

CAPITAL DEVELOPMENT COMMITTEE



**Report of the
Capital Development Committee
to the Joint Budget Committee**

**Colorado Legislative Council Research Publication No. 321
January, 1988**

JOINT COMMITTEE ON CAPITAL DEVELOPMENT
RECOMMENDATIONS FOR 1988

Capital Development Committee
Report to the
Joint Budget Committee

Research Publication No. 321
January, 1988

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To Representative Elwood Gillis, Chairman, Joint Budget Committee, and to Members of the Fifty-sixth Colorado General Assembly:

Submitted herewith are the final recommendations of the Joint Committee on Capital Development for fiscal year 1988-89. The committee submits its report of these recommendations pursuant to the provisions of Section 2-3-1305, C.R.S., specifically:

2-3-1305. Recommendations and findings. The capital development committee shall make written reports setting forth its recommendations, findings, and comments as to each recommendation concerning capital assets which it submits to the joint budget committee. Other reports may be issued from time to time by the committee whenever it deems such action to be appropriate or whenever requested by the general assembly.

At its meeting of January 8, 1988, the committee acted to recommend the capital construction and controlled maintenance requests which are detailed herein. Please be advised that these recommendations and the order they are ranked in reflect careful evaluation of the best data available to the committee at this time. We trust that additional information which becomes available on these or other projects will be incorporated into the final capital construction budget embodied in the 1988 Long Appropriations Bill.

Respectfully submitted

/s/ Senator Claire Traylor
Chairman
Capital Development Committee

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JOINT COMMITTEE ON CAPITAL DEVELOPMENT

Members of the Committee

Sen. Claire Traylor Committee Chairman	Sen. Bob DeNier*
Rep. Bonnie Allison Vice Chairman	Sen. Dottie Wham*
Sen. Jana Mendez	Rep. Ken Chlouber*
	Rep. Juan Trujillo

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* Senator DeNier resigned his committee membership in November, 1987, and Senator Wham was named to replace him. Representative Chlouber was appointed to fill the vacant House seat.

COMMITTEE ON CAPITAL DEVELOPMENT

Summary of Recommendations

The Committee on Capital Development was created by House Bill No. 1070, 1985 session, as a joint statutory committee of the General Assembly. The committee is authorized to study the capital construction and controlled maintenance requests of all state departments, agencies, and institutions (with the exception of highway and bridge projects under the jurisdiction of the State Highway Commission). It is the committee's responsibility to evaluate and prioritize all requests for capital construction/controlled maintenance appropriations and to submit its recommendations to the Joint Budget Committee. To meet this responsibility, the Capital Development Committee holds budget review hearings with state government agencies and departments requesting capital construction funds, including institutions of higher education. In addition, the committee uses the summer and early autumn months to tour sites of capital construction projects. Such tours include correctional facilities, colleges and universities, state hospitals and institutions, and other state government buildings and properties.

The results of the committee's activity during the months of July to December are embodied in the recommendations for fiscal year 1988-89 reported herein. The report includes three types of recommendations: 1) capital construction/controlled maintenance budget scenarios (Scenarios I and III); 2) recommendations for legislation (bills); and 3) other committee recommendations (policy statements).

Capital Construction/Controlled Maintenance Recommendations

The committee presents for consideration two separate scenarios for capital construction/controlled maintenance funding for fiscal year 1988-89. However, the committee's position is to recommend Scenario III as its preferred recommendation for the coming fiscal year. Scenario I represents a fundamental needs scenario which funds only no choice continuation projects, controlled maintenance, and the state capital inventory project. Scenario II is not recommended at this time.

The committee's preferred Scenario III is composed of eight separate categories:

- no choice continuation projects, such as leases and lease-purchase agreements;

- a state capital assets inventory project, dedicated to creating a new capital assets management information system;
- controlled maintenance projects which provide for the ongoing maintenance and upkeep of state facilities;
- final stage of continuation projects, specifically those projects needing only one year of funding for completion;
- critical needs projects which include requests receiving the highest priority among new capital construction projects;
- health and life safety projects, deemed by the committee to be necessary to eliminate life or safety hazards;
- continuation projects not in their final stage; and
- equipment projects to provide needed pieces of equipment for capital facilities, consistent with existing capital construction definitions.

The total general fund appropriation required to fund Scenario III is \$61,050,982, which would fund 43 projects and provide \$18.9 million for controlled maintenance. Also included in this year's recommendations are two new non-construction items: a state-wide capital assets management information system; and a master planning pool, to be administered by the Department of Administration, for purposes of granting assistance to agencies and departments in creating facilities master plans. The total amount requested for capital construction by all agencies and departments was \$158.2 million for capital construction and \$152.5 million for controlled maintenance. 1/

Recommendations for Legislation

During the 1987 legislative interim, the committee developed proposed legislation on a variety of topics which impact capital construction management and capital construction financing. Five bills have been recommended by the committee for introduction in 1988. Two of these recommended bills, S.B. 140 and H.B. 1008, correspond to items recommended in the 1988-89 budget recommendations of the committee. The bills include:

H.B. 1008 -- Concerning the Approval of Facilities Plans;

1/ Capital construction requests from the Department of Corrections are included in Section III of this report, and are not included in the overall budget scenarios. This separation is made recognizing the likelihood of separate legislation to address prison construction needs in the 1988 legislative session.

- H.B. 1021 -- Concerning the Authority of the Colorado Housing and Finance Authority;
- S.B. 35 -- Concerning the Creation of a Division of Facilities Management;
- S.B. 41 -- Concerning Required Appropriations for Controlled Maintenance Projects; and
- S.B. 140 -- Concerning the Development of a Capital Assets Management Information System, and in Connection Therewith, Authorizing a Statewide Inventory, and Making an Appropriation Therefor.

Policy Recommendations

Finally, the Capital Development Committee has included a list of "other committee recommendations" comprised of six policy statements representing items of concern raised during the past year; review of capital construction issues. The committee raises these issues as discussion points and to alert the General Assembly to possible problem areas which have been brought to the committee's attention.

Brief summaries of each of these policy statements are included in this report. Detailed background information on these issues and on all requested projects is on file with the Legislative Council staff.

State Buildings Division Report

In keeping with the provisions of footnote 9c of the 1987 Long Bill, Section III of this report is the committee's analysis of the impact of staff reductions made at the State Buildings Division during 1987. The footnote directed the Capital Development Committee "to analyze the impact of the 1987-88 funding changes on the State Buildings Division and to report their findings to the Joint Budget Committee at the same time that they make their recommendations on capital construction and controlled maintenance." To this end, the committee reports its findings and its recommendation in the form of a recommended bill for creation of a new Division of Facilities Management.

I. 1988-89 CAPITAL CONSTRUCTION RECOMMENDATIONS
CAPITAL DEVELOPMENT COMMITTEE

Descriptions of Classifications

In total, the Capital Development Committee reviewed 175 projects submitted from eleven state departments and nine higher education agencies for fiscal year 1988-89. The submitted capital construction projects represented a total funding request of \$158.2 million in capital construction funds, \$22.2 million in other funds, and \$88.6 million in federal funds. Projects submitted for funding in FY 1988-89 would also require an additional \$358.6 million in future years to complete the projects.

In determining the capital construction funding recommendations for fiscal year 1988-89, the committee created eight project categories. Projects were placed within a category if project descriptions were consistent with the classification definition created by the committee. Projects were then ranked within each category, based primarily on project urgency.

After reviewing all the capital construction requests, the committee devised two separate funding scenarios. It is the recommendation of the Capital Development Committee that Scenario III, which is inclusive of Scenario I, be presented to the Joint Budget Committee and the General Assembly as the most responsible approach to addressing the capital construction needs of the state for FY 1988-89.

Scenario III recommends funding for 44 projects. This represents a total funding need of \$61,050,982 from the state's capital construction fund.

In the event the Joint Budget Committee recommends to the General Assembly a capital construction funding level below \$61.1 million, the Capital Development Committee requests the opportunity to review its recommendation package. The committee feels strongly that the 44 projects recommended are critical and should be funded in fiscal year 1988-89. However, if the required funds do not become available, a critical review of the project recommendations should be undertaken.

A summary of the project classifications, a complete listing (Table 1) and descriptions of the recommended projects are noted below. Table 2 then follows which notes those projects which are recommended for FY 1988-89, and the costs to complete those projects through FY 1997-98.

Scenario III

Scenario III is comprised of eight project categories, and represents the most comprehensive approach considered by the committee to capital construction funding for fiscal year 1988-89. The total funding request for Scenario III is \$61,050,982. A review of Scenario III follows.

No Choice Continuation Projects (5 Projects) -- \$13,548,351

This classification includes commitments to projects, such as lease-purchases, which are necessary if state participation is to continue. Failure to appropriate for these projects could result in the loss of the state's investment to date.

State Capital Assets Inventory (1 Project) -- \$1,500,000

This classification involves the study and development of a computerized state capital assets inventory that would result in the implementation of a facilities management master plan. The goal of the master plan is to study state-owned properties, their network of control, and value and interrelationships. This will allow the state to develop an asset management model that identifies the parameters of properties or services for all state departments or agencies. The model will include: both operational and capital cost benefit analysis; the anticipated return or investment for existing and future capital investment; and funding and endowment of facilities and services. It is the intent of the Capital Development Committee to contract privately for the implementation of this facilities management program.

Controlled Maintenance Projects (44 Projects) -- \$18,894,777

Projects in this category are for the maintenance of existing facilities to prevent greater problems in the future and to ensure long-term usefulness. Pursuant to section 24-30-1301 (2) (a) (I), C.R.S., controlled maintenance means, "Corrective repairs or replacement used for existing state-owned, general-funded buildings and other physical facilities, including, but not limited to, utilities and site improvements which are suitable for retention use for at least five years, and replacement and repair of the fixed equipment necessary for the operation of such facilities, when such work is not funded in an agency's operating budget to be accomplished by the agency's physical plant staff."

For FY 1988-89, the State Buildings Division received controlled maintenance requests from all state departments, agencies, and institutions totalling \$152.5 million (767 projects). The committee is recommending that the first 44 projects ranked by the division be

funded. This recommendation excludes project #34, reduces the funds for emergency projects to \$500,000, and increases project #13 by \$100,000 for a lighting fixture project in the State Capitol Building.

Final Stage of Continuation Projects (4 Projects) -- \$13,339,084

This classification includes expenditures which are considered critical to complete a project which has received previous appropriations from the General Assembly. Funds are usually for the third phase of a project following the architectural and engineering and construction phases. Failure to appropriate funds for these projects would delay project completion and would increase the total cost of the project.

Critical Need Projects (5 Projects) -- \$3,328,797

Projects within this category are critical to the capital needs of the state. These projects are of the highest priority among new capital construction projects. It has been determined by the committee that these new buildings or programs are essential to the economic development of the state, provide a cost-savings to the state over the long run, or correct environmental health hazards.

Health and Life Safety Projects (10 Projects) -- \$2,141,444

These capital construction projects pose the greatest threat to the health or safety of state employees and the general public.

Continuation Projects Not in Their Final Stage (4 Projects) -- \$3,789,100

Projects within this category have received prior appropriations and construction work or architectural plans have been completed. Appropriations for this fiscal year will not be the final appropriations requested, although individual phases of the project will be completed. Funding delays to the projects would increase the total cost of the project and could disrupt programs.

Equipment Projects (7 Projects) -- \$1,467,750

Major pieces of equipment are included within the statutory definition of capital construction. The projects listed within this classification are considered vital to the future program needs of the departments and agencies.

Final Stage of Continuation Projects (4 Projects) -- \$2,088,679

Projects within this classification include expenditures which are considered critical to complete a project which has received previous appropriations from the General Assembly.

Critical Need Projects (3 Projects) -- \$953,000

Projects within this classification are critical to the capital needs of the state. The projects are of the highest priority among new capital construction projects.

Alternative Scenario

Scenario I. This capital construction package represents the absolute minimum construction needs for FY 1988-89. Scenario I recommends funding for only the first three classifications of the all inclusive Scenario III. The project classifications used, their definitions, and the ranking order of the projects are identical to those classifications contained within Scenario III. Scenario I has a total funding request of \$33,943,128. The following categories are included:

No Choice Continuation Projects --	\$13,548,351
(5 projects)	
State Capital Assets Inventory --	1,500,000
(1 project)	
Controlled Maintenance Projects --	<u>18,894,777</u>
(44 projects)	
Total	\$33,943,128

FISCAL YEAR 1988-89 CAPITAL DEVELOPMENT COMMITTEE RECOMMENDATIONS
SCENARIO III

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 CDC RECOMMENDATION	FUTURE REQUESTS	OSPB PRIORITY (out of 23)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
NO CHOICE CONTINUATION PROJECTS							
1 Grand Junction State Services Building, Lease Payment (Administration)	\$2,198,514	\$687,175	\$3,466,563	#1	\$687,175		
2 Division of Youth Services, Facilities Lease Purchase (Institutions)	4,389,857	4,384,562	33,552,067	#3	4,384,562		
3 Developmental Disabilities, Satellite Facilities Lease Purchase (Institutions)	5,419,076	1,876,614	15,279,129	#4	1,876,614		
4 Colorado Convention Center (Administration)	0	6,000,000	30,000,000	#2	6,000,000		
5 Auraria, Academic Replacement Facility, Lease Purchase (Higher Education) /1	6,700,000	600,000	55,523,526	#5	600,000	#1	600,000
NO CHOICE TOTALS	\$18,707,447	\$13,548,351	\$137,821,285		\$13,548,351		\$600,000
STATE CAPITAL ASSETS INVENTORY							
1 Facilities Management Program, State Inventory, All Departments	\$0	\$1,500,000	\$0				
CUMULATIVE TOTALS	\$18,707,447	\$15,048,351	\$137,821,285		\$13,548,351		\$600,000
CONTROLLED MAINTENANCE							
1 Department of Administration, Controlled Maintenance, All Departments /2	\$22,274,200	\$18,894,777	\$20,000,000	#11	\$13,950,000		
CUMULATIVE TOTALS	\$40,981,647	\$33,943,128	\$157,821,285		\$27,498,351		\$600,000
FINAL STAGE OF CONTINUATION PROJECTS							
1 CSU, Replacement Facility for Departments of Biochemistry and Radiation Biology (Higher Education)	\$5,043,053	\$7,936,870	\$0	#6	\$6,480,870	#2	\$6,536,870
2 Auraria, Campus Ventilation Improvements (Higher Education)	215,840	2,290,787	0			#12	2,516,895
3 Colorado State Hospital, Construct Coal-Fired Power Plant (Institutions)	8,425,001	1,546,699	0	#17	1,500,000		
4 Mines, Steinhauer Field House Renovation (Higher Education)	111,716	1,564,728	0			#13	1,564,728
FINAL STAGE TOTALS	\$13,795,610	\$13,339,084	\$0		\$7,980,870		\$10,618,493
CUMULATIVE TOTALS	\$54,777,257	\$47,282,212	\$157,821,285		\$35,479,221		\$11,218,493

