

# STATE OF COLORADO

## OFFICE OF STATE PLANNING AND BUDGETING

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Bill Ritter Jr.  
Governor

Todd Saliman  
Director

September 1, 2010

The Honorable Bob Bacon  
Chairman  
Capital Development Committee  
State Capital Building Room 029  
Denver, CO 80203

Re: OSPB Submission of FY 2011-12 Nonprioritized Capital Requests

Dear Senator Bacon:

As required by §24-37-304 (1) (c.3) (I), C.R.S. (2009), the Governor's Office of State Planning and Budgeting (OSPB) is providing the capital construction requests for FY 2011-12. These requests are not prioritized and have not yet been recommended for funding. Prioritization and funding recommendations will be presented to the Capital Development Committee by November 1, 2010. This September 1, 2010 submission will include two binders, provided to the staff of the Capital Development Committee. One binder is submitted with this letter and contains the requests for state departments other than the Department of Higher Education. Included are a spreadsheet summarizing the binders' contents and the Five Year Summaries or CC-P forms for each department. If there is any discrepancy with the CC-P, the dollars on the signed CC-C forms are the official requests from the Office of State Planning and Budgeting.

A separate binder containing the requests submitted to OSPB by the Colorado Department of Higher Education (CDHE) will be delivered by CDHE. These are only requests determined by CDHE to meet OSPB capital construction criteria published in May 2010.

Although this submission is not a recommendation for funding, I would like to remind the Committee that certain projects were included in the OSPB June 2010 General Fund Revenue forecast, in order to ensure that there is adequate funding to meet those projects' needs. These are illustrated in the table below:

### Projects included in General Fund Forecast for FY 2011-12

Project Name	FY 2011-12
Lease Purchase of Academic Facilities at Anschutz Medical Campus (Fitzsimons)	\$5,144,350
Lease Purchase of Centennial, formerly Colorado State Penitentiary II	\$17,141,139
Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102 (FML)	\$601,713
Level I Controlled Maintenance	\$20,000,000
Colorado Integrated Tax Architecture	\$8,628,383

These numbers are subject to change until the November 1 prioritization is presented. OSPB will develop a new projection for the September 20, 2010 Revenue Forecast. This information will be forwarded to the Capital Development Committee.

Due to ongoing State revenue situation, OSPB published criteria limiting the number of requests it would process for FY 2011-12. These criteria were published in the May 2010 Budget Instructions and are as follows:

- 100% cash or federally funded projects
- Certificates of participation annual payments
- For non-higher education, Capital Construction Funds (General Fund) request priority number 1 from each department, other than certificates of participation annual payments.
- For the Department of Higher Education, the top 7 priorities as ranked by the Colorado Commission on Higher Education, other than certificates of participation annual payments.
- Continuation Requests. A Continuation Request is an ongoing project appropriated in FY 2010-11 which delineated a FY 2011-12 impact.
- Project was originally on the list published in HJR 08-1042 but did not receive any funding from first round of Federal Mineral Lease certificates of participation.

Requests that did not meet these criteria were not reviewed by OSPB and are not being submitted to the Capital Development Committee for consideration. As a part of this submission, CDHE will not submit higher education requests unless they OSPB meet criteria. However, the Commission on Higher Education reserves its ability under §23-1-106 (7), C.R.S. to submit a prioritized list to the Capital Development Committee that may include projects deemed to not meet OSPB criteria. Also, please note that OSPB has delegated review of all 100% cash funded projects for institutions of higher education to the Department of Higher Education. These cash requests will be submitted directly to the Capital Development Committee by CDHE.

OSPB did not approve any inflationary adjustments for FY 2011-12 capital construction requests. Only the request for State Patrol aircraft includes an assumption for inflation, and that assumption is defended within the submitted request.

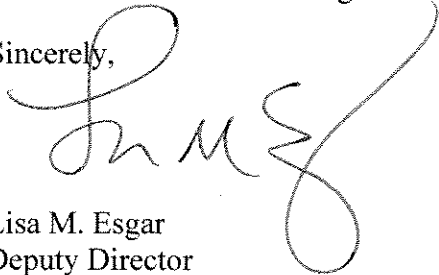
OSPB would note a couple of issues for the Committee. The first is in relation to the development of a new Division of Youth Corrections Adams County Facility that continues to be anticipated. The Department of Human Services gave serious consideration to submitting this request for FY 2011-12, but due to the lack of available capital dollars, the Department decided not to advance this specific request at this time. The Department has kept the replacement of the Adams County Facility in its 5-year plan to make it clear that this project is still a high priority to the Department, but for this budget cycle, DHS focused on Capital Construction Fund requests that it views as critical to the immediate health, life, and safety needs of its clients. The Office of State Planning and Budgeting reminds the Committee that the land for the new Adams County facility was given to the Department, and the Department has three more years to secure funding before the reversion of ownership of the land. The Department anticipates submitting this request for FY 2012-13.

OSPB also points out that this FY 2011-12 submission includes no Department of Revenue Port of Entry repair requests for FY 2011-12, despite the obvious need for such repair. Instead, these needs will be requested via supplemental for FY 2010-11. OSPB has instructed the Department to submit the Ports requests for FY 2010-11 as it is projected that there is sufficient HUTF Off-the-Top to fully fund these requests in FY 2010-11.

At this time, the Colorado Department of Higher Education has not completed the review process for the higher education capital construction requests. Once the requests are prioritized, as delineated in the OSPB Budget Instructions, the top seven requests that are not annual payments for COPS will be reviewed by OSPB then forwarded to the Capital Development Committee. In addition, the Annual Payment for the Federal Mineral Lease Certificates of Participation is not included in this submission and OSPB hopes to be able to forward that request shortly.

Please feel free to contact me at (303) 866-3024 or [lisa.esgar@state.co.us](mailto:lisa.esgar@state.co.us) with any questions or comments. I am also available to present any necessary information to the Committee at its next meeting. Thank you for your consideration of these important requests. We will submit the recommendation for funding of these requests and their prioritization on November 1, 2010.

Sincerely,



Lisa M. Esgar  
Deputy Director

cc: Representative Jim Riesberg, Vice-Chairman, CDC  
Senator Scott Renfroe, CDC  
Senator Gail Schwartz, CDC  
Representative Jerry Sonnenberg, CDC  
Representative Edward Vigil, CDC  
Todd Saliman, Director, Governor's Office of State Planning and Budgeting  
Kori Donaldson, CDC Staff (two sets of binders)  
John Ziegler, Joint Budget Committee Staff Director  
Patrick Brodhead, JBC Staff (one set of binders)  
Larry Friedberg, Office of the State Architect (one set of binders)  
Dan Krug, CDHE (one set of binders)  
State Auditor (one set of binders)  
State Library (four sets of binders)