

Schedule 13
Funding Request for the 2013-14 Budget Cycle

Department: Department of Personnel & Administration
 Request Title: Capitol Complex Building Upgrade, Repair, and Replacement
 Priority Number: CP - 1

Dept. Approval by: *[Signature]* 10/17/12
 Date

OSPB Approval by: *[Signature]* 10/23/12
 Date

- Decision Item FY 2013-14
- Base Reduction Item FY 2013-14
- Supplemental FY 2012-13
- Budget Amendment FY 2013-14

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
Fund		Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
Total of All Line Items	Total	1,884,034	-	1,884,034	803,111	803,111
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	1,884,034	-	1,884,034	803,111	803,111
	FF	-	-	-	-	-
(4) Central Services, (D)	Total	1,884,034	-	1,884,034	803,111	803,111
Facilities Maintenance -	FTE	-	-	-	-	-
Capitol Complex,	GF	-	-	-	-	-
Operating Expenses	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	1,884,034	-	1,884,034	803,111	803,111
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: Fund 610 - Capitol Complex Fund

Reappropriated Funds Source, by Department and Line Item Name: All Departments in the Capitol Complex

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: All Departments in the Capitol Complex

Other Information:



DEPARTMENT OF PERSONNEL & ADMINISTRATION

John W. Hickenlooper
Governor

*FY 2013-14 Funding Request
November 1, 2012*

Kathy Nesbitt
Executive Director

Kathy Nesbitt 10/17/12
Signature Date

**Department Priority: CP - 1
Capitol Complex Building Upgrade, Repair, and Replacement**

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	FTE
Capitol Complex Building Upgrade, Repair and Replacement	\$803,111	\$0	0.0

Request Summary:

The Department of Personnel & Administration is requesting \$803,111 in Reappropriated Funds for allocation through the Capitol Complex Leased Space common policy. The total request encompasses two components, which are:

1. The reinstatement of \$303,111 in operating reductions that were taken during the recent economic downturn.
2. A requested base adjustment of \$500,000 to address critical safety and infrastructure needs with the Capitol Complex buildings.

The funding will be allocated through the Capitol Complex Leased Space appropriations to all agencies that occupy space in the State-owned facilities.

Problem or Opportunity:

Over the past few years, the Department of Personnel & Administration has been forced to cut back on maintenance and necessary upgrades for many of the buildings managed within the Capitol Complex Facilities program. The lack of maintenance and upgrades to many of the critical parts of building infrastructure and safety components has created a significant need to

address those areas where the health, life, and safety of the State's employees and citizens may be in jeopardy. The Department has identified a number of areas within many of its buildings that need maintenance, repair, or replacement to maintain a safe and productive work environment. Those areas include: elevators and elevator shafts, HVAC components (including boilers, blowers, and A/C units), flooring (including carpet and tile), and parking lots. The Department is concerned that the poor condition of these and other components of its State buildings pose unnecessary risks to its citizens and work force. The State has had some workers compensation claims filed against it by employees working in capitol complex facilities due to poorly maintained floor coverings and the potential failure of an HVAC component can cause a significant disruption in work if it occurs during an extreme weather event. It is a common private sector practice to include a charge in rent and lease payments to make these types of maintenance repairs on existing structures.

Brief Background:

The Department of Personnel & Administration's Capitol Complex Facilities program is responsible for the operating and maintenance

activities of the state-owned buildings located in downtown Denver, Lakewood, Grand Junction, and the Camp George West site in Golden. On an annual basis, the Department submits a common policy request that attempts to address the ongoing needs of the facilities, such as utilities and normal maintenance contracts, as well as one-time needs for improvements or repairs as necessary. For the past few decades, the Department has not been able to secure a steady and consistent funding level for controlled maintenance of the facilities. In addition, during the recent economic downturn, the Department was required to take budget reductions of \$303,111 in total funds to assist in the State's balanced budget requirement. This reduction in spending authority required a number of services and projects within the Capitol Complex to be curtailed or eliminated. The reduction in services included tree trimming, grounds maintenance at the Capitol, window washing, and routine custodial care. The projects that were eliminated or curtailed due to these reductions included elevator maintenance and replacement, HVAC system upgrades, and carpet and tile replacement. Many of these projects are more involved and costly than the standard maintenance and have been put off to the point that many of these components now require a significant overhaul, if not complete replacement. Much of the delay has been due to repeated budget downturns experienced by the State in the past decade, but even after the recovery of the State's financial situation, other projects have been prioritized above controlled maintenance projects such as these.

Proposed Solution:

In order to maintain a safe working environment and the aesthetic appearance and functionality of the State's buildings, the Department is requesting the reinstatement of the operating reductions taken in prior years (\$303,111 in Reappropriated Funds) as well as a \$500,000 base-increase for the CCLS common policy allocations so that it may begin to address the number of maintenance needs it has identified within its facilities. With very few exceptions,

each building has a need for improvement and/or replacement of a major component. Those that do not currently need any replacements will likely need them in the foreseeable future. The base increase will allow the Department of Personnel & Administration to maintain the aesthetic appearance of its grounds and manage the upgrade, repair, or replacement of many of the critical components on an annual basis, prioritized by severity of need.