*All funds are capital construction funds unless otherwise indicated; OF - other funds; FF - federal funds

FISCAL YEAR 1988-89 CAPITAL DEVELOPMENT COMMITTEE RECOMMENDATIONS
SCENARIO III

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 CDC RECOMMENDATION	FUTURE REQUESTS	OSPB PRIORITY (out of 23)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
CRITICAL NEED PROJECTS							
1 Building Acquisition, Revenue Department /3	\$0	\$2,000,000 500,000 OF	\$31,510,000		\$2,000,000 500,000 OF		
2 Pueblo Community College, Academic Replacement Facility (Higher Education)	0	681,422	5,840,532	#7	681,422	#21	681,422
3 UC-Health Sciences Center, School of Pharmacy Building (Higher Education)	0	277,375 331,304 OF	3,522,625 4,201,957 OF			#22	277,375 331,304 OF
4 Low-Level Radioactive Waste (Health)	0	200,000 0 OF	710,484 1,950,750 OF	#10	200,000		
5 Cumbres and Toltec Scenic Railroad, Osier Dining Facility (Higher Education)/4	0	1,519,500 FF 170,000 342,800 OF	1,653,700 FF 0		0	non-prioritized	170,000 342,800 OF
CRITICAL NEEDS TOTALS	\$0	\$3,328,797 1,174,104 OF 1,519,500 FF	\$41,583,641 6,152,707 OF 1,653,700 FF		\$2,881,422 500,000 OF 0 FF		\$958,858 674,104 OF 0 FF
CUMULATIVE TOTALS	\$54,777,257 0 OF 0 FF	\$50,611,009 1,174,104 OF 1,519,500 FF	\$199,404,926 6,152,707 OF 1,653,700 FF		\$38,360,643 500,000 OF 0 FF		\$12,177,351 674,104 OF 0 FF

HEALTH AND LIFE SAFETY PROJECTS

1 Developmental Disabilities, Satellite Fire Safety (Institutions)	\$0	\$120,210	\$0				
2 Trinidad State Junior College, Barta Building Fire Exiting (Higher Education)	90,000	85,146	0	#21	85,146	#8	85,146
3 CSU, Professional Veterinary Medicine, Anatomy Laboratory Formaldehyde Ventilation, Anatomy Building (Higher Education)	0	116,640 126,360 OF	0	#20	116,640 126,360 OF	#3	116,640 126,360 OF
4 CSU, Main Steam Line Hazard Removal (Higher Education)	0	766,458	0	#13	766,458	#10	766,458
5 UNC, Central Fire Alarm/Monitoring System, Campuswide (Higher Education)	0	112,000 86,000 OF	0			#9	112,000 86,000 OF
6 CSU, Fire Separation, Hazardous Areas (Higher Education)	0	79,750	0			#7	79,750
7 CSU, Laboratory Fire Sprinklers, Chemistry Building (Higher Education)	0	248,000	0			#14	248,000
8 CSU, Security Lighting, Main Campus (Higher Education)	89,760	65,340	124,287			#58	65,340
9 UC-Boulder, Campus Fire Safety, Henderson Museum (Higher Education)	0	47,900	0			#15	47,900

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FISCAL YEAR 1988-89 CAPITAL DEVELOPMENT COMMITTEE RECOMMENDATIONS
SCENARIO III

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 CDC RECOMMENDATION	FUTURE REQUESTS	OSPB PRIORITY (out of 23)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
10 State Facilities Asbestos Pool, Identified Projects (Administration) /5	0	500,000	0	#16	500,000		
HEALTH AND LIFE SAFETY TOTALS	\$179,760	\$2,141,444 212,360 OF	\$124,287		\$1,468,244 126,360 OF		\$1,521,234 212,360 OF
CUMULATIVE TOTALS	\$54,957,017 0 OF 0 FF	\$52,752,453 1,386,464 OF 1,519,500 FF	\$199,529,213 6,386,464 OF 1,653,700 FF		\$39,828,887 626,360 OF 0 FF		\$13,698,585 886,464 OF 0 FF
CONTINUATION PROJECTS NOT IN THEIR FINAL STAGE							
1 Master Planning Pool (Administration) /6	\$0	\$500,000	\$500,000				
2 UC-Boulder, Chemistry Building, Environmental Health and Safety (Higher Education)	3,717,570 38,300 OF	989,100	2,064,630			#20	989,100
3 Otero Junior College, Gymnasium Renovation (Higher Education)	0	700,000	600,000				
4 Uranium Mill Tailings, Remedial Action Program (Health)	7,228,155 4,264,945 OF 103,230,900 FF	1,600,000 250,000 OF 14,400,000 FF	21,419,366 750,000 OF 201,774,294 FF	#8	3,250,000 250,000 OF 31,500,000 FF		
CONTINUATION PROJECTS TOTALS	\$10,945,725 4,303,245 OF 103,230,900 FF	\$3,789,100 250,000 OF 14,400,000 FF	\$24,583,996 750,000 OF 201,774,294 FF		\$3,250,000 250,000 OF 31,500,000 FF		\$989,100 0 OF 0 FF
CUMULATIVE TOTALS	\$65,902,742 4,303,245 OF 103,230,900 FF	\$56,541,553 1,636,464 OF 15,919,500 FF	\$224,113,209 6,902,707 OF 203,427,994 FF		\$43,078,887 876,360 OF 31,500,000 FF		\$14,687,685 886,464 OF 0 FF
EQUIPMENT PROJECTS							
1 Developmental Disabilities, Replace Laundry Dryers (Institutions)	\$0	\$33,000	\$32,000				
2 CSU, Professional Veterinary Medicine, Intensive Care Patient Monitoring System (Higher Education)	0	30,480 33,020 OF	0			#35	30,480 33,020 OF
3 CSU, Professional Veterinary Medicine, Cardiac Ultrasound Equipment Replacement (Higher Education)	0	64,270 69,630 OF	0			#36	64,270 69,630 OF
4 CATI, Continuing Programs, New Equipment (Higher Education)	0	685,000	758,500			non-prioritized	450,000
5 Colorado State Hospital, General Hospital Equipment (Institutions)	200,000	250,000	875,000	#18	250,000		

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FISCAL YEAR 1988-89 CAPITAL DEVELOPMENT COMMITTEE RECOMMENDATIONS
SCENARIO III

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 CDC RECOMMENDATION	FUTURE REQUESTS	OSPB PRIORITY (out of 23)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
6 UC-Denver, Instructional Equipment, College of Liberal Arts (Higher Education)	0	315,000	0			#38	315,000
7 Colorado State Patrol, Aircraft Replacement (Public Safety)	0	90,000 15,000 OF	0				
EQUIPMENT TOTALS	\$200,000	\$1,467,750 117,650 OF	\$1,665,500		\$250,000		\$859,750 102,650 OF
CUMULATIVE TOTALS	\$66,102,742 4,303,245 OF 103,230,900 FF	\$58,009,303 1,754,114 OF 15,919,500 FF	\$225,778,709 6,902,707 OF 203,427,994 FF		\$43,328,887 876,360 OF 31,500,000 FF		\$15,547,435 989,114 OF 0 FF
FINAL STAGE OF CONTINUATION PROJECTS							
1 Colorado School for the Deaf and Blind, Completion of Fire Alarm System (Education)	\$250,000	\$119,724	\$0	#22	\$119,724		
2 Colorado State Fair, Grandstand Completion (Agriculture)	500,000	139,220	0	#23	175,000		
3 Plant Industry Division, Insectary Facility (Agriculture)	147,370	1,338,128	0				
4 UC-Colorado Springs, Campus Storm Drainage and Campus Fire Lanes (Higher Education)	259,264	491,607	0			#50	491,607
FINAL STAGE TOTALS	\$1,156,634	\$2,088,679	\$0		\$294,724		\$491,607
CUMULATIVE TOTALS	\$67,259,376 4,303,245 OF 103,230,900 FF	\$60,097,982 1,636,464 OF 15,919,500 FF	\$225,778,709 6,902,707 OF 203,427,994 FF		\$43,623,611 876,360 OF 31,500,000 FF		\$16,039,042 886,464 OF 0 FF
CRITICAL URGENT PROJECTS							
1 CSU, Agricultural Campus Relocation (Higher Education)	0	578,000	1,958,721		0	#23	578,000
2 Colorado State Fair, Fairgrounds Expansion, South Wall Parking Lot (Agriculture)	0	325,000	0	#23	325,000		
3 Armory Repairs Under \$2,500 and Major Equipment Purchases (Military Affairs)	0	50,000 28,000 FF	0	#12	50,000 28,000 FF		

*All funds are capital construction funds unless otherwise indicated; OF - other funds; FF - federal funds

FISCAL YEAR 1988-89 CAPITAL DEVELOPMENT COMMITTEE RECOMMENDATIONS
SCENARIO III

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 CDC RECOMMENDATION	FUTURE REQUESTS	OSPB PRIORITY (out of 23)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
CRITICAL URGENT TOTALS	\$0	\$953,000 0 OF 28,000 FF	\$1,958,721 0 OF 0 FF		\$375,000 0 OF 28,000 FF		\$578,000 0 OF 0 FF
CUMULATIVE TOTALS	\$67,259,376 4,303,245 OF 103,230,900 FF	\$61,050,982 1,636,464 OF 15,947,500 FF	\$227,737,430 6,902,707 OF 203,427,994 FF		\$43,998,611 876,360 OF 31,528,000 FF		\$16,617,042 886,464 OF 0 FF

- /1 The last lease payment for the Auraria Replacement Facility is scheduled for fiscal year 2005-06.
- /2 The controlled maintenance appropriation includes the first 44 projects listed in the State Buildings Division FY 1988-89 Budget Request document. An additional \$100,000 has been recommended for project #13 for the repair and replacement of light fixtures in the State Capitol Building. The recommended funding level also excludes project #34 and reduces the fund for emergency projects to \$500,000.
- /3 Total construction costs for providing new space for the Department of Revenue are based on a August 5, 1987, report from the Ross Consulting Group. The cost factors were based on a ten-year purchase agreement of an existing facility at 8.5 percent financing.
- /4 Funding for the Osier dining facility is based on \$170,000 in capital construction funds, \$172,800 in cash funds, and a \$170,000 appropriation from New Mexico. Application for funding has also been made to the Economic Development Commission.
- /5 The Capital Development Committee has designated a fund to be appropriated to the Department of Administration for asbestos abatement purposes. The fund is to be considered as an emergency pool to address asbestos abatement needs as problems arise. It is the intent of the Committee that the fund be administered by the Department of Administration.
- /6 It is the intent of the Capital Development Committee that master planning funds be made available to departments or institutions on a matching funds basis. Funding matches will be determined on the degree of need and the availability of funds.

Scenario III -- Project Descriptions

I. No Choice Continuation Projects

1. Administration, Grand Junction State Services Building, Lease Payment

CDC Recommendation:	\$ 687,175
Prior Appropriation:	2,198,514
Future Requests:	3,466,563
Total Project Cost:	6,352,252

This appropriation would provide the sixth payment of a ten-year lease-purchase of the Grand Junction State Office Building. The last lease payment is scheduled for FY 1992-93. Failure to fund the project would cause the state to default on the terms of the agreement and on payment of the Certificates of Participation.

Scenario III Cumulative Total: \$687,175

2. Institutions, Division of Youth Services, Facilities Lease-Purchase

CDC Recommendation:	\$ 4,384,562
Prior Appropriation:	4,589,857
Future Requests:	33,552,067
Total Project Cost:	42,326,486

Senate Bill 101 (1986 session) authorized the Department of Institutions to enter into a long-term financing lease for the replacement or renovation of all Division of Youth Services (DYS) facilities. The plan calls for the construction of four new detention centers -- two in the Denver Metro area, two in Pueblo County, one in El Paso County, and provides 96 new residential beds at the Lookout Mountain School. Renovation work will be performed at the Gilliam Center, Lathrop Park Youth Camp, and the Adams County Detention Center.

Scenario III Cumulative Total: \$5,071,737

3. Institutions, Division of Developmental Disabilities, Facilities Lease-Purchase

CDC Recommendation:	\$ 1,876,614
Prior Appropriation:	5,419,076
Future Requests:	15,279,129
Total Project Cost:	22,574,819

The Capital Development Committee recommends that funds be appropriated to provide for the lease payment for the Division of Developmental Disabilities Regional Center's 35 satellite facilities and related program facilities. In 1980 the state and the Department of Institutions entered into this lease-purchase agreement for homes at the state's three regional centers. In FY 1985-86, funding for the lease payments was transferred to the capital construction fund. This is to be the tenth payment of the 18-year lease. The final payment is scheduled for FY 1996-97.

Scenario III Cumulative Total: \$6,948,351

4. Administration, Colorado Convention Center, Land Acquisition

CDC Recommendation:	\$ 6,000,000
Prior Appropriation:	0
Future Requests:	30,000,000
Total Project Cost:	36,000,000

House Bill 1382 (1987 session) authorized the state to provide financial assistance in the form of six annual payments not to exceed \$36 million, to the City and County of Denver for land acquisition for the proposed Colorado Convention Center. Payments are to be from the capital construction fund and are to begin July 1, 1988.

Scenario III Cumulative Total: \$12,948,351

5. Auraria, Academic Replacement Facility, Lease-Purchase

CDC Recommendation:	\$ 600,000
Prior Appropriation:	6,700,000
Future Requests:	53,043,936
Total Project Cost:	60,343,936

The committee is recommending capital construction funding for the FY 1988-89 lease payment for the Auraria academic replacement facility. Construction of the facility was completed in December 1987. In 1985 the General Assembly appropriated \$6.7 million from the capital construction fund to provide the initial lease payments for the replacement facility. A footnote to the appropriation stated that this was to be the final state general fund and capital construction fund appropriation to the project. In order to generate further funds, student fees would be assessed and proceeds from the sale of the current facility would go toward the retirement of the debt. This footnote, however, was vetoed by the Governor and was not overridden by the General Assembly.

