felony when it is the second or subsequent offense or the person observed or photographed is under the age of 15. The act also lowers the penalty for the offense of eavesdropping from a class 6 felony to a class 1 misdemeanor. The sections of the act pertaining to invasion of privacy for sexual gratification do not take effect until July 1, 2012.</p> <p>Under state law, no bill can be passed by the General Assembly which results in a net increase in periods of imprisonment in state correctional facilities unless it contains an appropriation sufficient to cover the increased capital construction and operating costs in the first five fiscal years of the bill. The fiscal note estimates that one additional offender will be convicted of the offense of invasion of privacy for sexual gratification and be imprisoned every five years. No offenders have been sentenced to imprisonment for the offense of eavesdropping in the last five years, so lowering the penalty for eavesdropping is not expected to impact the number of offender beds needed at state correctional facilities.</p>	<p>Short Title: Invasion of Privacy</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act transfers \$83,861 in FY 2012-2013 from the General Fund to the Capital Construction Fund, and then appropriates the funds from the Capital Construction Fund to the Corrections Expansion Reserve Fund. The funds will then be made available for capital construction projects within the Department of Corrections.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: Senate Bill 10-166</p> <p>Sponsors: Senator Bacon Representatives Riesberg and Sonnenberg</p> <p>Under current law, lease-purchase agreements for real property that require total payments in excess of \$500,000 must be approved by a bill other than the general appropriation bill or a supplemental appropriation bill. Senate Bill 10-166 authorizes the executive director of the Department of Personnel and Administration to enter into a lease-purchase agreement for real property if two conditions are met, including: (1) the amount of rent appropriated for the state agency to be located in the building plus any anticipated rent from private persons exceeds the amount of annual costs for lease-purchase payments, operating costs, maintenance costs, and all other lease-purchase costs; and (2) the plan for the transaction is approved by the Office of State Planning and Budgeting and the Capital Development Committee.</p> <p>The act also creates the Lease-Purchase Servicing Account within the Capital Construction Fund for the deposit of moneys appropriated to state agencies for rent/lease payments. Moneys in this fund may only be used to pay costs for the building subject to the lease-purchase agreement. The act also makes provisions from the annual rent payments for ongoing operating and maintenance costs, and allows for the use of fund reserves for future controlled maintenance expenses. Annual rent cost is defined as the base rent plus all operation, maintenance, and related costs paid to a lessor.</p>	<p>Short Title: Lease-purchase Building Agreements</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act may help avoid future cost increases because it will allow for accelerated lease-purchase agreements. However, the actual impact on state expenditures cannot be determined at this time. Any change in appropriations will be addressed through the annual budget process.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: Senate Bill 10-192</p> <p>Sponsors: Senator Kopp Representative Sonnenberg</p>	<p>Short Title: Fund Capitol Dome Repair from Limited Gaming</p> <p>Status: Signed into Law</p> <p>Fiscal Information: This act does not make an appropriation. Moneys for the renovation of the State Capitol dome cannot be appropriated until the project has received approval from the CDC and the Joint Budget Committee. The act transfers up to \$12.0 million from the State Historical Fund to the newly created Capitol Dome Restoration Fund over the course of three fiscal beginning in FY 2010-11, or \$4.0 million annually.</p> <p>The moneys transferred in FY 2011-12 and FY 2012-13 will be reduced by the amount donated by a private, nonprofit statewide historic preservation organization and/or the amount granted for the dome repair project by the Colorado Historical Society. The Colorado Historical Society is directed to submit an annual report to the CDC on or before December 15 of each year concerning all grants awarded from the State Historical Fund. This reporting requirement is repealed July 1, 2013.</p> <p>The fiscal note assumes that the multi-year transfer will cover the cost of repairing the dome. Costs due to unforeseen circumstances that may arise once restoration begins are unknown. Additionally, the amount of donations received through cause marketing efforts is unknown.</p> <p>The transfer of \$12.0 million from the State Historical Fund over the next three fiscal years will restrict moneys available for statewide historical grants for the purpose of preserving and interpreting Colorado's historic architectural and archaeological resources.</p>
<p>The act directs the transfer of moneys from the State Historical Fund to the Capitol Dome Restoration Fund for repairs to the State Capitol Building dome. The act specifies that all moneys transferred from the State Historical Fund will come from the portion of the fund reserved for the Statewide Grant Program for Preservation. Moneys in the State Historical Fund accrue from limited gaming revenue. The Colorado Constitution directs that 28 percent of limited gaming revenues be deposited in the fund each year. Most of these moneys (80 percent) are administered by the State Historical Society, and, of the moneys administered by the State Historical Society, the majority is statutorily reserved for the preservation and restoration of historical sites through a statewide grant program. This act makes a change to current law to require that some of moneys otherwise reserved for the statewide grant program be transferred in each of the next three fiscal years for repairs to the State Capitol dome.</p> <p>Another act, House Bill 10-1402, authorizes a private, nonprofit statewide historic preservation organization to raise moneys for crucial dome repairs using cause marketing, a children's campaign, a public campaign, gifts, and/or grants.</p> <p>The act directs the state architect to report to the Capital Development Committee (CDC) about the status of repairs and safety improvements to the State Capitol dome and the supporting structures.</p>	