Alternatives:

This is the best solution because it allows the State to maintain a safe working environment for its employees as well as maintain safe buildings for the citizens to the extent they are required to use State buildings. The Department believes the ongoing base appropriation is the ideal solution because it defrays the cost of upgrade, repair or replacement over a number of years, comports with the resources the Department has to manage this process, and allows for an on-going appropriation to address concerns as they arise. The alternative to this solution, which is the reduction or denial of the requested level of funding, would not allow the Department to address the needs of the State and its buildings in a timely manner. This might lead to additional losses to the State due to emergency repairs and replacements, as well as the continued unpolished appearance of the State's grounds.

Anticipated Outcomes:

If this proposal is approved, the Department of Personnel & Administration's (4) Central Services, (D) Facilities Maintenance – Capitol Complex program will begin the process of reinstating the functions eliminated during the recent economic downturn and undertake a number of projects that will ensure the safety and continued operation of the State's buildings.

Assumptions for Calculations:

The Department has requested an amount of funding equal to the amount reduced during prior budget reductions (\$303,111) as well as an amount of funding it believes will allow it to undertake a myriad of projects through-out the

Capitol Complex related to overall safety and continued service (\$500,000). These amounts will be built into the Capitol Complex Leased Space allocation and collected through the respective appropriations at the individual departments.

Consequences if not Funded:

If the State does nothing, it risks additional claims against it due to failing safety components and/or minor to severe disruptions in work due to conditions created in its buildings by failing components. This will affect State employees as well as citizens of the State. Depending upon the severity of the incident or incidents, the cost to settle these claims may far exceed the cost to upgrade, repair, or replace these components.

Impact to Other State Government Agency:

The tables in the attached appendix shows the impact to each agency for this request.

Relation to Performance Measures:

No applicable performance measures.

Current Statutory Authority or Needed Statutory Change:

24-1-136.5; 24-82-101 through 103; 24-30-1303; 18-9-117 C.R.S. (2012) authorizes the Department of Personnel & Administration to maintain the Capitol Complex facilities.

Table 1: FY 2013-14 Estimated Costs per Square Foot

Description	Location				
	Denver	Pierce	North Campus	Grand Junction	Camp George West
Base Rate	\$14.64	\$7.17	\$2.55	\$8.04	\$1.03
Impact of Policy on Rates	\$0.92	\$0.45	\$0.16	\$0.51	\$0.06
Total Rate	\$15.56	\$7.62	\$2.71	\$8.55	\$1.10

Table 2: FY 2013-14 Total Policy Adjustment by Department and Location

Agency	Location						Total
	Denver	Pierce	North Campus	Grand Junction	Camp George West	Camp George West Utilities*	
Agriculture	\$12,466	\$0	\$0	\$0	\$0	\$0	\$12,466
Corrections	\$0	\$0	\$0	\$0	\$3,030	\$0	\$3,030
Correctional Industries	\$0	\$0	\$0	\$0	\$1,211	\$0	\$1,211
Education	\$39,540	\$0	\$0	\$0	\$0	\$0	\$39,540
General Assembly	\$129,452	\$0	\$0	\$0	\$0	\$0	\$129,452
Governor, Lt Governor, OSPB	\$34,027	\$0	\$0	\$467	\$0	\$0	\$34,494
Health Care Policy and Financing	\$28,985	\$0	\$0	\$0	\$0	\$0	\$28,985
Human Services	\$91,141	\$0	\$0	\$1,568	\$0	\$0	\$92,709
Law	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$32,794	\$0	\$0	\$1,747	\$0	\$0	\$34,541
Military Affairs	\$0	\$0	\$0	\$0	\$3,625	\$0	\$3,625
Natural Resources	\$72,886	\$0	\$0	\$0	\$0	\$0	\$72,886
Personnel & Administration	\$113,438	\$0	\$11,480	\$737	\$0	\$0	\$125,655
Public Health	\$0	\$0	\$0	\$2,019	\$0	\$0	\$2,019
Public Safety	\$73,424	\$0	\$0	\$65	\$9,777	\$0	\$83,266
Regulatory Agencies	\$0	\$0	\$0	\$307	\$0	\$0	\$307
Revenue	\$68,599	\$52,443	\$912	\$3,047	\$0	\$0	\$125,001
Transportation	\$92	\$0	\$0	\$6,216	\$1,388	\$0	\$7,696
Treasurer	\$4,028	\$0	\$0	\$0	\$0	\$0	\$4,028
Labor & Employment	\$0	\$0	\$699	\$654	\$0	\$0	\$1,353
CSU Forest Service	\$0	\$0	\$0	\$602	\$245	\$0	\$847
Construction-Annex	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Life/Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacated - CCD North Campus	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$700,872	\$52,443	\$13,091	\$17,429	\$19,276	\$0	\$803,111