Scenario III Cumulative Total: \$13,548,351

II. State Capital Assets Inventory

1. Administration, Statewide Capital Assets Inventory, All Departments

CDC Recommendation:	\$1,500,000
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	1,500,000

The Capital Development Committee is recommending the development of a computerized state inventory and facilities management master plan for all state departments and agencies. The program will allow the state to determine if its assets are being managed in the most feasible and economical manner. The model plan will also provide adjustments to departments which are not operating efficiently. It is the intent of the committee that the development of a facilities management model be contracted out to a private firm.

Scenario III Cumulative Total: \$15,048,351

III. Controlled Maintenance

1. Administration, Controlled Maintenance Projects, All Departments

CDC Recommendation:	\$18,894,777
Prior Appropriation:	22,274,200
Future Requests:	23,000,000
Total Project Cost:	On-Going

The Capital Development Committee is recommending a funding level of \$18.9 million for controlled maintenance projects around the state. These projects are for the maintenance of existing facilities to prevent greater problems in the future and to ensure long-term usefulness. This recommended funding level would complete the first 44 projects on the State Buildings Division controlled maintenance priority listing for FY 1988-89. This recommendation eliminates project #34, reduces the emergency project pool to \$500,000, and increases project #13 by \$100,000 for a lighting fixture project in the State Capitol Building.

Scenario III Cumulative Total: \$33,943,128

IV. Final Stage of Continuation Projects

1. Colorado State University (CSU), Replacement Facility for the Departments of Biochemistry and Radiation Biology

CDC Recommendation:	\$ 7,936,870
Prior Appropriation:	5,043,053
Future Requests:	0
Total Project Cost:	12,979,923

Funds recommended for this fiscal year would go toward the final construction and equipment phase of this project to provide a replacement facility for the Departments of Biochemistry and Radiation Biology. Two previous appropriations have been made to the project: in FY 1985-86, \$981,406 was appropriated for planning; and in FY 1987-88, the initial construction phase of \$4,061,647 was appropriated. Construction of a new building was requested because the current facility is structurally and functionally obsolete, as it was not originally designed for biotechnical use. The present building also contains inadequate safety features.

Scenario III Cumulative Total: \$41,879,998

2. Auraria, Campus Ventilation Improvements

CDC Recommendation:	\$2,290,787
Prior Appropriation:	215,840
Future Requests:	0
Total Project Cost:	2,506,627

This project would bring the remaining major campus buildings into compliance with current health codes for an adequate ventilation system. A portion of this project includes the addition of chilled water to systems already designed for such equipment. Construction includes a new south chiller plant that would supply the South Classroom, Technology, Central Classroom, and the West Classroom buildings. Units will be added to cool the offices and classrooms in the Physical Education Building, St. Cajetan's Rectory, the Child Development Center, and 11 Ninth Street houses. Funds for the project design were appropriated in FY 1985-86. The construction drawings have been completed and the project is ready to go to bid.

Scenario III Cumulative Total: \$44,170,785

3. Colorado State Hospital, Construct Coal-Fired Power Plant

CDC Recommendation:	\$1,546,699
Prior Appropriation:	8,425,001
Future Requests:	0
Total Project Cost:	9,971,700

During fiscal years 1983-84 and 1984-85, the Colorado State Hospital received appropriations totalling \$8,425,001 for the purposes of constructing a coal-fired power plant. It was needed to replace the gas-powered plant which was deteriorating and economically inefficient. Additional funds, however, are needed because the low bid on the final contract for this project was \$1,546,699 over bid. The hospital has already purchased and received the new boilers at a cost of approximately \$2.7 million.

Scenario III Cumulative Total: \$45,717,484

4. Colorado School of Mines, Steinhauer Field House Renovation

CDC Recommendation:	\$1,564,728
Prior Appropriation:	111,716
Future Requests:	0
Total Project Cost:	1,676,444

The committee has recommended this project in order to correct functional deficiencies, code deficiencies, and life safety hazards in the Steinhauer Field House. Areas to be addressed include: installation of a synthetic playing surface to replace a dirt floor; lighting improvements; repair of the substandard toilet facilities; renovation of the fire protection system; and upgrades to the heating and ventilation systems.

Scenario III Cumulative Total: \$47,282,212

V. Critical Need Projects

1. Revenue Department, Building Acquisition

CDC Recommendation:	\$ 2,000,000
	500,000 OF
Prior Appropriation:	0
Future Requests:	31,510,000
Total Project Cost:	33,510,000
	500,000 OF

Initial planning and construction funds have been recommended to provide new building space for the Department of Revenue. Two main findings adequately justify the need for a new building:

1) Department of Revenue employees housed in the building are subjected to serious health and safety code violations; 2) the Capitol Annex Building does not meet either the operational or the space needs of the Department of Revenue.

Scenario III Cumulative Total: \$49,282,212

2. Pueblo Community College, Academic Replacement Facility

CDC Recommendation:	\$ 681,422
Prior Appropriation:	0
Future Requests:	5,840,532
Total Project Cost:	6,521,954

The committee is recommending architectural and engineering fees for the construction of a new classroom and laboratory facility to house the business and general academic programs, the learning resource center, the media center, reading and study space, and associated administration and support space. In 1982 the campus lost 30,000 square feet of campus space due to the razing of an unsafe building. Since that time the campus population has continued to grow at a steady rate. Adequate classroom space has thus become a serious problem on the campus.

Scenario III Cumulative Total: \$49,963,634

3. UC-Health Sciences Center, School of Pharmacy Building

CDC Recommendation:	\$ 277,375
	331,304 OF
Prior Appropriation:	0
Future Requests:	3,522,625
	4,201,957 OF
Total Project Cost:	3,800,000
	4,533,261 OF

Architectural and engineering fees are recommended for the construction of a School of Pharmacy facility to be located adjacent to a new research facility on the Health Sciences Center's campus. Portions of the School of Pharmacy, fifth-year pharmacy students, and administrative duties are currently located on the Health Sciences Center's campus. It is the intent of the school to relocate the remainder of the school from the UC-Boulder campus to the Health Sciences Center.

Scenario III Cumulative Total: \$50,241,009

4. Health, Radiation Control Division, Low-Level Radioactive Waste

CDC Recommendation:	\$ 200,000
	1,519,000 FF
Prior Appropriation:	0
Future Requests:	2,298,650
	1,654,200 FF
Total Project Cost:	2,498,650
	1,950,750 OF
	3,173,200 FF

Colorado, pursuant to the Low-Level Radioactive Waste Act (Section 22-60-2201, C.R.S.), is required to have in operation a low-level radioactive waste disposal facility by January 1, 1993. Furthermore, to be in compliance with federal statutes, an application for the facility must be completed by January 1, 1990. This application must include an environmental report on the acquired site, environmental monitoring information, and proof of a RAM license. A portion of the legal fees is also contained within this recommendation.

Scenario III Cumulative Total: \$50,441,009

5. Historical Society, Cumbres and Toltec Scenic Railroad Commission, Osier Dining Facility

CDC Recommendation:	\$170,000
	170,000 New Mexico
	172,800 OF
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	170,000
	170,000 New Mexico
	172,800 OF

This capital construction recommendation addresses the construction of a new dining facility and a soil absorption sewage system to handle the waste from the facility. Current dining accommodations are inadequate. Cash funds and an anticipated appropriation from New Mexico will also be used to fund this project. Application for the state portion of this project has also been made to the Economic Development Commission.

Scenario III Cumulative Total: \$50,611,009

VI. Health and Life Safety Projects

1. Institutions, Developmental Disabilities, Satellite Fire Safety

CDC Recommendation:	\$120,210
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	120,210

This capital construction appropriation would allow eight satellite facilities at three regional centers to be upgraded to accommodate developmentally disabled residents who are less capable of self-evacuation, as per the federal Fire Safety Evacuation Standards. Pursuant to section 27-10.5-101 et seq, C.R.S., developmentally disabled clients have the right to reside in the most normalized and least restrictive living environment possible. This request includes upgrading the fire sprinkler system and adaptive bathroom facilities for bathing.

Scenario III Cumulative Total: \$50,731,219

2. Trinidad State Junior College, Banta Building Fire Exiting

CDC Recommendation:	\$85,146
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	85,146

Capital construction funding is recommended for this project that would provide fire exits and structural improvements to the Banta Building. Currently, the building does not conform to the requirements of the Uniform Building Code and is an extreme fire danger. The building houses the following programs: Auto Body, Auto Mechanics, Building Trades, and Law Enforcement.

Scenario III Cumulative Total: \$50,816,365

3. CSU, Professional Veterinary Medicine, Anatomy Laboratory Formaldehyde Ventilation, Anatomy Building

CDC Recommendation:	\$116,640
	126,360 OF
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	116,640
	126,360 OF

Funds would be used to provide an improved ventilation system in the veterinary anatomy laboratory within the Anatomy Building. The American Veterinary Medicine Association Council on Education Accreditation found that formaldehyde embalming fluid presented a

health hazard to students and faculty due to the inadequate ventilation in the laboratory. Fifty individual vented dissection tables and ventilation hoods for small animal dissection would be installed. Also, for the dissection of large animals, which are hung from overhead supports, direct ventilation through hoods located immediately adjacent to the animal will be installed.

Scenario III Cumulative Total: \$50,933,005

4. CSU, Main Steam Line Hazard Removal

CDC Recommendation:	\$766,458
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	\$766,458

The main steam line, which runs beneath the Student Center, needs to be extended in order to rectify some life safety factors. The 1967 addition to the Student Center was built over the existing main steam line and contained no provisions for moving the steam main to accommodate additions to the building. Because the line is now difficult to access, a break in the line threatens the daily users of the Student Center, which is the most heavily utilized building on the campus. This project would extend the steam line and condensate line westward to a point of connection to an existing steam line and condensate line. A new condensate lift station would also be installed.

Scenario III Cumulative Total: \$51,699,463

5. University of Northern Colorado, Central Fire Alarm/Monitoring System, Campuswide

CDC Recommendation:	\$112,000
	86,000 OF
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	112,000
	86,000 OF

Funds for a program plan and the installation of a fire monitoring system in 32 campus buildings has been recommended by the committee. This project would bring all campus buildings, state, and auxiliary buildings into compliance with current federal, state, and local codes.

Scenario III Cumulative Total: \$51,811,463

6. CSU, Fire Separations, Hazardous Areas

CDC Recommendation:	\$79,750
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	79,750

It is recommended that self-closing doors in eight campus buildings and area separations to three campus buildings be installed. This represents a portion of a larger project to address the fire protection system on the CSU campus. Self-closing doors are part of a magnetic release system in the building which will allow fire doors to close automatically in the case of a fire alarm. Fire doors are frequently kept open which hinders attempts to keep the building compartmentalized. The area separation portion of this request involves the installation of fire-rated partitions and fire-rated closing doors. Compartmentalization of these buildings is needed in order to separate hazardous areas from the rest of the building occupants in the case of a fire.

Scenario III Cumulative Total: \$51,891,213

7. CSU, Laboratory Fire Sprinklers, Chemistry Building

CDC Recommendation:	\$248,000
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	248,000

This project is a portion of the campus' overall fire protection plan. Sprinklers are needed in the labs throughout the Chemistry Building because of the chemicals used and the complex nature of the research and experiments performed in the laboratories. Sprinklers provide prolonged stability of the buildings in the case of a fire which allows occupants more time to escape.

Scenario III Cumulative Total: \$52,139,213

8. CSU, Campus Security Lighting, Phase II

CDC Recommendation:	\$ 65,340
Prior Appropriation:	89,760
Future Requests:	124,287
Total Project Cost:	279,387

This recommendation is the second phase of a four-phase project to implement lighting improvements on the main campus. The university's security lighting master plan has identified 24

projects that would provide adequate lighting for the academic and residence hall zones. Project justification has been based on the increased night time pedestrian traffic due to a rise in the evening academic enrollment and extended library hours.

Scenario III Cumulative Total: \$52,204,553

9. UC-Boulder, Campus Fire Safety, Henderson Museum

CDC Recommendation:	\$47,900
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	47,900

Fire safety hazards in the Henderson Museum would be corrected pursuant to this funding recommendation. The Henderson Museum is an older campus building which was constructed prior to modern fire and safety standards. Foremost of the areas to be remedied is the elimination of open stairways. The project also includes the installation of fire-rated doors and frames with closures and panic hardware; removal of existing frames; and patching of partitions.

Scenario III Cumulative Total: \$52,252,453

10. Administration, State Facilities, Asbestos Pool, Identified Projects, All Departments

CDC Recommendation:	\$500,000
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	500,000

The Capital Development Committee is recommending that the Department of Administration maintain and manage a fund to be used for asbestos abatement purposes. The fund is to be an emergency fund and will be designated for projects as they are identified. It is the intent of the committee that these funds not be used for asbestos abatement study purposes.

Scenario III Cumulative Total: \$52,752,453

VII. Continuation Projects Not In Their Final Stage

1. Administration, Master Planning Pool

CDC Recommendation:	\$500,000
Prior Appropriation:	0
Future Requests:	500,000
Total Project Cost:	500,000

As the committee reviewed capital construction requests for the last three fiscal years, the need for facilities master plans for all departments and agencies has become apparent. The committee has prepared a bill for the 1988 legislative session that would require each state agency, institution, and department to submit facility master plans and facility program plans to the Office of State Planning and Budgeting for approval. The bill prohibits agencies and departments from submitting a capital construction or controlled maintenance request to the Capital Development Committee without approved facilities plans. The committee is recommending that \$500,000 be set aside for departments for the purpose of developing such plans. The committee is initially recommending that the Auraria Higher Education Center and Fort Lewis College be the recipients of funds this fiscal year. However, funds will only be appropriated to a department or agency on a matching fund basis. The match will be determined by the Joint Budget Committee.

Scenario III Cumulative Total: \$53,252,453

2. UC-Boulder, Chemistry Building, Environmental Health and Safety

CDC Recommendation:	\$ 989,100
Prior Appropriation:	3,717,570
Future Requests:	2,064,600
Total Project Cost:	6,771,270

This recommendation represents the sixth phase of an eight-phase project to remedy health and safety hazards in the Chemistry Building. Phase six addresses the north and east wings of the building and includes: fume hood renovation and replacement, lab renovation, improved floor layout to promote circulation, increased makeup of air and exhaust fan capacity for fume hood operation, an emergency power supply, support space improvements, and fire suppression systems in attic areas. The lack of adequate functional hoods in laboratories is a danger to students and staff, particularly due to problems caused by long-term exposure.

