



**Report to the
Colorado General Assembly**

**Capital Development
Committee**

Prepared by

*The Colorado Legislative Council
Research Publication No. 598
February 2010*

2009

CAPITAL DEVELOPMENT COMMITTEE

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Colorado General Assembly**

**Research Publication No. 598
2010**

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February 2010

To Members of the Sixty-seventh General Assembly:

Submitted herewith is the 2009 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 2009 final report provides a complete summary of all capital construction and controlled maintenance appropriations during the 2009 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 2008-09, and a summary of 2009 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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<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, which includes capital construction, capital renewal, and controlled maintenance projects.

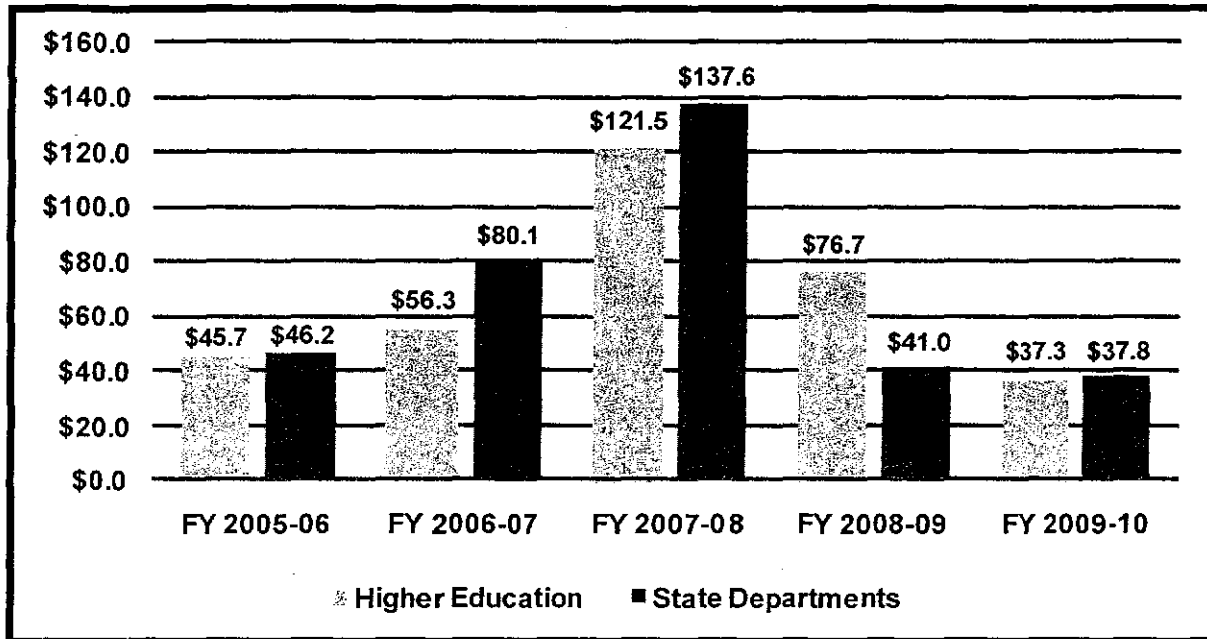
1. *Capital construction* projects include the purchase of land, buildings, or other facilities; the construction, renovation, or remodeling of buildings or other facilities; the purchase and installation of equipment necessary to operate the buildings or facilities; and the architectural, engineering, 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* is defined as corrective repairs or replacement of utilities and equipment, and site improvements at existing state-owned, general-funded buildings, and other physical facilities.

Five-Year History of Capital Construction and Controlled Maintenance Appropriations

State-funded appropriations totaled \$680.4 million for the five-year period ending in FY 2009-10. The low point in total appropriations during the last five-year period came in FY 2009-10. The state entered a recession beginning in FY 2008-09. In the four fiscal years preceding FY 2009-10, an average of \$151.3 million per year was appropriated for capital projects. In contrast, \$75.1 million was spent on capital projects in FY 2009-10, or about half of the average amount appropriated in each of the previous four fiscal years.

Funding for state departments and higher education institutions. State departments received \$345.8 million (50.8 percent) of total capital appropriations over the five-year period, while higher education institutions received \$334.5 million (49.2 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 2005-06 to FY 2009-10



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 2009, the total gross square footage (GSF) of state-occupied facilities was 63.1 million GSF, according to the Office of the State Architect. The estimated replacement value is \$11.5 billion.

The total GSF of state-occupied facilities grew 1.3 million GSF, or 2.1 percent, between calendar year 2007 and calendar year 2008, which increased the total estimated replacement value by \$1.2 billion, or 10.4 percent.

Capital Construction Fund and Controlled Maintenance Trust Fund Revenue

Revenue made available for capital projects from all state sources totaled \$746.2 million for the last five fiscal years. Of this amount, \$90.6 million, or 12.1 percent, was made available for FY 2009-10 projects. Funding for FY 2009-10 projects was largely made available through cuts to prior year appropriations. Over the past five years, the CCF has been the primary source of revenue for capital construction and controlled maintenance projects.

Figure B identifies all four sources of revenue for capital projects and the amounts attributable to each source.

Figure B
Revenue Made Available for Capital Projects (in millions)
FY 2005-06 to FY 2009-10

Revenue Source		FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	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 (not subject to the 6 percent spending limit)	\$10.1	\$145.9	\$93.7	\$24.9	(\$26.1)	\$248.5
1b	Appropriations to fund a portion of prioritized projects identified during annual budget deliberations (subject to the 6 percent spending limit)	62.6	0.0	6.6	0.0	0.0	\$69.2
1c	One-third of the prior year's excess reserve, transferred pursuant to HB 02-1310	42.3	31.0	145.6	83.1	14.5	\$316.5
Subtotal		\$115.0	\$176.9	\$245.9	\$108.0	(\$11.6)	\$634.2
Capital Construction Fund (CCF)							
2a	Interest earnings, reversions, and other deposits made by the legislature	\$3.5	\$5.5	\$14.3	\$25.2	\$8.8	\$57.3
2b	Moneys made available for capital projects from cuts to appropriations in prior years	(0.2)	(2.9)	(16.2)	(66.1)	85.4	\$0.0
Subtotal		\$3.3	\$2.6	(\$1.9)	(\$40.9)	\$94.2	\$57.3
Tobacco Master Settlement							
3	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	\$7.0	\$13.1	\$13.1	\$13.1	\$8.0	\$54.3
Controlled Maintenance Trust Fund (CMTF)							
4	Interest earnings on the principal balance, which cannot be expended on projects	(\$3.1)	\$3.2	\$0.3	\$0.0	\$0.0	\$0.4
Total		\$122.2	\$195.8	\$257.4	\$80.2	\$90.6	\$746.2

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** below 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 2005-06 to FY 2009-10

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Five-Year Total
Principal						
Beginning Balance	\$185,656,801	\$29,000	\$29,000	\$1,589,516	\$1,286,837	N/A
General Fund Transfer	(185,627,801)	0	1,560,516	(302,679)	(803,610)	(\$185,173,574)
Ending Balance	\$29,000	\$29,000	\$1,589,516	\$1,286,837	\$483,227	N/A
Interest						
Interest Earned*	\$6,672,379	\$16,965	\$8,326	\$46,821	\$3,000	\$6,744,491
Interest Transferred from the CMTF to General Fund	(3,144,162)	0	0	0	0	(\$3,144,162)
Interest Appropriated for Controlled Maintenance Projects	\$0	3,200,000	\$340,000	0	0	\$3,540,000
Total Appropriated for Controlled Maintenance						
	\$38,357,502	\$35,129,807	\$50,702,815	\$26,087,798	\$24,235,321	\$174,513,243
Amount Appropriated from the CCF	38,359,502	31,929,807	50,362,815	26,087,798	24,235,321	\$146,739,922
Amount Appropriated from the CMTF	0	3,200,000	340,000	0	0	\$3,540,000
% Appropriated from the CMTF	0.0%	9.1%	0.7%	0.0%	0.0%	2.0%

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.

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 \$2.4 billion revenue shortfall to meet capital needs that are estimated to total \$2.6 billion over the next four years.

Of this amount, controlled maintenance needs total \$434.5 million, or 16.6 percent of the estimated four-year need, while capital construction needs (including certificates of participation payments) total \$2.2 billion, or 83.4 percent of the estimated need.

2009 Capital Construction and Controlled Maintenance Appropriations

The total amount in the 2009 Long Bill for capital projects was \$518.2 million, including \$92.8 million for state-funded projects and \$425.4 million for cash-funded projects. A total of 91 projects were funded:

- ✓ 3 state-funded capital construction projects totaling \$24.8 million;
- ✓ 3 state-funded certificates of participation payments totaling \$43.7 million;
- ✓ 35 controlled maintenance projects totaling \$24.2 million;
- ✓ 1 cash-funded capital renewal project totaling \$6.0 million; and
- ✓ 49 cash-funded projects totaling \$419.5 million.

Funding for the 91 projects includes:

- ✓ \$14.7 million from the Capital Construction Fund (state funds), including \$14.5 million of the FY 2007-08 excess General Fund reserve and a fund balance of \$0.2 million;
- ✓ \$15.9 million transferred from the General Fund to the Capital Construction Fund, including \$8.1 million in interest earnings and \$7.8 million transferred to the Corrections Expansion Reserve Fund;
- ✓ \$54.1 million in reversions to the Capital Construction Fund from rescinded projects and expired appropriations;
- ✓ \$419.0 from cash funds; and
- ✓ \$40.7 from federal funds.

Breakdown of State-Funded Projects

Of the \$58.4 million in state funds included in the Long Bill, state departments received \$40.8 million (69.8 percent) of the funding allocation. Higher education institutions received \$17.6 million (30.2 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 2009-10 Projects**

Category	# of State Department Projects	State Department Amount	# of Higher Education Projects	Higher Education Amount	Total Amount
Controlled Maintenance Projects	17	\$11,757,956	18	\$12,477,365	\$24,235,321
Capital Construction Projects	5	29,048,708	1	5,142,063	\$34,190,771
Totals	22	\$40,806,664	19	\$17,619,428	\$58,426,092

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

Figure E
State-Funded Appropriations by Amount (in millions)

Agency	Funding	# of CC Projects	# of CM Projects
Department of Corrections	\$19.4	2	6
Department of Revenue	\$7.4	1	0
Department of Military and Veterans Affairs	\$6.5	1	1
University of Colorado Denver	\$5.1	1	0
Department of Personnel and Administration	\$3.5	0	4
Department of Human Services	\$3.1	0	4
Colorado State University	\$2.5	0	3
University of Colorado at Boulder	\$2.5	0	2
Pikes Peak Community College	\$1.2	0	1
Auraria Higher Education Center	\$1.1	0	1
Arapahoe Community College	\$0.9	0	1
University of Northern Colorado	\$0.8	0	1
Trinidad State Junior College	\$0.7	0	2
Colorado State Fair	\$0.7	0	1
Pueblo Community College	\$0.7	0	1
Colorado School of Mines	\$0.6	0	1
Colorado Historical Society	\$0.5	0	2
Red Rocks Community College	\$0.4	0	1
Western State College	\$0.3	0	1
Mesa State College	\$0.3	0	1
Department of Public Health and Environment	\$0.2	0	1
Higher Education	\$0.0	1	0
Total	\$58.4	6	35

Cuts to Prior Year Appropriations

The state entered an economic recession in FY 2008-09. As a result, project funding was rescinded for all or part of the prior years' appropriations for 61 capital projects in order to help balance the state's FY 2008-09 and FY 2009-10 budgets. Capital projects were cut by the Governor's office in two waves, including an initial freeze in September 2008, and a more extensive freeze in January 2009. These recommended cuts were later formalized through Senate Bill 09-280, the supplemental bill for capital construction, which authorized negative appropriations for 61 projects in multiple prior fiscal years.

The combined impact of these 61 projects was a reversion of \$85.4 million state funds to the CCF. The funds were made available for FY 2009-10 capital construction and controlled maintenance projects and for transfer to the General Fund for budget balancing purposes. Pursuant to Senate Bill 09-279, the JBC recommended a transfer of \$28.9 million from the remaining CCF balance to the General Fund for the purpose of budget balancing in FY 2009-10.

Figure F below summarizes the impact of these cuts on the Capital Construction Fund (CCF).

**Figure F
Impact of Cuts to Prior Years' Appropriations on the Capital Construction Fund**

Funding Category	# of Projects	Total Savings
September 2008 Freeze		
State-Funded Capital Construction	12	\$54,268,736
State-Funded Controlled Maintenance	0	0
<i>Subtotal</i>	12	\$54,268,736
January 2009 Freeze		
State-Funded Capital Construction	10	\$6,777,235
State-Funded Controlled Maintenance	39	\$24,363,869
<i>Subtotal</i>	49	\$31,141,104
Grand Total	61	\$85,409,840

2009 Supplemental Requests

State departments and higher education institutions must submit requests for supplemental funding, including requests for extensions of time only, to the CDC. The supplemental appropriations bill for capital construction in 2009 included 16 such requests. The combined impact of the requests from all funding sources is \$60.5 million, including \$52.3 million from cash funds and \$8.2 million from federal funds.

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

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 eight six-month waiver requests.

The CDC reviewed and commented on 26 property transactions in FY 2008-09, including 20 proposals from the Division of Wildlife, Department of Natural Resources, 2 proposals from the Division of Parks and Outdoor Recreation, Department of Natural Resources, and 4 proposals from various other state agencies. All of the property transaction proposals submitted during FY 2008-09 were favorably recommended.

2009 Legislation Impacting Capital Construction Funding or the Capital Development Process

Approximately 30 bills considered by the General Assembly during the 2009 legislative session affected capital construction and the duties of the Capital Development Committee. These bills addressed budget balancing measures, appropriations for capital construction projects, the duties of the CDC, the review of real property transaction proposals, changes to higher education capital construction, and legislation impacting the Colorado Historical Society.

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 2008 was a House 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 (pursuant to Senate Bill 92-202 and House Bill 08-1205);
- 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;

- determine the number of kindergarten through twelfth grade capital construction projects that should receive matching funds from the state's School Construction and Renovation 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 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.

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.

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.

Controlled maintenance projects are system 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 buildings and other physical facilities. Examples of controlled maintenance projects include replacing deteriorated mechanical equipment and upgrading fire alarm systems.

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.

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 \$680.4 million for the five-year period ending in FY 2009-10. The low point in total appropriations during the last five-year period came in FY 2009-10. The state entered a recession beginning in FY 2008-09. In the four fiscal years preceding FY 2009-10, an average of \$151.3 million per year was appropriated for capital projects. In contrast, \$75.1 million was spent on capital projects in FY 2009-10, or about half of the average amount appropriated in each of the previous four fiscal years. A full discussion of the impact of the recession, including an explanation of cuts made to prior year appropriations, can be found in Chapter VI. Any change to prior year appropriations is reflected in this chapter.

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 2005-06 to FY 2009-10
Total = \$680.4 million

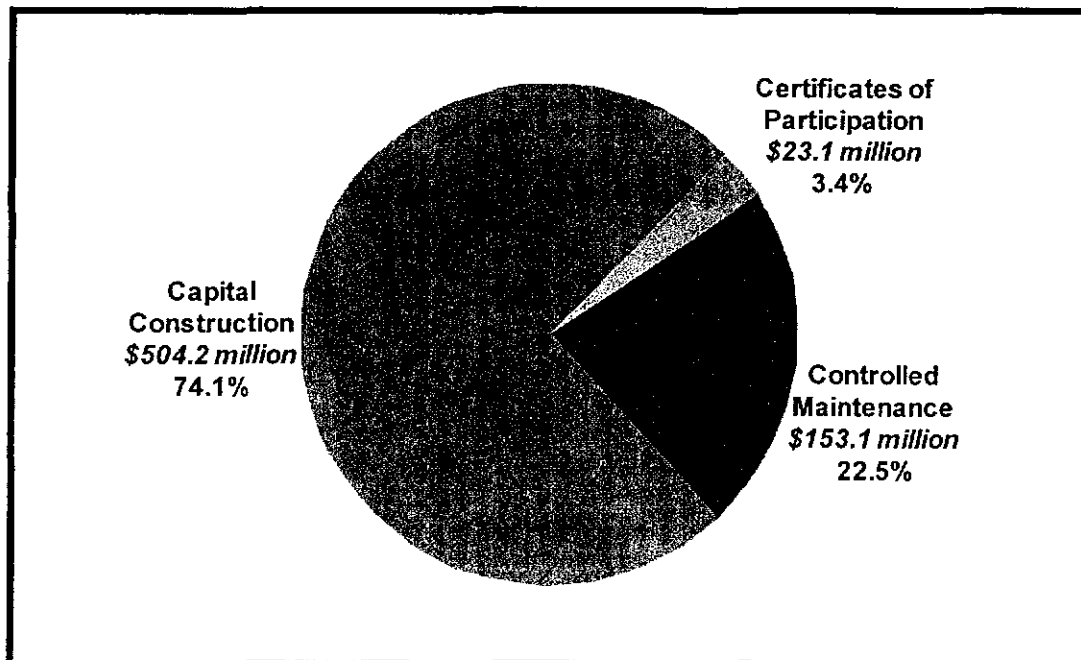
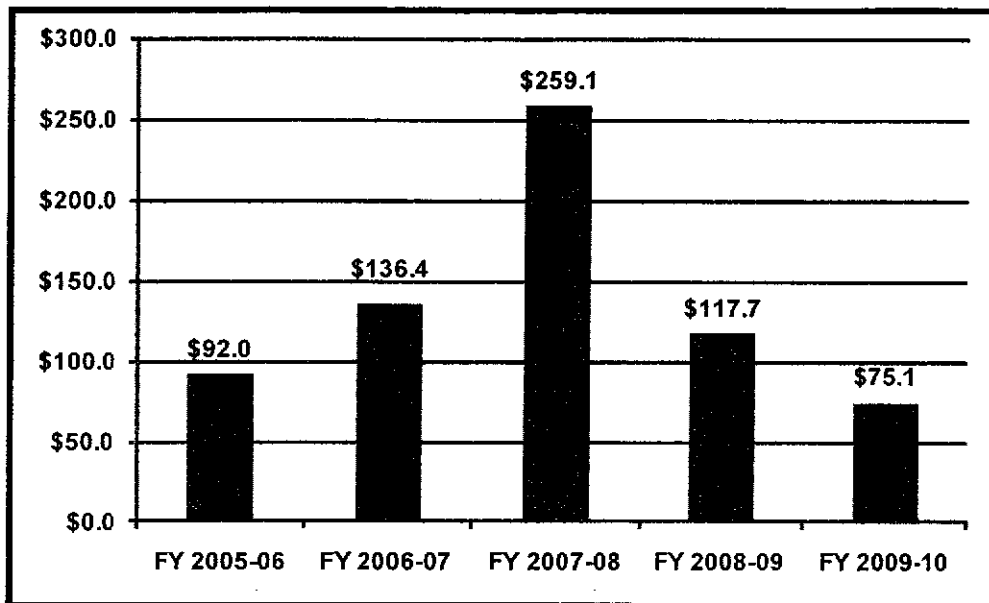


Figure 2.2 below provides a five-year overview of capital funding.

Figure 2.2
Five-Year History of Capital Appropriations (in millions)
FY 2005-06 to FY 2009-10



Funding for state departments and higher education institutions. State departments received \$345.8 million (50.8 percent) of total capital appropriations over the five-year period, while higher education institutions received \$334.5 million (49.2 percent).¹ Three departments accounted for 70.5 percent of the total *state department* appropriation:

- ✓ Department of Corrections, \$99.7 million (28.8 percent);
- ✓ Department of Human Services, \$90.1 million (26.1 percent); and
- ✓ Department of Transportation, \$54.0 million (15.6 percent).

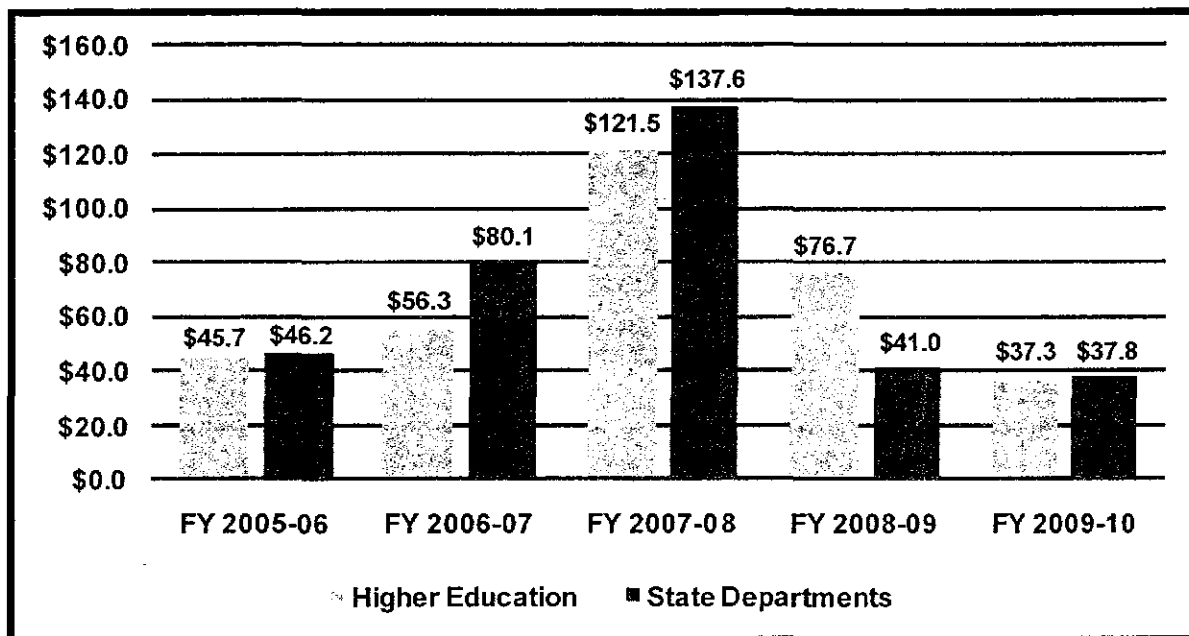
Four higher education systems accounted for 64.7 percent of the total *higher education* appropriation:

- ✓ Colorado State University System, \$73.5 million (22.0 percent);
- ✓ University of Colorado System, \$67.2 million (20.1 percent);
- ✓ Auraria Higher Education Center, \$39.7 million (11.9 percent); and
- ✓ Mesa State College, \$36.1 million (10.8 percent).

¹Five-year capital appropriation totals include payments for COP projects during this period.

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 2005-06 to FY 2009-10



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, including:

- ✓ the construction of seven academic facilities at the University of Colorado Denver's Anschutz Medical Campus (formerly known as Fitzsimons). The annual COP payment totals about \$13.1 million, with a cash-funded component of up to \$8 million. The FY 2009-10 payment represents the 5th of 26 annual payments.
- ✓ the construction of 12 academic facilities at various higher education institutions. The 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. For FY 2009-10

there were not sufficient moneys in the fund to make the annual lease payment, so the legislature authorized a transfer of \$16.7 million from the Capital Construction Fund to the Higher Education Federal Mineral Lease Revenues Fund. The FY 2009-10 payment represents the second of 20 annual payments.

- ✓ the construction of the Colorado State Penitentiary II, High Custody Expansion Facility. The 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 FY 2009-10 payment represents the first of 12 annual payments from state funds.

In addition, the state made payments on two other projects from FY 2005-06 through FY 2006-07:

- the lease purchase of the 1881 Pierce Street Building for the Department of Revenue (FY 2006-07 represented the last payment); and
- the 2002 Issue for the Department of Personnel and Administration (FY 2005-06 represented the last payment).²

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).

²The 2002 Issue refinanced the 1992 Issue, which in turn refinanced the 1979 Developmentally Disabled Facilities Issue, the 1986 Division of Youth Services Facilities Issue, the 1988 Prison Facilities Issue, the 1995-2005 part of the Auraria North Classroom Issue, and the 690 Kipling Building Issue.

