



**Colorado
Legislative
Council
Staff**

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M E M O R A N D U M

December 10, 2015

TO: Capital Development Committee

FROM: Kori Donaldson, Principal Research Analyst, 303-866-4976

SUBJECT: FY 2016-17 Capital Construction Requests and Projected Available Revenue

Summary

This memorandum provides an overview of projected revenue available in FY 2016-17 for capital construction and controlled maintenance projects. It also summarizes the capital construction requests for FY 2016-17. Table 2 provides an overview of projected revenue versus requests for capital projects in FY 2016-17. Table 2 shows a \$300.0 million revenue shortfall to fund all capital requests.

Revenue

As of December 1, 2015, there is projected to be about \$114.3 million available for FY 2016-17 capital construction projects from the Capital Construction Fund (CCF). Of this amount, \$4.3 million comes from the uncommitted fund balance from prior fiscal years. Additional funds come from projected CCF interest earnings in FY 2015-16. In addition, there is projected to be about \$1.5 million available from unspent interest earnings on the Controlled Maintenance Trust Fund. In a November 2, 2015, letter to the Capital Development Committee (CDC), the Governor's Office of State Planning and Budgeting (OSPB) recommended a FY 2016-17 General Fund transfer of \$58.5 million to fund capital and information technology projects for FY 2016-17. Once this number is adjusted to exclude information technology requests under consideration by the Joint Technology Committee and certain technical adjustments, the FY 2016-17 General Fund transfer amount required to fully fund the capital projects recommended by OSPB is \$54.8 million.

Requests

State-funded requests. As of November 2, 2015, there are 39 state-funded capital construction requests for FY 2016-17, including 14 from state departments and 25 from higher education institutions. In addition, there are 119 state-funded controlled maintenance projects requested for funding. Table 1, beginning on the next page, lists the number of projects, by

type, and the associated total request amounts. This year's capital budget request does not include any certificates of participation (COP) lease payments.

**Table 1
FY 2016-17 State-Funded Capital Construction Requests**

Project Type	Number of Projects	Amount (in millions)
Higher education continuation projects	5	\$42.5
Higher education new or previously requested projects	20	\$236.4
State department continuation projects	6	\$26.8
State department new or previously requested projects	8	\$18.3
Subtotal: Capital Construction	39	\$324.0
Controlled maintenance, level 1	30	\$26.1
Controlled maintenance, level 2	50	\$37.9
Controlled maintenance, level 3	39	\$26.4
Subtotal: Controlled Maintenance	119	\$90.4
Grand Total: Capital Construction and Controlled Maintenance	158	\$414.4

Source: Legislative Council Staff

In a letter dated November 2, 2015, OSPB recommended funding 13 state-funded projects for FY 2016-17, including part of the Level 1 Controlled Maintenance project list (\$10.2 million), 11 continuation projects, and the ongoing \$500,000 General Fund Exempt Account appropriation for unspecified highway construction projects. Of these 13 projects, one is requested from cash funds but categorized as a state-funded request because it received prior state funding.

Cash-funded requests. In addition to the 39 state-funded projects and 119 state-funded controlled maintenance projects requested for FY 2016-17, there are 10 cash-funded requests. Higher education cash-funded requests are submitted separately, and are not calculated in the FY 2016-17 total cash-funded request amounts. The total cash funds requested for all projects is \$150.0 million. The total cash funds request amount for projects funded solely from cash sources, excluding the cash component of the various state-funded requests, is \$39.2 million.

More specific information about any of the state- or cash-funded requests is available upon request to Legislative Council Staff.

Table 2
FY 2016-17 Capital Construction Fund (CCF) Revenue
and State-Funded Capital Requests

REVENUE	
<i>CCF Balance, July 1, 2015</i>	\$4,286,094
Projected FY 2015-16 CCF interest	2,250,000
Projected FY 2015-16 CMTF interest (includes prior year unspent interest earnings)	1,500,000
Projected Remaining FY 2015-16 Senate Bill 09-228 Transfer	25,000,000
Projected FY 2016-17 Senate Bill 09-228 Transfer	26,500,000
Recommended FY 2016-17 General Fund Transfer, includes \$500,000 from the General Fund Exempt Account	54,802,048
<i>Projected CCF Balance (Includes Available CMTF) – July 1, 2016</i>	\$114,338,142
REQUESTS	
Higher Education	
<i>Continuation requests</i>	42,509,295
<i>All other projects</i>	236,390,381
Subtotal - Higher Education Projects	\$278,899,676
State Departments	
<i>Continuation requests</i>	26,773,643
<i>All other projects</i>	18,310,357
Subtotal – State Department Projects	\$45,084,000
Controlled Maintenance (state departments and higher education institutions)	
<i>Level 1 (30 projects)</i>	26,127,246
<i>Level 2 (50 projects)</i>	37,846,908
<i>Level 3 (39 projects)</i>	26,420,077
Subtotal - Controlled Maintenance Projects	\$90,394,231
TOTAL - Requests	\$414,377,907
SURPLUS/(SHORTFALL)	(\$300,039,765)

Source: Legislative Council Staff