Scenario III Cumulative Total: \$54,241,553

3. Otero Junior College, Gymnasium Renovation

CDC Recommendation:	\$ 700,000
Prior Appropriation:	0
Future Requests:	600,000
Total Project Cost:	1,300,000

Recognizing that the Otero Gymnasium is in poor condition and disrupting current programs, the Capital Development Committee is recommending that this project be removed from the State Buildings Division's controlled maintenance listing and placed among the capital construction recommendations. The project was scaled down by the college this fiscal year and only the controlled maintenance portions of the project were submitted. The committee, however, feels strongly that all of the needed renovation work should be completed to allow for complete utilization of the gymnasium. This phase of the project includes fire protection, replacement of the uneven playing floor, replacement of the vintage heating and plumbing, interior sealing to protect the building from influxes of formaldehyde insulation vapor, and replacement of electrical panels and the transformer to meet code requirements.

Scenario III Cumulative Total: \$54,941,553

4. Uranium Mill Tailings, Remedial Action Program

CDC Recommendation:	\$ 1,600,000
	250,000 OF
	16,650,000 FF
Prior Appropriation:	10,945,725
	4,264,945 OF
	103,230,900 FF
Future Requests:	21,419,366
	750,000 OF
	199,524,294 FF

This recommendation is to provide funds to the Uranium Mill Tailings Remedial Action Program (UMTRAP), which is a state/federal project (10 percent state and 90 percent federal) designed to reduce radiation levels in seven Colorado locales: Grand Junction, Durango, Rifle, Slick Rock, Maybell, Naturita, and Gunnison. The program addresses stabilization of inactive uranium tailings piles to prevent further radiation hazards. Radiation emitted by the tailings may cause increased risk of leukemia and lung cancer if proper remedial action is not taken. According to the Environmental Protection Agency, congressional action is expected to extend completion of the project to March, 1994.

Scenario III Cumulative Total: \$56,541,553

VIII. Equipment Projects

1. Institutions, Developmental Disabilities, Replace Laundry Dryers

CDC Recommendation: \$33,000
Prior Appropriation: 0
Future Requests: 32,000
Total Project Cost: 65,000

The committee is recommending that four worn out and obsolete dryers at the Grand Junction Regional Center be replaced. The existing dryers were installed in 1962 and repair parts are no longer available. The department has also determined that contracting out for services is not economically feasible.

Scenario III Cumulative Total: \$56,574,553

2. CSU, Professional Veterinary Medicine, Intensive Care Patient Monitoring System

CDC Recommendation: \$30,480
33,020 OF
Prior Appropriation: 0
Future Requests: 0
Total Project Cost: 30,480
33,020 OF

An intensive care patient monitoring system is recommended for the Professional Veterinary Medicine Program. WICHE and capital construction funds would be used to replace an obsolete piece of equipment. Currently, the intensive care unit has a capacity for 38 animals. The present equipment, however, only allows three animals to be monitored at a time. Additionally, the equipment is over 30 years old and is difficult to repair because of the obsolete parts. It should be noted that animals respond differently than humans in critical care situations. Thus, veterinary teaching hospitals are in the forefront in providing care for intensive care animals.

Scenario III Cumulative Total: \$56,605,033

3. CSU, Professional Veterinary Medicine, Cardiac Ultrasound Equipment

CDC Recommendation: \$64,270
69,630 OF
Prior Appropriation: 0
Future Requests: 0
Total Project Cost: 64,270
69,630 OF

This recommendation involves the combination of capital construction funds and WICHE funds to purchase a cardiac ultrasound machine. An ultrasound machine allows veterinarians and students to examine an animal's heart, watch heart valves move, observe abnormal growth within the chambers or on the valves, monitor responses to cardiac drugs, and diagnose the presence of heart diseases in neonatal animals. Ultrasound equipment is needed to perform these tasks because of the extreme sizes of animal patients at the Veterinary Teaching Hospital. Also contained within this request is a doppler ultrasound, which allows veterinarians to assess blood flow in the heart and in peripheral blood vessels.

Scenario III Cumulative Total: \$56,669,303

4. Colorado Advanced Technology Institute, New Equipment, Continuing and New Programs

CDC Recommendation:	\$685,000
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	685,000

Equipment items for three programs of the Colorado Advanced Technology Institute (CATI) are recommended by the committee. The purpose of CATI is to act as a specialized agency for economic development. Existence of the research centers have a three-fold purpose: 1) to entice advanced technology companies to move into Colorado; 2) to stimulate the creation of new Colorado companies to exploit the research advances; and 3) to foster the expansion of advanced technology companies already in Colorado. Seven pieces of equipment are recommended for the following three programs: Colorado Institute for Research in Biotechnology, Microelectronics Research at UC-Colorado Springs, and Colorado Geotechnical Centrifuge.

Scenario III Cumulative Total: \$57,354,303

5. Institutions, Colorado State Hospital, General Hospital Equipment

CDC Recommendation:	\$ 250,000
Prior Appropriation:	200,000
Future Requests:	750,000
Total Project Cost:	1,200,000

Equipment items for the Colorado State Hospital are recommended by the committee. The request is based on a Herman Smith Associates study of equipment needs for the hospital. Colorado State Hospital provides general medical and surgical services to clients of the Department of Institutions and inmates of the Department of Corrections.

Scenario III Cumulative Total: \$57,604,303

6. UC-Denver, Instructional Equipment, College of Liberal Arts

CDC Recommendation: \$315,000
Prior Appropriation: 0
Future Requests: 0
Total Project Cost: 315,000

An infrared spectrophotometer that would benefit four departments at UC-Denver is recommended by the committee. The university has identified four objectives that would be achieved with the purchase of this equipment for the departments of Biology, Chemistry, Geology, and the Center for Environmental Sciences: 1) provide student access to laboratory equipment; 2) maximize efficiency by purchasing equipment which can be utilized by multiple disciplines; 3) improve the equipment resources available to faculty; and 4) promote industry/government/university cooperation of applied research.

Scenario III Cumulative Total: \$57,919,303

7. Colorado State Patrol, Aircraft Replacement

CDC Recommendation: \$90,000
15,000 OF
Prior Appropriation: 0
Future Requests: 0
Total Project Cost: \$90,000
15,000 OF

The committee is recommending capital construction and cash funds to be used for the purchase of an aircraft to replace the department's Cessna 182. The aircraft has exceeded what is considered to be its "safe life" for use by the State Patrol. The plane has been used in excess of 6,000 hours, which is equivalent to 925,000 miles of use.

Scenario III Cumulative Total: \$58,009,303

IX. Final Stage of Continuation Projects

1. Education, Colorado School for the Deaf and Blind, Completion of Fire Alarm System

CDC Recommendation: \$119,724
Prior Appropriation: 250,000
Future Requests: 0
Total Project Cost: 369,724

Capital construction funds are recommended to complete the installation of the fire alarm system on the campus for the

Colorado School for the Deaf and Blind. Power would be provided to the fire detection system and the visual fire alarms which are used by deaf students. An emergency power source would be installed that would include a primary voltage generator, transfer equipment, primary fuel source for the generator, and a building to house the generator and surrounding equipment.

Scenario III Cumulative total: \$58,129,027

2. Agriculture, Colorado State Fair, Grandstand Completion

CDC Recommendation:	\$139,220
Prior Appropriation:	500,000
Future Requests:	0
Total Project Cost:	539,220

Six projects within the Colorado State Fair Grandstand would be completed pursuant to this recommendation: 1) installation of 500 permanent seats in the box seat area; 2) cover the existing general admission wood bleachers with fiberglass; 3) move the existing west bleachers to accommodate 300 people; 4) complete the new permanent stage; 5) paint the grandstand; and 6) installation of new metal fascia at the top of the grandstand.

Scenario III Cumulative Total: \$58,268,247

3. Plant Industry Division, Insectary Facility

CDC Recommendation:	\$1,338,128
Prior Appropriation:	147,370
Future Requests:	0
Total Project Cost:	1,485,498

Construction of an insectary facility to rear beneficial insects for the Department of Agriculture is recommended by the committee. The present facility is overcrowded and frequently encounters disease control problems. Beneficial insects are advantageous to the state because of restrictions on the use of pesticides due to concern about chemical residue on food crops and increasing resistance of some insects to pesticides. One division official estimated that rearing beneficial insects currently saves the state's economy \$13 million a year in agricultural losses.

Scenario III Cumulative Total: \$59,606,375

4. UC-Colorado Springs, Campus Storm Drainage and Fire Lanes

CDC Recommendation:	\$491,607
Prior Appropriation:	259,264
Future Requests:	0
Total Project Cost:	750,871

It is recommended that the final phase of a plan to remedy inadequate campus-wide drainage problems and fire lane access be completed. This phase of the project includes: construction of a fire lane to the west curb-cut on Austin Bluffs Parkway; and, storm drainage improvements from the Engineering Building west along the main fire access road. Currently, the fire department must gain access to buildings through parking lots which are frequently filled to capacity with cars.

Scenario III Cumulative Total: \$60,097,982

X. Critical Need Projects

1. CSU, Agricultural Campus Relocation

CDC Recommendation:	\$ 578,000
Prior Appropriation:	0
Future Requests:	1,958,721
Total Project Cost:	2,536,721

This recommendation represents the first phase of a two-phase plan to relocate the Agricultural Campus. Phase I calls for the plant science disciplines to be moved from the South Agricultural Campus to the North Agricultural Campus. The present plant science facilities are subject to short-term leases and urban encroachment.

Scenario III Cumulative Total: \$60,675,982

2. Agriculture, Colorado State Fair, Fairgrounds Expansion, South Wall Parking Lot

CDC Recommendation:	\$325,000
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	325,000

Capital construction funds are recommended to expand the Colorado State Fair grounds. The south parking lot would be enclosed and become a portion of the fairgrounds. Included in this project is a ten-foot enclosing wall, gates, and additional utilities to the area. The recent growth in attendance of the State Fair has resulted in the need to expand and enlarge the facility.

Scenario III Cumulative Total: \$61,000,982

3. Military Affairs, Armory Repairs Under \$2,500 and Major Equipment Purchases

CDC Recommendation:	\$50,000
	28,000 FF
Prior Appropriation:	0
Future Requests:	0
Total Project Cost:	50,000
	28,000 FF

The committee is recommending a combination of capital construction and federal funds to address controlled maintenance projects under \$2,500 and to purchase major equipment items. As of June, 1987, the department's backlog of projects of this nature totaled \$117,000. The department has buildings, planes, and equipment worth approximately \$57.3 million. Recently, the department has only received appropriations for emergency maintenance situations and preventive maintenance needs have not received attention.

Scenario III Cumulative Total: \$61,050,982

TABLE 2

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
NO CHOICE CONTINUATION PROJECTS											
ADMINISTRATION											
1 Grand Junction Office Building Lease Total Cost: \$6,352,252	\$2,198,514 Financing Costs	\$687,175 Financing Costs	\$874,000 Financing Costs	\$873,000 Financing Costs	\$871,000 Financing Costs	\$848,563 Financing Costs					
INSTITUTIONS											
2 Division of Youth Services, Facilities Lease Purchase Total Cost: \$42,526,987	\$4,589,857 Financing Costs	\$4,384,562 Financing Costs	\$4,384,553 Financing Costs	\$4,380,818 Financing Costs	\$4,374,804 Financing Costs	\$4,374,878 Financing Costs	\$4,372,089 Financing Costs	\$4,365,493 Financing Costs	\$4,363,594 Financing Costs	\$2,936,339 Financing Costs	
3 Division of Developmental Disabilities, Facilities Lease Purchase Total Cost: \$22,574,819	\$5,419,076 Financing Costs	\$1,876,614 Financing Costs	\$1,881,237 Financing Costs	\$1,891,968 Financing Costs	\$1,908,151 Financing Costs	\$1,919,093 Financing Costs	\$1,924,824 Financing Costs	\$1,935,419 Financing Costs	\$1,900,029 Financing Costs	\$1,918,408 Financing Costs	
ADMINISTRATION											
4 Colorado Convention Center, Land Acquisition Total Cost: \$36,000,000	\$0	\$6,000,000 Financing Costs	\$6,000,000 Financing Costs	\$6,000,000 Financing Costs	\$6,000,000 Financing Costs	\$6,000,000 Financing Costs	\$6,000,000 Financing Costs				
HIGHER EDUCATION											
5 Auraria, Academic Replacement Facility, Lease Purchase /1 Total Cost: \$60,343,936	\$6,700,000 Financing Costs	\$600,000 Financing Costs	\$2,947,027 Financing Costs	\$2,944,943 Financing Costs	\$2,947,747 Financing Costs	\$2,944,853 Financing Costs	\$2,945,215 Financing Costs	\$2,947,278 Financing Costs	\$2,945,457 Financing Costs	\$2,948,963 Financing Costs	\$2,947,125 Financing Costs
NO CHOICE CONTINUATION PROJECTS -- TOTALS:	\$18,907,447	\$13,548,351	\$16,086,817	\$16,090,729	\$16,101,702	\$16,087,387	\$15,242,128	\$9,248,190	\$9,209,080	\$7,803,710	\$2,947,125
CAPITAL ASSETS INVENTORY											
1 Facilities Management Program, Inventory, All Departments	\$0	\$1,500,000									
CUMULATIVE TOTALS	\$18,907,447	\$15,048,351	\$16,086,817	\$16,090,729	\$16,101,702	\$16,087,387	\$15,242,128	\$9,248,190	\$9,209,080	\$7,803,710	\$2,947,125

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
CONTROLLED MAINTENANCE											
1 Department of Administration, Controlled Maintenance, All Departments /2	\$22,274,200	\$18,894,777	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000
CUMULATIVE TOTALS	\$41,181,647	\$33,943,128	\$39,086,817	\$39,090,729	\$39,101,702	\$39,087,387	\$38,242,128	\$32,248,190	\$32,209,080	\$30,803,710	\$25,947,125

FINAL STAGE OF CONTINUATION PROJECTS

HIGHER EDUCATION											
1 CSU, Replacement Facility for Departments of Biochemistry and Radiation Biology Total Cost: \$12,979,923	\$5,043,053 Planning/ Construction	\$7,936,870 Construction/ Equipment									
2 Auraria, Campus Ventilation Improvements Total Cost: \$ 2,506,627	\$215,840 Professional Services	\$2,290,787 Construction									
INSTITUTIONS											
3 Colorado State Hospital, Construct Coal-Fired Power Plant Total Cost: \$ 9,971,700	\$8,425,001 Professional Services/ Equipment	\$1,546,699 Construction									
HIGHER EDUCATION											
4 Colorado School of Mines, Steinhauer Field House Renovation Total Cost: \$1,676,444	\$111,716 Professional Services	\$1,564,728 Construction									
FINAL STAGE TOTALS	\$13,795,610	\$13,339,084	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE TOTALS	\$54,977,257	\$47,282,212	\$39,086,817	\$39,090,729	\$39,101,702	\$39,087,387	\$38,242,128	\$32,248,190	\$32,209,080	\$30,803,710	\$25,947,125