Figure 2.4
Five-Year History of State-Funded Capital Appropriations by Appropriation Amount
FY 2005-06 to FY 2009-10

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	\$99,706,841	14.66%	\$81,763,917	1	\$17,942,924	2
2	Human Services	90,083,673	13.24%	72,442,145	2	17,641,528	3
3	Colorado State University	59,486,071	8.74%	48,804,298	4	10,681,773	5
4	Transportation	54,000,000	7.94%	54,000,000	3	0	T36
5	Auraria Higher Education Center	39,699,389	5.84%	32,316,976	7	7,382,413	6
6	Mesa State College	36,090,476	5.31%	33,206,188	5	2,884,288	14
7	Revenue	34,089,953	5.01%	32,871,873	6	1,218,080	28
8	University of Colorado Boulder	31,891,415	4.69%	20,334,242	9	11,557,173	4
9	University of Colorado - Colorado Springs	27,836,446	4.09%	25,516,796	8	2,319,650	21
10	Personnel and Administration	24,359,169	3.58%	5,049,154	20	19,310,015	1
11	Fort Lewis College	18,852,107	2.77%	17,199,453	10	1,652,654	26
12	Higher Education	16,652,725	2.45%	16,652,725	11	0	T36
13	Colorado School of Mines	15,377,299	2.26%	11,595,846	13	3,781,453	10
14	Colorado State University - Pueblo	13,982,105	2.06%	12,949,216	12	1,032,889	29
15	Adams State College	12,745,114	1.87%	10,194,683	14	2,550,431	19
16	Military and Veterans Affairs	12,473,671	1.83%	5,973,171	18	6,500,500	7
17	University of Northern Colorado	10,771,795	1.58%	6,040,153	17	4,731,642	9
18	Public Safety	10,369,097	1.52%	9,562,671	15	806,426	33
19	Governor's Office of Information Technology	7,945,000	1.17%	7,945,000	16	0	T36

**Figure 2.4 (Cont.)
Five-Year History of State-Funded Capital Construction and Controlled Maintenance Appropriations by Appropriation Amount
FY 2005-06 to FY 2009-10**

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	\$7,556,786	1.11%	\$5,142,063	19	\$2,414,723	20
21	Western State College	7,365,349	1.08%	4,334,103	21	3,031,246	12
22	Agriculture	5,190,564	0.76%	0	T32	5,190,564	8
23	Colorado Historical Society	4,713,567	0.69%	2,402,654	24	2,310,913	22
24	Front Range Community College	3,931,819	0.58%	1,305,712	26	2,626,107	16
25	Public Health and Environment	3,561,389	0.52%	3,000,000	22	561,389	35
26	Lamar Community College	3,342,685	0.49%	2,428,165	23	914,520	31
27	Morgan Community College	3,091,870	0.45%	1,446,255	25	1,645,615	27
28	Northwestern Community College	3,062,384	0.45%	0	T32	3,062,384	11
29	Education	2,958,430	0.43%	0	T32	2,958,430	13
30	Arapahoe Community College	2,828,980	0.42%	254,100	31	2,574,880	18
31	Pikes Peak Community College	2,824,246	0.42%	834,793	28	1,989,453	24
32	Trinidad State Junior College	2,752,212	0.40%	0	T32	2,752,212	15
33	Pueblo Community College	2,623,981	0.39%	0	T32	2,623,981	17
34	Northeastern Junior College	2,615,873	0.38%	919,565	27	1,696,308	25
35	Colorado Community College System	2,142,263	0.31%	0	T32	2,142,263	23
36	Otero Junior College	1,409,797	0.21%	483,662	29	926,135	30
37	Judicial	1,039,779	0.15%	268,500	30	771,279	34
38	Red Rocks Community College	891,597	0.13%	0	T32	891,597	32
	GRAND TOTAL	\$680,315,917	100.00%	\$527,238,079		\$153,077,838	

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 2005-06 through FY 2009-10

Department of Institution Name	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	TOTAL	Percent of Total
Higher Education							
Adams State College	\$242,105	\$5,673,090	\$6,261,311	\$568,608	\$0	\$12,745,114	1.9%
Auraria Higher Education Center	3,617,992	2,429,100	31,623,844	949,467	1,078,986	\$39,699,389	5.8%
Colorado Historical Society	520,925	1,655,580	1,586,630	472,976	477,456	\$4,713,567	0.7%
Colorado School of Mines	7,925,711	3,397,375	2,431,032	1,023,887	599,294	\$15,377,299	2.3%
Colorado State University System							
Colorado State University	2,962,934	9,132,149	25,305,124	19,580,563	2,505,301	\$59,486,071	8.7%
Colorado State University – Pueblo	3,713,097	8,974,234	1,294,774	0	0	\$13,982,105	2.1%
Colorado State University System Subtotal	\$6,676,031	\$18,106,383	\$26,599,898	\$19,580,563	\$2,505,301	\$73,468,176	10.8%
Community College System							
Arapahoe Community College	365,573	579,726	939,983	42,682	901,016	\$2,828,980	0.4%
Colorado Community College System	1,025,413	0	1,116,850	0	0	\$2,142,263	0.3%
Front Range Community College	310,200	738,403	2,467,746	415,470	0	\$3,931,819	0.6%
Lamar Community College	458,137	178,380	2,262,312	443,856	0	\$3,342,685	0.5%
Morgan Community College	1,429,435	0	1,662,435	0	0	\$3,091,870	0.5%
Northeastern Junior College	875,948	1,299,565	440,360	0	0	\$2,615,873	0.4%
Northwestern Community College	1,659,040	705,600	15,744	682,000	0	\$3,062,384	0.5%
Otero Junior College	664,965	483,662	261,170	0	0	\$1,409,797	0.2%
Pikes Peak Community College	1,417,837	0	24,435	184,133	1,197,841	\$2,824,246	0.4%
Pueblo Community College	1,457,426	0	500,628	0	665,927	\$2,623,981	0.4%
Red Rocks Community College	188,649	43,732	150,000	130,450	378,766	\$891,597	0.1%
Trinidad State Junior College	1,124,000	0	898,212	0	730,000	\$2,752,212	0.4%
Community College System Subtotal	\$10,976,623	\$4,029,068	\$10,739,875	\$1,898,591	\$3,873,550	\$31,517,707	4.6%
Department of Higher Education	0	0	0	0	16,652,725	\$16,652,725	2.4%
Fort Lewis College	159,000	646,660	1,597,344	16,449,103	0	\$18,852,107	2.8%
Mesa State College	1,199,934	7,000,000	8,484,523	19,050,687	355,332	\$36,090,476	5.3%

**Figure 2.5 (Cont.)
Five-Year History of State-Funded Capital Appropriations
FY 2005-06 through FY 2009-10**

Department of Institution Name	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	TOTAL	Percent of Total
Higher Education (Cont.)							
<i>University of Colorado System</i>							
University of Colorado at Boulder	\$3,289,847	\$4,325,537	\$13,231,917	\$8,576,487	\$2,467,627	\$31,891,415	4.7%
University of Colorado at Colorado Springs	2,617,131	5,792,018	12,376,859	7,050,438	0	\$27,836,446	4.1%
University of Colorado Denver	496,430	624,065	483,968	810,260	5,142,063	\$7,556,786	1.1%
University of Colorado System Subtotal	\$6,403,408	\$10,741,620	\$26,092,744	\$16,437,185	\$7,609,690	\$67,284,647	9.9%
University of Northern Colorado	7,508,759	1,409,100	1,093,800	0	760,136	\$10,771,795	1.6%
	496,125	1,213,280	5,005,104	291,157	359,683	\$7,365,349	1.1%
Higher Education Subtotals	\$45,726,613	\$56,301,256	\$121,516,105	\$76,722,224	\$34,272,153	\$334,538,351	49.2%
State Departments							
Agriculture	750,000	2,109,681	1,369,367	251,836	709,680	\$5,190,564	0.8%
Corrections	3,375,610	17,781,282	55,523,602	3,664,965	19,361,382	\$99,706,841	14.7%
Education	425,400	1,004,705	1,096,825	431,500	0	\$2,958,430	0.4%
Human Services	23,679,382	20,932,220	35,470,614	6,935,552	3,065,905	\$90,083,673	13.2%
Judicial	262,200	777,579	0	0	0	\$1,039,779	0.2%
Military and Veterans Affairs	1,312,402	1,484,598	1,629,500	1,536,720	6,510,451	\$12,473,671	1.8%
Office of Information Technology	0	0	0	7,945,000	0	\$7,945,000	1.2%
Personnel and Administration	6,442,040	6,658,204	4,295,568	3,433,107	3,530,250	\$24,359,169	3.6%
Public Health and Environment	0	3,377,300	0	0	184,089	\$3,561,389	0.5%
Public Safety	0	2,339,542	8,029,555	0	0	\$10,369,097	1.5%
Revenue	0	8,651,068	10,176,941	7,817,037	7,444,907	\$34,089,953	5.0%
Transportation	10,000,000	15,000,000	20,000,000	9,000,000	0	\$54,000,000	7.9%
State Department Subtotal	\$46,247,034	\$80,116,179	\$137,591,972	\$41,015,717	\$40,806,664	\$345,777,566	50.8%
GRAND TOTAL	\$91,973,647	\$136,417,435	\$259,108,077	\$117,737,941	\$75,078,817	\$680,315,917	100.0%

Gross Square Footage of State Facilities

As of January 2009, the total gross square footage (GSF) of state-occupied facilities was 63.1 million GSF, according to the Office of the State Architect. The estimated replacement value is \$11.5 billion. Of this amount, 41.0 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 41.0 million GSF is \$7.6 billion.

The total GSF of state-occupied facilities grew 1.3 million GSF, or 2.1 percent, between calendar year 2007 and calendar year 2008, which increased the total estimated replacement value by \$1.2 billion, or 10.4 percent.

Together, the Departments of Corrections, the University of Colorado System, and the Colorado State University System account for about 51.8 percent of the GSF of all state-owned facilities. By comparison, these three agencies received 35.3 percent of all capital appropriations from FY 2005-06 through FY 2009-10. The holdings of the Department of Corrections, the Department of Transportation, the University of Colorado System, and the Colorado State University System comprise \$6.7 billion, or 57.1 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 \$824.41 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 2009)

Department	Total GSF - All Buildings	% of Total	CRV (\$ in Millions)	GSF - General Fund Buildings	% of Total	CRV (\$ in Millions)
State Departments						
Agriculture	783,413	1.24%	\$77.1	783,413	1.91%	\$77.1
Capitol Complex	1,651,456	2.62%	\$514.7	1,459,806	3.56%	\$504.8
Colorado Historical Society	167,825	0.27%	\$16.3	167,825	0.41%	\$16.3
Corrections	6,882,706	10.90%	\$950.7	6,602,404	16.09%	\$938.8
Cumbres & Toltec Scenic Railroad	51,637	0.08%	\$7.2	49,734	0.12%	\$6.8
Education	317,884	0.50%	\$47.2	317,884	0.77%	\$47.2
Human Services	3,747,527	5.94%	\$607.1	3,276,158	7.98%	\$538.1
Judicial	222,922	0.35%	\$43.3	222,922	0.54%	\$43.3
Labor and Employment	144,386	0.23%	\$29.8	0	0.00%	\$0.0
Military and Veterans Affairs	759,868	1.20%	\$75.1	569,245	1.39%	\$52.5

Figure 2.6 (Cont.)
Gross Square Footage (GSF) by State Department (as of January 2009)

Department	Total GSF All Buildings	% of Total	CRV (\$ in Millions)	GSF General Fund Buildings	% of Total	CRV (\$ in Millions)
State Departments (Cont.)						
Natural Resources	2,435,265	3.86%	\$311.3	0	0.00%	\$0.0
Office of Information Technology	23,118	0.04%	\$2.8	23,118	0.06%	\$2.8
Public Health and Environment	88,012	0.14%	\$25.3	88,012	0.21%	\$25.3
Public Safety	239,852	0.38%	\$21.7	239,852	0.58%	\$21.7
Revenue	139,370	0.22%	\$25.6	119,502	0.29%	\$18.7
Transportation	2,575,421	4.08%	\$1,059.0	0	0.00%	\$0.0
State Department Totals	20,230,662	32.04%	\$3,814.2	13,919,875	33.93%	\$2,293.4
Higher Education						
Adams State College	1,012,837	1.60%	\$183.5	545,581	1.33%	\$105.4
Auraria Higher Education Center	2,968,713	4.70%	\$465.3	1,558,436	3.80%	\$320.0
Colorado School of Mines	2,109,447	3.34%	\$500.7	1,314,094	3.20%	\$362.1
Colorado State University System						
CSU	8,306,314	13.16%	\$1,155.3	5,426,715	13.23%	\$817.1
CSU-Pueblo	936,098	1.48%	\$120.0	641,333	1.56%	\$88.2
Colorado State University Total	9,242,412	14.64%	\$1,275.3	6,068,048	14.79%	\$905.3
Community Colleges						
Arapahoe	421,067	0.67%	\$68.6	421,067	1.03%	\$68.6
Aurora	26,507	0.04%	\$4.0	26,507	0.06%	\$4.0
Front Range	612,397	0.97%	\$92.5	539,977	1.32%	\$78.1
Lamar	273,205	0.43%	\$34.2	222,205	0.54%	\$25.3
Lowry	925,474	1.47%	\$81.4	925,474	2.26%	\$81.4
Morgan	93,936	0.15%	\$17.4	90,795	0.22%	\$16.8
Northeastern	486,795	0.77%	\$66.6	337,031	0.82%	\$44.9
Northwestern	274,160	0.43%	\$35.7	189,843	0.46%	\$24.9
Otero	275,143	0.44%	\$46.1	202,041	0.49%	\$35.0
Pikes Peak	514,095	0.81%	\$71.2	457,191	1.11%	\$63.5
Pueblo	419,442	0.66%	\$56.4	360,812	0.88%	\$48.9

**Figure 2.6 (Cont.)
Gross Square Footage (GSF) by State Department (as of January 2009)**

Department	Total GSF - All Buildings	% of Total	CRV (\$ in Millions)	GSF - General Fund Buildings	% of Total	CRV (\$ in Millions)
Community Colleges (Cont.)						
Red Rocks	391,972	0.62%	\$50.0	391,972	0.96%	\$50.0
Trinidad	375,462	0.59%	\$71.2	286,854	0.70%	\$54.9
Community Colleges Total	5,089,655	8.06%	\$695.3	4,451,769	10.85%	\$596.3
Higher Education (Cont.)						
Fort Lewis College	1,077,620	1.71%	\$280.3	554,021	1.35%	\$156.4
Mesa State College	1,028,468	1.63%	\$172.2	621,649	1.52%	\$113.4
University of Colorado System						
CU-Boulder	9,672,219	15.32%	\$1,740.1	4,537,624	11.06%	\$951.6
CU-Colorado Springs	1,294,021	2.05%	\$220.0	720,851	1.76%	\$135.9
CU-Denver	5,637,257	8.93%	\$1,317.1	4,754,451	11.59%	\$1,223.7
University of Colorado Total	16,603,497	26.30%	\$3,277.2	10,012,926	24.40%	\$2,311.2
University of Northern Colorado	2,779,636	4.40%	\$649.0	1,488,697	3.63%	\$366.3
Western State College	991,130	1.57%	\$188.8	494,086	1.20%	\$93.8
Higher Education Totals	42,903,415	67.96%	\$7,687.6	27,109,307	66.07%	\$5,330.2
Grand Total	63,134,077	100.00%	\$11,501.8	41,029,182	100.00%	\$7,623.6

Source: Office of the State Architect Annual Report, January 2009. 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 \$691.9 million over the last five fiscal years — FY 2005-06 through FY 2009-10. **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 2005-06 to FY 2009-10

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Total
Capital Construction Fund*	\$118,481,954	\$182,425,338	\$260,212,437	\$133,205,292	(\$2,837,816)	\$691,487,205
Controlled Maintenance Trust Fund*	(3,144,162)	3,200,000	340,000	0	0	\$395,838
Total	\$115,337,792	\$185,625,338	\$260,552,437	\$133,205,292	(\$2,837,816)	\$691,883,043

*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 \$746.2 million for the last five fiscal years. Of this amount, \$90.6 million, or 12.1 percent, was made available for FY 2009-10 projects. Funding for FY 2009-10 projects was largely made available through cuts to prior year appropriations.

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 all four 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 2005-06 to FY 2009-10

Revenue Source		FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	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 (not subject to the 6 percent spending limit)	\$10.1	\$145.9	\$93.7	\$24.9	(\$26.1)	\$248.5
1b	Appropriations to fund a portion of prioritized projects identified during annual budget deliberations (subject to the 6 percent spending limit)	62.6	0.0	6.6	0.0	0.0	\$69.2
1c	One-third of the prior year's excess reserve, transferred pursuant to HB 02-1310	42.3	31.0	145.6	83.1	14.5	\$316.5
Subtotal		\$115.0	\$176.9	\$245.9	\$108.0	(\$11.6)	\$634.2
Capital Construction Fund (CCF)							
2a	Interest earnings, reversions, and other deposits made by the legislature	\$3.5	\$5.5	\$14.3	\$25.2	\$8.8	\$57.3
2b	Moneys made available for capital projects from cuts to appropriations in prior years	(0.2)	(2.9)	(16.2)	(66.1)	85.4	\$0.0
Subtotal		\$3.3	\$2.6	(\$1.9)	(\$40.9)	\$94.2	\$57.3
Tobacco Master Settlement							
3	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	\$7.0	\$13.1	\$13.1	\$13.1	\$8.0	\$54.3
Controlled Maintenance Trust Fund (CMTF)							
4	Interest earnings on the principal balance, which cannot be expended on projects	(\$3.1)	\$3.2	\$0.3	\$0.0	\$0.0	\$0.4
Total		\$122.2	\$195.8	\$257.4	\$80.2	\$90.6	\$746.2

General Fund transfers. From 1988 to 2001, state statutes provided for an annual transfer of General Fund moneys to the Capital Construction Fund. This ongoing transfer, which does not count against the General Fund 6 percent appropriations limit, 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 Capital Construction Fund 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 Capital Construction Fund. The additional transfer makes it possible to fund more capital or highway projects.

For FY 2009-10, the CCF received \$2.0 million for prison construction or expansion projects and transferred \$28.1 million from the CCF to the General Fund, in order to augment state General Fund revenue. The FY 2009-10 net change to the CCF from General Fund transfers was negative \$26.1 million.

General Fund appropriation. The General Assembly may pass legislation to designate General Fund moneys for appropriation to the Capital Construction Fund. These appropriations are included within the General Fund 6 percent appropriations limit.

Over the last five fiscal years, General Fund appropriations have totaled \$69.2 million, with FY 2005-06 accounting for almost the entire amount. In that year, the General Assembly set aside \$62.6 million from moneys that became available through the passage of Referendum C and designated them for higher education controlled maintenance projects to begin in FY 2005-06.

House Bill 02-1310 excess reserve credit. When available, one third of General Fund excess reserves are transferred annually to the Capital Construction Fund. The other two-thirds are credited to the Highway Users Tax Fund. Moneys transferred in a given fiscal year are excess funds from the prior fiscal year, and are generally used to fund projects in the subsequent fiscal year.

By law, the State Controller allocates 90 percent of the *estimated* General Fund surplus to the Highway Users Tax Fund and the CCF on September 20 each year. Once the books have been balanced, the State Controller must allocate amounts equal to the differences between the actual amounts required to be allocated and the amounts allocated on September 20.

The amount credited to the CCF in FY 2007-08, and used for FY 2009-10 projects, was \$14.5 million.

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

Interest earnings, reversions, and deposits. Interest accruing to the Capital Construction Fund, 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 2009-10 totaled \$8.1 million. A fund balance, of \$0.7 million was also made available for FY 2009-10 projects.

For FY 2009-10, an additional \$85.4 million was made available for capital projects through cuts to prior year appropriations. The balance of the cut projects was retained in the CCF as reversions. A fuller discussion of the cuts to prior year appropriations made during the 2009 legislative session can be found in Chapter VI of this report.

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 are being 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).

For FY 2009-10, the amount of the COP payment paid from tobacco settlement funds was \$8.0 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 was 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;
- \$0.8 million transferred to the General Fund in FY 2009-10 to help address the state's revenue shortfall.

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

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 finally struck the requirement that the CMTF be repaid.

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 \$46,821 in interest in FY 2008-09.

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 2005-06 to FY 2009-10**

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Five-Year Total
Principal						
Beginning Balance	\$185,656,801	\$29,000	\$29,000	\$1,589,516	\$1,286,837	N/A
General Fund Transfer	(185,627,801)	0	1,560,516	(302,679)	(803,610)	(\$185,173,574)
Ending Balance	\$29,000	\$29,000	\$1,589,516	\$1,286,837	\$483,227	N/A
Interest						
Interest Earned*	\$6,672,379	\$16,965	\$8,326	\$46,821	\$3,000	\$6,744,491
Interest Transferred from the CMTF to General Fund	(3,144,162)	0	0	0	0	(\$3,144,162)
Interest Appropriated for Controlled Maintenance Projects	\$0	\$3,200,000	\$340,000	0	0	\$3,540,000
Total Appropriated for Controlled Maintenance						
	\$38,357,502	\$35,129,807	\$50,702,815	\$26,087,798	\$24,235,321	\$174,513,243
Amount Appropriated from the CCF	38,359,502	31,929,807	50,362,815	26,087,798	24,235,321	\$146,739,922
Amount Appropriated from the CMTF	0	3,200,000	340,000	0	0	\$3,540,000
% Appropriated from the CMTF	0.0%	9.1%	0.7%	0.0%	0.0%	2.0%

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.

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 35 shows a \$2.4 billion revenue shortfall to meet capital needs that are estimated to total \$2.6 billion over the next four years.

State-Funded Capital Need

The estimated four-year capital need is \$2.6 billion. Of this amount, controlled maintenance needs total \$434.5 million, or 16.6 percent of the estimated four-year need, while capital construction needs (including certificates of participation payments) total \$2.2 billion, or 83.4 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 2008 (the most recent data available), the state's capital needs are estimated to be \$2.6 billion. As shown in *Figure 4.2*, the projected capital need in the first year of the forecast period is more than twice that in each of the following years. This may, in part, be because more agencies are requesting funding for an entire project in a single fiscal year, rather than splitting funding requests into multiple fiscal years.

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 2009, the state's existing General Fund building inventory was valued at \$7.62 billion. Based on industry standards, the State Architect recommends a minimum of 1 percent of the CRV, or \$76.2 million annually, to maintain the state's facilities, and an additional 1 to 3 percent, or \$76.2 million to \$228.6 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 2009 report estimated an average annual need of \$131.3 million over the next four years, or about 1.7 percent of the current replacement value of the state's General Fund building inventory (valued at almost \$7.62 billion). Due to an economic downturn in 2001 and the resulting state budget shortfall, funding for controlled maintenance was diminished in 2002 through 2005.

Despite the economic recession beginning in FY 2008-09 that severely limited state General Fund revenue, the CDC fully funded Level 1 controlled maintenance projects for FY 2009-10 in hopes of avoiding an overwhelming unfunded backlog of projects. 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 \$546.2 million annually, based on the requests submitted by state departments and higher education institutions in fall 2008.

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 source of funds for this COP project is revenue from federal mineral leases (FML); however, for FY 2009-10 there were insufficient funds for the payment, so the payment amount was transferred from the Capital Construction Fund. Projections included in the September 2009 Legislative Council Staff economic forecast indicate that there will be sufficient funds to make the FY 2010-11 COP payment from FML revenues.

The exact annual payment for all three projects varies slightly from year to year, but on average the state owes \$35.2 million state funds each year for at least the next 12 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	11	June 30, 2021	\$208.3 million
Higher Education Institutions	Various (12 projects)	\$230.8 million	\$16.3 million FML revenue	20 years	18	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 \$291.4 million over the next four years. Figure 4.2 (see Page 35) provides the revenue sources for the CCF for FY 2009-10 through FY 2012-13.

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 Corrections Expansion Reserve Fund, and is available for use on prison construction, expansion, or renovation projects. No new legislation impacting the CERF was passed during the 2009 session. Figure 4.2 shows that \$4.3 million is projected to be available for prison construction and renovation projects over the next four years, all from appropriations authorized in prior years' legislation.

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 September 2009 Legislative Council Staff economic forecast indicate that there will be sufficient funds to make the FY 2010-11 COP payment from FML revenues. However, projections indicate that there will be insufficient revenue to make the FY 2011-12 payment (\$10.7 million) and FY 12-13 through FY 2013-14 payments (\$16.6 million/year) from this cash source.

Over the next four years, the payments for all COP totals \$120.3 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, the 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 September 2009 Legislative Council Staff economic forecast indicate that personal income will only increase by 4.2 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 \$8.9 million in interest over the next four years.

Federal mineral lease (FML) revenue. Figure 4.2 shows \$22.7 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. There are three forms of 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.

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, \$9.8 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. About \$188.2 million 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 10-11	FY 11-12	FY 12-13	FY 13-14	Total	% of Total
General Fund						
for prison construction, expansion, or renovation projects (Corrections Expansion Reserve Fund)	\$2,684,165	\$1,126,485	\$488,144	\$0	\$4,298,794	2.8%
for Anschutz certificates of participation payments (state-funded portion of payments only)	5,143,213	5,144,713	5,141,563	5,143,650	\$20,573,139	13.2%
for Colorado State Penitentiary II certificates of participation payments	13,942,350	13,940,850	13,940,250	13,941,000	\$55,764,450	35.8%
five-year statutory transfer beginning in FY 2012-13, pursuant to Senate Bill 09-228 ¹	0	0	0	43,500,000	\$43,500,000	27.9%
Capital Construction Fund Interest Earnings ²	4,859,744	1,709,688	1,107,925	791,609	\$8,468,966	5.4%
Federal Mineral Lease (FML) Revenue for higher education projects ²						
Higher Education Maintenance and Reserve Fund interest earnings, for controlled maintenance	19,000	87,000	197,000	359,000	\$662,000	0.4%
Higher Education FML Revenues Fund, for capital construction and/or financing for such projects	16,654,550	6,000,000	0	0	\$22,654,550	14.5%
	\$43,303,022	\$28,008,736	\$20,874,882	\$63,735,259	\$155,921,899	100.0%
Capital Need ³						
Certificates of Participation	\$35,740,113	\$35,739,038	\$35,734,988	\$35,735,725	\$142,949,864	5.5%
Controlled Maintenance - All Agencies	99,887,951	112,556,955	113,683,461	108,393,857	\$434,522,224	16.6%
Capital Construction - Higher Education Institutions	518,773,591	252,125,827	223,281,194	156,806,552	\$1,150,987,164	43.9%
Capital Construction - State Departments	626,346,053	68,677,697	162,066,560	33,898,000	\$890,988,310	34.0%
Total Capital Need	\$1,280,747,708	\$469,099,517	\$534,766,203	\$334,834,134	\$2,619,447,562	100.0%
SHORTFALL	(\$1,237,444,686)	(\$441,090,781)	(\$513,891,321)	(\$271,098,875)	(\$2,463,525,663)	

¹Estimates based on final fiscal note and September 2009 Legislative Council Staff economic forecast. The transfer is only triggered if Colorado personal income increases by 5 percent or more over the prior year. The September forecast shows that personal income is only projected to increase by 4.2 percent in FY 2012-13.

²Estimates are based on the September 2009 Legislative Council Staff economic forecast.

³Estimates were provided by agencies on September 1, 2008, through submittal of their Five-Year Capital Construction Plans, which included requests for FY 2009-10, and by the State Architect's annual report, submitted in January 2009.

V. 2009 Capital Construction and Controlled Maintenance Appropriations

This chapter describes the capital construction and controlled maintenance appropriations approved during the 2009 legislative session.

Requests Submitted to the Capital Development Committee

Due to the projected budget shortfall for FY 2009-10, the Capital Development Committee (CDC) did not hold hearings to consider all the projects requested for FY 2009-10. Rather the committee chair issued an invitation to all state agencies to contact Legislative Council Staff to arrange a hearing date for individual projects, if so desired. Although the CDC reviewed only some of the projects requested for FY 2009-10, the committee spent the months of December, January, and February reviewing FY 2009-10 requests for funding and compiling a prioritized list of capital construction and controlled maintenance projects to recommend to the Joint Budget Committee (JBC).

