



CAPITAL CONSTRUCTION FUNDING FOR FY 2008-09

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The General Assembly adopted legislation during the 2008 session to provide \$878.6 million for 131 capital projects, including \$183.9 million for 65 state-funded projects and \$694.7 million for 66 cash-funded projects. This *Issue Brief* gives an overview of agencies and counties that received state money for FY 2008-09. The *Issue Brief* also summarizes the revenue sources for capital projects.

Types of Projects

The term "capital" collectively refers to three types of projects. **Capital construction** is the purchase of land or the construction or renovation of facilities, including **capital renewal** projects, to address program or service needs. **Controlled maintenance** is the repair or replacement of utilities or equipment at state-owned, state-funded facilities.

Appropriations

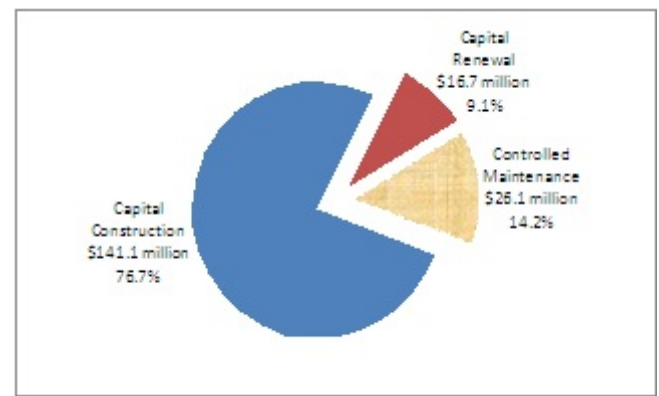
State departments received about 35.5 percent (\$65.3 million) of state money appropriated for capital projects, while higher education institutions received about 64.5 percent (\$118.5 million). *Figure 1* summarizes state money appropriated for capital projects and *Figure 2* depicts all state-funded appropriations by project type.

Figure 1
State Money Appropriated in Millions

Bill	Amount	# of projects	Type of Project
HB 08-1375	\$141.1	23	Capital Construction
	16.7	3	Capital Renewal
	26.1	39	Controlled Maintenance
	\$183.9	65	

* The total amount appropriated for FY 2008-09 capital projects does not match the total revenue available listed in Figure 3 because an additional \$0.2 million was transferred for FY 2007-08 accounting adjustments and reversions.

Figure 2
State Money Appropriated by Project Type



Sources of Revenue

The primary source of state revenue for capital projects in FY 2008-09 was the General Fund. Money from the General Fund is transferred to the Capital Construction Fund and allocated to specific capital projects through legislation. The Capital Construction Fund also yields revenue from interest earnings and the unspent balances of expired capital projects that revert to the fund (agencies have three years to spend capital appropriations). *Figure 3* shows state revenue sources for 2008 projects.

Figure 3
State Revenue Sources in Millions

Source	Amount
General Fund	\$75.8
Transfer for projects authorized by 2008 budget bill	69.2
Appropriation for projects authorized by 2008 budget bill	6.6
Capital Construction Fund	\$108.3
Transfer of 1/3 excess General Fund reserves	83.1
Interest earnings	20.8
Fund balance	4.4
Total	\$184.1

Figure 4 lists the number of capital construction projects (CC) and controlled maintenance (CM) projects funded, and the amount of state money received by major institutions of higher education and state departments.

Figure 4
State Money Appropriated by Agency in Millions
(listed in order of funding, highest to lowest)

Agency	Funding	# of CC Projects	# of CM Projects
University of Colorado Boulder	\$29.0	3	3
Colorado State University	\$21.6	2	1
Mesa State College	\$19.1	1	1
Corrections	\$17.0	2	5
Fort Lewis College	\$16.5	1	1
Personnel	\$12.2	1	4
Human Services	\$10.7	4	4
Transportation	\$9.0	1	0
Revenue	\$7.8	1	0
University of Colorado Colorado Springs	\$7.4	1	1
Colorado School of Mines	\$6.5	2	2
Military and Veterans Affairs	\$5.2	1	2
All Other Higher Education	\$4.3	0	9
All Other State Departments	\$3.4	1	3
University of Northern Colorado	\$3.0	1	0
Pueblo Community College	\$3.0	1	0
Colorado State University –Pueblo	\$2.8	1	0
Colorado Northwestern Community College	\$2.8	1	1
Colorado Historical Society	\$2.6	1	2
Total	\$183.9	26	39

Figure 5 lists the number of capital construction (CC) and controlled maintenance (CM) projects funded by county. Projects were funded within 27 counties and an additional four projects were funded statewide.

Figure 5
State Money Appropriated by County in Millions

County	Funding	# of CC Projects	# of CM Projects
Adams	\$0.8	0	1
Alamosa	\$1.8	1	1
Arapahoe	\$0.9	0	2

Figure 5
State Money Appropriated by County in Millions
(Cont.)

County	Funding	# of CC Projects	# of CM Projects
Bent	\$11.6	1	2
Boulder	\$29.0	3	3
Chaffee	\$0.5	0	1
Conejos	\$0.1	0	1
Delta	\$2.0	0	1
Denver	\$6.2	1	6
El Paso	\$9.0	1	4
Fremont	\$2.0	1	0
Garfield	\$0.9	0	1
Gunnison	\$0.3	0	1
Jefferson	\$7.5	3	4
La Plata	\$16.4	1	1
Larimer	\$21.6	2	1
Las Animas	\$0.9	0	2
Mesa	\$23.0	2	1
Moffat	\$2.0	1	0
Montrose	\$2.1	1	0
Morgan	\$1.4	0	1
Prowers	\$0.4	0	1
Pueblo	\$10.8	3	2
Rio Blanco	\$0.7	0	1
Rio Grande	\$2.2	1	0
Weld	\$3.0	1	0
Statewide	\$26.8	3	1
Total	\$183.9	26	39

Additional Funds Made Available for Capital Projects

During the 2008 session, the General Assembly identified a new source of revenue to fund capital projects at higher education institutions. Senate Bill 08-218 changed how federal mineral lease (FML) revenue is allocated in order to provide revenue for lease-purchase agreements for 17 higher education projects authorized by Senate Bill 08-233 and House Joint Resolution 08-1042. FML revenue accrues from payments made by oil and gas companies to lease federal land for mineral development and, if minerals are extracted and sold, for production and any royalties.

On November 6, 2008, certificates of participation (COP) were issued to finance 12 of the 17 authorized projects. FML revenue was not sufficient to fund all the authorized projects in this issuance. The total repayment cost to the state, based on a principal amount of \$202.3 million, for the 12 projects is \$325.5 million. The average annual payment over the 20-year term of the COPs is \$16.3 million.