CRITICAL NEED PROJECTS

REVENUE											
1 Revenue Department, Building Acquisition /3 Total Cost: \$33,510,000 \$500,000 OF	\$0	\$2,000,000 \$500,000 OF	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs	\$3,351,000 Financing Costs

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
HIGHER EDUCATION											
2 Pueblo Community College, Academic Replacement Facility Total Cost: \$6,521,954	\$0	\$681,422	\$4,805,903	\$1,034,629							
		Professional Services	Construction	Equipment							
3 UC-Health Sciences Center, School of Pharmacy Building Total Cost: \$3,800,000 \$4,533,261 OF	\$0	\$277,375	\$3,522,625								
		331,304 OF	4,201,957 OF								
		Professional Services	Construction/Equipment								
HEALTH											
4 Radiation Control Division, Low-Level Radioactive Waste Total Cost: \$2,498,650 \$1,950,750 OF \$3,173,200 FF	\$0	\$200,000	\$308,500	\$930,100	\$801,050	\$259,000					
		0 OF	0 OF	0 OF	0 OF	1,950,750					
		1,519,500 FF	431,000 FF	780,700 FF	442,000 FF	0					
		Professional Services	Construction	Construction	Construction	Construction					
HIGHER EDUCATION											
5 Cumbres and Toltec Scenic Railroad Commission, Osier Dining Facility /4 Total Cost: \$170,000 \$342,800 OF	\$0	\$170,000									
		342,800 OF									
CRITICAL NEED TOTALS	\$0	\$3,328,797	\$11,988,028	\$5,315,729	\$4,152,050	\$3,610,000	\$3,351,000	\$3,351,000	\$3,351,000	\$3,351,000	\$3,351,000
		1,174,104 OF	4,201,957 OF	0 OF	0 OF	1,950,750 OF					
		1,519,500 FF	431,000 FF	780,700 FF	442,000 FF						
CUMULATIVE TOTALS	\$54,977,257	\$50,611,009	\$51,074,845	\$44,406,458	\$43,253,752	\$42,697,387	\$41,593,128	\$35,599,190	\$35,560,080	\$34,154,710	\$29,298,125
		1,174,104 OF	4,201,957 OF	0 OF	0 OF	1,950,750 OF					
		1,519,500 FF	431,000 FF	780,700 FF	442,000 FF	0 FF					

HEALTH AND LIFE SAFETY PROJECTS

INSTITUTIONS

1 Developmental Disabilities, Satellite Fire Safety Total Cost: \$120,210	\$0	\$120,210									
		A/E and Construction									

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
HIGHER EDUCATION											
2	Trinidad State Junior College, Banta Building Fire Exiting Total Cost: \$85,146	\$0	\$85,146								
			A/E and Construction								
3	Colorado State University, Pro- fessional Veterinary Medicine Anatomy Laboratory Formaldehyde Ventilation, Anatomy Building Total Cost: \$116,640 \$126,360 OF	\$0	\$116,640								
			126,360 OF Construction								
4	Colorado State University, Main Steam Line Hazard Removal Total Cost: \$766,458	\$0	\$766,458								
			Construction								
5	University of Northern Colorado Central Fire Alarm/Monitoring System, Campuswide Total Cost: \$112,000 \$86,000 OF	\$0	\$112,000								
			86,000 OF Construction								
6	Colorado State University, Fire Separations Total Cost: \$79,750	\$0	\$79,750								
			Construction								
7	Colorado State University, Laboratory Fire Sprinklers, Chemistry Building Total Cost: \$248,000	\$0	\$248,000								
			Construction								
8	Colorado State University, Campus Security Lighting Total Cost: \$279,387	\$89,760	\$65,340	\$63,342	\$60,945						
		Construction	Construction	Construction	Construction						
9	UC-Boulder, Campus Fire Safety, Henderson Museum Total Cost: \$47,900	\$0	\$47,900								
			Construction								
ADMINISTRATION											
10	State Facilities Asbestos Pool, Identified Projects, All Departments /5 Total Cost: \$500,000	\$0	\$500,000								
			Asbestos Abatement								

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
HEALTH AND LIFE SAFETY TOTALS	\$89,760	\$2,141,444 212,360 OF	\$63,342	\$60,945	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE TOTALS	\$55,067,017	\$52,752,453 1,386,464 OF 1,519,500 FF	\$51,138,187 4,201,957 OF 431,000 FF	\$44,467,403 0 OF 780,700 FF	\$43,253,752 0 OF 442,000 FF	\$42,697,387 1,950,750 OF 0 FF	\$41,593,128	\$35,599,190	\$35,560,080	\$34,154,710	\$29,298,125

CONTINUATION PROJECTS NOT IN THEIR FINAL STAGE

ADMINISTRATION											
1	Master Planning Pool /6 Total Cost: \$1,000,000	\$0	\$500,000 Planning	\$500,000 Planning							
HIGHER EDUCATION											
2	UC-Boulder, Chemistry Building, Environmental Health and Safety Total Cost: \$6,771,270	\$3,717,570	\$989,100 Construction	\$1,032,300 Construction	\$1,032,300 Construction						
3	Otero Junior College, Gymnasium Renovation Total Cost: \$1,300,000	\$0	\$700,000 Professional Services/ Construction	\$600,000 Construction							
INSTITUTIONS											
4	Uranium Mill Tailings, Remedial Action Program Total Cost: \$30,247,521 \$5,264,945 \$319,405,194	\$7,228,155 4,264,945 OF 103,230,900 FF	\$1,600,000 250,000 OF 16,650,000 FF	\$4,283,874 750,000 OF 45,304,578 FF	\$4,283,873 0 OF 38,554,857 FF	\$4,283,873 0 OF 38,554,857 FF	\$4,283,873 0 OF 38,554,857 FF	\$4,283,873 0 OF 38,554,857 FF			
CONTINUATION PROJECTS TOTALS											
		\$10,945,725 4,264,945 OF 103,230,900 FF	\$3,789,100 250,000 OF 16,650,000 FF	\$6,416,174 750,000 OF 45,304,578 FF	\$5,316,173 0 OF 38,554,857 FF	\$4,283,873 0 OF 38,554,857 FF	\$4,283,873 0 OF 38,554,857 FF	\$4,283,873 0 OF 38,554,857 FF	\$0 0 OF 0 FF	\$0 0 0	\$0 0 0
CUMULATIVE TOTALS											
		\$66,012,742 4,264,945 OF 103,230,900 FF	\$56,541,553 1,636,464 OF 18,169,500 FF	\$57,554,361 4,951,957 OF 45,735,578 FF	\$49,783,576 0 OF 39,335,557 FF	\$47,537,625 0 OF 38,996,857 FF	\$46,981,260 1,950,750 OF 38,554,857 FF	\$45,877,001 0 OF 38,554,857 FF	\$35,599,190	\$35,560,080	\$34,154,710 \$29,298,125

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
EQUIPMENT PROJECTS											
INSTITUTIONS											
1		\$0	\$33,000 Equipment	\$32,000 Equipment							
			Total Cost: \$65,000								
HIGHER EDUCATION											
2		\$0	\$30,480 33,020 OF Equipment								
			Total Cost: \$30,480 \$33,020 OF								
3		\$0	\$64,270 69,630 OF Equipment								
			Total Cost: \$64,270 \$69,630 OF								
4		\$0	\$685,000 Equipment								
			Total Cost: \$685,500								
INSTITUTIONS											
5		\$200,000 Equipment	\$250,000 Equipment	\$750,000 Equipment							
		Total Cost: \$1,200,000									
HIGHER EDUCATION											
6		\$0	\$315,000 Equipment								
		Total Cost: \$315,000									

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
PUBLIC SAFETY											
7 Colorado State Patrol, Aircraft Replacement Total Cost: \$90,000 \$15,000	\$0	\$90,000 15,000 OF Equipment									
EQUIPMENT TOTALS	\$200,000	\$1,467,750 117,650 OF	\$782,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE TOTALS	\$66,212,742 4,264,945 OF 103,230,900 FF	\$58,009,303 1,754,114 OF 18,169,500 FF	\$58,336,361 4,951,957 OF 45,735,578 FF	\$49,783,576 0 OF 39,335,557 FF	\$47,537,625 0 OF 38,996,857 FF	\$46,981,260 1,950,750 OF 38,554,857 FF	\$45,877,001 0 OF 38,554,857 FF	\$35,599,190	\$35,560,080	\$34,154,710	

FINAL STAGE OF CONTINUATION PROJECTS

EDUCATION

1 Colorado School for the Deaf and Blind, Completion of Fire Alarm System Total Cost: \$369,724	\$250,000 Construction	\$119,724 Construction									
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AGRICULTURE

2 Colorado State Fair, Grandstand Completion Total Cost: \$539,220	\$500,000 A/E and Construction	\$139,220 Construction									
3 Plant Industry Division, Insectary Facility Total Cost: \$1,485,498	\$147,370 Professional Services	\$1,338,128 Construction									

HIGHER EDUCATION

4 UC-Colorado Springs, Campus Storm Drainage and Fire Lanes Total Cost: \$750,871	\$259,264 Construction	\$491,607 Construction									
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FINAL STAGE TOTALS	\$1,156,634	\$2,088,679	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE TOTALS	\$67,369,376 4,264,945 OF 103,230,900 FF	\$60,097,982 1,754,114 OF 18,169,500 FF	\$58,336,361 4,951,957 OF 45,735,578 FF	\$49,783,576 0 OF 39,335,557 FF	\$47,537,625 0 OF 38,996,857 FF	\$46,981,260 1,950,750 OF 38,554,857 FF	\$45,877,001 0 OF 38,554,857 FF	\$35,599,190	\$35,560,080	\$34,154,710	\$0

CAPITAL CONSTRUCTION RECOMMENDATIONS
SCENARIO III
FY 1988-89 AND PROJECTED THROUGH FY 1997-98

PROJECT	PRIOR APPROPRIATION	FISCAL YEAR 1988-89	FISCAL YEAR 1989-90	FISCAL YEAR 1990-91	FISCAL YEAR 1991-92	FISCAL YEAR 1992-93	FISCAL YEAR 1993-94	FISCAL YEAR 1994-95	FISCAL YEAR 1995-96	FISCAL YEAR 1996-97	FISCAL YEAR 1997-98
CRITICAL NEED PROJECTS											
HIGHER EDUCATION											
1 Colorado State University, Agricultural Campus Relocation Total Cost: \$2,536,721	\$0	\$578,000 Professional Services	\$1,958,721 Construction								
AGRICULTURE											
2 Colorado State Fair, Fairgrounds Expansion, South Wall Parking Lot Total Cost: \$325,000	\$0	\$325,000 Construction									
MILITARY AFFAIRS											
3 Armory Repairs Under \$2,500 and Major Equipment Purchases Total Cost: \$50,000 \$28,000 FF	\$0	\$50,000 28,000 FF									
CRITICAL NEED TOTALS	\$0	\$953,000 0 OF 28,000 FF	\$1,958,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCENARIO III TOTALS	\$67,369,376 4,264,945 OF 103,230,900 FF	\$61,050,982 1,754,114 OF 18,197,500 FF	\$60,295,082 4,951,957 OF 45,735,578 FF	\$49,783,576 0 OF 39,335,557 FF	\$47,537,625 0 OF 38,996,857 FF	\$46,981,260 0 OF 38,554,857 FF	\$45,877,001 1,950,750 OF 38,554,857 FF	\$35,599,190 0 OF	\$35,560,080	\$34,154,710	

- /1 The last lease payment for the Auraria Replacement Facility is scheduled for fiscal year 2005-06.
- /2 The controlled maintenance appropriation includes the first 45 projects listed in the State Buildings Division FY 1988-89 Budget Request document. An additional \$100,00 has been added to project #13 for the repair and replacement of light fixtures in the State Capitol Building. The recommended funding level excludes funding for project #34, and reduces the fund for emergency projects to \$500,000.
- /3 Total construction costs for providing new space for the Department of Revenue are based on a August 5, 1987, report from the Ross Consulting Group. The cost factors were based on a ten-year purchase agreement of an existing facility at 8.5 percent financing.
- /4 Funding for the Osier dining facility is based on \$170,000 in capital construction funds, \$172,800 in cash funds, and a \$170,000 appropriation from New Mexico. Application for funding has also been made to the Economic Development Commission.
- /5 The Capital Development Committee has designated a fund to be appropriated to the Department of Administration for asbestos abatement purposes. The fund is to be considered as an emergency pool to address asbestos abatement needs as problems arise. It is the intent of the Capital Development Committee that the fund be administered by the Department of Administration.
- /6 It is the intent of the Capital Development Committee that master planning funds be made available to departments or institutions on a matching fund basis. Funding matches will be determined on the degree of need and the availability of funds.

Controlled Maintenance Projects

For fiscal year 1988-89, the committee is again recommending that a significant portion of the capital construction fund be utilized for controlled maintenance purposes.

After reviewing the controlled maintenance budget requests from the State Buildings Division and reviewing the revenue projections for the coming year, the committee recommends approximately \$18.9 million for controlled maintenance purposes. This level of funding would address the first 44 projects, exclusive of project #34, listed on the State Buildings Division prioritized listing of controlled maintenance projects. Also, the committee recommends that the fund for emergency projects be reduced from a suggested \$1,000,000 to \$500,000 and project #13 be increased by \$100,000 to provide for the replacement of lighting fixtures in the Capitol Building. A listing of the controlled maintenance recommendations follows as Table 3.

In total, 767 controlled maintenance projects were submitted to the State Buildings Division for a funding request of \$152.5 million for fiscal year 1988-89.

Providing a consistent and stable level of funding for controlled maintenance projects is a high priority of the Capital Development Committee. Controlled maintenance funds allow for the maintenance of existing facilities to prevent greater problems in the future and to ensure maximum building efficiency.

Appropriations to controlled maintenance projects for the past ten years have been significantly below the private industry accepted standard of two percent of the replacement value or cost of all facilities. The value of all state facilities was recently estimated to be \$2.2 billion, which represents an annual controlled maintenance need of \$44 million.

The Capital Development Committee again introduced a bill for the 1988 legislative session (the bill was first introduced in 1987) that would annually designate two percent of the value of state capital assets for purposes of funding controlled maintenance.