The 175 capital construction requests submitted to the CDC totaled \$1.5 billion from all sources. Of this amount, there were 114 projects totaling \$654.9 million in state funds, including 35 controlled maintenance requests (\$24.2 million), and 1 request for 9 regional bridge infrastructure projects recommended by the Transportation Commission (\$46.6 million). The requests also included 61 projects totaling \$814.0 million in non state funds, including \$739.7 million from cash fund sources and \$74.3 million from federal fund sources.

Projects Recommended by the Capital Development Committee

The CDC recommended, in prioritized order, funding \$487.5 million for 109 capital projects for FY 2009-10. Of the amount recommended by the CDC, there were 59 state-funded projects totaling \$88.9 million — 3 capital construction projects, 2 certificates of participation (COP) payments, and 54 controlled maintenance projects. The CDC also recommended 50 cash-funded projects for both state departments and higher education institutions totaling \$398.6 million. Of the cash-funded projects, the CDC approved 9 projects that will never require state funds for construction, operating costs, or maintenance (called Senate Bill 92-202 projects). The committee did not recommend 74 state-funded requests and 11 cash-funded requests.

The CDC recommended funding Level II controlled maintenance projects through score 12 (\$10.6 million). However, pursuant to the recommendation made by the Governor's Office of State Planning and Budgeting, the Office of the State Architect only formally requested funding for Level I controlled maintenance projects. Thus, the total number of projects requested and recommended for controlled maintenance differ.

Projects Recommended by the JBC and Approved by the General Assembly

The JBC recommended that 41 state-funded projects be included in the 2009 Long Bill, Senate Bill 09-259. These projects included the CDC's top five priorities. In addition, the JBC recommended a transfer from the Capital Construction Fund to the Higher Education Federal Mineral Lease Revenues Fund to make the FY 2009-10 COP payment for the various higher education projects financed by the November 2008 COP Issuance. The FY 2009-10 payment was made with cash funds from the Higher Education Federal Mineral Lease Revenues Fund, but the JBC categorized this project as a state-funded project because of the transfer of state funds to make the payment.

The JBC also listed one additional project, the Colorado State Penitentiary II, High Custody Expansion, Equipment and Furnishings, in its state-funded recommendation. The CDC also recommended the project, but identified it as cash-funded. The source of funds for the project was the Corrections Expansion Reserve Fund.

Of the \$58.4 million the JBC recommended in state funds, \$34.2 million (58.5 percent) was allocated to capital construction projects and \$24.2 million (41.5 percent) to controlled maintenance.

The total amount in the final Long Bill for capital projects was \$518.2 million, including \$92.8 million for state-funded projects and \$425.4 million for cash-funded projects. A total of 91 projects were funded:

- ✓ 3 state-funded capital construction projects totaling \$24.8 million;
- ✓ 3 state-funded certificates of participation payments totaling \$43.7 million;
- ✓ 35 controlled maintenance projects totaling \$24.2 million;
- ✓ 1 cash-funded capital renewal project totaling \$6.0 million; and
- ✓ 49 cash-funded projects totaling \$419.5 million.

Funding for the 91 projects includes:

- ✓ \$14.7 million from the Capital Construction Fund (state funds), including \$14.5 million of the FY 2007-08 excess General Fund reserve and a fund balance of \$0.2 million;
- ✓ \$15.9 million transferred from the General Fund to the Capital Construction Fund, including \$8.1 million in interest earnings and \$7.8 million transferred to the Corrections Expansion Reserve Fund;
- ✓ \$54.1 million in reversions to the Capital Construction Fund from rescinded projects and expired appropriations;
- ✓ \$419.0 from cash funds; and
- ✓ \$40.7 from federal funds.

The General Assembly adopted the Long Bill based upon the JBC's priorities.

Figure 5.1 below shows the distribution of funding sources for the recommended projects.

**Figure 5.1
Funding Sources for FY 2009-10 Projects**

Funding Source	Amount Funded	% of Total Funded
Capital Construction Fund (CCF)*	\$58,426,092	11.3%
Cash Funds (CF)	419,026,628	80.9%
Federal Funds (FF)	40,715,745	7.9%
Total	\$518,168,465	100.0%

* Of this amount, \$7,766,568 is from the Corrections Expansion Reserve Fund.

Breakdown of State-Funded Projects

Of the \$58.4 million in state funds included in the Long Bill, state departments received \$40.8 million (69.8 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 \$17.6 million (30.2 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 2009-10 Projects**

Category	# of State Department Projects	State Department Amount	# of Higher Education Projects	Higher Education Amount	Total Amount
Controlled Maintenance Projects	17	\$11,757,956	18	\$12,477,365	\$24,235,321
Capital Construction Projects	5	29,048,708	1	5,142,063	34,190,771
Totals	22	\$40,806,664	19	\$17,619,428	\$58,426,092

Figure 5.3 provides information about all projects authorized for funding for FY 2009-10. 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 2009-10, 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 so not subject to the spending limits imposed by TABOR);
and
- ✓ FF (Federal Funds).

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Higher Education								
Adams State College								
Auxiliary Facilities (202 Project)	CF	\$0	\$22,000,000	\$0	\$0	\$0	\$0	\$22,000,000
The project develops an auxiliary facilities master plan to allow the college to evaluate its existing facilities, develop a long-term plan, and proceed with the major projects identified within the plan. The project also includes the potential for land acquisitions. As a SB 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the project's components.								
Adams State College Subtotal	CF	\$0	\$22,000,000	\$0	\$0	\$0	\$0	\$22,000,000
Arapahoe Community College								
Replace Energy Management Control Systems	CCF	\$0	\$901,016	\$0	\$0	\$0	\$0	\$901,016
The project replaces an Energy Management System, including 15 system control units, computer hardware, and mechanical devices. The existing system is a first-generation control system, and many of its components are no longer available. The circuit boards are outdated, experience frequent failure, and cannot be replaced.								
Arapahoe Community College Subtotal	CCF	\$0	\$901,016	\$0	\$0	\$0	\$0	\$901,016
Auraria Higher Education Center								
Quadrant Property Purchase (202 Project)	CF	\$0	\$18,000,000	\$0	\$0	\$0	\$0	\$18,000,000
The project acquires 13.7 acres adjacent to the campus for additional campus recreation space and to allow for future expansion. Auraria will use the land to house facilities for parking operations and for the athletic and recreation programs, including Metro State's Athletic Department, Auraria Campus Recreation, and Metro State's Human Performance and Sport Program. As a Senate Bill 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the project's components.								
Repair / Replace Indoor Air Quality, Window, and HVAC, Art Building	CCF	\$949,467	\$1,078,986	\$0	\$0	\$0	\$0	\$2,028,453
The two-phase project makes repairs to the building's ventilation system. This year's request for Phase II replaces the mechanical system in order to modernize the ventilation system. Phase I replaced the curtain wall window system to prevent air and water infiltration.								
Auraria Higher Education Center Subtotal	CCF	\$949,467	\$1,078,986	\$0	\$0	\$0	\$0	\$2,028,453
	CF	\$0	\$18,000,000	\$0	\$0	\$0	\$0	\$18,000,000
Colorado School of Mines								
New Residence Hall (202 Project)	CF	\$0	\$24,871,380	\$0	\$0	\$0	\$0	\$24,871,380
The project constructs an 84,237-GSF, 259-student bed residence hall serving mostly first-year students on the main campus. The project allows the college to meet increased enrollment demands and to locate more student housing on the school's main campus. As a Senate Bill 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the building.								
Replace Roof, Alderson Hall	CCF	\$0	\$599,294	\$0	\$0	\$0	\$0	\$599,294
The project replaces two roofs with a built-up roof system to prevent further damage to laboratories in the Petroleum Engineering and Chemical Engineering departments. The roof on the original building is 30 years old and leaks significantly. The roof on the building addition is 15 years old and is failing at the joints. The college uses buckets to catch rain water and snow melt in the laboratories, and there is water damage to the drywall and ceilings. A severe leak could interrupt research and threaten expensive research equipment.								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Colorado School of Mines (Cont.)								
<i>Colorado School of Mines Subtotal</i>	CCF	\$0	\$599,294	\$0	\$0	\$0	\$0	\$599,294
	CF	\$0	\$24,871,380	\$0	\$0	\$0	\$0	\$24,871,380
Colorado State University								
<i>Biology Building</i>	CF	\$0	\$60,000,000	\$0	\$0	\$0	\$0	\$60,000,000
The project constructs a 100,000-GSF biology teaching and research building on the main campus to address a growing deficiency in available space for biology laboratories, support spaces, and new faculty. The university says there is an acute shortage of space for biology courses based on current and future faculty needs, and the new building will help maintain its record of teaching excellence, emphasize experiential learning, and increase the number of biology faculty by 10 or 15 FTE.								
<i>Eddy Building Renovation (Capital Renewal)</i>	CF	\$0	\$6,000,000	\$0	\$0	\$0	\$0	\$6,000,000
The project performs general maintenance in the 69,457-GSF Eddy Hall building. The project replaces the heat exchangers, chiller, pumps, cooling tower, roofing over the lecture room, worn classroom flooring and ceilings, and the exterior concrete stairway; installs four fire-rated doors and sidelights, a new fire sprinkler system, a new suspended ceiling system, and ADA-compliant restrooms, drinking fountains, signage, elevator, doors, hardware, and handrails in stairways; patches, caulks, and repaints the building's interior and exterior; and removes asbestos. The university says the condition of the building is poor enough to warrant immediate action.								
<i>Improve Sanitary Sewer, Main Campus</i>	CCF	\$639,852	\$697,840	\$697,840	\$0	\$0	\$0	\$2,035,532
The three-phase project performs sanitary sewer improvements on the main campus. The system is overloaded in several places and many lines have excessive groundwater infiltration. Work includes installing a new line from the Auditorium/Gymnasium to Shields Street, rerouting and regrading a line across the Intramural Field, and increasing the size of lines in areas. This year's request for Phase II repairs and replaces lines on the north half of the campus. Phase I performed design work and initial work on upsizing selected lines. Phase III will repair and replace lines on the south half of the campus.								
<i>The Institute for Learning and Teaching</i>	CF	\$0	\$13,000,000	\$0	\$0	\$0	\$0	\$13,000,000
The project constructs a three-story, 25,000-GSF addition to the Music Building in order to create the Institute for Learning and Teaching. The project will consolidate a variety of student-centered services in a single location in order to facilitate programmatic efficiencies and create greater visibility and recognition of available programs. The components of the Institute for Learning and Teaching are currently scattered throughout the campus, and are undersized. The university says that co-locating academic enrichment programs will lead to greater visibility for lesser-used programs and create a synergy that is currently lacking.								
<i>Replace Deteriorating Steam and Condensate North Line</i>	CCF	\$1,169,079	\$1,430,327	\$0	\$0	\$0	\$0	\$2,599,406
The three-phase project replaces steam and condensate lines that are over 50 years old and are being operated at twice their intended pounds per square inch (PSI) pressure. According to the university, if a pressure relief valve failed, it would create a significant safety hazard. This year's request for Phase III installs a new concrete trench from Ammons Hall to Rockwell Hall. Phase I installed two pressure relief valve stations and piping in the tunnel leaving the heating plant. Phase II installed a new tunnel lid and piping from the Occupational Therapy building to Ammons Hall.								
<i>Replace Environmental Control Systems, Multiple Buildings</i>	CCF	\$611,894	\$377,134	\$0	\$0	\$0	\$0	\$989,028
The three-phase project replaces worn-out pneumatic controls that are inefficient and do not interface with the school's digital control system. Component failures have caused damage to mechanical equipment and have led to facility closures. Replacement parts are difficult to obtain and maintenance costs are high. This year's request for Phase III will replace the systems in 11 buildings. Phase I replaced the systems in five buildings, and Phase II replaced the systems in three buildings.								
<i>Colorado State University Subtotal</i>	CCF	\$2,420,825	\$2,505,301	\$697,840	\$0	\$0	\$0	\$5,623,966
	CF	\$0	\$79,000,000	\$0	\$0	\$0	\$0	\$79,000,000

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Colorado State University – Pueblo								
<i>Student Housing Facility (202 Project)</i>	CF	\$0	\$49,507,547	\$0	\$0	\$0	\$0	\$49,507,547
The project constructs a 750-bed student housing facility consisting of up to three buildings, each containing 76,400 GSF for a total of 229,000 GSF, on vacant land on the north end of campus. The project will alleviate a shortfall in campus housing, which is already operating at a deficit. Campus housing was filled to capacity for the fall 2008 semester, forcing the university to house 250 to 300 freshman students in off-campus hotels for the fall 2008 and spring 2009 semesters. The university says housing first-year students off-campus is costly, fragments the student population, and disconnects these students from the campus experience. As a Senate Bill 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the facility.								
Colorado State University – Pueblo Subtotal	CF	\$0	\$49,507,547	\$0	\$0	\$0	\$0	\$49,507,547
Mesa State College								
<i>North Avenue Student Housing (202 Project)</i>	CF	\$0	\$34,215,812	\$0	\$0	\$0	\$0	\$34,215,812
The project constructs a 535-bed, 127,000-GSF housing facility at the northeast corner of Cannell and North Avenue. The project addresses a growing shortage of both on-campus and off-campus student housing and includes 112,000 GSF for student housing and 15,000 GSF of shelved retail space. As a SB 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the project's components.								
<i>Repair Roof, Tomlinson Library</i>	CCF	\$0	\$355,332	\$0	\$0	\$0	\$0	\$355,332
The project replaces a 22-year-old, built-up asphalt roof in order to address leaks. The life expectancy of the existing roof is 15 years. The university addressed building leaks during the winter of 2005.								
Mesa State College Subtotal	CCF	\$0	\$355,332	\$0	\$0	\$0	\$0	\$355,332
	CF	\$0	\$34,215,812	\$0	\$0	\$0	\$0	\$34,215,812
Pikes Peak Community College								
<i>Replace HVAC Control Systems and Rooftop Air Handling Units, Aspen and Breckenridge Buildings</i>	CCF	\$0	\$1,197,841	\$1,037,841	\$1,037,841	\$0	\$0	\$3,273,523
The project replaces 19 air handling units (AHUs) and the corresponding control systems at the Aspen and Breckenridge buildings. The existing units are 30 years old, and five years past the manufacturer-recommended life cycle. Parts for the AHUs and control systems are difficult to locate and the fans are dangerous to repair. This year's request for Phase I replaces the control system and some of the AHUs at the Aspen Building. Phases II and III will complete installation at the Aspen and Breckenridge Buildings.								
Pikes Peak Community College Subtotal	CCF	\$0	\$1,197,841	\$1,037,841	\$1,037,841	\$0	\$0	\$3,273,523
Pueblo Community College								
<i>Install Fire Alarm and Upgrade HVAC and Electrical System, Center for New Media</i>	CCF	\$0	\$665,927	\$0	\$0	\$0	\$0	\$665,927
The project installs a fire alarm and makes upgrades to the HVAC and electrical systems in the Center for New Media Building. A single coil from the main campus boiler system provides heat to the building, which is insufficient for the 3,900-GSF area. Electrical, communications, and video cables are not laid properly, the roof shows signs of deterioration, and one air handling unit has failed. The Center for New Media will be temporarily relocated for the duration of the project.								
Pueblo Community College Subtotal	CCF	\$0	\$665,927	\$0	\$0	\$0	\$0	\$665,927

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Red Rocks Community College								
<i>Replace Roof, West Building</i>	CCF	\$0	\$378,766	\$0	\$0	\$0	\$0	\$378,766
The project removes roofing and insulation and replaces it with a single-ply rubber membrane roof and new insulation. The roof is at the end of its expected life cycle, shows damage around the drains, and the coating layer has been destroyed, exposing the foam insulation to moisture.								
Red Rocks Community College Subtotal	CCF	\$0	\$378,766	\$0	\$0	\$0	\$0	\$378,766
Trinidad State Junior College								
<i>Replace Boilers, Windows, and Elevator and Upgrade Duct System, Banta Building</i>	CCF	\$0	\$652,500	\$409,000	\$0	\$0	\$0	\$1,061,500
The project makes upgrades to the building boiler system and windows in order to address air quality concerns. The auto and welding shop return air system is connected to the supply air system for the office and classroom space. The windows and boiler are at least 40 years old. The project will also build a small elevator in order to provide ADA access to the third floor. This year's request for Phase I replaces the boiler and duct system. Phase II will replace the windows and install the new elevator.								
<i>Replace Main Communications Line</i>	CCF	\$0	\$77,500	\$0	\$0	\$0	\$0	\$77,500
The project replaces the campus' main communications line in order to maintain uninterrupted telephone services. The existing copper line is so deteriorated that it cannot be repaired. If the communication line fails, the school will have no voice communications capability, including no access to 911 emergency services or fire alarm reporting.								
Trinidad State Junior College Subtotal	CCF	\$0	\$730,000	\$409,000	\$0	\$0	\$0	\$1,139,000
University of Colorado at Boulder								
<i>Basketball and Volleyball Practice Facility (202 Project)</i>	CF	\$0	\$9,985,000	\$0	\$0	\$0	\$0	\$9,985,000
The project constructs a 32,700-GSF practice facility for the men's and women's basketball teams and the women's volleyball team. The practice facility will be connected to the Coors Events Center, and the project includes a remodel of 2,963 GSF within the center. The project will allow the Department of Intercollegiate Athletics to serve all three sports programs in an equitable and appropriate manner in accordance with federal Title IX requirements; improve scheduling flexibility and event capabilities in the Coors Events Center, including academic uses such as exam scheduling; and create a practice and training environment that allows student-athletes to excel in the classroom and on the court. As a Senate Bill 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the facility.								
<i>Behavioral Science Building (202 Project)</i>	CF	\$13,894,624	\$1,805,376	\$0	\$0	\$0	\$0	\$15,700,000
The project adds 6,610 GSF to the Institute of Behavioral Sciences (IBS), which is currently under design. The CDC previously approved this project in FY 2008-09 for \$13.9 million cash funds, but the university has since amended the program plan to include a finished garden-level basement for use as additional research and faculty offices. As amended, the project constructs a four-story, 50,565-GSF building, at the intersection of 15th Street and Grandview Avenue, adjacent to the main campus. According to the university, the addition of research and faculty office space addresses immediate campus space needs.								
<i>Construct Enclosed Stair Towers, Henderson Building</i>	CCF	\$0	\$1,596,097	\$0	\$0	\$0	\$0	\$1,596,097
The project builds two exterior, enclosed stair towers, and encloses one interior, central stairway. The central stairway is open to all floors and will be enclosed to reduce the potential for fire and smoke to spread through the building in the event of a fire. The exterior stair towers are necessary because building code requires a minimum of two exits from every floor.								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
University of Colorado at Boulder (Cont.)								
<i>Upgrade Fire Suppression, Ramaley and Macky Buildings</i>	CCF	\$976,767	\$871,530	\$0	\$0	\$0	\$0	\$1,848,297
The two-phase project installs complete sprinkler coverage in the Ramaley Building and Macky Building to optimize the fire protection system. Both buildings have some sprinkler coverage, but this project completes the coverage and eliminates the need to create fire refuge areas. This year's request for Phase II will fund installation in the Macky building. Phase I funded installation in the Ramaley building.								
<i>Willard and Hallett Residence Halls Recommissioning 202 Project</i>	CF	\$0	\$10,925,000	\$0	\$0	\$0	\$0	\$10,925,000
The project renovates 85,795 GSF in Willard Hall and 22,201 GSF in Hallett Hall to provide an additional 366 beds for students. The buildings were originally constructed as residence halls in the 1950s, with double occupancy rooms and a hall director apartment on each floor. In the 1970s, portions of both buildings were converted to offices for administrative functions, and since then only 40 percent of each building's residential capacity has been used for student housing. Willard Hall is expected to be ready for occupancy in fall 2010, and Hallett Hall in fall 2011. As a Senate Bill 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the project's components.								
<i>Williams Village Phase 2a (202 Project)</i>	CF	\$0	\$51,535,000	\$0	\$0	\$0	\$0	\$51,535,000
The project constructs a 500-bed, 127,724-GSF, student housing facility in Williams Village to address an ongoing deficit of on-campus student housing. The university says it only houses 22.8 percent of all students on campus and its campus master plan goal is to house 27 percent of all students on campus. As a Senate Bill 92-202 project, no state funds can ever be used for the design, construction, operation, or maintenance of the facility.								
University of Colorado at Boulder Subtotal	CCF	\$976,767	\$2,467,627	\$0	\$0	\$0	\$0	\$3,444,394
	CF	\$13,894,624	\$74,250,376	\$0	\$0	\$0	\$0	\$88,145,000
University of Colorado Denver								
<i>New Pharmacy Research Building</i>	CF	\$59,479,572	\$11,117,804	\$0	\$0	\$0	\$0	\$70,597,376
The project will build out the 37,264-GSF third floor of the Pharmacy Research Building, which is currently under design and will be constructed on the Anschutz Medical Campus beginning September 2009. As originally requested, the project would have constructed a three-story, 105,215-GSF building for the School of Pharmacy. A supplemental request in FY 2008-09 amended the project to add a fourth story. The same supplemental request indicated that the third story would be finished only as shell space intended for future use for research laboratories. This request will fund completion of the third floor in order to expand CU-Denver's research capabilities in the field of pharmacology and to accelerate faculty recruitment.								
<i>Various Projects at the Anschutz Medical Campus formerly Fitzsimons) (COP Project)</i>	CCF	\$0	\$5,142,063	\$5,143,213	\$5,144,713	\$5,141,563	\$5,143,650	\$25,715,202
	CF	\$36,417,394	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$76,417,394
The project makes the fifth 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 21 more years, through FY 2030-31.								
University of Colorado Denver Subtotal	CCF	\$0	\$5,142,063	\$5,143,213	\$5,144,713	\$5,141,563	\$5,143,650	\$25,715,202
	CF	\$95,896,966	\$19,117,804	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$147,014,770