Table 3: FY 2013-14 Total Policy Adjustment by Department

Agency	Total	GF	CF	RF	FF
Agriculture	\$12,466	\$8,727	\$3,739	\$0	\$0
Corrections	\$3,030	\$3,030	\$0	\$0	\$0
Correctional Industries	\$1,211	\$0	\$1,211	\$0	\$0
Education	\$39,540	\$5,453	\$8,896	\$6,880	\$18,311
General Assembly	\$129,452	\$129,452	\$0	\$0	\$0
Governor, Lt Governor, OSPB	\$34,494	\$20,404	\$0	\$14,090	\$0
Health Care Policy and Financing	\$28,985	\$14,493	\$0	\$0	\$14,492
Human Services	\$92,709	\$42,472	\$4,983	\$5,408	\$39,846
Law	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$34,541	\$13,147	\$2,010	\$19,384	\$0
Military Affairs	\$3,625	\$2,284	\$0	\$0	\$1,341
Natural Resources	\$72,886	\$15,869	\$36,764	\$12,465	\$7,788
Personnel & Administration	\$125,655	\$80,813	\$13,446	\$31,396	\$0
Public Health	\$2,019	\$0	\$0	\$2,019	\$0
Public Safety	\$83,266	\$57,805	\$24,689	\$772	\$0
Regulatory Agencies	\$307	\$0	\$307	\$0	\$0
Revenue	\$125,001	\$80,180	\$44,821	\$0	\$0
Transportation	\$7,696	\$0	\$7,696	\$0	\$0
Treasurer	\$4,028	\$4,028	\$0	\$0	\$0
Labor & Employment	\$1,353	\$0	\$1,072	\$0	\$281
CSU Forest Service	\$847	\$0	\$847	\$0	\$0
Construction-Annex Life/Safety	\$0	\$0	\$0	\$0	\$0
Vacated - CCD North Campus	\$0	\$0	\$0	\$0	\$0
Total	803,111	478,157	150,481	\$92,414	\$82,059

Table 4: Total FY 2013-14 CCLS Impact by Department

Agency	FY 2012-13 Appropriation	FY 2013-14 Total Base Need	FY 2013-14 Incremental Base Need	FY 2013-14 Requested Policy Adjustment	FY 2013-14 Total Need	FY 2013-14 Total Incremental Need
Agriculture	\$169,713	\$198,416	\$28,703	\$12,466	\$210,882	\$41,169
Corrections	\$123,625	\$130,118	\$6,493	\$3,030	\$133,148	\$9,523
Correctional Industries	\$30,882	\$36,431	\$5,549	\$1,211	\$37,642	\$6,760
Education	\$556,399	\$629,345	\$72,946	\$39,540	\$668,885	\$112,486
General Assembly	\$1,402,249	\$2,060,404	\$658,155	\$129,452	\$2,189,856	\$787,607
Governor, Lt Governor, OSPB	\$457,377	\$549,025	\$91,648	\$34,494	\$583,519	\$126,142
Health Care Policy and Financing	\$394,600	\$461,336	\$66,736	\$28,985	\$490,321	\$95,721
Human Services	\$1,260,108	\$1,475,602	\$215,494	\$92,709	\$1,568,311	\$308,203
Law	\$1,273,320	\$0	(\$1,273,320)	\$0	\$0	(\$1,273,320)
Local Affairs	\$466,108	\$549,792	\$83,684	\$34,541	\$584,333	\$118,225
Military Affairs	\$76,894	\$88,933	\$12,039	\$3,625	\$92,558	\$15,664
Natural Resources	\$865,372	\$1,160,073	\$294,701	\$72,886	\$1,232,959	\$367,587
Personnel & Administration	\$837,576	\$2,000,197	\$1,162,621	\$125,655	\$2,125,852	\$1,288,276
Public Health	\$24,873	\$32,145	\$7,272	\$2,019	\$34,164	\$9,291
Public Safety	\$1,263,475	\$1,489,202	\$225,727	\$83,266	\$1,572,468	\$308,993
Regulatory Agencies	\$4,787	\$4,883	\$96	\$307	\$5,190	\$403
Revenue	\$1,683,594	\$1,989,390	\$305,796	\$125,001	\$2,114,391	\$430,797
Transportation	\$131,876	\$160,905	\$29,029	\$7,696	\$168,601	\$36,725
Treasurer	\$54,835	\$64,108	\$9,273	\$4,028	\$68,136	\$13,301
Labor & Employment	\$21,882	\$21,548	(\$334)	\$1,353	\$22,901	\$1,019
CSU Forest Service	\$13,610	\$15,993	\$2,383	\$847	\$16,840	\$3,230
Construction- Annex Life/Safety	\$0	\$0	\$0	\$0	\$0	\$0
Vacated - CCD North Campus	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$11,113,155	\$13,117,846	\$2,004,691	\$803,111	\$13,920,957	\$2,807,802