A ten-year history of controlled maintenance appropriations are provided in the following table:

Controlled Maintenance Funding
 FY 1978-79 through 1987-88
 (in thousands)

	<u>Total Budget Requests</u>	<u>Total Appropriation</u>	<u>Total Deferred Need</u>
FY 1978-79	\$ 3,957	\$ 1,516	\$ 2,441
FY 1979-80	4,778	1,731	3,048
FY 1980-81	29,257	9,529	19,728
FY 1981-82	31,957	5,612	26,345
FY 1982-83	41,390	2,069	39,361
FY 1983-84	61,600	9,844	51,756
FY 1984-85	60,348	3,342	57,006
FY 1985-86	106,816	15,009	91,807
FY 1986-87	98,093	10,316	87,787
FY 1987-88	120,922	22,224	98,768

SOURCE: State Buildings Division, Controlled Maintenance Budget Requests, FY 1984-85 through FY 1988-89.

A review of the table reinforces that funding levels have been consistently below the industry accepted standards of two percent of the assets. The minimal appropriations have caused the backlog of deferred projects to increase at a steady rate. The lack of consistent funding and the ever-increasing pool of deferred needs jeopardizes the condition of the state's assets and further strengthens the committee's desire to sufficiently fund controlled maintenance projects and protect the state's capital assets.

Recognizing the need for an ongoing funding commitment for the protection of the state's investment in capital facilities, the committee had recommended funding levels of \$20 million and \$23 million for fiscal years 1986-87 and 1987-88, respectively.

TABLE 3

1988/89 CONTROLLED MAINTENANCE
PRIORITIZATION OF REQUESTSJANUARY 1, 1988
PREPARED BY: MANNING KNAPP ARCHITECTS

NO. DEPT.	AGENCY	PROJECT	PROJECT ESTIMATE	CUMULATIVE TOTAL	PROJECT SCORE	AGENCY PRIORITY	AGENCY FIRST REQUEST YEAR
1 ADM	STATE BUILDINGS	FUND FOR EMERGENCIES	1,000,000	1,000,000			
2 ADM	STATE BUILDINGS	REMOVE PCB HAZARDS	500,000	1,500,000			
3 HED	COLO. STATE UNIVERSITY	REPL FLOORS, OPER TALBES / VTH	167,000	1,667,000	1	1	1987
4 HED	CU - BOULDER	REP ELEVATOR CONVEYANCES/CAMPUS PH III	124,230	1,791,230	1	1	1988
5 HED	HEALTH SCIENCES	REPLACE PATIENT AIR LINES/UH	320,000	2,111,230	1	1	1988
6 HED	ARAPAHOE CC	REPL OBSO FIRE ALARM PANEL	40,000	2,151,230	1	1	1987
7 HED	CU -BOULDER	R/R EMERGENCY LIGHTING PH I	505,000	2,656,230	1	1	1986
8 HED	CU -BOULDER	R/R DET FIRE ALARM SYS PH III	757,500	3,413,730	1	1	1988
9 INST	FORT LOGAN	REP/REPL HAZ CEILING FINISHES	300,000	3,713,730	1	1	1988
10 HED	HEALTH SCIENCES	REP CRITICAL FUME HD/VENT DEFI SM&SD	500,000	4,213,730	1	1	1988
11 HED	HISTORICAL SOCIETY	GHM REP/REPL MISC HAZ SYSTEMS	726,868	4,940,598	1	1	1988
12 INST	PUEBLO RC	REPL MISC HAZ DOORS & EQP/11 HOMES	50,000	4,990,598	1	1	1987
13 ADM	CAPITOL COMPLEX	REP MISC HAZ ELECTRICAL SYS	64,438	5,055,036	1	1	1987
14 COR	CORRECTIONS	REPL HAZ ELEC COMPON./BVCF/DCC/RCC	605,980	5,661,016	1	1	1988
15 HED	CU - BOULDER	R/R HAZ SERV DISTRIBUTION PH III	752,450	6,413,466	1	1	1988
16 HED	PIKES PEAK CC	REP/REPL HAZ LIGHTING/CAMPUS	38,760	6,452,226	1	1	1986
17 ADM	CAPITOL COMPLEX	REP MISC HAZ HTG & PLBG SYS	402,180	6,854,406	1	1	1987
18 INST	COLO STATE HOSPITAL	REPL MECH EQUIP	495,000	7,349,406	1	1	1986
19 HED	COLO STATE UNIVERSITY	REPL DET MECH ITEMS / PHASE 3	996,400	8,345,806	1	1	1987
20 COR	CORRECTIONS	REP/REPL MISC SYS/BVCF/DCC	678,690	9,024,496	1	1	1988
21 HED	CU - BOULDER	BOIL/CHILLER REPL CEN PL PH II	1,414,000	10,438,496	1	1	1988
22 INST	GRAND JUNCTION RC	REPL MECH EQUIP SYS/PHASE 1	500,000	10,938,496	1	1	1987
23 HED	HEALTH SCIENCES	REPL ACS UNITS 2, 5, & 12/UH	200,000	11,138,496	1	1	1988
24 HED	TRINIDAD STATE JC	REPL MISC HAZ SYSTEMS/MULLEN	255,000	11,393,496	1	1	1987
25 HED	WESTERN STATE COLLEGE	REP/REPL HAZ MECH SYSTEMS/HURST HALL	416,700	11,810,196	1	1	1986
26 INST	WHEAT RIDGE RC	REP/REPL MISC HAZ COMP/SYS	268,791	12,078,987	1	1	1986
27 HED	CU - BOULDER	R/R AIR MOVING SYS PH III	1,121,100	13,200,087	1	1	1988
28 HLTH	HEALTH	REPL LEAKING ROOF/LABORATORY/EAST WING	75,000	13,275,087	1	1	1988
29 HED	MORGAN CC	REP/REPL LEAKY ROOF & HVAC UNITS/ZBLDGS	240,500	13,515,587	1	1	1983
30 HED	RED ROCKS CC	REP ROOF FINAL PH/MIDDLE BLDG	30,600	13,546,187	1	1	1987
31 HED	LAMAR CC	REPL BOWMAN/BETZ ROOF	220,838	13,767,025	1	1	1987
32 AG	ZUNI	REPL LEKY ROOF/MEAS STDS BLDG	8,954	13,775,979	1	1	1988
33 HED	ADAMS STATE COLLEGE	PRIMARY ELEC REPL/ PHASE III	539,100	14,315,079	1	1	1988
34 HED	CU - BOULDER	R/R LOW PRESS STM DIST SYS PH I	1,013,409	15,328,488	1	1	1988
35 JUD	JUDICIAL	REPL HAZ RAIL/FLOORING	32,060	15,360,548	1	1	1987
36 HED	SCHOOL OF MINES	REP/REPL DET UTIL TUNNEL III/CAMPUS	548,800	15,909,348	1	1	1985
37 HED	U OF NORTHERN COLORADO	REPL HAZ ELEC UTIL/SYS/PH I	800,000	16,709,348	1	1	1987
38 INST	COLO STATE HOSPITAL	REPL SECURITY LOCKS/DOORS PH II	492,000	17,201,348	1	1	1986
39 HED	FORT LEWIS COLLEGE	REP/REPL HAZ ELEC DIST SYS/SITE UTIL	705,800	17,907,148	1	1	1986
40 HED	PUEBLO CC	REPL MISC HAZ ARCH'L SYSTEMS	332,000	18,239,148	1	1	1984
41 SS	VET CTR - HOMELAKE	REPL EXTERIOR SYSTEMS / CAMPUS	56,100	18,295,248	1	1	1986
42 ADM	CAPITOL COMPLEX	REP/REPL HAZ ARCH SYS	424,958	18,720,206	1	1	1987
43 DPS	CLETA	REP/REPL HAZ DRIVER TRNG TRACK	200,000	18,920,206	1	1	1988
44 AG	COLO STATE FAIR	REP/REPL ASPHALT PAV/STG/MIDWAY / P LOTS	180,000	19,100,206	1	1	1988
45 COR	CORRECTIONS	REPL OBSO/DET MECH EQUIP/BVCF/RIFLE/CANON	1,207,980	20,308,186	1	1	1988

Capital Construction Projects
Funded Through Other Funding Sources

In addition to requests from departments for capital construction funds, the Capital Development Committee also reviews construction projects which will be entirely funded through other funding sources.

Because these projects do not impact appropriations to the capital construction fund, the committee has chosen not to place these projects within its prioritized listing. Rather, the committee has decided to issue a list of committee-approved construction projects that could be funded through other sources.

Projects designated for other funds from the Department of Corrections, however, should be given special notice. There are three projects involving prison construction for additional bed space: the Denver Diagnostic Unit (480 beds); a medium security facility (500 beds); and Shadow Mountain Correctional Facility double bunking expansion (96 beds).

The department originally requested capital construction funds as the funding source for these projects. It was then the committee's decision to move these projects to the "other funds" list.

During the interim session, prison construction had been a top priority of the committee. At its November 10, 1987, meeting the committee adopted a recommendation that generally supported the construction of the above-mentioned facilities. In addition, the committee endorsed the authorization of electronic lottery games to raise additional revenue for state capital construction purposes, including the construction of new correctional facilities.

On January 18, 1988, the committee also voted to accept the Department of Corrections' revised plan for the Denver Diagnostic Unit. The original plan called for a 336-bed facility, consisting primarily of high security beds. The cost of this facility was estimated to be approximately \$43 million.

The revised Denver Diagnostic Unit allows for the construction of 480 beds; 200 regular housing beds; 200 beds to provide intensive clinical services; and 80 beds for female offenders. Total cost of the revised plan is approximately \$42 million, a \$1 million price reduction from the 336-bed proposal.

The entire listing of projects to be funded through other sources are noted in Table 4, which follows.

TABLE 4

FISCAL YEAR 1988-89 CAPITAL DEVELOPMENT COMMITTEE RECOMMENDATIONS
 PROJECTS FUNDED THROUGH FUNDS OTHER THAN CAPITAL CONSTRUCTION FUNDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS
DEPARTMENT OF ADMINISTRATION			
1 Telecommunications, Digital Data Network	\$0	\$1,500,000 OF	\$1,500,000 OF
2 Capitol Complex, Demolish Three Buildings	0	230,000 OF	
DEPARTMENT OF CORRECTIONS			
1 Denver Diagnostic Unit, Design and Construction	1,925,000 CCF	42,716,098 OF	
2 500-Bed Medium Security Facility	0	13,290,000 OF	26,008,250 OF
3 Shadow Mountain Double Bunking Expansion	0	8,508,230 OF	2,648,160 OF
DEPARTMENT OF HEALTH			
1 Superfund Sites Clean-up	6,315,000 OF 63,951,000 FF	6,850,000 OF 47,950,000 FF	20,000,000 OF 180,000,000 FF
DIVISION OF PARKS AND OUTDOOR RECREATION			
1 Minor Recreation Improvements and Maintenance	500,000 OF	500,000 OF	500,000 OF
2 Road Maintenance	505,000 OF	500,000 OF	500,000 OF
3 Mueller State Park	2,310,000 OF 1,000,000 FF	950,000 OF	240,000 OF
4 Arkansas River Park		215,000 OF	
5 Colorado Greenway Project, State Trails Grants Program	2,234,100 OF	450,000 OF	500,000 OF
6 Acquisition of Inholdings	950,000 OF	400,000 OF	0
7 Cherry Creek Renovation	360,000 OF 360,000 FF	400,000 OF 100,000 FF	1,151,900 OF 648,100 FF
8 Castlewood Development, Phase Two	425,000 OF	300,000 OF 200,000 FF	1,700,000 CCF
9 Eleven Mile State Recreation Area		300,000 OF 200,000 FF	800,000 OF
10 Employee Housing Maintenance	12,830 OF	7,575 OF	7,500 OF
DIVISION OF WILDLIFE			
1 Miscellaneous Small Projects	187,500 OF 112,500 FF	300,000 OF	300,000 OF
2 Employee Housing Repair	130,000 OF	130,000 OF	130,000 OF
3 Dam Maintenance Repair and Improvements	100,000 OF	100,000 OF	100,000 OF
4 Property Maintenance, Improvement, and Development	250,000 OF 150,000 FF	400,000 OF	400,000 OF
5 Stream and Lake Improvements	253,120 OF 246,880 FF	68,500 OF 56,500 FF	71,240 OF 58,760 FF
6 Motorboat Access on Lakes and Streams	93,750 OF 281,250 FF	43,750 OF 131,250 FF	45,000 OF 135,000 FF

FISCAL YEAR 1988-89 CAPITAL DEVELOPMENT COMMITTEE RECOMMENDATIONS
 PROJECTS FUNDED THROUGH FUNDS OTHER THAN CAPITAL CONSTRUCTION FUNDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS
7 Fish Unit Maintenance and Improvements	750,000 OF	547,000 OF	750,000 OF
8 Wildlife Easements	531,250 OF 318,750 FF	850,000 OF	850,000 OF
9 Buena Vista Correctional Facility Hatchery	0	50,750 OF 152,250 FF	0
DEPARTMENT OF REVENUE			
1 Port of Entry, Construct 2 Pullouts, Franktown	0	46,943 OF 187,773 FF	0
2 Port of Entry, Construct Pullout, Kersey	0	25,969 OF 103,876 FF	0
3 Port of Entry, Construct Pullout, Laird	0	32,173 OF 128,692 FF	0
4 Port of Entry, Construct Trinidad Dual Port	0	22,700 OF 204,300 FF	633,810 OF 2,104,290 FF
5 Port of Entry, Relocate Dumont North Port	0	324,770 OF 1,161,241 FF	0
6 Port of Entry, Relocate Cortez Port	0	388,549 OF 1,032,215 FF	0
7 Port of Entry, Build Impound/Inspection Area, Monument West Port	0	23,690 OF 94,760 FF	0
8 Port of Entry, Build Impound/Inspection Area, Limon	0	27,945 OF 111,781 FF	0
9 Port of Entry, Build Impound/Inspection Area, Fort Morgan	0	27,945 OF 111,781 FF	0
10 Port of Entry, Construct Three Safety Inspection Buildings	0	530,121 OF	0
11 Port of Entry, Install Lamar Sewer Line	0	22,783 OF	0
12 Port of Entry, Install Dumont Sewer Line	0	22,783 OF	0
DEPARTMENT OF SOCIAL SERVICES			
1 Colorado State Veterans Nursing Home, Dining Room Addition	0	24,485 OF 45,472 FF	0
COLORADO STATE UNIVERSITY			
1 Electron Paramagnetic Resonance Unit	0	158,663 OF	0
CUMULATIVE TOTALS -- ALL DEPARTMENTS			
	\$1,925,000 CCF \$15,907,550 OF \$66,420,380 FF	\$0 CCF \$81,286,422 OF \$51,971,891 FF	\$1,700,000 CCF \$57,135,860 OF \$182,946,150 FF

Future Capital Needs

Table 5, following, lists those projects which the Capital Development Committee has identified as "future capital needs." These projects have received a priority ranking from their respective departments or institutions, but have not been prioritized by the committee for funding in fiscal year 1988-89.