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
University of Northern Colorado								
Replaces Roofs, Butler Hancock, Candelaria, and McKee Halls	CCF	\$0	\$760,136	\$492,062	\$0	\$0	\$0	\$1,252,198
The two-phase project replaces the roofs of Candelaria Hall and McKee Hall, and finishes replacing the roof of Butler Hancock Hall. Candelaria Hall's roof was last replaced in 1985, has reached the end of its useful life, and is failing. The center section of the Butler Hancock roof was installed in 1989 and is failing. All other sections of Butler Hancock have been replaced in the past few years. The McKee Hall roof is leaking, which causes office and classroom disruption. This year's request for Phase I completes work on Candelaria Hall and Butler Hancock Hall. Phase II will replace the roof of McKee Hall.								
University of Northern Colorado Subtotal	CCF	\$0	\$760,136	\$492,062	\$0	\$0	\$0	\$1,252,198
Western State College								
Repair / Replace Electrical Power Distribution	CCF	\$673,637	\$359,683	\$0	\$0	\$0	\$0	\$1,033,320
The three-phase project replaces the primary and secondary power distribution systems in various buildings on campus. Transformers, main distribution panels, main switchgears, sub-distribution panels and sub-panels and conductors in these buildings are reaching the end of their useful life, and have caused concerns about overheating due to additional loads. This year's request for Phase III replaces the systems in the Crawford and Paul Wright buildings. Phase I replaced the systems in the Maintenance Building, Warehouse, and Press Box public area 111. Phase II replaced the systems in the Quigley quad area of the campus, which includes the Quigley, Hurst, Kelley, Taylor, and Library buildings.								
Western State College Subtotal	CCF	\$673,637	\$359,683	\$0	\$0	\$0	\$0	\$1,033,320
Higher Education Totals								
	State Funds	\$5,020,696	\$17,141,972	\$7,779,956	\$6,182,554	\$5,141,563	\$5,143,650	\$46,410,391
	Cash Funds	\$109,791,590	\$320,962,919	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$462,754,509
	Total Funds	\$114,812,286	\$338,104,891	\$15,779,956	\$14,182,554	\$13,141,563	\$13,143,650	\$509,164,900
State Departments								
Colorado Historical Society								
New Colorado History Museum (COP Project)	CF	\$18,000,000	\$12,000,000	\$2,000,000	\$0	\$0	\$0	\$32,000,000
The Colorado Historical Society is requesting cash funds spending authority to construct a new 202,480-GSF Colorado History Museum in downtown Denver, and renovate 29,280 GSF in the Carnegie Library in Civic Center Park for the library and 9,400 GSF at Lowry for storage. The project will allow the museum 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. The project will be funded through the sale of certificates of participation (COP) in fall 2009. This year's request will fund the first annual COP payment.								
Regional Museum Preservation Projects	CF	\$13,916,262	\$600,000	\$0	\$0	\$0	\$0	\$14,516,262
	FF	\$766,000	\$762,878	\$0	\$0	\$0	\$0	\$1,528,878
The project addresses a number of historic preservation issues at regional museums around the state. The project is necessary to protect the facilities' structural integrity, and keep the general public safe during visits. The museums in this year's request include the Grant-Humphreys Mansion (Denver), Byers-Evans House (Denver), El Pueblo History Museum (Pueblo), Trinidad History Museum (Trinidad), Fort Garland Museum (Fort Garland), Museum Support Center (Lowry), Healy House (Leadville), Fort Vasquez Museum (Platteville), Pearce-McAllister Cottage (Denver), McFarlane House (Central City), Lebanon Mill Dam (Georgetown), the Georgetown Loop Mining & Railroad Park (Georgetown/Silver Plume), Pike's Stockade (Stanford), Museum Support Center (Pueblo), and the Historic Marker program (statewide).								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Colorado Historical Society (Cont.)								
<i>Repair / Replace Foundation and Drainage, Osier Section House</i>	CCF	\$75,000	\$175,000	\$0	\$0	\$0	\$0	\$250,000
The two-phase project installs a new concrete foundation to address water damage to the existing, historic rubble foundation, increase the chlorinated water-storage capacity for the dining facility, and replace the leach field. The building foundation has been undermined by surface water that flows toward the building, and temporary measures are in danger of failing. The department says the building is in danger of eventual collapse. This year's request for Phase II will fund construction. Phase I funded design.								
<i>Upgrade Security, Regional Museums</i>	CCF	\$0	\$302,456	\$282,931	\$297,431	\$0	\$0	\$882,818
The three-phase project makes security upgrades at regional museums statewide. Recent thefts at museum facilities in Colorado and nationally have prompted this project. Upgrades will include interior and exterior digital cameras, monitors, strobe lights, smoke detectors, and emergency generators. This year's request for Phase I upgrades the Barlow House, Bloom Mansion, Santa Fe Trail Museum, Baca House, five buildings at Fort Garland, and the Museum Support Center in Pueblo. Phases II and III will make upgrades at seven additional regional museum facilities.								
Colorado Historical Society Subtotal	CCF	\$75,000	\$477,456	\$282,931	\$297,431	\$0	\$0	\$1,132,818
	CF	\$31,916,262	\$12,600,000	\$2,000,000	\$0	\$0	\$0	\$46,516,262
	FF	\$766,000	\$762,878	\$0	\$0	\$0	\$0	\$1,528,878
Colorado State Fair								
<i>Repair / Replace Secondary Electrical Infrastructure, Colorado State Fair</i>	CCF	\$0	\$709,680	\$1,173,342	\$1,222,157	\$0	\$0	\$3,105,179
The four-phase project will design and install a secondary electrical supply system at the Colorado State Fairgrounds. Another project is underway to install an underground primary electrical supply system to replace the overhead high voltage lines and transformers. A secondary electrical supply system is required prior to the activating the new primary electrical supply system in order to offset increased utility costs. This year's request for Phase 1 designs and installs the first set of building connections. Phases II, III, and IV will connect additional buildings to the new underground primary supply system.								
Colorado State Fair Subtotal	CCF	\$0	\$709,680	\$1,173,342	\$1,222,157	\$0	\$0	\$3,105,179
Department of Corrections								
<i>Abate Asbestos, Fort Lyon Correctional Facility</i>	CCF	\$590,258	\$488,693	\$933,592	\$0	\$0	\$0	\$2,012,543
The three-phase project abates asbestos in buildings throughout the facility. This year's request for Phase II includes the crawl space of the Laundry Building, and flooring in the Medical Building and Building 5. Phase I addressed asbestos abatement in the maintenance shop steam tunnel, two gas meter buildings, the Dairy Barn, the staff gym, and flooring in Building 5 and the Medical Building. Phase III will continue the project.								
<i>Assess Electrical System, Colorado Territorial Correctional Facility and Arkansas Valley Correctional Facility</i>	CCF	\$0	\$310,594	\$0	\$0	\$0	\$0	\$310,594
The project assesses the electrical infrastructure at two facilities and designs repairs. The Colorado Territorial Correctional Facility has an antiquated system that is prone to failure. Recently, the infirmary at this facility was without power for seven hours. At the Arkansas Valley Correctional Facility, electrical panels, conduit, and gutter boxes show signs of water damage and have deteriorated to the point of disintegration.								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Corrections (Cont.)								
<i>Colorado State Penitentiary II, High Custody Expansion</i>	CERF	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$2,000,000
	CCF	\$38,911,874	\$0	\$0	\$0	\$0	\$0	\$38,911,874
The project constructs a 948-bed high custody facility adjacent to the existing 336-bed Centennial Correctional Facility. The project was initially authorized pursuant to House Bill 03-1256. This year's request helps fund equipment and furnishings for the Colorado State Penitentiary (CSP II) high custody expansion project.								
<i>Colorado State Penitentiary II, High-Custody Expansion (COP Project)</i>	CCF	\$0	\$8,175,782	\$13,940,350	\$13,938,850	\$13,938,250	\$13,939,000	\$63,932,232
	CERF	\$0	\$5,766,568	\$0	\$0	\$0	\$0	\$5,766,568
The project makes the first of 12 certificates of participation (COP) payments for the Colorado State Penitentiary high custody expansion project. The project constructs a 948-bed high-custody facility in Canon City, adjacent to the existing 336-bed Centennial Correctional Facility in order to house the worst of the states' convicted felons. The department says that construction began in July 2007 and occupancy is expected in spring 2010. The department received authorization under House Bill 03-1256 to enter into a lease-purchase agreement to construct the prison. In FY 2005-06, the COP was issued in the principal amount of \$120 million for a period not to exceed 15 years. The first three years of payments were made from capitalized interest fund proceeds. According to the provisions of House Bill 03-1256, the remaining 12 payments will be made from state funds from moneys transferred from the General Fund to the Capital Construction Fund. Payments will continue for 11 more years, through FY 2020-21.								
<i>Correctional Industries – Miscellaneous Small Projects</i>	CF	\$3,678,000	\$1,048,000	\$350,000	\$350,000	\$350,000	\$350,000	\$6,126,000
The project addresses various small Colorado Correctional Industries (CCI) projects. This is an ongoing request that allows the department to expand CCI where needed to accommodate new business or maintain current operations.								
<i>Improve Electrical System, Buena Vista Correctional Complex</i>	CCF	\$1,187,811	\$572,167	\$0	\$0	\$0	\$0	\$1,759,978
The three-phase project improves the prison's 40-year-old electrical power infrastructure. The existing power lines frequently fail, causing major outages. This year's request for Phase III replaces secondary electrical equipment in portions of the Main Building, Vocational Building, Chapel, and North Building. Phase I replaced the primary service throughout the entire complex. Phase II constructed an emergency circuit from the Generator Building to the southwest corner of the complex, installed a new main voltage automatic transfer switch, transformer, and sectionalizing switch at the Generator Building, and constructed the emergency power circuit to the Warehouse/Bootcamp.								
<i>Inmate In-Cell Services, Colorado State Penitentiary II</i>	CF	\$1,249,500	\$1,249,592	\$0	\$0	\$0	\$0	\$2,499,092
The two-phase project installs in-cell audio and visual services to inmate cells at the Colorado State Penitentiary II, which is under construction. The in-cell services are intended to be cost-effective and will minimize physical contact between staff and offenders. This year's request for Phase II purchases equipment. Phase I funded the project design.								
<i>Multi-Use Support Building, Youth Offender System</i>	CF	\$0	\$296,332	\$3,010,690	\$0	\$0	\$0	\$3,307,022
The two-phase project constructs a 10,000-GSF indoor recreation facility for the Youthful Offenders System (YOS) prison at the Colorado Mental Health Institute at Pueblo. The project will provide additional recreational space in order to better structure free-time activities for the YOS population. The project includes a recreational gymnasium, library, and barber shop.								
<i>Replace Handicapped-Accessible Ramp, Colorado Territorial Correctional Facility</i>	CCF	\$0	\$281,734	\$0	\$0	\$0	\$0	\$281,734
The project replaces a handicapped-accessible ramp to comply with a lawsuit settlement agreement. The existing ramp does not meet ADA requirements and is located in a below-grade area ten feet lower than the rest of the facility. The ramp provides access to Cellhouse 5, visiting, property storage, and the hobby shop.								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Corrections (Cont.)								
<i>Replace Kitchen Drain Line, Limon Correctional Facility and Arkansas Valley Correctional Facility</i>	CCF	\$474,657	\$795,388	\$0	\$0	\$0	\$0	\$1,270,045
<p>The two-phase project replaces failed kitchen drain and sewer lines at two prisons, and funds a temporary kitchen to be used during construction. Continued use of the existing drain lines could result in health violations when spills occur, because of the potential for cross contamination of food products by liquid waste. This year's request for Phase II replaces the failed cast iron sewer lines in the kitchen at the Arkansas Valley facility with acid-resistant pipe. Phase I replaced the drain line, some P-traps, and the grease line at the Limon facility.</p>								
<i>Replace Roofs, Colorado Territorial Correctional Facility and Buena Vista Correctional Facility</i>	CCF	\$335,367	\$970,456	\$1,438,104	\$0	\$0	\$0	\$2,743,927
<p>The five-phase project replaces the roofs on several buildings at two prisons. This year's request for Phase III replaces the metal roofing panels on the East Housing Unit, Services Building, Administration #2, and North Housing Unit at the Buena Vista facility, all of which are 75 years old and have deteriorated due to corrosion, wind, and extreme temperatures. Phase I designed and replaced the roof on the Carpenter's Shop at the Colorado Territorial facility. Phase II designed roof replacements at the Buena Vista facility. Phase IV will replace the roof on South Housing Unit, and Phase V will replace the roofing systems on the Segregation and Lower North Housing Unit, all at the Buena Vista facility.</p>								
Department of Corrections Subtotal	CCF	\$41,499,967	\$11,594,814	\$16,312,046	\$13,938,850	\$13,938,250	\$13,939,000	\$111,222,927
	CERF	\$0	\$7,766,568	\$0	\$0	\$0	\$0	\$7,766,568
	CF	\$4,927,500	\$2,593,924	\$3,360,690	\$350,000	\$350,000	\$350,000	\$11,932,114
Department of Higher Education								
<i>Various Higher Education Projects – November 2008 Issue (COP Project)</i>	CF	\$9,996,507	\$16,652,725	\$16,654,550	\$16,653,475	\$16,652,575	\$16,651,075	\$93,260,907
<p>The project makes the second 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. Payments will continue for 19 more years, through FY 2027-28.</p>								
Department of Higher Education Subtotal	CF	\$9,996,507	\$16,652,725	\$16,654,550	\$16,653,475	\$16,652,575	\$16,651,075	\$93,260,907
Department of Human Services								
<i>Repair / Replace Campus Tunnel and Utility Infrastructure System, Colorado Mental Health Institute at Pueblo</i>	CCF	\$3,601,239	\$758,167	\$1,993,156	\$0	\$0	\$0	\$6,352,562
<p>The five-phase project repairs or replaces the institute's chilled water, soft water, compressed air, raw water, steam distribution, and domestic water systems, as well as the distribution tunnels for these systems. Some of these systems have not been replaced since their installation 50 years ago. The project also involves asbestos abatement and enhanced egress and ventilation. Each phase will focus on a section of tunnel and systems. This year's request for Phase III repairs the West Tunnel from North Crossover intersection to Center Road. Phase IV, also requested for FY 2009-10 as a Level 2 Controlled Maintenance project (see Project #2010-102), repairs the West Tunnel from Center Road to Building 113 and east to Building 130. Phases V will continue the repairs.</p>								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Human Services (Cont.)								
<i>Replace Emergency Generator and Auto Transfer Switches, Colorado Mental Health Institute at Fort Logan</i>	CCF	\$1,410,080	\$932,394	\$0	\$0	\$0	\$0	\$2,342,474
<p>The three-phase project replaces the emergency generator and emergency distribution system at the Colorado Mental Health Institute at Fort Logan. A rental generator has provided power since the emergency generator failed in July 2007. This year's request for Phase II installs new primary power to five residential buildings. Phase III is also requested for FY 2009-10 as a Level 1 Controlled Maintenance project (see Project # 2010-089), and will install new primary power to four non-residential buildings and install electrical panels and transformers in Building K. Phase I purchased a new 750 kW diesel generator, and made upgrades to the emergency power system in the heat plant, hospital, and administrative buildings.</p>								
<i>Replace Emergency Generator and Auto Transfer Switches, Phase 3 of 3, Colorado Mental Health Institute at Fort Logan</i>	CCF	\$0	\$499,847	\$0	\$0	\$0	\$0	\$499,847
<p>The three-phase project replaces the emergency generator and emergency distribution system at the Colorado Mental Health Institute at Fort Logan. A rental generator has provided power since the emergency generator failed in July 2007. This year's request for Phase III installs new primary power to four non-residential buildings and installs electrical panels and transformers in Building K. Phase II is also requested for FY 2009-10 as a Level 1 Controlled Maintenance project (see Project # 2009-198), and will install new primary power to five residential buildings. Phase I purchased a new 750 kW diesel generator, and made upgrades to the emergency power system in the heat plant, hospital, and administrative buildings.</p>								
<i>Replace HVAC Systems, Grand Junction Regional Center Group Homes</i>	CCF	\$0	\$875,497	\$0	\$0	\$0	\$0	\$875,497
<p>The two-phase project completes upgrades begun in a previous controlled maintenance project and installs air handlers, power systems, and lighting in the Aspen Dormitory and Spruce Dormitory. The project also replaces the HVAC systems and installs instant-action hot water heaters at nine group homes at the Porter Center, which houses medically fragile, developmentally disabled adults. According to the department, many clients suffer from physical and/or mental deficiencies that are intensified by their inability to cope with the discomfort caused by excessive heat, and system failure would result in the relocation of these clients into a private facility. This year's request for Phase I completes improvements in the Aspen Dormitory and Spruce Dormitory. Phase II is also requested for FY 2009-10 as a Level 2 Controlled Maintenance project, and will make improvements to the group homes.</p>								
Department of Human Services Subtotal	CCF	\$5,011,319	\$3,065,905	\$1,993,156	\$0	\$0	\$0	\$10,070,380
Department of Labor and Employment								
<i>Internet Self-Service</i>	CF	\$3,040,018	\$2,883,316	\$0	\$0	\$0	\$0	\$5,923,334
<p>The two-phase project upgrades the Unemployment Insurance (UI) Program's internet self-service applications, and adds five new applications to the department's internet self-service suite. The project integrates and implements these applications to help claimants and employers of the UI Program access claim information and perform functions online.</p>								
<i>Roof Replacement, 251 East 12th Avenue</i>	FF	\$0	\$475,832	\$0	\$0	\$0	\$0	\$475,832
<p>The project replaces a 21,172-GSF tar and gravel roof top at 251 East 12th Avenue to address ongoing problems with leaks. The building houses the department's Unemployment Insurance (UI) program. The project also includes installation of a ten-kilowatt solar energy system in the roofing membrane to generate electricity for the building.</p>								
Department of Labor and Employment Subtotal	CF	\$3,040,018	\$2,883,316	\$0	\$0	\$0	\$0	\$5,923,334
	FF	\$0	\$475,832	\$0	\$0	\$0	\$0	\$475,832

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Military and Veterans Affairs								
	CCF	\$0	\$5,661,451	\$0	\$0	\$0	\$0	\$5,661,451
<i>Fort Lupton Readiness Center Construction</i>	FF	\$1,230,284	\$9,728,610	\$0	\$0	\$0	\$0	\$10,958,894
	CF	\$2,100,000	\$0	\$0	\$0	\$0	\$0	\$2,100,000
The project constructs a 35,459-GSF armory in Fort Lupton. The building will accommodate a 131-soldier company that is part of a new 810-soldier infantry battalion assigned to the Colorado National Guard under the U.S. Army's "Grow the Force" initiative. The Fort Lupton armory is one of four armories planned to accommodate the new battalion.								
<i>Project history.</i> This project was originally submitted and funded in FY 2008-09 as the Lakewood Readiness Center. The department says that due to updated recruiting information and land acquisition, the project was renamed the Fort Lupton Readiness Center.								
<i>Improve Fire Safety and Update Building Systems, Canon City Armory</i>	CCF	\$0	\$849,000	\$0	\$0	\$0	\$0	\$849,000
The project installs a new boiler, updates electrical systems, and improves fire safety at the Canyon City Armory, the oldest national guard armory in the state. The armory does not have a fire alarm system and is in violation of building codes. The project will also abate lead and asbestos, renovate bathrooms, and install energy-efficient windows with improved ventilation.								
<i>Department of Military and Veterans Affairs Subtotal</i>	CCF	\$0	\$6,510,451	\$0	\$0	\$0	\$0	\$6,510,451
	FF	\$1,230,284	\$9,728,610	\$0	\$0	\$0	\$0	\$10,958,894
	CF	\$2,100,000	\$0	\$0	\$0	\$0	\$0	\$2,100,000
Department of Natural Resources, Division of Parks and Outdoor Recreation								
<i>Automated Entrances</i>	CF	\$899,000	\$649,000	\$649,000	\$649,000	\$250,000	\$250,000	\$3,346,000
The project develops automated park entrances at state parks in Colorado in order to provide higher levels of service to a growing and changing customer base, with minimal growth in staffing. The project will also bring in more revenue to offset reduced state General Fund support by ensuring that as many visitors as possible who are entering state parks are paying customers. The automated entrances will be designed as user-friendly for both the public and staff, and equipment will be developed to non-intrusively capture information about park visitors and their experience. The division says the data collected will be of value to its planners and marketing personnel.								
	CF	\$12,250,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$22,250,000
<i>Corps Cost Share Improvements</i>	FF	\$13,500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$0	\$21,500,000
	HUTF	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
The project allows the division to make improvements to the Chatfield, Cherry Creek, and Trinidad State Parks to address management issues related to facility deterioration and resource degradation. The U.S. Army Corps of Engineers (Corps) and the state mutually agreed to share the costs for the needed improvements, as the Corps owns the park properties and the state is responsible for managing them. The agreement provides shared funding through 2014 for improvements such as repairs and renovations to water, sewer, and electrical systems; roads; grounds and trails; and buildings.								
<i>Energy Efficiency and Greening</i>	CF	\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$7,500,000
The project implements energy efficiency improvement projects in division facilities statewide. The projects will make physical improvements in various facilities with the goal of saving between 20 and 30 percent annually in energy costs, and convert to the use of alternative and renewable energy sources as much as possible.								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Natural Resources, Division of Parks and Outdoor Recreation (Cont.)								
<i>Fuels Mitigation</i>	CF	\$1,650,000	\$300,000	\$200,000	\$200,000	\$200,000	\$200,000	\$2,750,000
	FF	\$3,400,000	\$900,000	\$400,000	\$400,000	\$400,000	\$400,000	\$5,900,000
<p>The request is a cooperative effort between the division and the Colorado State Forest Service to mitigate fuels that can cause forest fires. The effort also seeks to improve the resilience of state park areas to recover from the effects of wildfire by identifying activities that may impact Colorado, and by actively responding to the trends and conditions of Colorado's forests. Accordingly, the project provides for the treatment of up to 9,000 acres of hazardous forest fuels in order to reduce wildfire suppression costs, improve visitor and firefighter safety, reduce wildfire impacts on water and air quality, improve wildlife habitat, reduce fire mitigation costs, and reduce the risk of fire to homeowners living adjacent to state parks.</p>								
<i>Improvements to Lake Pueblo State Park</i>	CF	\$1,075,000	\$2,100,000	\$0	\$0	\$0	\$0	\$3,175,000
	FF	\$1,325,000	\$500,000	\$0	\$0	\$0	\$0	\$1,825,000
<p>The project upgrades existing facilities and constructs new facilities at Lake Pueblo State Park, through a five-year cost share agreement with the U.S. Bureau of Reclamation. The division leases the area at Lake Pueblo from the U.S. Bureau of Reclamation, and the cost share agreement requires a 25 percent match from the division. This year's request for Phase IV, the final phase, will rehabilitate the South Shore water system and the Rock Canyon wastewater facility. Phase I added a flush toilet facility and paved a parking lot to improve the South Marina/South Boat Ramp area of the park. Phase II addressed a wastewater facility, and replaced the roofs on 11 comfort stations used by campers and anglers. Phase III renovated a second wastewater facility and its three associated sewage lagoons.</p>								
<i>Major Repairs / Minor Recreation Improvements</i>	CF	\$48,226,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$68,226,000
	FF	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
<p>The project renovates and repairs dated facilities in order to bring them into compliance with health, safety, and accessibility standards. Typical major repair projects include remodeling a facility; replacing systems (i.e., plumbing, electrical, fiber optic, heating, etc.); constructing new facilities, roads, fences, ditches, or sewers; and making nonstructural improvements to land. Typical minor improvement/controlled maintenance projects include weed spraying, roof repairs, shoreline stabilization, water and sewer line repairs, road and parking lot repairs, and picnic table replacement, upgrades to information and utility systems, renovation or replacement of vault and flush toilets, landscaping, signs, and the installation of interpretive kiosks. Emergency repairs are also funded from this allocation. Individual projects are evaluated and prioritized at the beginning of each fiscal year, and adjustments in priorities may be made throughout the year.</p>								
<i>Off-Highway Vehicle Program Grants and Minor New Construction and Renovation</i>	CF	\$15,731,000	\$3,031,000	\$3,031,000	\$3,031,000	\$3,031,000	\$3,031,000	\$30,886,000
	FF	\$1,160,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$1,710,000
<p>The project provides grants to off-highway vehicle (OHV) project sponsors, which include local governments, federal and state agencies, and not-for-profit organizations. Entities receive grants to sponsor OHV projects. Sponsors construct and maintain trails, make improvements to parking areas, enhance access to trails, and provide user safety information to OHV owners. State parks staff provides some technical expertise in trail design, construction, and maintenance, and also monitors compliance with the grant provisions. The OHV program is staffed with a statewide coordinator, a registration specialist, and four regional trail coordinators across the state.</p>								
<i>Park Facilities</i>	CF	\$3,800,000	\$2,450,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$18,250,000
<p>The project restores and improves infrastructure that supports recreational opportunities for park visitors and helps the state park system sustain a solid visitation base in order to generate sufficient revenue for operating costs. This year's request implements a report's recommendations for the dog parks and off-leash policies at Cherry Creek and Chatfield, upgrades electric service throughout Navajo to prevent "brown outs"; and allow for future facility expansions, completes construction of a new marina with related gasoline and small retail services at Ridgway, and relocates the visitor center at North Sterling near the south entrance station where most of the visitors go for recreation.</p>								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Natural Resources, Division of Parks and Outdoor Recreation (Cont.)								
<i>Park Improvements / Buffer Acquisitions</i>	CF	\$6,089,000	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000	\$7,789,000
The project provides funds to purchase land for additions to existing parks. The buffer acquisitions program is an ongoing effort to identify and acquire lands of critical resource value that buffer state parks. The objective is to acquire fee title and conservation easements for buffer lands. The division says its priorities for acquisitions in FY 2009-10 are unknown at this time. Property valuation, zoning changes, and the availability of funding matches are some of the factors that determine the feasibility and timing of specific property purchases.								
<i>Park Infrastructure Improvements</i>	CF	\$1,460,000	\$1,700,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$11,160,000
	FF	\$600,000	\$425,000	\$0	\$0	\$0	\$0	\$1,025,000
The project addresses the most urgent infrastructure needs in the state parks system to ensure the safety of staff and visitors at state parks. Specifically, the project will construct a sewage treatment system at Golden Gate State Park to meet discharge permit groundwater quality requirements of the Colorado Department of Public Health and Environment (\$1,000,000), and restore the Arkansas River tributary at Hecla Junction, located at the Arkansas Headwaters Recreation Area, to prevent future flood events, and improve facilities damaged in previous flood events (\$1,125,000).								
<i>State Trails Grant Program</i>	CF	\$4,963,000	\$2,000,000	\$667,000	\$667,000	\$667,000	\$667,000	\$9,631,000
	FF	\$7,374,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$12,374,000
The project funds the State Trails Program, which is administered by the division. The program provides grant assistance to local communities and trails organizations for planning, design, and construction of trails; and coordinates with agencies and communities as part of plans for development. The program also provides public information regarding trails, and encourages volunteerism and public stewardship. The program has an annual application/approval process that is overseen by the State Trails Committee. Grantees have three years to complete their trail projects.								
<i>Staunton State Park</i>	CF	\$700,000	\$1,500,000	\$0	\$0	\$0	\$0	\$2,200,000
The project develops Staunton State Park. The park area was initially acquired in 1986 as a donation to the state. Subsequent acquisitions enlarged the park area and improved access to the park property. This year's request will allow the division to continue implementation of the park's master plan by rehabilitating three ponds to be used for fishing, hiking, and watchable wildlife opportunities, and protecting the water rights contained within those ponds. Following completion of the master plan, the day use facilities will be designed and constructed. The division expects the park to open sometime after July 2010, serving 250,000 visitors at that time and as many as 400,000 once the park is fully developed.								
<i>Water Acquisition / Lease Options and Dam Repairs (Water Resources Program)</i>	CF	\$8,129,000	\$880,000	\$900,000	\$900,000	\$900,000	\$900,000	\$12,609,000
The project provides for water management plans and for restoration of dams at certain water-based state parks. This will meet water needs for recreation and environmental quality. The division acquires water for its 41 water-based state parks through various means: conventional purchases; water options and leases; cooperative agreements with water users; and leasing or purchasing storage space in reservoirs. The division states that management plans are necessary to protect water levels, water quality, and the natural environment in the parks. Additionally, dam repairs will maximize the use of acquired water.								
<i>Department of Natural Resources, Division of Parks and Outdoor Recreation Subtotal</i>	CF	\$104,972,000	\$22,450,000	\$18,287,000	\$18,287,000	\$17,888,000	\$17,888,000	\$199,772,000
	FF	\$27,609,000	\$4,935,000	\$3,510,000	\$3,510,000	\$3,510,000	\$1,510,000	\$44,584,000
	HUTF	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Natural Resources, Division of Wildlife								
<i>Colorado Outdoor Educational Recreation Center</i>	CF	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
The project designs and constructs an outdoor Educational and Recreation Center within a 45 minute drive of the Denver metropolitan area. The site has not yet been selected. The purpose of the project is to increase interest in wildlife-related recreation. The Educational and Recreation Center may include rifle, pistol, and shotgun shooting ranges; a hunter education classroom; and other amenities.								
<i>Cooperative Habitat Development</i>	CF	\$6,540,000	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000	\$8,665,000
The project provides funding to increase the quality and quantity of habitat on private property, thereby improving small game hunting opportunities and enhancing populations of sensitive species in Colorado. The projects funded under this request target habitat under private ownership upon which wildlife rely to survive. The division provides the funds directly to landowners, who then implement the agreed-upon habitat improvements. Landowners are responsible for maintaining the improvements for a specified period of time. The primary programs have been the Cooperative Habitat Improvement Program and the Pheasant Habitat Improvement Program (PHIP). A similar effort has been initiated to benefit declining species of grouse, in an effort to prevent their listing under the federal Endangered Species Act. This year's request will be dedicated to the PHIP program for projects throughout the state (\$350,000), and Gunnison Sage-grouse Habitat Improvement (\$75,000) in northwest Colorado. The exact locations are still to be determined.								
<i>Dam Maintenance, Repair and Improvement</i>	CF	\$2,881,484	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$4,193,984
The project provides funding for the ongoing maintenance, repair, and improvements to dams located on property owned or leased by the Division of Wildlife. The project ensures that division-owned and -operated dams are maintained in accordance with dam safety requirements, aquatic wildlife habitats are maintained or improved by preserving water resources, and quality angling recreational opportunities are provided to the public. The types of projects funded under this request include hydrology studies, erosion repairs, spillway enlargement or repairs, and seepage containment. This year's request will fund a spillway study and alternative analysis at Beaver Park Reservoir in Monte Vista (\$50,000), and other miscellaneous repairs and improvements, based on annual safety inspections and identified needs.								
<i>Employee Housing Repairs</i>	CF	\$3,979,110	\$670,845	\$670,845	\$670,845	\$670,845	\$670,845	\$7,333,335
The project funds the annual repair, maintenance, and modernization of employee housing located on properties owned and managed by the division. Repairing and maintaining employee housing helps the division manage fish production activities, maintain property values, and provide housing for employees where necessary. The DOW owns 115 houses used for various purposes such as office space, storage, summer housing for field crews, and employee housing. An average of 54 employees live in division housing in a given year, some of whom live there as a condition of their employment. This year's request will fund five projects.								
<i>Fish Unit Maintenance and Improvement</i>	CF	\$16,455,016	\$2,373,000	\$2,373,000	\$1,613,000	\$1,613,000	\$1,613,000	\$26,040,016
The ongoing project provides funding for emergency repairs and improvements at a number of the 18 fish production facilities owned and operated by the state. The division says hatchery maintenance and improvement projects ensure that conditions are adequate for producing fish to provide fishing recreation opportunities statewide. The types of projects funded under this request include water diversion structure repair and improvements, building repair (other than employee housing), major hatchery equipment purchases or repairs, and pollution control projects to prevent pollution prior to discharge into streams. The projects primarily consist of ongoing controlled maintenance or involve the replacement or improvement of structures. This year's request will fund two projects.								
<i>Grants for Improvements, Repairs, and Development on Wetlands and Shooting Ranges</i>	CF	\$0	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,000,000
The project develops, improves, or repairs wetlands, and improves or repairs existing shooting ranges. The purpose of the project is to preserve and restore habitat for water-dependent species, and enhance shooting recreation opportunities. The project consists of funding for two grant programs: the Colorado Wetlands Initiative and the Shooting Range Grant Program. Under the project, the division will solicit proposals of both types from third parties through a competitive request for proposal process. The project will award \$500,000 worth of grants under the Shooting Range Grant Program, and \$700,000 worth of grants under the Colorado Wetlands Initiative.								

Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Natural Resources, Division of Wildlife (Cont.)								
<i>Land and Water Acquisitions</i>	CF	\$38,000,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$60,500,000
<p>The project allows the division to acquire fee title or easements to property through a competitive bidding process in order to protect, enhance, and restore critical habitat to ensure the survival and stability of a variety of wildlife species. The request also allows the division to option land and water in order to hold property until it can be acquired through the statutorily authorized process or through a separate bill. 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. The division indicates that priorities for this year's request include acquiring sagebrush habitat, critical deer and elk winter range and migration corridors, wetlands, riparian lands, and habitat to protect species that are threatened and endangered or species of special concern. Specific acquisitions have not yet been identified.</p>								
<i>Major Repairs and Minor Improvements</i>	CF	\$0	\$631,806	\$631,806	\$631,806	\$631,806	\$631,806	\$3,159,030
<p>The project involves controlled maintenance and repairs on the fixed assets owned by the division. Projects to be funded under this line item were previously funded from separate line items and with operating money. The division believes consolidating controlled maintenance projects under this line item will allow for better management of the maintenance needs of the division's assets and in a more consistent manner across the division. This year's request will fund 26 projects.</p>								
<i>Motorboat Access on Lakes and Streams</i>	CF	\$2,868,938	\$104,475	\$104,475	\$104,475	\$104,475	\$104,475	\$3,391,313
	FF	\$9,005,877	\$313,425	\$313,425	\$313,425	\$313,425	\$313,425	\$10,573,002
<p>The project provides funds to improve motorboat access on lakes and streams in Colorado. The division says projects funded under this request enhance fishing and other recreational opportunities on public waters. The request constructs motorboat access facilities that include boat ramps, docks, roads, parking lots, restrooms, and other facilities on property owned by the division or other public property. The request is also used to maintain, repair, and expand existing facilities. Federal funding for this project comes from the U.S. Fish & Wildlife Service, which generates revenue for motorboat access projects through a federal excise tax on fishing equipment and marine fuels. Funds not used by Colorado revert to the federal government and are reallocated to other states. The division has identified three projects for this year's request.</p>								
<i>Property Maintenance, Improvements, and Development</i>	CF	\$21,344,659	\$1,750,455	\$1,750,455	\$1,750,455	\$1,750,455	\$1,750,455	\$30,096,934
	FF	\$102,928	\$0	\$0	\$0	\$0	\$0	\$102,928
<p>The project funds facility and habitat improvements on land owned or leased by the Division of Wildlife. The division says the facility and habitat improvements help keep wildlife populations viable and enhance wildlife-related recreation opportunities on public lands. The types of projects funded under this request include vegetative manipulation, sign placement, property surveys, fence installation or replacement, seeding, fertilization, tree and shrub planting, timber management, weed control, water structure repairs and improvements, placement of educational exhibits and interpretative kiosks, maintenance or improvement of shooting ranges, and construction or maintenance of parking lots, roads, trails, and restroom facilities. The division has identified 12 projects for this year's request.</p>								
<i>Service Centers Improvements</i>	CF	\$7,146,650	\$3,832,500	\$3,832,500	\$3,832,500	\$3,832,500	\$3,832,500	\$26,309,150
<p>The project upgrades and renovates the division's service centers across the state. The project allows the division to modernize its offices and regional centers. These facilities provide office space for employees assigned to work in a specific location and serve local customers in the area. Resident and nonresident hunters and anglers visit these facilities to purchase licenses, buy publications, seek information on wildlife recreational opportunities, attend classes and public meetings, and meet with staff on a variety of wildlife-related issues. Some of the issues to be addressed at the various locations include building code requirements, office space inefficiencies and inadequacies, HVAC and electrical system problems, entry way and restroom access, ADA requirements, and inadequate parking areas. The division has identified two projects for this year's request.</p>								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Natural Resources, Division of Wildlife (Cont.)								
<i>Small Maintenance and Improvement Projects</i>	CF	\$6,924,131	\$594,720	\$594,720	\$594,720	\$594,720	\$594,720	\$9,897,731
The project funds small maintenance and improvement projects at facilities owned or leased by the division. These projects are undertaken in emergency situations to avoid loss in value or use of a facility, and to mitigate health and safety hazards. Projects funded under this request include roof repairs, carpet replacement, HVAC maintenance and repairs, fence installation and repair, comfort station repairs or replacement, pavement maintenance, sewer improvements, and electrical work. The request allows the division to react immediately to sudden emergencies. This year's request will fund 19 projects.								
<i>Stream and Lake Improvements</i>	CF	\$6,642,853	\$534,450	\$534,450	\$534,450	\$534,450	\$534,450	\$9,315,103
The project funds enhancements of degraded streams and lakes for the benefit of fisheries and anglers. The division says the improvements made under this request result in increased fish populations, better water quality, increased angling opportunities, higher angler satisfaction, and preservation of native aquatic wildlife. Selected streams and lakes have poor habitat usually as a result of overgrazing, erosion, and pollution. Before projects are recommended for funding, the division conducts studies of each stream to determine the most effective strategy for improving habitat. Proper plans are completed before permits to proceed may be obtained from the U.S. Army Corps of Engineers. Examples of funded projects include constructing or renovating stream channels to manipulate water flows, managing water flows to attain appropriate water temperatures and volumes, constructing water management structures, seeding eroding stream banks, and fencing stream banks to keep livestock away from eroded banks. This year's request funds five projects.								
<i>Department of Natural Resources, Division of Wildlife Subtotal</i>	CF	\$112,782,841	\$19,879,751	\$16,879,751	\$16,119,751	\$16,119,751	\$16,119,751	\$197,901,596
	FF	\$9,108,805	\$313,425	\$313,425	\$313,425	\$313,425	\$313,425	\$10,675,930
Department of Personnel and Administration								
<i>Controlled Maintenance Emergency Fund</i>	CCF	\$20,268,585	\$2,000,000	\$0	\$0	\$0	\$0	\$22,268,585
	CMTF	\$251,309	\$0	\$0	\$0	\$0	\$0	\$251,309
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.								
<i>Install Fire Alarm and Sprinkler System, Executive Residence</i>	CCF	\$0	\$583,000	\$0	\$0	\$0	\$0	\$583,000
The project designs and installs a fire alarm and sprinkler system in the 100-year-old, 26,431-GSF Executive Residence. The existing fire prevention system is insufficient to protect the historic building. The building has some battery-operated smoke alarms, but there is no fire sprinkler system.								
<i>Repair Main Electrical Vault, Legislative Services Building</i>	CCF	\$383,361	\$669,500	\$0	\$0	\$0	\$0	\$1,052,861
The three-phase project repairs and waterproofs the ceiling and walls of the main electrical vault, located in the tunnel in front of the Legislative Services Building. The ceiling is comprised of brick and metal beams, and is in poor condition. The walls are sandstone and leak in several places. After rain or heavy snowstorms, there can be several inches of standing water in the vault. This year's request for Phase II will begin construction. Phase III is also requested for FY 2009-10 as a Level 2 Controlled Maintenance project, and will complete construction and install vault ventilation. Phase I designed the project and completed emergency vault repairs.								

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Personnel and Administration (Cont.)								
<i>Repair / Replace Interior Door Hardware, State Capitol Building</i>	CCF	\$0	\$277,750	\$0	\$0	\$0	\$0	\$277,750
The project addresses deteriorating interior doors and hardware at the State Capitol. The existing interior door hardware is more than 100 years old and replacement parts are obsolete and often unavailable. There are repeated service calls throughout the building to address doors that will not open or lock, and to replace broken parts. The department will use historically accurate doors and parts to make the needed repairs.								
<i>Department of Personnel and Administration Subtotal</i>	CCF	\$20,651,946	\$3,530,250	\$0	\$0	\$0	\$0	\$24,182,196
	CMTF	\$251,309	\$0	\$0	\$0	\$0	\$0	\$251,309
Department of Public Health and Environment								
<i>Brownfields Cleanup Program (aka HB 00-1306 Site Cleanups)</i>	CF	\$2,250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$3,500,000
	FF	\$2,925,000	\$0	\$0	\$0	\$0	\$0	\$2,925,000
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.								
<i>Cleanup Projects, American Recovery and Reinvestment Act of 2009</i>	CF	\$0	\$2,050,000	\$0	\$0	\$0	\$0	\$2,050,000
	FF	\$0	\$20,500,000	\$0	\$0	\$0	\$0	\$20,500,000
The project restores or replaces natural resources that have been damaged as a result of the release of hazardous substances into the environment. The department is requesting spending authority in the event that federal stimulus dollars from the American Recovery and Reinvestment Act of 2009 (ARRA) are made available for Superfund sites in the state. The department has identified two sites as potential projects for funds authorized under ARRA, including Clear Creek (\$3.5 million) and Summitville (\$17 million). The department says both sites have been identified as national priority cleanup sites.								
<i>Natural Resources Damage Restoration</i>	CF	\$16,019,425	\$14,546,274	\$3,000,000	\$0	\$0	\$0	\$33,565,699
	FF	\$0	\$4,000,000	\$0	\$0	\$0	\$0	\$4,000,000
The project finances the restoration or replacement of natural resources that have been damaged as a result of releases of hazardous substances into the environment. This year's request is to work cooperatively with the U.S. Fish and Wildlife Service, the Bureau of Land Management, and the Bureau of Reclamation at the Rocky Mountain Arsenal and the California Gulch sites.								
<i>Reconfigure Emergency Power System</i>	CCF	\$0	\$184,089	\$0	\$0	\$0	\$0	\$184,089
The project reconfigures the emergency power system and installs critical equipment to parts of the system in order to meet the Centers for Disease Control and Prevention certified public health laboratory requirements. The project makes improvements to protect the chemistry and toxicology laboratories, including improvements to refrigerators to store reagents, the uninterruptible power supply system, and the telephone/computer server room, which also supports the fire and life-safety system.								
<i>Department of Public Health and Environment Subtotal</i>	CCF	\$0	\$184,089	\$0	\$0	\$0	\$0	\$184,089
	CF	\$18,269,425	\$16,846,274	\$3,250,000	\$250,000	\$250,000	\$250,000	\$39,115,699
	FF	\$0	\$24,500,000	\$0	\$0	\$0	\$0	\$24,500,000

**Figure 5.3
FY 2009-10 Capital Construction and Controlled Maintenance Appropriations**

Project Title	Source of Funds	Prior Appropriation	FY 2009-10 Appropriation	FY 2010-11 Estimate	FY 2011-12 Estimate	FY 2012-13 Estimate	FY 2013-14 Estimate	Total Project Cost
Department of Public Safety								
<i>Alamosa Troop Office, Regional Communications Center</i>	HUTF	\$192,538	\$1,217,719	\$0	\$0	\$0	\$0	\$1,410,257
	CCF	\$1,745,946	\$0	\$0	\$0	\$0	\$0	\$1,745,946
The project constructs a new facility in Alamosa for the Colorado State Patrol troop office and regional communication center. The project will remedy the existing facility's inefficient and crowded work environment, lack of storage space for evidence and criminal justice records, and building security deficiencies by providing a structurally sound and code-compliant facility with updated telecommunications infrastructure and equipment for the state's telecommunications services in the San Luis Valley.								
Department of Public Safety Subtotal	HUTF	\$192,538	\$1,217,719	\$0	\$0	\$0	\$0	\$1,410,257
	CCF	\$1,745,946	\$0	\$0	\$0	\$0	\$0	\$1,745,946
Department of Revenue								
<i>Colorado Integrated Tax Architecture (CITA)</i>	CCF	\$25,410,000	\$7,444,907	\$10,686,173	\$8,628,383	\$4,184,250	\$0	\$56,353,713
The five-phase 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 III will complete the creation of protocols for state and local sales and use taxes and wage withholding, and begin the implementation of protocols for the alternative fuels tax, state vehicle registration fees, gasoline and special fuels taxes, international fuel tax agreement quarterly filings, and severance taxes. 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.								
<i>Lottery Back Office System Migration</i>	CF	\$2,415,000	\$2,940,000	\$0	\$0	\$0	\$0	\$5,355,000
The two-phase project replaces the State Lottery Division's back office computer system. The project replaces the existing system with a new system in order to avoid possible computer system failure and loss of revenue. This year's request for Phase II will complete the purchase and installation of the new system. Phase I was approved by the CDC as an emergency supplemental on September 22, 2008, and began the process of replacing the existing system.								
Department of Revenue Subtotal	CCF	\$25,410,000	\$7,444,907	\$10,686,173	\$8,628,383	\$4,184,250	\$0	\$56,353,713
	CF	\$2,415,000	\$2,940,000	\$0	\$0	\$0	\$0	\$5,355,000
State Department Totals	State Funds	\$94,645,487	\$41,284,120	\$30,447,648	\$24,086,821	\$18,122,500	\$13,939,000	\$222,525,576
	Cash Funds	\$329,626,180	\$138,779,454	\$64,255,416	\$55,483,651	\$55,083,751	\$53,082,251	\$696,310,703
	Total Funds	\$424,271,667	\$180,063,574	\$94,703,064	\$79,570,472	\$73,206,251	\$67,021,251	\$918,836,279
Grand Totals	State Funds	\$99,666,183	\$8,426,092	\$38,227,604	\$30,269,375	\$23,264,063	\$19,082,650	\$886,888,542
	Cash Funds	\$439,417,770	\$459,742,373	\$72,255,416	\$63,483,651	\$63,083,751	\$61,082,251	\$5,130,452,576
	Total Funds	\$539,083,953	\$518,168,465	\$110,483,020	\$93,753,026	\$86,347,814	\$80,164,901	\$6,017,341,118

VI. 2009 Capital Construction and Controlled Maintenance Supplemental Appropriations

This chapter describes the capital construction and controlled maintenance supplemental appropriations approved during the 2009 legislative session, including funding cuts made to prior year projects in order to address the budgetary shortfall. The previous chapter provided a description of appropriations made for capital construction and controlled maintenance for FY 2009-10. This chapter details supplemental appropriations made to projects during the 2009 session that impacted prior fiscal year appropriations. These changes were authorized and enacted by Senate Bill 09-280.

Cuts to Prior Year Appropriations

Project funding was rescinded for all or part of the prior year appropriations for 61 capital projects in order to help balance the state's FY 2008-09 and FY 2009-10 budgets.

The September 2008 economic forecasts published by Legislative Council Staff and the Governor's Office of State Planning and Budgeting (OSPB) projected significantly lower-than-expected revenues for FY 2008-09. The Legislative Council Staff forecast showed the anticipated General Fund revenue reduced by \$203.5 million. By March 2009, the Legislative Council Staff economic forecast showed the General Fund forecast reduced by \$586.4 million below the budgeted amount for FY 2008-09. In total, projected revenue was estimated to fall \$812 million, or 10.5 percent, from the prior fiscal year. Additionally, the March forecast showed that FY 2009-10 revenue would fall another \$98 million, or 1.4 percent.

The economic projections published September 21, 2008, prompted the Governor to freeze capital construction spending for several projects appropriated during FY 2008-09 on September 25, 2008. After allowing for state agencies to request exemptions for certain projects included on the list, the OSPB published a final list of delayed projects on October 16, 2008. In total, 12 projects were affected by the freeze, including 3 projects at state departments and 9 projects at higher education institutions.

In the meantime, revenue projections continued to decline, and on January 15, 2009, the Governor froze additional capital projects. This second round of project delays impacted multiple fiscal years and froze both capital construction and controlled maintenance projects. During the months of January and February, the OSPB considered requests for exemptions to the published cut list and worked with the Office of the State Architect and the Office of the State Controller, both within the Department of Personnel and Administration, to verify expenditures and encumbrances for projects included on the list.

On February 27, 2009, the OSPB made its final recommendation to the Capital Development Committee (CDC) and the Joint Budget Committee (JBC) regarding cuts to prior years' appropriations. The CDC made no formal recommendation to the JBC regarding these cuts, but it heard testimony from the OSPB and provided comment regarding the project delays and recommended cuts throughout the fall and during the first months of the session. In total, an additional 49 projects were affected by the second freeze, including 26 projects at state departments and 28 projects at higher education institutions.

The cuts recommended by OSPB were formalized through Senate Bill 09-280, the supplemental bill for capital construction, which authorized negative appropriations for 61 projects in multiple prior fiscal years. **Figure 6.1** summarizes the impact of these cuts on the Capital Construction Fund (CCF).

Figure 6.1
Impact of Cuts to Prior Years' Appropriations on the Capital Construction Fund

Funding Category	# of Projects	Total Savings
September 2008 Freeze		
State-Funded Capital Construction	12	\$54,268,736
State-Funded Controlled Maintenance	0	0
<i>Subtotal</i>	12	\$54,268,736
January 2009 Freeze		
State-Funded Capital Construction	10	\$6,777,235
State-Funded Controlled Maintenance	39	\$24,363,869
<i>Subtotal</i>	49	\$31,141,104
Grand Total	61	\$85,409,840

Figure 6.2 shows the impact of these cuts by fiscal year.

Figure 6.2
Impact of Cuts to Prior Years' Appropriations by Fiscal Year

Affected Fiscal Year	# of Projects	Total Savings
FY 2005-06	2	\$187,838
FY 2006-07	5	\$2,878,672
FY 2007-08	36	\$16,219,803
FY 2008-09	23	\$66,123,527
Grand Total*	66	\$85,409,840

* The project total differs from that cited elsewhere in the chapter because appropriations for 5 projects were made in multiple fiscal years, so are listed twice in this table.

The combined impact of these 61 projects was a reversion of \$85.4 million state funds to the CCF. The funds were made available for FY 2009-10 capital construction and controlled maintenance projects and for transfer to the General Fund for budget balancing purposes. Pursuant to Senate Bill 09-279, the JBC recommended a transfer of \$28.9 million from the remaining CCF balance to the General Fund for the purpose of budget balancing in FY 2009-10.

One project, Department of Public Safety, Alamosa Troop Office, Regional Communications Center, was frozen by the Governor, but the JBC recommended that it be funded with moneys from the Highway Users Tax Fund in FY 2009-10. Therefore, this project is included both on the list of cut projects and in the 2009 Long Bill for funding.

Senate Bill 09-280 also included a transfer of \$26.6 million in FY 2008-09 from the CCF to the Higher Education Federal Mineral Lease Revenues Fund in order to make the FY 2009-10 certificates of participation (COP) payment for 12 higher education capital construction projects. Further details are provided in Chapter V.

Figure 6.3 (Page 62) lists all 61 projects, including project title, affected fiscal year, the amount of money reverting to the CCF, and the project type.

2009 Supplemental Requests

State departments and higher education institutions must submit requests for supplemental funding, including requests for extensions of time only, to the CDC. The supplemental appropriations bill for capital construction included 16 such requests. The combined impact of the requests from all funding sources is \$60.5 million, including \$52.3 million from cash funds and \$8.2 million from federal funds. **Figure 6.4** (Page 65) summarizes the 2009 supplemental requests including project title, affected fiscal year, request amount, and a brief explanation of the request, as submitted.

**Figure 6.3
Projects Cut in FY 2005-06 through FY 2008-09 to Address Budget Shortfall**

Department or Institution	Project Name	State Funds	Project Type
FY 2005-06			
University of Colorado at Boulder	Storm/Sanitary Sewer Cross Connection	(\$128,696)	Controlled maintenance
<i>Higher Education Subtotal FY 2005-06</i>		<i>(\$128,696)</i>	
Corrections	Fort Lyon Acquisition and Renovation	(59,142)	Capital construction
<i>State Department Subtotal FY 2005-06</i>		<i>(\$59,142)</i>	
Subtotal FY 2005-06		(\$187,838)	
FY 2006-07			
Colorado State University at Pueblo	Campus Structural Analysis	(\$197,582)	Controlled maintenance
<i>Higher Education Subtotal FY 2006-07</i>		<i>(\$197,582)</i>	
Human Services	Replace Deteriorated Campus Infrastructure System, Colorado Mental Health Institute at Fort Logan	(1,182,351)	Controlled maintenance
Military and Veterans Affairs	Upgrade Building Systems for Code Compliance -- Pueblo, Colorado Springs, and Sterling Armories	(415,805)	Controlled maintenance
Personnel and Administration	Capitol Complex Master Plan	(1,034,778)	Capital construction
Personnel and Administration	Replace Roof, Power Plant Building, Capitol Complex Facilities	(48,156)	Controlled maintenance
<i>State Department Subtotal FY 2006-07</i>		<i>(\$2,681,090)</i>	
Subtotal FY 2006-07		(\$2,878,672)	
FY 2007-08			
Arapahoe Community College	Structural/Exterior Concrete Repair, Main Annex	(\$205,199)	Controlled maintenance
Colorado Community Colleges at Lowry	Upgrade HVAC System, Building 967	(328,522)	Controlled maintenance
Colorado Community Colleges at Lowry	Upgrade Mechanical System Components and Replace Roof, Building 758	(600,473)	Controlled maintenance
Colorado Northwestern Community College	Tunnel Repair and Safety Upgrade, Rangely Campus	(608,286)	Controlled maintenance
Colorado School of Mines	Replace Corroded Piping	(410,730)	Controlled maintenance
Colorado School of Mines	Hall of Justice Demolition/Related Classroom Improvements	(1,271,406)	Capital construction
Colorado School of Mines	Replace HVAC System, Brown Hall	(715,114)	Controlled maintenance
Colorado State University at Pueblo	Replace Campus Water Lines	(262,557)	Controlled maintenance
Fort Lewis College	Improvement Central Campus Infrastructure	(366,581)	Controlled maintenance
Fort Lewis College	Improvements to Electrical Distribution System	(728,153)	Controlled maintenance
Lamar Community College	Replace Windows and Repair Exterior Walls -- Bowman and Trustees Buildings	(664,940)	Controlled maintenance
Pikes Peak Community College	Remove/Replace "D" Parking Lot Stairs and Scarify/Riprap Hillside	(250,498)	Controlled maintenance
University of Colorado at Boulder	Ekeley Sciences Middle Wing Renovation	(1,366,415)	Capital construction
University of Colorado at Boulder	Improve Main Campus Tunnel Security	(96,018)	Controlled maintenance
University of Colorado at Boulder	Ketchum Arts and Sciences Building (Capital Renewal Project)	(333,289)	Capital construction
University of Colorado at Boulder	Repair/Replace Building Electrical Services	(471,600)	Controlled maintenance
University of Colorado at Boulder	Upgrade Building Transformers/Electrical Services	(494,085)	Controlled maintenance
University of Colorado at Boulder	Upgrade Fire Safety	(100,000)	Controlled maintenance
<i>Higher Education Subtotal FY 2007-08</i>		<i>(\$9,273,866)</i>	

Figure 6.3
Projects Cut in FY 2005-06 through FY 2008-09 to Address Budget Shortfall