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Signed Into Law (Cont.)	
<p>Bill Number: Senate Bill 10-207</p> <p>Sponsors: Senator Johnston Representatives Tyler and Levy</p> <p>The act authorizes the state treasurer to enter into lease-purchase agreements on behalf of the state to finance capital construction projects proposed by the Governor's Energy Office in order to improve the energy efficiency of state facilities. The act also establishes the process for identifying, recommending, and approving eligible projects. The Governor's Energy Office is directed to identify and prioritize a list of projects associated with current utility cost-savings contracts. All approved projects must be subject to an energy performance contract. The prioritized list will then be submitted to the Governor's Office of State Planning and Budgeting (OSPB) for additional review. After its review, OSPB is directed to submit the prioritized list to the Capital Development Committee (CDC). The CDC is directed to review the prioritized projects for approval or disapproval in order to authorize the state treasurer to pursue financing. After consideration of the prioritized list of projects, the CDC is directed to provide a letter specifying the final approval priority of the projects to the Governor's Energy Office, OSPB, the Joint Budget Committee, and the state treasurer.</p>	<p>Short Title: Finance State Energy Efficiency Projects</p> <p>Status: Signed into Law</p> <p>Fiscal Information: The act limits the total par value of any lease-purchase agreement to \$73 million and grants the state treasurer the sole discretion to determine the timing of any agreements. By authorizing the state treasurer to enter into one or more lease-purchase agreements, subject to legislative and executive branch approvals, the act will result in an increase in state expenditures to manage the accounting and reporting requirements of lease-purchase agreements within the Office of the State Controller in the Department of Personnel and Administration.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Postponed Indefinitely	
<p>Bill Number: House Bill 10-1157</p> <p>Sponsors: Representative Summers Senator (None)</p> <p>The bill would have authorized county commissioners to seek voter approval to impose either a property or sales tax increase to support a state college or community college whose main campus is located within the county. Prior to placing such a question on the ballot, consent would have been required from the governing body of a college or the State Board for Community Colleges and Occupational Education. Revenues earned from such a tax could have been used to defray tuition expenses for county residents, to supplement operating expenses, to construct new or renovate existing college facilities, provide capital for technology enhancements, and/or any other undertaking that were jointly agreed upon by the governing board or the state board and the county.</p>	<p>Short Title: County Financial Assistance for Higher Education</p> <p>Status: Postponed Indefinitely</p> <p>Fiscal Information: Since the bill was permissive in allowing county commissioners to seek voter approval to raise the sales or property tax, the bill was assessed as having a local conditional fiscal impact. If a tax increase were approved by the voters, the bill would have increased revenue to the school for which the voters have approved the action. Election and administrative costs related to tax collection would have occurred if an election occurred and the outcome passed.</p>
<p>Bill Number: House Bill 10-1217</p> <p>Sponsors: Representative McKinley Senator (None)</p> <p>The bill would have repealed the authority of the executive director of the Department of Human Services to sell the Trinidad State Nursing Home. Senate Bill 09-056, which was a Capital Development Committee bill, gave the department the authority to sell the nursing home. The department has taken steps to sell the nursing home, including issuing a request for proposals in January 2010 to find an interested buyer. Pursuant to this bill, the department would have maintained ownership of the nursing home.</p>	<p>Short Title: Repeal Authority to Sell Trinidad Nursing Home</p> <p>Status: Postponed Indefinitely</p> <p>Fiscal Information: The Trinidad State Nursing Home has annual costs of \$8.1 million and revenue of \$7.0 million from payments made by or on behalf of residents, resulting in an annual operating loss of about \$1.1 million a year. Based on the current cost structure, revenue, and staffing requirements the department does not expect the nursing home to become self-sufficient.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Postponed Indefinitely (Cont.)	
<p>Bill Number: House Bill 10-1361</p> <p>Sponsors: Representative Sonnenberg Senator (None)</p> <p>The bill would have placed stipulations on a certain type of real property transaction conducted by the Division of Wildlife in the Department of Natural Resources and would have limited how the division could spend proceeds from the Colorado Wildlife Habitat Stamp. The bill would have allowed the division to purchase and retain a fee simple title to real property using proceeds from the sale of habitat stamps only when no other type of interest was viable or available. A fee simple title to a parcel of land gives the owner all possible interest in the property. Under current law, the division can acquire fee simple title to real property using proceeds from the Colorado Wildlife Habitat Stamp, so long as it pursues other avenues of funding prior to the purchase. The bill would have also set additional rule-making and reporting requirements and required the division to budget for future maintenance and operating purchases for fee simple title purchases funded with habitat stamp proceeds.</p> <p>The Capital Development Committee is responsible for the review of all of the division's real property transactions, regardless of the type of interest sought in the property, prior to purchase. The Colorado Wildlife Commission has final approval of all property transactions.</p>	<p>Short Title: Habitat Stamp Real Property Acquisitions</p> <p>Status: Postponed Indefinitely</p> <p>Fiscal Information: The bill would not have changed net expenditures. Although there was no net increase in expenditures forecast, the bill required a cash funds appropriation of \$3,250.</p>
<p>Bill Number: House Bill 10-1421</p> <p>Sponsors: Representative K. King Senator May</p> <p>The bill would have required the Department of Corrections (DOC) to close one state-run correctional facility that has a bed capacity of at least 500 by November 1, 2010. The DOC was to direct 20 percent of the savings realized in FY 2010-11 to the private prison per diem rate for programs that reduce recidivism. The bill did not specify which prison should be closed. The DOC has ten prisons that were eligible for closure under the bill. If the DOC was unable to close a facility by November 1, 2010, it was authorized to request a 90-day extension from the Capital Development Committee.</p>	<p>Short Title: Decommission a Prison</p> <p>Status: Deemed Lost</p> <p>Fiscal Information: The bill would have reduced DOC expenditures in FY 2010-11 and FY 2011-12; however, the amount of the reduction would have depended on the facility that was selected for closure.</p>