The "future capital needs" classification includes all projects which were requested by departments or agencies for fiscal year 1988-89. It is anticipated that these projects will again be submitted for committee consideration in the immediate future.

In all, the future needs list contains 94 projects totaling \$54,743,473 in capital construction funds, \$676,232 in other funds, and \$3,830,193 in federal funds. These projects, however, would require an additional \$135 million in future years for project completion.

It should also be noted that the Colorado Commission on Higher Education received an additional \$34.6 million in requests which were not forwarded to the Capital Development Committee because the projects were not accompanied by approved program plans.

TABLE 5

FISCAL YEAR 1988-89 CAPITAL CONSTRUCTION REQUESTS
FUTURE NEEDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS	OSPB PRIORITY (out of 22)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
DEPARTMENT OF ADMINISTRATION							
1 Asbestos Removal, Phase I	0	900,000	0				
2 Renovate Governor's Mansion, Phase V	730,000	300,000	0				
3 Centennial Building, Hazardous Drainage	0	135,000	0				
4 Capitol Building Renovation	0	125,000	0				
5 Repair and Restore Capitol Grounds, Phase I of Master Plan	0	100,000	0				
6 Telecommunications, Microwave System Enhancement	0	240,000	0				
7 State Capitol, Fabricate and Install Security Window Units	0	103,000	0				
ADMINISTRATION TOTALS	\$730,000	\$1,903,000	\$0		\$0		
DEPARTMENT OF AGRICULTURE							
1 Inspection and Consumer Services, Bio- Chemistry Laboratory Addition	2,450	242,171	0				
AGRICULTURE TOTALS	\$2,450	\$242,171	\$0		\$0		
DEPARTMENT OF CORRECTIONS							
1 500-Bed Medium Security Facility	0	13,290,000	26,008,250				
2 Fire Protection and Life Safety, Phase I	0	1,772,000	0				
3 Asbestos Abatement and Removal, Phase I	0	1,332,563	0				
4 Delta Correctional Facility, Phase I Renovation	0	1,294,595	0				
5 Security, Safety, and Storage Additions to Canon City and Buena Vista	0	130,500	0				
6 Colorado Territorial, Security Perimeter System	0	190,000	0				
7 Centennial, Two Security Towers and One Surveillance System	0	582,700	0				
8 Buena Vista, Upgrade Security Fence Lighting	0	174,500	0				
9 Buena Vista, Corridor Door Motors and Install Jail Steel on 176 Windows	0	176,630	0				
10 Fremont, Security Needs	0	137,630	0				
11 Colorado Womens Facility, Perimeter Fence	0	33,850	0				
12 Skyline, Emergency Generator and Security Lights	0	116,400	0				

FISCAL YEAR 1988-89 CAPITAL CONSTRUCTION REQUESTS
FUTURE NEEDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS	OSPB PRIORITY (out of 22)	OSPB RECOMMENDATION	CCE PRIORITY (out of 67)	CCE RECOMMENDATION
13 Correctional Industries, Construction Requests	0	3,421,072	0				
		58,732 OF					
14 Colorado Territorial and Centennial, Facility Deficiencies	0	660,010	0				
15 Programmatic Needs at Four Facilities	0	8,309,256	0				
16 Paving Needs, Two Facilities	0	534,340	0				
CORRECTIONS TOTALS	\$0	\$32,156,046	\$26,008,250				\$0
		58,732 OF					
DEPARTMENT OF EDUCATION							
1 Colorado School for the Deaf and Blind, West Hall Elevator	0	214,297	0				
2 Colorado School for the Deaf and Blind, Jones Hall Elevator	0	214,297	0				
EDUCATION TOTALS	\$0	\$428,594	\$0				\$0
DEPARTMENT OF HEALTH							
1 State Facilities Asbestos Project	0	500,000	15,500,000	#16	500,000 CCF		
HEALTH TOTALS	\$0	\$500,000	\$15,500,000		\$500,000 CCF		
DEPARTMENT OF INSTITUTIONS							
1 DYS, Secure Institutional Beds	0	1,020,052	9,350,433				
2 Fort Logan Mental Health Center, Locked Patient Facility	0	1,500,460	13,546,005				
3 Colorado State Hospital, Medium Security Psychiatric Facility	0	693,220	5,902,389				
4 All Divisions, Asbestos Removal	0	1,217,455	7,112,265				
INSTITUTIONS TOTALS	\$0	\$4,431,187	\$35,911,092				\$0
DEPARTMENT OF MILITARY AFFAIRS							
1 National Guard, Durango Armory	\$36,855	\$345,265	\$0				
	79,166 FF	1,034,477 FF					
2 Fort Morgan, 1-Unit Armory	0	382,120	0				
		1,113,643 FF					

CCF - capital construction fund; OF - other funds; FF - federal funds

FISCAL YEAR 1988-89 CAPITAL CONSTRUCTION REQUESTS
FUTURE NEEDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS	OSPB PRIORITY (out of 22)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
3 Trinidad, 1-Unit Armory	0	382,120	0				
4 Fort Collins, Armory Addition	0	1,113,643 FF	0				
5 New Armory Construction Fund	0	143,534	0				
6 National Guard, Telephone System, 300 Logan	0	368,430 FF	875,000				
	0	200,000	0				
MILITARY AFFAIRS TOTALS	\$36,855 79,166 FF	\$1,628,039 3,630,193 FF	\$875,000		\$0		
DEPARTMENT OF PUBLIC SAFETY							
1 Colorado State Patrol, Communications Upgrade	1,900,000 OF	186,000	0				
2 Division of Disaster Emergency Services, Elevator for Emergency Operation Center	0	100,000	0				
PUBLIC SAFETY TOTALS	\$0 1,900,000 OF	\$286,000	\$0		\$0		
DEPARTMENT OF NATURAL RESOURCES DIVISION OF PARKS AND OUTDOOR RECREATION							
1 Eleven Mile State Recreation Area	0	250,000	550,000 OF				
		300,000 OF					
		200,000 FF					
2 Jackson Renovation	0	750,000	1,950,000				
3 Eldorado Canyon Renovation	0	750,000	0				
4 Staunton State Park Development	0	750,000	250,000				
PARKS AND OUTDOOR RECREATION TOTALS	\$0	\$2,500,000 300,000 OF 200,000 FF	\$2,200,000 550,000 OF		\$0		
CUMULATIVE TOTALS — ALL DEPARTMENTS (Exclusive of Higher Education)	\$769,305 CCF 1,900,000 OF 79,166 FF	\$44,075,037 CCF 358,732 OF 3,830,193 FF	\$80,494,342 CCF 550,000 OF		\$500,000 CCF 0 OF 0 FF		

FISCAL YEAR 1988-89 CAPITAL CONSTRUCTION REQUESTS
FUTURE NEEDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS	OSPB PRIORITY (out of 22)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
COLORADO COMMISSION ON HIGHER EDUCATION							
UNIVERSITY OF COLORADO AT BOULDER							
1 Campus Fire Safety, Guggenheim and Ketchum Buildings	0	134,600	0			#17	134,600
2 Campus Fire Safety, Norlin Library and Helms Building	0	247,500	0			#19	247,500
3 Hale Building Renovation	0	256,700	2,988,700			#24	256,700
4 Laboratory Animal Facilities Improvements	0	888,300	0			#41	888,300
5 Elimination of Architectural Barriers	598,000	336,500	0			#65	336,500
	118,522 FF						
6 Asbestos Abatement, Survey Phase	0	186,700	186,700			non-prioritized	186,700
UC-BOULDER TOTALS	\$598,000	\$2,050,300	\$3,175,400		\$0		\$2,050,300
	0 OF						
	118,522 FF						
UC-COLORADO SPRINGS							
1 Dwire Hall Remodeling	\$0	\$472,344	\$0			#25	\$472,344
2 Physical Plant Services Building	0	1,869,806	369,084			#63	1,869,806
UC-COLORADO SPRINGS TOTALS	\$0	\$2,342,150	\$369,084		\$0		\$2,342,150
UC-HEALTH SCIENCES CENTER							
1 Campus Asbestos Removal, Phase I	0	350,000	2,150,000			non-prioritized	350,000
UC-HEALTH SCIENCES TOTALS	\$0	\$350,000	\$2,150,000		\$0		\$350,000
STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION							
1 Arapahoe Community College, Computer Room Improvement	0	49,000	0			#29	49,000
2 Lamar Community College, Air Conditioning Compressor Units	0	199,400	0			#45	199,400
3 Red Rocks Community College, Classroom Conversion, Middle Building	0	118,050	0			#46	118,050
4 Red Rocks Community College, Security and Observation System	0	86,000	0			#52	86,000
5 Trinidad State Junior College, Rehabilitate Dowell Hall Church	0	173,844	0			#59	173,844

FISCAL YEAR 1988-89 CAPITAL CONSTRUCTION REQUESTS
FUTURE NEEDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS	OSP PRIORITY (out of 22)	OSP RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
6 Front Range Community College, Completion/ Refurbishing Facility	0	93,600	62,400			#61	93,600
7 Lamar Community College, Buildings and Grounds Maintenance Building	0	96,795	0			#64	96,795
8 Pueblo Community College, Campus Utility Master Plan	0	21,000	0			#67	21,000
COMMUNITY COLLEGES TOTALS	\$0	\$837,689	\$62,400		\$0		\$837,689
COLORADO STATE UNIVERSITY							
1 Building Basement Fire Sprinklers, Plant Science, Wagar Science, Animal Science	0	204,784	0			#16	204,784
2 Building Basement Fire Sprinklers, Humanities Eddy Classroom, Weber Science	0	152,177	0			#18	152,177
3 Upgrade Main Campus Fire Protection System, Phase I	0	210,601	233,125			#26	210,601
4 Utility Service Improvements	0	248,205	3,161,414			#27	248,205
5 Laboratory Autoclave Equipment	0	125,644	0			#37	125,644
6 Ultracentrifuge Equipment	0	90,223	0			#39	90,223
7 Ergonomics Research and Training Unit	0	53,602	0			#42	53,602
8 X-Ray Monochromator, Physics Surface Studies	0	91,124	0			#43	91,124
9 Engineering Research Center Data Acquisition System	0	134,006	0			#44	134,006
10 Replace Lighting Board, Speech and Theatre	0	125,757	0			#49	125,757
11 Fire Protection Stand Pipes, Engineering Research, Eddy, Humanities, Engineering	0	39,820	0			#55	39,820
12 Morgan Library, Fire Control Engineering Study	0	10,000	0			#57	10,000
13 Academic Remodeling, Microbiology Building	0	32,834	464,516			#60	32,834
14 Campus Asbestos Abatement, Phase I	150,000	715,000	9,152,000			non-prioritized	715,000
15 Low Level Radiation Waste Site Closure	0	615,000	0			non-prioritized	615,000
COLORADO STATE TOTALS	\$150,000	\$2,848,777	\$13,011,055		\$0		\$2,848,777
FORT LEWIS COLLEGE							
1 Renovation and Modification to Campus Utility Systems, Campus Fire Safety Protection Improvement Phase	\$0	\$92,750	\$395,476			#11	\$92,750
2 Renovation and Modification to Campus Utility Systems, Electrical Distribution System	0	76,000	324,000			#28	76,000
FORT LEWIS TOTALS	\$0	\$168,750	\$719,476		\$0		\$168,750

CCF - capital construction fund; OF - other funds; FF - federal funds

FISCAL YEAR 1988-89 CAPITAL CONSTRUCTION REQUESTS
FUTURE NEEDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS	OSPB PRIORITY (out of 22)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
UNIVERSITY OF SOUTHERN COLORADO							
1 Bartley Boulevard, Road Safety Drainage Culvert	\$0	\$55,000	\$0			#51	\$55,000
2 Fire Alarm and Ventilation Enhancement	0	30,000	0			#56	30,000
SOUTHERN COLORADO TOTALS	\$0	\$85,000	\$0		\$0		\$85,000
TRUSTEES FOR THE COLORADO SCHOOL OF MINES							
1 Life Cycle Cost Study/Facility Program Plan, Alderson Hall	0	101,915	7,254,521			#30	101,915
2 Life Cycle Cost Study/Facility Program Plan, Coolbaugh Hall	0	121,867	9,137,662			#31	121,867
3 Facility Program Plan, Hill Hall Renovation	0	123,485	13,133,092			#33	123,485
4 Campus Accessibility for Handicapped	0	49,492	450,077			#66	49,482
5 Campus Asbestos Abatement, Phase I	0	277,485	2,247,682			non-prioritized	277,485
MINES TOTALS	\$0	\$674,244	\$32,223,034		\$0		\$674,234
TRUSTEES OF THE CONSORTIUM OF STATE COLLEGES							
1 Mesa College, Vocational Training Facility	\$0	\$127,300	\$1,496,488			#47	\$127,300
2 Western State College, Vehicle Security Building	0	326,126	0			#62	326,126
STATE COLLEGES TOTALS	\$0	\$453,426	\$1,496,488		\$0		\$453,426
TRUSTEES OF THE UNIVERSITY OF NORTHERN COLORADO							
1 Insurance Hazard Corrections	162,342	457,600	0			#53	457,600
2 Michener Library Basement Groundwater Flooding Control	3,500	179,500	0			#54	179,500
3 Campus Asbestos Abatement, Phase I	0	221,000 317,500 OF	1,255,965 2,857,585 OF			non-prioritized	221,000 317,500 OF
NORTHERN COLORADO TOTALS	\$165,842	\$858,100 317,500 OF	\$1,255,965 2,857,585 OF		\$0		\$858,100 317,500 OF

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FISCAL YEAR 1988-89 CAPITAL CONSTRUCTION REQUESTS
FUTURE NEEDS

DEPARTMENT/PROJECT DESCRIPTION	PRIOR APPROPRIATION	FY 1988-89 REQUEST	FUTURE REQUESTS	OSPB PRIORITY (out of 22)	OSPB RECOMMENDATION	CCHE PRIORITY (out of 67)	CCHE RECOMMENDATION
CUMULATIVE TOTALS - HIGHER EDUCATION	\$913,842 0 OF 118,522 FF	\$10,668,436 317,500 OF	\$54,462,902 2,857,585 OF		\$0		\$10,668,426 317,500 OF
CUMULATIVE TOTALS ALL DEPARTMENTS AND HIGHER EDUCATION	\$1,683,147 CCF 1,900,000 OF 197,688 FF	\$54,743,473 CCF 676,232 OF 3,830,193 FF	\$134,957,244 CCF 3,407,585 OF 0 FF		\$500,000 CCF \$0 OF \$0 FF		\$10,668,426 CCF \$317,500 OF \$0 FF

II. OTHER COMMITTEE RECOMMENDATIONS

Recommendations for Legislation

The Capital Development Committee proposes a legislative agenda for fiscal year 1988-89 comprised of five bills. The committee's legislative recommendations are directed toward achieving solutions to a variety of problems confronting capital construction, controlled maintenance, and management of state capital assets. Many of these solutions incorporate recommendations made by subcommittees of the Advisory Committee on Capital Development, while others represent a committee response to perceived problems. The five bills recommended to address various issues related to state capital construction and controlled maintenance needs include:

- a bill to require facilities master plans and facilities program plans for all state departments, agencies, and institutions as a condition for requesting any capital construction appropriation (H.B. 1008);
- a bill to authorize the Colorado Housing and Finance Authority to finance construction or improvement of state facilities (H.B. 1021);
- a bill to create a new Division of Facilities Management within the Department of Administration and to eliminate statutory references to the State Buildings Division (S.B. 35);
- a bill to create a capital assets management information system in order to develop an accurate and complete inventory of all state capital assets (S.B. 140); and
- a bill to set aside a designated percentage of the value of state capital assets annually for purposes of funding controlled maintenance (S.B. 41).