Department or Institution	Project Name	State Funds	Project Type
FY 2007-08 (Cont.)			
Agriculture	Insectary Upgrade, Palisade	(\$483,770)	Controlled maintenance
Colorado Historical Society	Grant-Humphreys Facilities Improvements and Repair	(242,024)	Controlled maintenance
Colorado Historical Society	Museum Relocation Logistics	(12,521)	Capital construction
Colorado Historical Society	Ute Indian Museum	(65,825)	Capital construction
Corrections	Replace Locks/Door Controls, Women's Correctional Facility	(419,601)	Controlled maintenance
Corrections	Replace Water System, Rifle Correctional Facility	(739,026)	Controlled maintenance
Corrections	Study Wastewater Treatment/Ammonia Compliance, Delta Correctional Center	(241,856)	Controlled maintenance
Human Services	Colorado Mental Health Institutes at Fort Logan and Pueblo, Suicide Risk Assessment/Prevention	(138,940)	Capital construction
Human Services	Heat Plant Repair and Equipment Replacement, Grand Junction Regional Center	(667,122)	Controlled maintenance
Human Services	Northeast Region Youth Services Center Facility	(276)	Capital construction
Human Services	Repair/Replace Roofs, Colorado Mental Health Institute at Fort Logan	(69,444)	Controlled maintenance
Human Services	Replace Fire Hydrant and Water Mains, Colorado Mental Health Institute at Fort Logan	(652,720)	Controlled maintenance
Military and Veterans Affairs	Upgrade Building Systems for Code Compliance -- Pueblo, Colorado Springs, and Sterling Armories	(938,000)	Controlled maintenance
Personnel and Administration	Demolish Building 37	(99,474)	Controlled maintenance
Personnel and Administration	Repair Passenger and Freight Elevators, Annex and Centennial Buildings	(975,295)	Controlled maintenance
Personnel and Administration	Variable Air Volume Boxes Replacement, Centennial Building	(976,073)	Controlled maintenance
Revenue	Fire Suppression System, Pierce Street Building	(49,240)	Controlled maintenance
Revenue	Eastbound Lane and Scale Pit Repair, Fort Morgan Port of Entry	(174,730)	Capital construction
<i>State Department Subtotal FY 2007-08</i>		<i>(\$6,945,937)</i>	
Subtotal FY 2007-08		(\$16,219,803)	
FY 2008-09			
Arapahoe Community College	Replace HVAC Equipment, Art and Design Center	(\$629,741)	Controlled maintenance
Colorado Northwestern Community College	Academic Building, Craig Campus	(1,990,056)	Capital construction
Colorado School of Mines	Brown Hall Addition	(2,000,000)	Capital construction
Colorado School of Mines	Hall of Justice Demolition/Related Classroom Improvements	(3,516,697)	Capital construction
Colorado State University	Clark Building Revitalization (Capital Renewal Project)	(2,000,000)	Capital construction
Colorado State University at Pueblo	Academic Resources Center Remodel	(2,797,436)	Capital construction
Pueblo Community College	Academic Building -- Learning Center	(2,971,482)	Capital construction
University of Colorado at Boulder	Upgrade Fire Safety	(418,063)	Controlled maintenance
University of Colorado at Boulder	Ekeley Sciences Middle Wing Renovation	(11,559,536)	Capital construction
University of Colorado at Boulder	Ketchum Arts and Sciences Building (Capital Renewal Project)	(8,435,946)	Capital construction
University of Colorado at Colorado Springs	Repair/Replace Rooftop Units, University Hall	(380,998)	Controlled maintenance
University of Northern Colorado	Butler Hancock Interior Renovation	(3,000,000)	Capital construction
<i>Higher Education Subtotal FY 2008-09</i>		<i>(\$39,699,955)</i>	

**Figure 6.3
Projects Cut in FY 2005-06 through FY 2008-09 to Address Budget Shortfall**

Department or Institution	Project Name	State Funds	Project Type
FY 2008-09 (Cont.)			
Colorado Historical Society	Ute Indian Museum	(\$2,098,598)	Capital construction
Colorado State Fair	Repair/Replace Infrastructure at Fairgrounds	(1,502,276)	Controlled maintenance
Corrections	Fort Lyon Acquisition and Renovation*	(10,449,694)	Capital construction
Corrections	Replace Water System, Rifle Correctional Facility	(896,602)	Controlled maintenance
Corrections	Study Wastewater Treatment/Ammonia Compliance, Delta Correctional Center	(1,995,840)	Controlled maintenance
Human Services	Colorado Mental Health Institute at Fort Logan, F Cottage Air Conditioning	(1,806,035)	Capital construction
Human Services	Suicide Risk Mitigation	(1,941,962)	Capital construction
Military and Veterans Affairs	Grand Junction Readiness Center Construction	(3,682,712)	Capital construction
Personnel and Administration	Repair Exterior Stairs at East Entrance, State Capitol	(400,000)	Controlled maintenance
Personnel and Administration	Upgrade Security Lighting and Replace Controls, State Capitol	(432,134)	Controlled maintenance
Public Safety	Alamosa Troop Office, Regional Communications Center**	(1,217,719)	Capital construction
<i>State Department Subtotal FY 2008-09</i>		<i>(\$26,423,572)</i>	
<i>Subtotal FY 2008-09</i>		<i>(\$66,123,577)</i>	
<i>Grand Total</i>		<i>(\$85,409,840)</i>	

* This amount includes \$7,162,494 from the Capital Construction Fund and \$3,287,200 from the Corrections Expansion Reserve Fund.

** This project will be funded in FY 2009-10 from the Highway Users Tax Fund.

**Figure 6.4 — Supplemental Appropriations
2009 Legislative Session**

Project Title	Fund Source	Prior Appropriations	Supplemental Request Amount	Total Cost
Supplemental to FY 2006-07				
University of Colorado at Colorado Springs				
<i>Science/Engineering Buildings, Phase I of III</i>	N/A	N/A	N/A	N/A
The university states the project spending authority deadline should have been extended when the university received additional state funds spending authority in the FY 2007-08 Long Bill. However, due to conflicting titles listed in the FY 2006-07 and FY 2007-08 Long Bills, the project was assigned multiple project numbers by the State Controller. The FY 2006-07 state funds appropriation will expire June 30, 2009, rather than June 30, 2012, unless it is reauthorized.				
Supplemental to FY 2007-08				
Human Services				
<i>Child Care Automated Tracking System (CHATS) Replacement</i>	FF	\$0	\$6,206,119	\$6,206,119
The project has encountered cost overruns because vendor bids that meet the project's specified requirements are exceeding previously approved spending authority, the request for which was based on an outdated feasibility study. Approval of the supplemental request will allow the department to avoid a one-year work delay and potential cost increases.				
<i>Child Care Automated Tracking System (CHATS) Replacement</i>	N/A	N/A	N/A	N/A
The department was unable to complete the contract by June 30, 2008, so its spending authority for the project has lapsed. In order to proceed, the department needs reauthorized spending authority for the FY 2007-08 appropriation of \$8.5 million FF. The department plans to select a vendor in September 2008, and plans to negotiate the contract and encumber funds in October 2008. The full appropriation of \$14.7 million FF must be available in order to sign the contract so the vendor can begin the work.				
Supplemental to FY 2008-09				
Colorado School of Mines				
<i>Brown Hall Addition</i>	CF	\$27,305,840	\$2,000,000	\$29,305,840
These cash funds will replace the \$2.0 million in state funds that were frozen September 25, 2008, by the Governor.				
Colorado State University				
<i>Catspaw Ranch Conservation Easement (202 Project)</i>	N/A	N/A	N/A	N/A
The owner of the Banded Peak Ranch has decided not to go forward with the sale of the conservation easement, and the university decided to pursue another conservation easement in the area in order to protect the Navajo River Watershed from development.				
<i>Rockwell Hall Business Expansion</i>	CF	\$0	\$3,400,000	\$3,400,000
The university says project costs have increased for the following reasons:				
<ul style="list-style-type: none"> • donors have requested upgraded finishes on the building; • the bridge connection has been enlarged to accommodate a study area; • deteriorated steam lines requested but not funded as FY 2008-09 controlled maintenance need to be replaced prior to occupancy of the new addition; • the university is voluntarily pursuing LEED gold certification; • the building's elevation needs to be raised and shored with upgraded materials; and • construction costs have increased due to delays in bidding the project. 				
Approval of this request will allow the university to award one project contract for all other work on the building.				
<i>Student Recreation Center 2nd Addition/Renovation (202 Project)</i>	CF	\$0	\$2,377,303	\$2,377,303
The university wants to minimize program disruption and realize cost savings by addressing building deferred maintenance needs during the renovation. Increased spending authority is needed before the 2009 session in order to award the contract bid packages prior to the scheduled project start date of spring 2009.				

**Figure 6.4 — Supplemental Appropriations
2009 Legislative Session**

Project Title	Fund Source	Pro. Appropriations	Supplemental Request Amount	Total Cost
Supplemental to FY 2008-09 (Cont.)				
Human Services				
<i>Colorado State Veterans Center at Homelake - Domiciliary Renovation</i>	CF	\$0	\$250,000	\$250,000
	FF	\$0	\$464,286	\$464,286
The project scope was reduced during the pricing phase to compensate for various cost increases, but it was determined that the Outpatient Clinic cannot be omitted because of program certification requirements. Construction is scheduled to begin in August 2008, so additional funding is needed before then to avoid delays and related cost increases.				
Natural Resources -- Wildlife				
<i>Small Maintenance and Improvement Projects</i>	N/A	N/A	N/A	N/A
The division cannot proceed with the construction of an interactive billboard at its Denver headquarters property until both sources of funds for this project are correctly identified in the authorizing legislation, House Bill 08-1375. Currently, the bill indicates that \$561,000 for this project is from the Wildlife Cash Fund. However, for this project, only \$361,000 comes from the Wildlife Cash Fund while the remaining \$200,000 comes from the Wildlife Management Public Education Fund.				
Revenue				
<i>Document Management and Facial Recognition Systems Upgrade</i>	CF	\$0	\$1,858,000	\$1,858,000
	FF	\$0	\$1,542,120	\$1,542,120
The Division of Motor Vehicles' facial recognition and document issuance systems are outdated and unable to support new applications and enhancements. The department says these systems need to be updated as soon as possible in order to address growing concern about identity theft and fraud perpetrated using state-issued driver's licenses and identity cards.				
<i>Lottery Back Office System Migration</i>	CF	\$0	\$2,415,000	\$2,415,000
Customer service and support for the division's computer system will not be provided after June 2009, which could result in possible computer system failure and a loss of as much as \$31.7 million in sales and \$8.9 million in proceeds. The division says it will take a minimum of six months to implement a new system.				
University of Colorado at Boulder				
<i>Andrews Hall, Smith Hall, and Buckingham Hall Renovations (202 Project)</i>	CF	\$0	\$16,980,600	\$16,980,600
The university says it needs additional beds due to changes in program requirements and rising student housing demand. In addition, the cost of certain construction materials has increased. The university also decided to:				
<ul style="list-style-type: none"> • increase energy efficiency to reduce long-term operating costs; • replace the existing storm drainage system, which is inadequate; • make landscape and irrigation improvements to reduce long-term maintenance costs; and • make telecommunication upgrades that would have been required in the future. 				
<i>Community Dining and Student Center (202 Project)</i>	CF	\$0	\$18,837,404	\$18,837,404
The university's Flagship 2030 Strategic Plan projects an additional 6,500 students by 2030, and the university wants to be ready to provide centralized dining, parking, and related administrative services for the anticipated volume of students. The university explains that the project is \$13.0 million over budget as originally conceived, but that with the programmatic and design changes described in this request, the university can accomplish more than originally planned for an additional \$18.8 million, while supporting the objectives of the Flagship 2030 Strategic Plan.				
University of Colorado at Colorado Springs				
<i>Events Center (202 Project)</i>	CF	\$0	\$1,926,258	\$1,926,258
The project has encountered cost overruns associated with increased energy and materials costs for shoring the building site, inflation in the construction sector, and the decision to seek LEED certification for the project. Approval of the supplemental request will allow the university to avoid additional cost increases and delays in student programs slated to commence in the facility.				

**Figure 6.4 — Supplemental Appropriations
2009 Legislative Session**

Project Title	Fund Source	P.O. Appropriations	Supplemental Request Amount	Total Cost
Supplemental to FY 2008-09 (Cont.)				
University of Colorado Denver				
<i>Business School Purchase and Renovation of 1475 Lawrence Street</i>	N/A	N/A	N/A	N/A
Purchase of the 1475 Lawrence Street building has been delayed until a footnote error in the 2008 Long Bill pertaining to the project is corrected.				
Western State College				
<i>New College Union Building (202 Project)</i>	CF	\$0	\$2,287,500	\$2,287,500
Construction costs are greater than the college's projections, and the project's estimated costs at this time exceed its spending authority. The college wants to maintain the overall timeline to complete the project by winter 2010, and approval of this request will allow construction work to continue.				
<i>FY 2006-07 Subtotal</i>	N/A	N/A	N/A	N/A
<i>FY 2007-08 Subtotal</i>	FF	\$0	\$6,206,119	\$6,206,119
<i>FY 2008-09 Subtotal</i>	CF	\$27,305,840	\$52,332,065	\$79,637,905
	FF	\$0	\$2,006,406	\$2,006,406
<i>Grand Total</i>	CF	\$27,305,840	\$52,332,065	\$79,637,905
	FF	\$0	\$8,212,525	\$8,212,525
	All Funds	\$27,305,840	\$60,544,590	\$87,850,430

VII. Other Action Taken by the CDC During FY 2008-09

The Capital Development Committee (CDC) acted on a number of items during FY 2008-09 in addition to making recommendations for FY 2009-10 capital construction and controlled maintenance projects. This chapter summarizes action taken by the CDC regarding six-month waiver requests, property transactions, and other miscellaneous issues.

Six-month waivers. 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. Upon approval, the CDC forwards its recommendation to the State Controller. In 2008, the General Assembly approved new legislation exempting higher education capital construction projects funded from cash sources held by the institution from this requirement. **Figure 7.1** (page 70) lists eight six-month waiver requests considered and approved by the CDC in FY 2008-09.

One additional project, Colorado Outdoor Educational Recreation Center, Division of Wildlife, requested and was granted a waiver of the six-month encumbrance deadline concurrent with its request for cash funds spending authority.

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 7.2** (page 71) lists the 22 Department of Natural Resources property transactions that the CDC reviewed and commented upon in FY 2008-09. The Division of Wildlife submitted 20 proposals, and the Division of Parks and Outdoor Recreation submitted 2 proposals.

The CDC also considered four property transactions submitted by other state agencies, including three proposals from the Department of Personnel and Administration, two of which were submitted on behalf of other agencies, and one proposal from the Department of Human Services. The CDC is statutorily required to make recommendations regarding Department of Personnel and Administration and Department of Human Services property transactions to the executive director of the respective departments. **Figure 7.3** (page 74) details these additional property requests, and lists both the department making the request and the department that will operate and maintain the property.

All of the property transaction proposals submitted during FY 2008-09 were favorably recommended.

Miscellaneous. Finally, **Figure 7.4** (Page 75) provides a description of miscellaneous actions taken by the CDC in FY 2008-09.

Figure 7.1
Six-Month Waiver Requests Approved by the CDC
July 1, 2008 - June 30, 2009

Project	Amount	FundSource
Colorado Historical Society <i>New Colorado History Museum Relocation Logistics</i>	\$385,000	CCFE
<p>The project was requested as an emergency supplemental and funded by HB 08-1303. The appropriation was made March 19, 2008, and the encumbrance deadline is September 19, 2008. CHS says it mistakenly believed that it had until October 19, 2008, to encumber the funds. CHS says it is requesting an extension to the encumbrance deadline in order to finalize a contract with a new project liaison.</p>		
Colorado State University <i>Veterinary Teaching Hospital – Digital Imaging Equipment Purchases</i>	\$659,814	CF
<p>A waiver is necessary because the university believed that the project was exempt from the six-month encumbrance rule and did not encumber funds for design services until after the deadline. CSU explains that it believed the six-month encumbrance rule did not apply to cash projects; however, exemption from the six-month encumbrance rule only applies to cash sources held by the institution, and funds from other cash sources are not exempted. The source of cash funds for a portion of the project is Western Interstate Commission for Higher Education (WICHE) funds.</p>		
Colorado State University <i>Veterinary Teaching Hospital – PET/CT Scanner Purchase and Installation</i>	\$1,400,000	FF
<p>A waiver is necessary because the university believed that the project was exempt from the six-month encumbrance rule and did not encumber funds for design services until after the deadline. CSU explains that it believed the six-month encumbrance rule did not apply to cash projects; however, exemption from the six-month encumbrance rule only applies to cash sources held by the institution, and funds from other cash sources, including federal funds, are not exempted.</p>		
Corrections <i>Repair Waste Water Treatment Plant and Water Storage Tank, Fort Lyon Correctional Facility</i>	\$540,486	CCF
<p>A waiver is necessary because the department experienced a delay in the contract process. The department was negotiating professional services for both Fort Lyon projects funded this year, and negotiations were delayed when the Governor implemented a freeze on capital construction projects on September 25, 2008. Once the department clarified that this repair project was not subject to the freeze, negotiations resumed.</p>		
Human Services <i>Child Care Automated Tracking System (CHATS) Replacement</i>	\$14,747,783	FF
<p>A waiver is necessary because the department has not finished contract negotiations with its selected vendor. The department anticipates executing the contract and encumbering funds no later than March 1, 2009.</p>		
Lamar Community College <i>Upgrade Ventilation System, Trustee Building</i>	\$443,856	CCF
<p>A waiver is necessary because the college's staff did not realize that the funds needed to be encumbered immediately after the State Architect signed the contract on October 27, 2008. At that time, the college did not have anyone on staff with controller signature authority, so the contracts were sent to the State Controller's office for signature and were signed by November 12. The college says the contract is ready to go and funds can be encumbered immediately if the waiver request is approved.</p>		
Natural Resources – Parks <i>Boat Ramp Construction, Nighthorse Reservoir</i>	\$750,000	CF
<p>A waiver is necessary because the division is working on an intergovernmental agreement with the Division of Wildlife, which must enter into an agreement with the U.S. Bureau of Reclamation (BOR) before construction work on the ramp can begin. The BOR is overseeing and performing the actual construction work.</p>		
Natural Resources – Wildlife <i>Land and Water Acquisitions, Division of Wildlife</i>	\$4,098,840	CF
<p>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 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 the landowner. 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.</p>		
Grand Total		\$23,025,779
		\$1,369,342 State Funds
		\$5,508,654 Cash Funds
		\$16,147,783 Federal Funds

Figure 7.2
Property Transactions Reviewed and Commented Upon by the CDC
July 1, 2008 - June 30, 2009

Property Name	Project Description	Acres	Location	Cash Funds Amount
Division of Parks and Outdoor Recreation				
Lone Mesa State Park / Bayless Ranches LLC Property Exchange	The acquisition will exchange 2,033 acres of land east and north of the existing Lone Mesa State Park. Bayless Ranches LLC will acquire 2,033 acres of north parkland in exchange for 2,033 new acres of parkland added to the eastern side of Lone Mesa State Park.	8.5 acres	30 miles northeast of Cortez	\$0
Smith and Fuoco / City of Fruita Property Exchange	The acquisition will exchange the 15 Road Refinery property for two properties bordering the north bank of the Colorado River with the city of Fruita for future construction of a recreational trail.	8.5 acres	Grand Junction	(\$134,500)
Division of Parks and Outdoor Recreation Subtotal:				(\$134,500)
Division of Wildlife				
Andrick Ponds State Wildlife Area	The acquisition protects land located within Colorado's "Golden Triangle of Waterfowling," for wildlife habitat and recreational uses. The purchase includes property water rights.	711 acres	About 15 miles northwest of Fort Morgan, southwest of Jackson Lake State Park	\$3,250,000
Bar Nothing Ranch Perpetual Conservation Easement Donation	The donation will protect diminishing elk habitat from increased subdivision and methane gas exploration.	500 acres	30 miles west of Trinidad	\$0
Brocker Exchange	The landowner will exchange 70 acres of private land for a permanent access easement (0.8 miles) through the Owl Mountain State Wildlife Area in order to gain a secondary access to their property in the event the primary access is impassible due to poor road conditions. The purchase will limit development and protect the habitat of black bear, elk, mule deer, moose, and mountain lion. Public access is not granted by this conservation easement.	70 acres	5 miles west of Gould; 36 miles north/northwest of Estes Park	\$0
Cabin Creek State Wildlife Area and Lost Canyon State Wildlife Area Donation	The donation settles a dispute over a monetary bequest made to the division and protects critical winter range for deer and elk.	Up to 520 acres	6 miles east of Gunnison and 8 miles northeast of Gunnison	\$0
Chubb Park Ranch Conservation Easement and Hunting Access Easement	The acquisition protects land adjacent to both State Land Board land and the San Isabel National Forest to ensure continued use of the property as a wildlife corridor, and to allow perpetual hunting access to the public.	507 acres	About 9 miles northeast of Buena Vista on Highway 24/285	\$450,000
Flying Diamond Ranch Perpetual Conservation Easement Donation	The acquisition protects historic agricultural land and summer, fall, and transitional range for big game including deer and elk, and year-round habitat for black bear.	540 acres	6.5 miles south of Steamboat Springs	\$0

Figure 7.2
Property Transactions Reviewed and Commented Upon by the CDC
July 1, 2008 - June 30, 2009

Property Name	Project Description	Acres	Location	Cash Funds Amount
Hardwick Conservation Easement	The project exchanges oil drilling rights for two new wells in the existing Crites State Habitat Area Conservation Easement for the donation of a new easement. According to the division, the new easement is superior wildlife habitat to the existing site.	80 acres	46 miles north of Burlington	\$0
Kleweno Ranch North Parcel Conservation Easement	The acquisition will provide habitat for mule deer, whitetail deer, turkey, waterfowl, and upland game birds. The property is located near Bonny Reservoir and will allow public access for hunting, fishing, and wildlife viewing.	651.32 acres	20 miles north of Burlington	\$380,000
Kleweno Ranch South Parcel Conservation Easement	The acquisition protects habitat for mule deer, whitetail deer, and upland game birds, and provides public access for hunting, fishing, and wildlife viewing.	1,182 acres	18 miles north of Burlington	\$235,000
Park County Shooting Range	The purchase will set aside land for the future development of the Park County Shooting Range. The division and the county will enter into a memorandum of agreement to allow the county to develop and manage the shooting range facility, with oversight from the division.	200 acres	11 miles east of Fairplay	\$100,000
Red Top Ranch Conservation Easement	The acquisition will prevent development from nearby Pueblo and protect short-grass prairie species including burrowing owl, ferruginous hawk, lark bunting, massasauga rattle snake, Texas horned lizard, and western box turtle.	13,078 acres	20 miles southeast of Pueblo	\$2,000,000
Sleepy Cat Fishing Easement	The project relocates access to the Sleepy Cat Fishing Easement and extends the limited public access on one segment of the easement to both sides of the river.	1 acre	15 miles southeast of Meeker	\$0
Stengel Shooting Range Conservation Easement and Deed Donation	The donation expands the existing Stengel State Habitat Area to include a shooting range used extensively by the Hunter Education Program and by the Division of Wildlife for firearms training.	80 acres	About 15 miles east of Delta and 5 miles west of Hotchkiss	\$0
Teter Wetlands State Wildlife Area (SWA) Ditch and Headgate Easement	The donation will allow a perpetual easement for a new headgate and ditch located on private lands leading to the Teter State Wildlife Area. The original headgate and channel were destroyed by a flood in 1995.	0.8 acres	15 miles northeast of Fairplay and 3 miles northwest of Jefferson	\$0
Tomichi Creek State Wildlife Area	The project purchases 466 acres along Tomichi Creek south of Gunnison to complete a 4.5 mile protected corridor to be managed and operated as the Tomichi Creek State Wildlife Area. The acquisition includes water rights and protects trout stream, Gunnison Sage-grouse habitat, and numerous other waterfowl and wildlife.	466 acres	East of Gunnison and south of U.S. Highway 50	\$1,746,229

Figure 7.2
Property Transactions Reviewed and Commented Upon by the CDC
July 1, 2008 - June 30, 2009

Property Name	Project Description	Acres	Location	Cash Funds Amount
Torres Ranch State Habitat Area Conservation Easement #1	The acquisition protects habitat for Colorado's second largest elk herd from increased subdivision, residential development, and methane gas exploration.	642 acres	Stonewall, 30 miles west of Trinidad	\$531,000
Torres Ranch State Habitat Area Conservation Easement #2	The acquisition protects habitat for Colorado's second largest elk herd from increased subdivision, residential development, and methane gas exploration.	191 acres	Stonewall, 30 miles west of Trinidad	\$153,500
Torres Ranch State Habitat Area Conservation Easement #3	The acquisition protects habitat for Colorado's second largest elk herd from increased subdivision, residential development, and methane gas exploration.	641 acres	Stonewall, 30 miles west of Trinidad	\$536,000
Torres Ranch State Habitat Area Conservation Easement #4	The acquisition protects habitat for Colorado's second largest elk herd from increased subdivision, residential development, and methane gas exploration.	637 acres	Stonewall, 30 miles west of Trinidad	\$466,000
Tu-Gu-Vu Ranch Conservation Easement	The donation protects 147 acres near the Garfield Creek State Wildlife Area and Bureau of Land Management property for mule deer, elk, and black bear in order to provide year-round range.	147 acres	13 miles west of Glenwood Springs	\$0
<i>Division of Wildlife Subtotal</i>				\$9,847,729
Grand Total				\$9,713,229

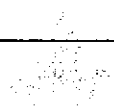
Figure 7.3
Additional Property Transactions Reviewed and Commented Upon by the CDC
July 1, 2008 — June 30, 2009

Requesting Department	To Be Operated and Maintained By	Property Name	Location	Acquisition Cost/Type	Estimated Annual Operating Costs
Department of Personnel and Administration	Department of Personnel and Administration	2 Jetway Court	Pueblo	\$5,071,100 CF Lease Purchase* (\$266,900 per year for 19 years, using an annual operating expenses appropriation)	\$0 <i>(included in lease payments)</i>
Department of Personnel and Administration	Department of Revenue	350 West Carr Avenue Purchase	Cripple Creek	\$847,000 CF (authorized in HB 08-1375)	\$20,136 <i>Limited Gaming Fund</i>
Department of Personnel and Administration	Department of Public Health and Environment	Argo Tunnel Water Treatment Plant	Idaho Springs	\$0 Donation	\$1,000,000 CF <i>Hazardous Substance Response Fund</i>
Department of Human Services	University of Colorado Denver	Baby Haven Daycare Program Facility	Denver	\$0 Donation	\$7-\$14 per foot <i>(fundraising)</i>

* The lease-purchase acquisition was authorized by House Bill 09-1083.