**Figure 7.1
Summary of Capital Development-Related Bills, 2010 Session (Cont.)**

Postponed Indefinitely (Cont.)	
<p>Bill Number: House Bill 10-1426</p> <p>Sponsors: Representatives Riesberg and Todd Senators Williams and Spence</p> <p>The bill would have created the Trinidad State Nursing Home Cash Fund. This cash fund would have consisted of moneys paid by or on behalf of residents in the Trinidad State Nursing Home, as well as any other moneys for its operations. By creating a separate cash fund, the Trinidad State Nursing Home would no longer be eligible for enterprise status and its finances would have been separated from the operation of the other four state veterans nursing homes. Senate Bill 09-056, which was a Capital Development Committee bill, gave the department the authority to sell the nursing home. House Bill 10-1426 specified that money from the sale of the home, as authorized by Senate Bill 09-056, would have been deposited into the newly created cash fund and could have been used to pay costs associated with the sale of the home.</p>	<p>Short Title: Trinidad State Nursing Home Fund</p> <p>Status: Deemed Lost</p> <p>Fiscal Information: The bill did not affect the total costs associated with the home, which are estimated to be \$4.64 million in FY 2010-11. However, it would have shifted these costs to the Trinidad State Nursing Home Cash Fund and resulted in the need for a General Fund subsidy of \$431,269 to the home in FY 2010-11. The bill would have decreased revenue to the Central Fund for State Nursing Homes by \$7.35 million in FY 2010-11 and increased revenue to the Trinidad State Nursing Home Cash Fund by the same amount. This revenue included payments by or on behalf of residents in the nursing home and the proceeds from the sale of the nursing home, which is expected to occur in FY 2010-11.</p>

VIII. Glossary

CCF	—	Capital Construction Fund
CCHE	—	Colorado Commission on Higher Education
CDC	—	Capital Development Committee
CERF	—	Corrections Expansion Reserve Fund (Section 17-1-116, C.R.S.)
CF	—	Cash Funds
CMTF	—	Controlled Maintenance Trust Fund (Section 24-75-302.5, C.R.S.)
COP	—	Certificates of Participation
CRV	—	Current Replacement Value
FF	—	Federal Funds
FML	—	Federal Mineral Lease
GF	—	General Fund
GSF	—	Gross Square Footage
HUTF	—	Highway Users Tax Fund (Section 43-4-201, C.R.S.)
JBC	—	Joint Budget Committee
OSPB	—	Governor's Office of State Planning and Budgeting
RF	—	Reappropriated Funds
TABOR	—	the Taxpayer's Bill of Rights Amendment. Article X, Section 20 of the Colorado Constitution. The purpose of the amendment is to "reasonably restrain most the growth of government."