**Figure 7.4
Miscellaneous CDC Action and Activities
July 1, 2008 — June 30, 2009**

Date	Action
September 22, 2008	Heard briefing from Division of Parks and Outdoor Recreation about the findings of a recent audit.
	Heard update about the 1 Percent for Art in Public Places Program from the Colorado Council on the Arts.
October 27, 2008	Accepted the recommendation from the Capitol Building Advisory Committee to allow the Colorado Quilt Council to display quilts in the State Capitol Building between June 1, 2009, and August 21, 2009.
December 2, 2008	Elected a new committee chair and vice-chair.
January 13, 2009	<p>Agreed to sponsor three committee bills pertaining to capital construction:</p> <ul style="list-style-type: none"> • A bill to extend the scheduled repeal of the CDC to July 1, 2014. • A bill to add language to current law to exempt capital construction projects at institutions of higher education that are funded with federal moneys from the requirement that a contract be executed and encumbered within six months after the date of appropriation. • A bill to require that real property transactions be submitted by the Division of Parks and Outdoor Recreation and the Division of Wildlife to the CDC only after the State Parks Board or Wildlife Commission have approved the transaction, but before the transaction has been finalized.
	Heard the Office of the State Architect annual report, including recommendations for funding for controlled maintenance projects.
January 15, 2009	Voted to accept the recommendation of the Capitol Building Advisory Committee for a one-year trial to hang art in the lower-level basement rotunda.
January 22, 2009	Heard testimony from various stakeholders in the higher education cash project capital process.
January 27, 2009	Considered House Bill 09-1083 pursuant to House Rule 50, which requires the CDC to review bills dealing with capital construction. Voted to favorably recommend the bill to the House State, Veterans, and Military Affairs Committee.
February 10, 2009	Voted to accept the recommendation of the Capitol Building Advisory Committee to move the information desk and its associated materials from the west side of the first floor of the Capitol to the east side of the first floor.
	Considered request for Highway Users Tax Fund spending authority for Port-of-Entry Mobile Scale Replacement project – motion failed on a tied vote.
February 24, 2009	Voted to approve the program plan for the proposed Youth Offender System Multi-Use Support Building, Division of Youth Corrections, Department of Human Services.
March 12, 2009	Voted to approve the program plan for the proposed Northeast Region Youth Services Center Facility, Division of Youth Corrections, Department of Human Services.



**Figure 7.4 (Cont.)
Miscellaneous CDC Action and Activities
July 1, 2008 — June 30, 2009**

Date	Action
March 17, 2009	Voted to approve the program plan amendment for the proposed 250-Bed Expansion, San Carlos Correctional Facility, Department of Corrections.
March 19, 2009	Agreed to sponsor one committee bill pertaining to capital construction: <ul style="list-style-type: none"> • A bill reducing the cash funds transfer amount from the State Historical Fund to the State Museum Cash Fund for FY 2009-10 and FY 2010-11 in order to accommodate lower-than-expected limited gaming revenue in FY 2008-09.
April 7, 2009	Agreed to sponsor one committee bill pertaining to capital construction: <ul style="list-style-type: none"> • A bill changing the review process for cash-funded capital construction projects at higher education institutions.
April 23, 2009	Discussed possible interim travel schedule.

VIII. Legislation Impacting Capital Construction Funding or the Capital Development Process — 2009 Legislative Session

A number of the bills considered by the General Assembly during the 2009 legislative session affected capital construction and the duties of the Capital Development Committee (CDC). **Figure 8.1** (Page 82) summarizes and provides fiscal information about 30 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

An economic recession beginning in late FY 2008-09 created a state budget shortfall for FY 2008-09 and FY 2009-10, leading the General Assembly to consider a number of budget balancing bills during the 2009 session. These bills affected funding for both past and future capital construction and controlled maintenance.

Cash fund transfers. Senate Bill 09-279 authorizes the transfer of \$28.1 million from the Capital Construction Fund and \$0.1 million from the Controlled Maintenance Trust Fund on July 1, 2009, in order to augment state General Fund revenue for FY 2008-09 through FY 2010-11. The moneys transferred from the Capital Construction Fund were reverted to the fund pursuant to **Senate Bill 09-280** from 61 prior years' capital construction projects that were frozen by the Governor. The combined impact of the 61 frozen projects is a reversion of \$85.4 million state funds to the Capital Construction Fund. Of the \$85.4 million state funds reverted to the Capital Construction Fund, \$28.1 million was transferred to the General Fund for budget balancing purposes, and \$57.3 million was made available for FY 2009-10 capital construction and controlled maintenance projects.

Another bill, **Senate Bill 09-208**, transfers money from 38 different cash funds to augment General Fund revenue in order to help address the state's budget shortfall. The bill transfers up to \$33.7 million from the Higher Education Federal Mineral Lease Maintenance and Reserve Fund to the General Fund, to be used toward FY 2009-10 operating expenses for higher education institutions. The Higher Education Federal Mineral Lease Maintenance and Reserve Fund earns revenue primarily from one-time "bonus" payments made by mineral and gas companies to lease federal lands 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, which occurred during the 2009 session.

Changes to existing transfer of excess General Fund reserve for capital construction. Under current law, up to 10.355 percent of sales and use tax revenue is diverted to the Highway Users Tax Fund annually after General Fund appropriations have increased by 6 percent over the prior fiscal year and a 4 percent reserve has been fully funded. Pursuant to House Bill 02-1310, any remaining excess General Fund reserves are then transferred two-thirds to highways and one-third to capital construction. **Senate Bill 09-228** repeals the automatic House Bill 02-1310 transfer. **Senate Bill 09-228** also repeals the 6 percent growth limit in General Fund appropriations from one fiscal year to the next, and sets the growth limit equal to 5 percent of Colorado personal income. Another bill, **Senate Bill 09-278**, also repeals the House Bill 02-1310 transfer, but only for FY 2008-09 and FY 2009-10. In lieu of the House Bill 02-1310 transfer, **Senate Bill 09-228** sets a five-year statutory transfer from the General Fund to the Capital Construction Fund. 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, 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. According to the fiscal note, the scheduled transfer to the Capital Construction Fund may total between \$369 million and \$439 million for the five-year period. The scheduled transfer to the Capital Construction Fund is 0.5 percent of General Fund revenue in FY 2012-13 and FY 2013-14, or between \$42 million and \$47 million per year, and 1.0 percent in FY 2014-15 through FY 2016-17, or between \$95 million to \$115 million per year.

Capital Construction Projects

Spending on capital construction. **Senate Bill 09-259** (the Long Bill) provides funding for FY 2009-10 for 91 capital construction and controlled maintenance projects totaling \$518.2 million, including \$58.4 million in state funds, and \$459.8 million in cash and federal funds. The bill funds 3 certificates of participation payments, 3 state-funded capital construction projects, 35 state-funded controlled maintenance projects, and 50 cash projects. **Senate Bill 09-280** makes supplemental capital construction appropriations for 16 projects, including 2 requests for extensions of time only, and 2 requests to amend information about the source of cash funds listed in the 2008 Long Bill. The combined impact of the 16 supplemental requests from all funding sources is \$60.5 million in cash and federal funds. No state-funded supplemental appropriations for capital construction were funded during the 2009 session for any prior fiscal years.

Revenue for capital construction. Moneys for capital construction and controlled maintenance projects approved during the 2009 session were provided by transfers from the General Fund to the Capital Construction Fund, reversions to the Capital Construction Fund from prior years' projects frozen by the Governor, and Capital Construction Fund interest earnings. **Senate Bill 09-259** provides \$23.2 million in revenue for FY 2009-10 projects, including \$8.8 million from the Capital Construction Fund balance and interest earnings, and \$14.4 million of excess General Fund reserves transferred to the Capital Construction Fund pursuant to House Bill 02-1310. **Senate Bill 09-280** provides \$57.3 million for FY 2009-10 capital construction and controlled maintenance projects from prior years' appropriations frozen by the Governor.

Duties of the Capital Development Committee

House Bill 09-1169 extends the repeal of the Capital Development Committee (CDC) to July 1, 2014. Without a change in law, the CDC was scheduled to sunset on July 1, 2009. **Senate Bill 09-228** requires the CDC to develop and make recommendations concerning new methods of financing the state's ongoing capital construction and controlled maintenance needs by January 1, 2016.

Changes to reporting requirements and encumbrance deadlines. Two bills considered during the 2009 session clarify reporting requirements to the CDC regarding certain types of projects. **House Bill 09-1168** clarifies the order of approval for real property transactions submitted by the Division of Parks and Outdoor Recreation and the Division of Wildlife. The bill requires that real property transactions be submitted to the CDC after the Wildlife Commission or State Parks Board has approved the transaction, but before the transaction has been finalized. **Senate Bill 09-096** adds language to current law to exempt capital construction projects at institutions of higher education that are funded with federal moneys from the requirement that a

contract be executed and encumbered within six months after the date of the appropriation. Pursuant to legislation passed during the 2008 session, capital projects at institutions of higher education that are constructed solely from cash funds held by an institution of higher education are already exempt from the six-month encumbrance deadline.

Legislation Concerning Property Transactions

Changes to existing law regarding property transactions. Under current law, a lease-purchase agreement that costs more than \$50,000 over the length of the lease agreement must be authorized by bill, other than a supplemental appropriations bill or the annual appropriations bill. **House Bill 09-1218** raises the payment threshold for lease-purchase agreements that must be authorized by bill from \$50,000 to \$500,000. It also changes the definition of lease-purchase agreement to conform to the federal definition of capital lease in the Generally Accepted Accounting Principles issued by the Governmental Accounting Standards Board. The responsibility to ascertain whether a lease-purchase agreement conforms to these standards is vested in the Office of the State Controller. 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.

Property transactions authorized during the 2009 session. The General Assembly considered and approved several property transactions concerning the sale, lease, and/or purchase of state property during the 2009 session. **Senate Bill 09-056** authorizes the executive director of the Department of Human Services to sell the Trinidad State Nursing Home. **Senate Bill 09-043** authorizes the merger of Pueblo Community College located in Pueblo, and the San Juan Basin Area Vocational School located in Mancos just east of Cortez. The vocational school will be called Southwest Colorado Community College, a division of Pueblo Community College, and will be eligible for state funds for controlled maintenance beginning July 1, 2009. **House Bill 09-1083** authorizes the Department of Personnel and Administration (DPA) to acquire, through lease-purchase, an office warehouse building in Pueblo for continued use by the DPA's Integrated Document Solutions operations. The annual lease-purchase payments will be made from the department's operating budget.

Another bill, **Senate Bill 09-235**, makes changes to existing law regarding the purchase of conservation easements. The CDC is statutorily charged to review and comment on proposed property transactions. The bill prioritizes the expenditure of funds generated from the sale of habitat stamps and wildlife passports to include protecting big game winter range and migration corridors, and acquiring public access to wildlife-related recreation, including fishing, hunting, and wildlife viewing. The bill prohibits the use of habitat stamp fee proceeds for the purchase of a third-party conservation easement unless 15 percent or more of the purchase price comes from a source other than the Division of Wildlife.

Legislation Impacting Higher Education Capital Construction

Changes to laws affecting funding for higher education capital construction. Under current law, auxiliary facilities operated on the campuses of state-funded higher education institutions, such as parking operations or recreation centers, may be designated as enterprises. **House Bill 09-1229** eliminates the automatic expiration of enterprise status for an auxiliary facility so long as the auxiliary facility meets the requirements of an enterprise. An enterprise is defined by the Colorado constitution as a government-owned business that has the authority to issues

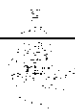
bonds and receives less than 10 percent of its annual revenues from state and local government grants combined. Under current law, enterprise status must be reauthorized each year, by bill, by the General Assembly. Revenue earned from the operation of auxiliary facilities may be used as a funding source for capital projects on college campuses.

House Bill 09-1272 provides additional revenue to community colleges to supplement existing state funding and gives colleges the authority to issue bonds for capital projects from the new source of revenue. The bill implements Amendment 50, the initiated measure approved by Colorado voters at the November 2008 General Election, and by members of three gaming communities in a separate election, which expands the definition of limited gaming in the state to include the games of roulette and craps and to increase the maximum single bet limit for all games to \$100. The bill directs the Limited Gaming Commission to distribute 78 percent of any new revenue attributable to extended limited gaming to 15 public community colleges, junior colleges, and local district colleges. The bill also distributes new revenue to two-year programs at Mesa State College and Adams State College. The new revenue will be distributed to colleges in proportion to the number of full-time equivalent students enrolled during the previous fiscal year at each college, as reported by the Colorado Commission on Higher Education.

New review process and requirements for higher education institution cash-funded capital construction. The CDC worked with representatives from various higher education institutions throughout the 2009 session to make changes to the review process for cash-funded capital construction projects and to identify what types of cash-funded projects may qualify for future state dollars for controlled maintenance. **Senate Bill 09-290** directs higher education institutions to annually submit two-year projections for all capital projects to be constructed using cash funds, and costing more than \$2 million. The bill directs the CDC to review and approve the two-year projections annually. Any capital project listed and reviewed as part of an institution's two-year projection may commence construction upon approval of an institution's governing board, and without further legislative review, unless it is subject to the Higher Education Revenue Bond Intercept Program (intercept program). The intercept program directs the state treasurer to make payments of principal and/or interest on bonds, on behalf of a state-supported institution of higher education, in the event a higher education institution does not make a scheduled payment. Pursuant to the bill, higher education cash-funded projects can fall into one of four categories, as follow:

1. non-academic buildings that are to be constructed, operated, and maintained solely from cash funds;
2. academic buildings to be constructed from cash funds and operated and maintained from such cash funds, or from state moneys appropriated for such purposes;
3. non-academic buildings subject to the intercept program that are to be operated and maintained solely from cash funds; or
4. academic buildings subject to the intercept program to be constructed from cash funds and operated and maintained from such cash funds, or from state moneys appropriated for such purposes.

The bill requires that any cash-funded capital construction project at a higher education institution that is eligible for future state dollars for operating or maintenance to comply with the provisions of the high performance certification program.

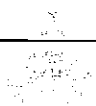


Senate Bill 09-290 states that it is the responsibility of each higher education institution's governing board to ensure cash-funded projects are planned and constructed in accordance with the institution's mission, are of a size and scope to provide for the defined program needs, and are designed in accordance with all applicable building codes and accessibility standards.

Expanded academic authority for certain higher education institutions. Three bills extended or defined the academic authority of certain higher education institutions. Changes in academic programs can drive future capital need because of programmatic shifts and/or increased overall student enrollment. **Senate Bill 09-043** limits the authority of Fort Lewis College to issue two-year associate's degrees to only an associate's of arts degree in agricultural science. **Senate Bill 09-086** creates the Colorado State University – Global Campus online university, which will offer baccalaureate and graduate degrees. The online university will be operated under the supervision of the Board of Governors of Colorado State University (CSU) and will be the third campus in the CSU system. **House Bill 09-1295** authorizes Metropolitan State College of Denver (Metro) to offer master's degree programs that address the needs of its urban service area. Prior to the adoption of new graduate programs at Metro, the college is required to seek approval from the Colorado Commission on Higher Education.

Legislation Impacting the Colorado Historical Society

Two bills considered by the General Assembly during the 2009 session impact future funding for Colorado Historical Society (CHS) capital projects. **House Bill 09-1333** reduces the cash funds transfer amount from the State Historical Fund to the State Museum Cash fund for FY 2009-10 and FY 2010-11 in order to accommodate lower-than-expected gaming revenue in FY 2008-09. Moneys in the State Museum Cash Fund will be used to make certificates of participation payments for the New Colorado History Museum, which is currently under design. **House Bill 09-1272** may reduce future available revenue for CHS operating expenses and state historic preservation grants. Under current law, CHS receives 28 percent of limited gaming revenue in the state. **House Bill 09-1272** limits the growth in transfers to the State Historical Fund from limited gaming revenue to the prior year's transfer plus up to 6 percent of the revenue attributable to extended limited gaming.



**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session**

Signed into Law			
Bill Number:	Senate Bill 09-034	Short Title:	DOC Facility Designation Change
Sponsors:	Senator Kester Representative Todd	Status:	Signed into Law
<p>The bill changes the security level designation for the Centennial Correctional Facility (CCF) from level IV to level V. Level V facilities comprise the highest security level and are capable of incarcerating all offender classification levels. CCF was operated as a level V facility from 1980 through 1993. Security level designations have been modified multiple times since the facility opened. Although CCF was initially operated as a level V facility, when the current security designation system was adopted in 2000, the facility was classified as a level IV facility. CCF currently meets the statutory definition of a level V facility, including a double perimeter fence with razor wire and controlled sally ports. There are four other level V facilities operating in the state for adult male offenders. In FY 2010-11, the department plans to combine CCF with the Colorado State Penitentiary II High Custody Expansion, which is currently under construction, to create a multi-facility mixed-custody complex. The entire complex will be designated as a level V facility, but level IV offenders will be housed primarily in the current CCF.</p>		<p>Fiscal Information: The bill has no fiscal impact. No additional capital or operating costs are anticipated as a result of this change in security level designation.</p>	
Bill Number:	Senate Bill 09-043	Short Title:	San Juan Community College Merger
Sponsors:	Senator Isgar Representative Roberts	Status:	Signed into Law
<p>The bill authorizes Pueblo Community College located in Pueblo, and the San Juan Basin Area Vocational School located in Mancos just east of Cortez, to merge. The vocational school will be called Southwest Colorado Community College, a division of Pueblo Community College. Ownership of the facilities will be transferred from the vocational school to Pueblo Community College and will be eligible for controlled maintenance funds beginning on July 1, 2009. The bill also limits the authority of Fort Lewis College to issue two-year associate degrees to only an associates of arts degree in agricultural science. Under current law, Fort Lewis College has two-year authority that can be used in collaboration with a community college and/or an area vocational school.</p>		<p>Fiscal Information: The bill has no fiscal impact. However, adjustments will be made to 2009 Long Bill to allocate appropriations from the College Opportunity Fund stipend from vocational schools to state colleges.</p>	
Bill Number:	Senate Bill 09-052	Short Title:	Additional Funding for Innovative Higher Education Research Fund
Sponsors:	Senator Scheffel Representative Murray	Status:	Signed into Law
<p>The bill increases the amount of money in the Innovative Higher Education Research Fund in the Department of Education. This fund is a source of matching money to attract federal research grants. Under current law, the source of money to the fund can include transfers from the Waste Tire Recycling Development Cash Fund and the Advanced Technology Fund, and appropriations from the General Fund.</p>		<p>Fiscal Information: The bill transfers \$1.0 million beginning in FY 2008-09 from Limited Gaming Fund moneys to the Innovative Higher Education Research Fund provided there is sufficient revenue to allow the maximum amount of General Fund appropriations to be made for the fiscal year.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number: Senate Bill 09-056		Short Title: Concerning the Trinidad State Nursing Home	
Sponsors: Senator Kester Representative Riesberg		Status: Signed into Law	
The bill authorizes the executive director of the Department of Human Services to sell the Trinidad State Nursing Home. The bill directs the executive director, working in consultation with the Las Animas Board of County Commissioners, to encourage and entertain bids that include an assurance of employee retention and continuity of care for nursing home residents.		Fiscal Information: Any proceeds from the transfer of title of the Trinidad State Nursing Home will be deposited in the Central Fund for State Nursing Homes and applied towards projects and programs at the five remaining state and veterans nursing homes.	
Bill Number: Senate Bill 09-086		Short Title: Colorado State University Global Campus	
Sponsors: Senator Tapia Representative Marostica		Status: Signed into Law	
The bill creates the Colorado State University - Global Campus online university, which will offer baccalaureate and graduate degrees. The online university will be operated under the supervision of the Board of Governors of Colorado State University (CSU). The new campus will be the third campus in the CSU system, which currently operates in Fort Collins and Pueblo. The bill precludes the distribution of College Opportunity Fund moneys to students attending an institution of higher education that was established after July 1, 2007. Therefore, students attending the online university will not be eligible to apply for stipends from the College Opportunity Fund. The fund was established to allow the General Assembly to reimburse higher education institutions for stipends granted to students to use towards the cost of certain undergraduate and graduate courses.		Fiscal Information: The bill exempts students at the school from eligibility for the College Opportunity Fund stipend. For this reason, the bill is assessed as having no fiscal impact.	
Bill Number: Senate Bill 09-096		Short Title: Waive Six-Month Rule for Federal Funds	
Sponsors: Senator Bacon Representative Sonnenberg		Status: Signed into Law	
The bill adds language to current law to exempt capital construction projects at institutions of higher education that are funded with federal moneys from the requirement that a contract be executed and encumbered within six months after the date of the appropriation. Under current law, capital projects at institutions of higher education that are constructed solely from cash funds held by the institution are exempt from the six-month encumbrance deadline.		Fiscal Information: The bill has no fiscal impact. The bill aligns encumbrance rules for federal- and cash-funded projects.	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	Senate Bill 09-208	Short Title:	Augment FY 2008-09 General Fund Revenues
Sponsors:	Senator Tapia Representative Pommer	Status:	Signed into Law
<p>The bill transfers money from 38 different cash funds, including the Higher Education Federal Mineral Lease (FML) Maintenance and Reserve Fund, to the General Fund, in order to augment state General Fund revenue for FY 2008-09. The Higher Education FML 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 reserve fund may be used for higher education controlled maintenance projects.</p>		<p>Fiscal Information:</p> <p>According to the Joint Budget Committee staff, the projected balance of the Higher Education FML Maintenance and Reserve fund for FY 2008-09 is \$33.7 million. The bill will transfer up to \$33.7 million from the fund on June 30, 2009, to be used toward operating expenses for higher education institutions. Therefore, it is likely that there will be no interest earnings in the fund to be used toward FY 2009-10 controlled maintenance projects at higher education institutions.</p>	
Bill Number:	Senate Bill 09-218	Short Title:	FY 2007-08 General Fund Appropriation for Controlled Maintenance
Sponsors:	Senator White Representative Ferrandino	Status:	Signed into Law
<p>The bill increases the FY 2007-08 General Fund appropriation to the Controlled Maintenance Trust Fund (CMTF) by \$326,990 to \$2,326,990 as a budget-balancing measure.</p>		<p>Fiscal Information:</p> <p>An increase in the balance of the CMTF provides an increase in interest earnings on the fund, which may be spent on controlled maintenance projects.</p>	
Bill Number:	Senate Bill 09-219	Short Title:	FY 2008-09 General Fund Reserve Reduction
Sponsors:	Senator Tapia Representative Ferrandino	Status:	Signed into Law
<p>The bill reduces the required General Fund reserve from 4 percent of General Fund appropriations to 2 percent for FY 2008-09 in order to address the revenue shortfall for FY 2008-09. Under current law, excess General Fund reserve is available one-third for capital construction and two-third for transportation. The excess General Fund reserve is any money left over after appropriations have been increased by 6 percent, a statutorily-defined reserve has been fully funded, and the Senate Bill 97-1 diversion of 10.355 percent of sales and use tax revenue has been made in full to the Highway Users Tax Fund.</p> <p>The bill also grants the Governor the authority to further reduce the General Fund reserve from 2 percent to a lower percent as necessary for FY 2008-09 in order to cover, to the greatest extent possible, any appropriation made from the General Fund for which such moneys would not otherwise be available.</p>		<p>Fiscal Information:</p> <p>The bill is not expected to impact the amount of revenue available for capital construction. The required General Fund reserve is being reduced in order to address budgetary shortfalls and allow for increased spending from the General Fund. Thus, there is not anticipated to be any excess General Fund reserve available for capital construction or transportation. Furthermore, another bill, Senate Bill 09-278, eliminates the automatic transfer of excess General Fund reserve for FY 2008-09 and FY 2009-10.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	Senate Bill 09-228	Short Title:	Flexibility to Use State Revenues
Sponsors:	Senator Morse Representative Marostica and Representative Court	Status:	Signed into Law
<p>Under current law, General Fund appropriations cannot grow more than 6 percent from one fiscal year to the next. This bill repeals the 6 percent limit and sets the growth limit equal to 5 percent of Colorado personal income. The bill also repeals 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 are transferred two-thirds to highways and one-third to capital construction. The excess General Fund reserve is any money left over after appropriations have been increased by 6 percent, a 4 percent reserve has been fully funded, and the Senate Bill 97-1 diversion of 10.355 percent of sales and use tax revenue has been made in full to the HUTF.</p> <p>In lieu of the House Bill 02-1310 transfer for capital construction and transportation, the bill sets a five-year statutory transfer from the General Fund to the Capital Construction Fund and the Highway Users Tax Fund. 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.</p> <p>The bill requires the Capital Development Committee (CDC) to develop and make recommendations concerning new methods of financing the state's ongoing capital construction and controlled maintenance needs by January 1, 2016. The bill directs the CDC to recommend legislation for implementation no later than February 1, 2016.</p> <p>The bill may also change certain triggers allowing for an appropriation from the principal of the Higher Education Maintenance and Reserve Fund. The fund earns revenue primarily from one-time "bonus" payments made by mineral and gas companies to lease federal land for mineral development. Under current law, interest earning on the fund can be used to fund higher education controlled maintenance projects and 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.</p> <p>The bill will also repeal the 6-percent growth limit for off-the-top appropriations from the HUTF, which funds capital and operating expenses associated with the Department of Revenue, Ports-of-Entry Division, and the Department of Public Safety, Colorado State Patrol. Off-the-top distributions are made from revenue received from the first 7 cents of the motor fuel tax. Off-the-top distributions are limited to 6-percent growth over the prior year's appropriations.</p>		<p>Fiscal Information:</p> <p>The bill may increase expenditures from the General Fund because historically the growth in Colorado personal income has been greater than a 6 percent increase in General Fund appropriations from one fiscal year to the next. Since the bill repeals the automatic Senate Bill 97-1 diversion for transportation and the House Bill 02-1310 transfer for capital construction and transportation, the General Assembly may change the purpose for which state money is spent.</p> <p>In the five years before the statutory transfer for capital construction and transportation is scheduled to begin, legislators may choose to appropriate more or less money to capital construction than would have otherwise been made available from the transfer of one-third of the excess General Fund reserve. Therefore, the effect on total funding for capital construction and controlled maintenance is unknown.</p> <p>The bill will allow money to be appropriated from the Higher Education Maintenance and Reserve Fund principal for higher education operating expenses if there is not enough money to allow General Fund appropriations to increase by the budgeted amount, and the 4 percent reserve to be fully funded. The effect on available revenue for future higher education controlled maintenance projects is unknown.</p> <p>The bill will give the General Assembly the flexibility to appropriate more than the 6-percent growth limit under current law for off-the-top appropriations from the HUTF, which could result in additional revenue available for capital projects for the Ports-of-Entry Division and Colorado State Patrol.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed Into Law (Cont.)			
<p>Bill Number: Senate Bill 09-235</p> <p>Sponsors: Senator Gibbs and Senator Isgar Representative Merrifield</p> <p>The bill creates the Colorado Wildlife Passport and prioritizes expenditures from revenue collected from the sale of the Colorado Wildlife Habitat Stamp and Colorado Wildlife Passport.</p> <p>Under current law, revenue from the sale of the habitat stamp can be used to purchase conservation easements or fee simple title to property in the state in order to protect wildlife habitat and provide public access to such habitat. The bill prioritizes the expenditure of funds generated from the sale of habitat stamps and wildlife passports to include protecting big game winter range and migration corridors, and acquiring public access to wildlife-related recreation, including fishing, hunting, and wildlife viewing. The bill prohibits the use of habitat stamp fee proceeds for the purchase of a third-party conservation easement unless 15 percent or more of the purchase price comes from a source other than the Division of Wildlife. The Colorado Wildlife Commission is authorized to waive this requirement if hunting or fishing access is provided to the property.</p> <p>The bill requires the Joint House and Senate Agriculture Committee to meet at least once before June 1, 2010, to study the effect of the bill.</p>	<p>Short Title: Wildlife Habitat Stamps and Passports</p> <p>Status: Signed into Law</p> <p>Fiscal Information:</p> <p>The bill makes appropriations from the Search and Rescue Fund and the Wildlife Passport Fund for implementation of these respective programs. The bill also makes up to \$500,000 available annually from the sale of the habitat stamp to the Colorado Water Conservation Board for the acquisition of water, water rights, and water interests.</p>		
<p>Bill Number: Senate Bill 09-259</p> <p>Sponsors: Senator Keller Representative Pommer</p> <p>The bill makes appropriations for 89 capital construction and controlled maintenance projects totaling \$442.3 million. Of this amount, \$50.7 million is from state funds, and \$391.6 million is from cash and federal funds. Senate Bill 09-259 funds 3 certificates of participation payments, 3 state-funded capital construction projects, 35 state-funded controlled maintenance projects, and 48 cash-funded projects.</p>	<p>Short Title: Long Appropriations Bill</p> <p>Status: Partial Veto</p> <p>Fiscal Information:</p> <p>No General Fund transfer is required for the FY 2009-10 capital construction and controlled maintenance projects. Of the \$50.7 million state funds, \$14.7 million comes from the FY 2008-09 fund balance of the Capital Construction Fund, and the remainder comes from prior years' capital construction appropriations that were cut pursuant to Senate Bill 09-280.</p>		
<p>Bill Number: Senate Bill 09-277</p> <p>Sponsors: Senator Tapia Representative Pommer</p> <p>The bill reduces the required General Fund reserve from 4 percent of General Fund appropriations to 2 percent for FY 2009-10 in order to address the revenue shortfall for FY 2009-10. Under current law, excess General Fund reserve is available one-third for capital construction and two-thirds for transportation. The excess General Fund reserve is any money left over after appropriations have been increased by 6 percent, a statutorily-defined reserve has been fully funded, and the Senate Bill 97-1 diversion of 10.355 percent of sales and use tax revenue has been made in full to the Highway Users Tax Fund.</p>	<p>Short Title: FY 2009-10 General Fund Reserve Reduction</p> <p>Status: Signed into Law</p> <p>Fiscal Information:</p> <p>The bill is not expected to impact the amount of revenue available for capital construction. The required General Fund reserve is being reduced in order to address budgetary shortfalls and allow for increased spending from the General Fund. Thus, there is not anticipated to be any excess General Fund reserve available for capital construction or transportation. Furthermore, another bill, Senate Bill 09-278, eliminates the automatic transfer of excess General Fund reserve for FY 2008-09 and FY 2009-10.</p>		

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	Senate Bill 09-278	Short Title:	Eliminate Transfers for State Capital Construction
Sponsors:	Senator Tapia Representative Ferrandino	Status:	Signed into Law
<p>The bill repeals the automatic Senate Bill 97-1 diversion to the Highway Users Tax Fund (HUTF) and the House Bill 02-1310 transfer to the Capital Construction Fund and the HUTF for FY 2008-09 and FY 2009-10. Under current law, up to 10.355 percent of sales and use tax revenue is diverted to the HUTF annually after General Fund appropriations have increased by 6 percent and a 4-percent reserve has been fully funded. Any remaining excess General Fund reserves are transferred two-thirds to highways and one-third to capital construction. The bill directs any excess reserves remain in the General Fund rather than be transferred to the HUTF or the Capital Construction Fund.</p>		<p>Fiscal Information:</p> <p>Based on the March 2009 Legislative Council Staff forecast and current law, there is not projected to be any moneys available for the Senate Bill 97-1 diversion or House Bill 02-1310 transfer in either FY 2008-09 or FY 2009-10. Therefore, it is unlikely that Senate Bill 09-278 will have any impact on the available revenue for capital construction.</p>	
Bill Number:	Senate Bill 09-279	Short Title:	Cash Fund Transfers Augment General Fund
Sponsors:	Senator Tapia Representative Pommer	Status:	Signed into Law
<p>The bill transfers money from 24 different funds, including the Capital Construction Fund and the Controlled Maintenance Trust Fund, to the General Fund, in order to augment state General Fund revenue for FY 2008-09 through FY 2010-11. The moneys transferred from the Capital Construction Fund were reverted to the fund pursuant to Senate Bill 09-280 from prior years' capital construction projects that were frozen by the Governor.</p>		<p>Fiscal Information:</p> <p>The bill authorizes the transfer of \$28.1 million from the Capital Construction Fund and \$0.1 million from the Controlled Maintenance Trust Fund on July 1, 2009.</p>	
Bill Number:	Senate Bill 09-280	Short Title:	Supplemental Appropriations Capital Construction
Sponsors:	Senator Keller Representative Pommer	Status:	Signed into Law
<p>The bill makes supplemental capital construction appropriations for 15 projects, including 2 requests for extensions of time only, and 2 requests to amend information about the source of cash funds listed in the 2008 Long Bill.</p> <p>The bill also makes cuts to 61 prior years' capital construction and controlled maintenance projects. These projects were frozen by the Governor in order to address the anticipated budgetary shortfall for FY 2008-09 and FY 2009-10.</p>		<p>Fiscal Information:</p> <p>The combined impact of the 15 supplemental requests from all funding sources is \$60.5 million, including \$52.3 million from cash funds and \$8.2 million from federal funds. No state-funded supplemental appropriations for capital construction were requested for FY 2009-10.</p> <p>The combined impact of the 61 frozen projects is a reversion of \$85.4 million state funds to the Capital Construction Fund. These funds are available for FY 2009-10 capital construction and controlled maintenance projects and to transfer to the General Fund for budget balancing purposes.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	Senate Bill 09-290	Short Title:	Concerning Flexibility for Capital Construction Projects
Sponsors:	Senator Bacon Representative Riesberg	Status:	Signed into Law
<p>The bill changes the review process for cash-funded capital construction projects at higher education institutions and changes how various cash-funded projects are categorized. The bill also makes changes to the bidding process for capital construction projects for higher education institutions.</p> <p>Current law regarding cash-funded capital construction projects submitted by higher education institutions. Under current law, any cash-funded project costing in excess of \$2 million dollars is subject to review and approval by the Colorado Commission on Higher Education (CCH), the Capital Development Committee (CDC), and the Joint Budget Committee (JBC). Cash-funded projects submitted by higher education institutions and approved by the CCH, CDC, and JBC may be commenced anytime during a fiscal year and do not require prior authorization in a bill.</p> <p>Cash-funded projects fall into two categories, including: (1) Senate-Bill 92-202 projects, which are constructed from auxiliary funds and will never be eligible for state funds for operating or maintenance expenses; and (2) House Bill 08-1205 projects, which are constructed from higher education institution cash sources and are eligible for future state funds for operating and/or maintenance expenses.</p> <p>Changes to the review process for cash-funded capital construction projects submitted by higher education institutions. The bill directs higher education institutions to annually submit 2-year projections for all capital construction projects to be constructed using cash funds, and costing more than \$2 million, to CCH. CCH in turn is directed to annually submit a unified list of 2-year projections from higher education institutions to the CDC. The bill instructs both CCH and the Governor's Office of State Planning and Budgeting (OSP) to provide written comments to the CDC about the projections. The CDC is directed to review and approve the 2-year projections annually. If necessary, the CDC may direct institutions of higher education to modify the projections. Any project listed and reviewed as part of an institution's 2-year projection may commence construction upon approval of an institution's governing board, and without further legislative review, unless it is subject to the higher education revenue bond intercept program. If an institution of higher education plans to issue bonds for a project pursuant to the higher education revenue bond intercept program, then the project is subject to additional review and approval by the CDC and CCH. Project construction may commence upon approval by both the CDC and CCH. The CDC forwards its recommendations concerning projects subject to the higher education revenue bond intercept program to the JBC for consideration.</p> <p>The higher education revenue bond intercept program directs the state treasurer to make payments of principal and/or interest on bonds, on behalf of a state-supported institution of higher education, in the event a higher education institution does not make a scheduled payment, unless a higher education institution adopts a resolution stating that it will not accept such payment prior to the issuance of the bonds for a project. Historically, most state-supported institutions of higher education that issue bonds from revenue sources such as student fees in order to finance projects do so using the state's credit rating. Therefore, most higher education cash-funded projects may still be subject to a separate review and approval by the CDC and CCH.</p>		<p>Fiscal Information:</p> <p>The bill may reduce the committee's workload because it will review higher education cash projects during an annual hearing rather than throughout the year.</p> <p>The bill may further limit eligibility for future state funding for controlled maintenance for some cash-funded projects. Under current law, projects constructed from auxiliary facility funds are not eligible for state funds for operating or maintenance expenses. The bill extends this restriction to include all non-academic buildings, including those constructed from institutional cash funds. However, academic facilities constructed from auxiliary facility funds are now eligible for future state funding for controlled maintenance. It is unknown whether these changes will impact the number of projects eligible for future controlled maintenance funding. Therefore the fiscal impact on future state funding for operating and maintenance expenses is unknown.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Bill Number: Senate Bill 09-290 (Cont.)

Short Title: Concerning Flexibility for Capital Construction Projects

Sponsors: Senator Bacon
Representative Riesberg

Status: Signed into Law

Higher education institutions are directed to submit amendments to approved 2-year projections simultaneously to CCHE, OSPB, and the CDC. Both CCHE and OSPB are directed to provide written comments to the CDC about the amended program plan. The CDC is directed to meet within 30 days of the submittal during the session, or 45 days during an interim, to review and approve a program plan amendment. The receipt of an additional gift, grant, or donation and/or the increase of up to 15 percent of the project's total cost is not required to be submitted as a program plan amendment so long as the higher education institution notifies the CCHE, OSPB, CDC, and JBC in writing to explain how a project has been amended or enhanced and to verify the receipt of additional moneys.

The bill states that it is the responsibility of each higher education institution's governing board to ensure cash-funded projects are planned and constructed in accordance with the institution's mission, are of a size and scope to provide for the defined program needs, and are designed in accordance with all applicable building codes and accessibility standards.

Categorization of higher education institution cash-funded projects pursuant to Senate Bill 09-290. Pursuant to the bill, higher education institution cash-funded projects can fall into one of four categories, including: (1) non-academic buildings that are to be constructed, operated, and maintained solely from cash funds; (2) academic buildings to be constructed from cash funds and operated and maintained from such cash funds, or from state moneys appropriated for such purposes; (3) non-academic buildings subject to the higher education revenue bond intercept program that are to be operated and maintained solely from cash funds; and (4) academic buildings subject to the higher education revenue bond intercept program to be constructed from cash funds and operated and maintained from such cash funds, or from state moneys appropriated for such purposes.

Requirement for projects to comply with the high performance certification program. The bill requires that any cash-funded capital construction project at a higher education institution that is eligible for future state dollars for operating or maintenance must comply with the provisions of the high performance certification program regarding Leadership in Energy and Environmental Design (LEED) certification.

Changes to the bidding process for capital construction projects. The bill makes changes to the bidding process for higher education institutions as follows:

- (1) Allows the executive director of the Department of Personnel and Administration the discretion to exempt higher education cash-funded projects from certain procedural requirements regarding the negotiation of consultants' contracts and construction bidding for public projects;
- (2) Doubles the cost threshold that triggers a requirement for public notice to be given prior to contracting for new projects from \$500,000 to \$1 million for construction costs, and from \$50,000 to \$100,000 for professional services; and
- (3) Expands the allowable medium for public notice to be given prior to contracting for new projects, issuing an invitation for bids, or giving notice of final settlement, from daily newspapers to also include an electronic medium.

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	House Bill 09-1083	Short Title:	DPA Lease-Purchase Authority
Sponsors:	Representative McFadyen Senator Tapia	Status:	Signed into Law
<p>The bill authorizes the Department of Personnel and Administration (DPA), Division of Central Services, to acquire, through lease-purchase, a 31,400 square-foot office warehouse building on 6.02 acres of land at 2 Jetway Court in Pueblo, Colorado. The property is currently occupied by the DPA's Integrated Document Solutions operations. The annual lease payments are scheduled to increase from \$266,900 to \$3,102,225 in FY 2010-11, and to \$314,000 thereafter. The cost to purchase the building through lease-purchase is \$4,804,200 cash funds, based on an annual payment of \$266,900 per year for 18 years. The annual payments will be made from the department's operating budget.</p>		<p>Fiscal Information: The department says the state will save a total of \$788,952 between FY 2009-10 and FY 2026-27 by entering into a lease-purchase agreement rather than leasing the building.</p>	
Bill Number:	House Bill 09-1168	Short Title:	Wildlife and Parks Reports to CDC
Sponsors:	Representative Riesberg Senator Schwartz	Status:	Signed into Law
<p>The bill clarifies the order of approval for real property transactions submitted by the Division of Parks and Outdoor Recreation (Parks) and the Division of Wildlife (Wildlife). Under current law, the Capital Development Committee (CDC) is required to review reports submitted by Parks and Wildlife concerning the acquisition of real property and make recommendations to the Wildlife Commission and State Parks Board, respectively. Often these projects are submitted to the CDC before they have been approved by the Wildlife Commission and State Parks Board. The bill requires that real property transactions be submitted to the CDC after the Wildlife Commission or State Parks Board has approved the transaction, but before the transaction has been finalized.</p>		<p>Fiscal Information: The bill has no fiscal impact. The change in reporting order will not increase the divisions' workload.</p>	
Bill Number:	House Bill 09-1169	Short Title:	Extend Repeal of CDC
Sponsors:	Representative Riesberg Senator Bacon	Status:	Signed into Law
<p>The bill extends the repeal of the Capital Development Committee (CDC) to July 1, 2014. Under current law, the CDC is scheduled to sunset on July 1, 2009. The CDC is a joint committee established in 1985. The committee's primary charge is to study capital construction and controlled maintenance requests from state agencies and higher education institutions, and make recommendations to the Joint Budget Committee regarding appropriations for these requests.</p>		<p>Fiscal Information: The bill has no fiscal impact. The bill only extends the committee, but does not increase its workload.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	House Bill 09-1218	Short Title:	State Capital Lease Agreements
Sponsors:	Representative Soper Senator Bacon	Status:	Signed into Law
<p>The bill raises the payment threshold for lease-purchase agreements that must be authorized by a bill other than a supplemental appropriations bill or the annual appropriations bill from \$50,000 to \$500,000 over the length of the lease agreement. It also changes the definition of lease-purchase agreement to conform to the federal definition of capital lease in the Generally Accepted Accounting Principles issued by the Governmental Accounting Standards Board. The bill requires the Office of the State Controller to ascertain whether lease-purchase agreements conform to the definition of a capital lease. The bill does not change the responsibilities of the Capital Development Committee regarding the review of reports submitted by the executive director of the Department of Personnel and Administration prior to the acquisition of property through lease-purchase agreement.</p>		<p>Fiscal Information: The bill has no fiscal impact. According to the Office of the State Controller, although the bill may lead to more overall reviews of lease purchase agreements, office personnel will spend less time identifying lease purchase agreements that should have been subject to legislative approval but were not submitted for review.</p>	
Bill Number:	House Bill 09-1223	Short Title:	Tobacco Litigation Fund & Colorado Benefit Management System
Sponsors:	Representative Marostica Senator Tapia	Status:	Signed into Law
<p>The bill extends the deadline for expending moneys for the Colorado Benefits Management System from the health care supplemental appropriations and overexpenditures account of the Tobacco Litigation Settlement cash fund. Under current law, the deadline for expending moneys from this fund is April 15, 2009. Upon expiration of the new deadline, April 15, 2010, any remaining balance in the fund will be transferred to the General Fund. The Colorado Benefits Management System is a joint effort between the Department of Human Services and the Department of Health Care Policy and Financing, and provides an integrated client management program to support the distribution of financial, medical, and food stamp benefits.</p>		<p>Fiscal Information: Extending the deadline does not require an appropriation. Any appropriations from the Health Care Supplemental Appropriations and Overexpenditures Account will be made in the Long Bill.</p>	
Bill Number:	House Bill 09-1229	Short Title:	Designate Enterprise Auxiliary Facilities
Sponsors:	Representative Kerr J. Senator Isgar	Status:	Signed into Law
<p>The bill eliminates the automatic expiration of enterprise status for an auxiliary facility so long as the auxiliary facility meets the requirements of an enterprise. An enterprise is defined by the Colorado constitution as a government-owned business that has the authority to issue bonds and receives less than 10 percent of its annual revenues from state and local government grants combined. Under current law, enterprise status must be reauthorized each year, by bill, by the General Assembly. The bill also lists auxiliary facilities, such as parking facilities or recreation centers, designated as enterprises. The bill only affects higher education institutions, because auxiliary facilities are enterprises that are operated on the campuses of state-funded higher education institutions.</p>		<p>Fiscal Information: The bill has no fiscal impact. Permitting auxiliary facilities to retain their enterprise status without a mandatory sunset does not change state revenues or expenses.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	House Bill 09-1242	Short Title:	Contributions to Research Institutions
Sponsors:	Representative Summers Senator King K.	Status:	Signed into Law
<p>The bill allows state institutions of higher education to establish a Venture Development Investment Fund for the purpose of commercializing research projects. The fund may provide money for entrepreneurial programs associated with the institution in part to give students experience in transforming research and development concepts into commercially viable products and services.</p>		<p>Fiscal Information: The bill authorizes higher education institutions and/or the fund's administrative entity to seek and accept gifts, grants, and donations to the fund, which may increase state revenues.</p>	
Bill Number:	House Bill 09-1272	Short Title:	Limited Gaming Amendment 50 Community College Funding
Sponsors:	Representative Tapia Senator Massey and Senator Pommer	Status:	Signed into Law
<p>The bill implements Amendment 50, the initiated measure approved by Colorado voters at the November 2008 General Election, which expands the definition of limited gaming in the state to include the games of roulette and craps and to increase the maximum single bet limit for all games to \$100. The bill directs the Limited Gaming Commission to follow existing constitutional provisions regarding the distribution of revenue earned from limited gaming under current law, and to distribute new revenue attributable to extended limited gaming to community colleges and gaming communities. Extended limited gaming revenue is calculated by tracking the actual percentage growth in revenue earned over the prior fiscal year, less 3 percent of the prior year's total.</p> <p>The bill directs the Limited Gaming Commission to distribute 78 percent of any new revenue attributable to extended limited gaming to 15 public community colleges, junior colleges, and local district colleges. The bill also distributes new revenue to two-year programs at Mesa State College and Adams State College. The new revenue will be distributed to colleges in proportion to the number of full-time equivalent students enrolled during the previous fiscal year at each college, as reported by the Colorado Commission on Higher Education.</p> <p>The bill may also affect revenue to the State Historical Fund. Under current law, the Colorado Historical Society (CHS) receives 28 percent of limited gaming revenue in the state. The bill limits the growth in transfers to the State Historical Fund from limited gaming revenue to the prior year's transfer plus up to 6 percent of the revenue attributable to extended limited gaming.</p>		<p>Fiscal Information: The bill provides additional revenue to community colleges to supplement existing state funding for student financial aid programs and classroom instruction programs. The bill also gives colleges the authority to issue bonds for capital projects from the new source of revenue.</p> <p>The bill may reduce future available revenue for CHS's operating expenses and state historic preservation grants since a growth limit has been set.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Signed into Law (Cont.)			
Bill Number:	House Bill 09-1295	Short Title:	Metropolitan State College of Denver to Offer Master's Degrees
Sponsors:	Representative Todd Senator Heath	Status:	Signed into Law
<p>The bill authorizes Metropolitan State College of Denver (Metro) to offer Master's Degree programs that address the needs of its urban service area. Under current law, Metro is authorized to offer undergraduate degrees in liberal arts and sciences, education, and technical programs. The college may also offer baccalaureate degrees in professional programs. Prior to the adoption of new graduate programs at Metro, the college is required to seek approval from the Colorado Commission on Higher Education.</p>		<p>Fiscal Information: The bill may increase overall student enrollment and create additional tuition revenue at Metro.</p>	
Bill Number:	House Bill 09-1333	Short Title:	State Historical Fund Museum Transfers
Sponsors:	Representative Riesberg Senator Bacon	Status:	Signed into Law
<p>The bill reduces the cash funds transfer amount from the State Historical Fund to the State Museum Cash Fund for FY 2009-10 and FY 2010-11 in order to accommodate lower-than-expected limited gaming revenue in FY 2008-09. Moneys in the State Museum Cash Fund will be used to make certificates of participation (COP) payments for the New Colorado History Museum, which is currently under design. According to the department, the project's scope is being reduced concurrent with the reduction in available cash funds from the State Museum Cash Fund. COPs for the project will be issued in Fall 2009.</p>		<p>Fiscal Information: The bill transfers \$2 million in FY 2009-10 and FY 2010-11 from the State Historical Fund to the State Museum Cash Fund. The bill also authorizes the Colorado Historical Society to direct the State Treasurer to transfer any unexpended unencumbered moneys in the State historical Fund to the State Museum Cash Fund.</p>	
Bill Number:	House Bill 09-1346	Short Title:	Recovery & Reinvestment Financial Act of 2009
Sponsors:	Representative Carroll T. Senator Shaffer B.	Status:	Signed into Law
<p>The bill clarifies the process for public entities in Colorado to take advantage of financing mechanisms provided under the recently enacted federal stimulus package. The bill does not authorize new borrowing by public entities in Colorado, but it clarifies how borrowing may qualify for a federal subsidy.</p>		<p>Fiscal Information: The American Recovery and Reinvestment Act of 2009 provides new federal funds to state and local governments to subsidize the interest payments on stimulus-related bonds issued by public entities thereby lowering borrowing costs for certain types of public construction projects. The new federal subsidies may allow state agencies to reduce certain borrowing costs for capital projects or to borrow more money than previously planned.</p>	

**Figure 8.1
Summary of Capital Development-Related Bills, 2009 Session (Cont.)**

Postponed/Indefinitely			
Bill Number:	House Bill 09-1154	Short Title:	Eliminate Reductions in Senate Bill 97-1 Transfers to HUTF
Sponsors:	Representative Sonnenberg Senator Renfroe	Status:	Postponed Indefinitely
<p>The bill would have changed the Senate Bill 97-1 diversion to the Highway Users Tax Fund (HUTF). Under current law, the HUTF receives up to 10.355 percent of revenue from sales and use taxes only if revenue is sufficient to allow General Fund operating appropriations to increase by the maximum allowable rate of 6 percent and the General Fund budget to retain a 4 percent reserve. This mechanism is called the Senate Bill 97-1 diversion. Beginning in FY 2009-10, the bill would have eliminated this trigger and required the HUTF to receive 10.355 percent of sales and use tax revenue for highways every year regardless of the amount of available revenue in the General Fund.</p>		<p>Fiscal Information: The bill would have caused a diversion of sales and use tax revenue to the HUTF. Based on the December 20, 2008, Legislative Council Staff economic forecast, the bill would have reduced future amounts available for General Fund appropriations in the state's operating budget. By causing a reduction in appropriations, the bill would have lowered the base from which future fiscal year appropriations can grow by the 6 percent limit. Over time, this would have increased the amount of General Fund excess reserves. Pursuant to House Bill 02-1310, excess General Fund reserves are transferred two-thirds to highways and one-third to capital construction. Eventually the bill could have increased the amount of General Fund excess reserves available for highways and capital construction compared to current law.</p>	
Deemed Lost			
Bill Number:	House Bill 09-1269	Short Title:	Create New Rainy Day Account
Sponsors:	Representative Ferrandino No Senate Sponsor	Status:	Deemed Lost
<p>The bill renames the Controlled Maintenance Trust Fund, calling it the Controlled Maintenance and Rainy Day Fund, and establishes two accounts within the trust fund: the Controlled Maintenance Account and the Rainy Day Account. All moneys in the existing Controlled Maintenance Trust Fund will be transferred to the Controlled Maintenance Account. The Controlled Maintenance Account will be used in the same manner as the Controlled Maintenance Trust Fund is used under current law, so interest earnings on the account will still be available for controlled maintenance projects.</p>		<p>Fiscal Information: The bill provides additional revenue for expenditures on controlled maintenance projects from income and interest earnings on the newly created Rainy Day Account, which will receive money from the Senate Bill 97-1 diversion to the Highway Users Tax Fund.</p>	

IX. Glossary

- CCF** — **Capital Construction Fund**
- CCFE** — **Capital Construction Funds Exempt**
- 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**
- CFE** — **Cash Funds Exempt**
- 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."**