(Appendix A contains texts of all recommended committee bills.)

Concerning the Approval of Facilities Plans -- House Bill 1008

House Bill 1008 requires that each state agency, institution, and department (excluding institutions of higher education) submit facility master plans and facility program plans to the Office of State Planning and Budgeting for approval. The bill prohibits agencies and departments from submitting capital construction or controlled maintenance requests to the Capital Development Committee without approved facilities plans. The committee reserves the right

to review the facilities master plan for the Capitol Complex. In addition, the bill requires the Auraria Higher Education Center to review the current facilities plans of its constituent institutions before such plans are forwarded to the Colorado Commission on Higher Education.

The purpose of H.B. 1008 is to create a mechanism, similar to that employed in higher education, to require current facilities plans and program plans before new projects may be requested. The value of master planning by state departments and agencies is recognized by the committee as a key component in meeting its charge to develop five- and ten-year capital construction plans.

Concerning the Authority of the Colorado Housing and Finance Authority
-- House Bill 1021

House Bill 1021 extends the authority of the Colorado Housing and Finance Authority (CHFA) to include the financing of construction or improvement of state facilities. The language of the bill is sufficiently broad to commission CHFA to act as the financing authority for state facilities "including but not limited to judicial, administrative, residential rehabilitative, medical, correctional, and other such public facilities as may be approved by the general assembly." The financial instruments which CHFA is authorized to use include lease, lease-purchase, and certificate of participation options.

The CHFA statutes are amended to allow financing of "state facilities" which may include real property, buildings, equipment or furnishings, or building improvements. The powers of the CHFA Board are expanded to include financing of a variety of operations relating to state facilities ranging from construction to maintenance and operation. Planning authority is also provided by the bill.

Restrictions on CHFA's powers under the bill include:

- approval for financing any state facility must be made by the General Assembly acting by bill;
- the appropriate state agency must enter into the financing agreement with CHFA; and
- the financing agreement must specify the party responsible for operations and maintenance.

Provision is also made for CHFA to contract with the Department of Administration to supervise construction and operation of a state facility.

House Bill 1021 is viewed by the committee as a creative approach to the problem of limited resources and high cost capital needs. By leveraging monies through CHFA, capital facilities may be brought on

line without pledging the faith and credit of the state, which is constitutionally prohibited. By utilizing CHFA expertise in the financing of broad-scale capital projects, an ongoing mechanism is established by which the state can structure financing packages to address the needs for construction or improvement of state facilities.

Concerning the Creation of a Division of Facilities Management --
Senate Bill 35

In actions taken in the 1987 legislative session, the General Assembly significantly reduced the duties, responsibilities, and staffing of the State Buildings Division of the Department of Administration. Senate Bill 218 (1987 Long Bill) reduced the staff level at the State Buildings Division from 23.0 FTE to 2.0 FTE. House Bill 1347, which would have provided the corresponding changes in statute, was vetoed by the Governor on May 27. In its recommendation to abolish the division, the Joint Budget Committee recommendation noted that, "The Division currently coordinates all phases of a construction program for all departments except Natural Resources and Highways. This recommendation recognizes the ability of departments such as Higher Education to manage their construction projects."

The 1987 Long Bill also contains footnote 9c which requests the Capital Development Committee "to analyze the impact of the 1987-88 funding changes on the State Buildings Division and to report their findings to the Joint Budget Committee at the same time that they make their recommendation on capital construction and controlled maintenance" (see Section IV of this report).

Although the committee is still in the process of analyzing information concerning the impact of reductions at the State Buildings Division, a number of issues have been raised which require immediate legislative attention. Senate Bill 35 is an attempt to identify and retain the most critical duties and responsibilities of the State Buildings Division and transfer these to a new Division of Facilities Management within the Department of Administration.

Senate Bill 35 creates the new Division of Facilities Management effective July 1, 1988. The functions of the division are as follows:

- to negotiate and approve leases which are entered into by any state agency, and to keep current records of such leasing;
- to develop standards relating to space, architectural, structural, mechanical and electrical systems for the purpose of creating facilities master plans and facilities program plans, and to assure conformity between physical plans and approved program plans;
- to review and approve construction and design documents for purposes of code compliance and compliance with appropriations;

- to obtain and maintain a correct and current inventory of all real property and improvements owned by the state, exclusive of holdings of the state Department of Highways, and the state Board of Land Commissioners. The bill identifies specific types of information to be included in the inventory;
- to provide technical assistance to state departments, institutions, and agencies involved in construction projects;
- to submit to the General Assembly an annual report on the status of all capital construction and controlled maintenance projects; and
- to coordinate and review capital construction and controlled maintenance requests to assist the Office of State Planning and Budgeting in developing the executive budget request in these areas.

The Division of Facilities Management is empowered to create a construction procedures manual for all state buildings and facilities except roads, highways, and projects under the supervision of Department of Natural Resources. Finally, the bill authorizes the executive director to exercise additional flexibility in administering emergency controlled maintenance funds.

Senate Bill 35 preserves those crucial functions previously administered by the State Buildings Division, placing them in the new Division of Facilities Management. Only those functions considered to be absolutely vital to the efficient management of state facilities have been reinstated and all other State Buildings Division powers have been repealed.

Concerning the Development of a Capital Assets Management Information System and in Connection Therewith, Authorizing a Statewide Inventory, and Making an Appropriation Therefor -- Senate Bill 140

The Capital Development Committee recommends Senate Bill 140 as a key tool in the state's capacity to manage and maximize the value of its capital assets. The committee recognizes that previous efforts to create a capital assets inventory have been largely incomplete and have not been designed to provide the type of information necessary for effective asset management. To meet this need, the committee recommends that an ongoing management program be developed by the Executive Director of the Department of Administration through a contract agreement for development of a capital assets management information system. The bill calls for the contractor to:

- conduct an inventory of all capital assets, including a description of the asset, the date of acquisition, the current type and level of use, and other pertinent information;

- develop a capital assets management model based on prioritized objectives and a study of capital assets which includes value of such assets, controlling agencies or departments and relationships between agencies utilizing the assets;
- development of criteria for capital asset management; and
- development of data accumulation procedures as well as training for affected agencies.

The bill also provides for use of the asset management model by state agencies to make better capital assets decisions. The Departments of Highways and Higher Education are not required to use the model in their decision making. Annual reports on use of the model by state agencies is required. In addition, agencies and departments are required to notify the Department of Administration before selling, exchanging, or changing the use of any capital asset, and are required to provide the department an opportunity to comment on such proposed transactions.

Senate Bill 140 also requires that no appropriation be made to any department, agency, or institution which has not complied with the requirements set forth in the bill. An appropriation and funding for 3.0 FTE within the Department of Administration is also included for implementation of the bill.

Concerning Required Appropriations for Controlled Maintenance Purposes
-- Senate Bill 41

The purpose of this bill is to establish a guaranteed revenue stream to annually fund the maintenance and repair of state facilities. To achieve this end, Senate Bill 4 requires that an amount equal to two percent of the value of the state's capital assets be annually appropriated by the General Assembly to the capital construction fund and that the monies so appropriated be specifically designated for controlled maintenance purposes. Capital assets are defined as "any building, structure, facility, or physical betterment or improvement or any land or rights in land" and applies this definition to assets held by state departments, institutions, and agencies, including institutions of higher education. The state treasurer is directed to determine the capital assets value as of July 1, 1987, upon which the two percent appropriation is based. The treasurer is allowed the flexibility to annually apply inflation factors or other factors in order to certify an annual capital assets value to the General Assembly.

Senate Bill 41 is to take effect beginning in fiscal year 1988-89 and applies to each year thereafter. The committee recommends Senate Bill 41 as a statement of its support for a stable ongoing funding commitment for protection of the state's investment in capital facilities.

Policy Recommendations

Department of Corrections, Prison Construction

Determining the state's prison construction needs was a top priority of the Capital Development Committee's interim agenda. The committee met on separate occasions during the interim with the Joint Budget Committee and interim committee on Adult Criminal Justice to review construction requests from the Department of Corrections.

As a result, the committee is recommending the construction of two new facilities and the expansion of a third facility. However, the committee recommends that prison construction take place only after the following alternative methods have been explored: full utilization of community corrections space and expanded funding of the community corrections program; expansion of the Intensive Supervision Probation program; use of available county jail space; expanded double bunking of existing facilities, where possible; other sentencing alternatives to prison incarceration; the contracting out of special classifications of prisoners (protective custody, AIDS patients, etc.); and the possibility of regionalization of correctional placements in a state-county cooperative venture.

The three facilities recommended for funding to provide additional bed space include: the Denver Diagnostic Unit (480 beds); a medium security facility (500 beds); and Shadow Mountain Correctional Facility double bunking expansion (96 beds).

The Department of Corrections originally requested capital construction funds as the funding source for these projects. It was then the committee's decision to recommend an alternative funding source. The committee endorses the authorization of electronic lottery games to raise additional revenue for state capital construction purposes, including the construction of new correctional facilities.

The committee also voted to accept the Department of Corrections' revised plan for the Denver Diagnostic Unit. Original plans called for a 336-bed facility consisting primarily of high security beds. The cost of this facility was estimated to be approximately \$43 million. Revised plans of the Denver Diagnostic Unit allows for the construction of 480 beds; 200 regular housing beds; 200 beds to provide intensive clinical services; and 80 beds for female offenders. Total cost of the revised plan is approximately \$42 million, a \$1 million price reduction from the 336-bed proposal.

Definitions Related to Capital Construction

After review of the capital construction and controlled maintenance requests, the committee recommends that the definitions and threshold levels relating to capital construction, such as capital

outlay, controlled maintenance, and specific maintenance, be clarified. In recognition of this, a subcommittee has been formed to study the problem areas. Two members of the Capital Development Committee and two members of the Joint Budget Committee have been appointed. Results of their efforts to resolve the problem areas should be available in the spring of 1988.

Particularly, the committee feels that dollar thresholds should be modernized to reflect current costs and the definitions revised to prevent agencies from classifying a project under more than one category. A portion of this report has been dedicated to this particular subject and the specific areas which require clarification. The definitions section can be found within the background information section of the report.

Asbestos Abatement

It is recognized by the committee that exposure to asbestos is a health hazard and abatement procedures should be undertaken. The committee has recommended funding for asbestos abatement under its "health and life safety" project classification. However, the committee is recommending that the abatement funds be appropriated to the Department of Administration. It is the intent of the committee that these asbestos funds be recognized as an emergency fund. Projects will be addressed as the need for asbestos abatement is identified. These funds are not to be used for study purposes.

Exposed, friable asbestos poses the greatest health hazard. Encapsulated asbestos, on the other hand, poses the least threat. In addition, addressing all of the asbestos needs throughout the state will prove to be extremely costly over the long run. For this reason, the committee recommends that the Department of Administration appropriate asbestos funding when critical situations arise, namely public exposure to exposed, friable asbestos.

Furthermore, the committee expects that projects involving the renovation of state facilities to include costs for the removal of any asbestos. This practice will then be considered as another approach to asbestos abatement throughout the state.

Department of Revenue Relocation

Determining the appropriate housing accommodations for the Department of Revenue has been on the Capital Development Committee's agenda since the committee's inception. In the fall of 1987 the committee was asked by the Executive Committee of the Legislative Council to study the situation and present its findings to the Council and the Joint Budget Committee.

The Capital Development Committee studied the space needs and life-safety issues associated with the Capitol Annex Building. A

subcommittee of the Capital Development Committee Advisory Committee also examined the housing options available to the department. It was the conclusion of the committee that the Capitol Annex Building is inadequate and inefficient to house the functions of the Revenue Department and that these are critical health and life safety problems which require immediate attention. The committee recommends that the department be relocated within the coming year, as soon as an appropriate facility is located. The committee also recommends that the existing Capitol Annex Building be repaired and renovated to accommodate other state functions.

The Department of Administration has issued a request for proposal to accommodate a move by the Department of Revenue by January, 1989. The RFP is to include the options of lease, purchase, or build-to-suit, with the intent that employees would only be moved once.

Equipment Needs

The Capital Development Committee this year included in its priority ranking a separate project classification for the equipment needs of various departments. The intent of this classification is to emphasize the committee's commitment to providing equipment which is needed for program implementation. Failure to fund these equipment requests will result in programs not being carried out to their full potential.

Auraria Higher Education Center

A key point of discussion for the committee during the interim was the need for a comprehensive master plan that would define current and future space needs for the Auraria Higher Education Center. A number of events led the committee to delve into this area:

- 1) Auraria's request for capital construction funds for the lease-purchase payment for the new Auraria classroom building;
- 2) Auraria's capital construction request for funds to construct a facilities master plan; and
- 3) The University of Colorado at Denver's efforts to purchase the Dravo Building in an attempt to provide additional space for the University and Auraria.

Through testimony provided to the committee, it became apparent that the colleges on the Auraria campus have rapidly expanded and the campus is in need of at least 100,000 square feet of additional space. This space shortage brings to light the question: "Should the Auraria board determine the future facility needs of UC-Denver, Metro State College, and the Community College of Denver, or should each school

act independently regarding its space needs?".

The committee undertook the task of reviewing UC-Denver's proposal to purchase the Dravo Building and submitted its recommendation to the Colorado Commission on Higher Education. It was during these hearings that the committee addressed the question of who should have control over Auraria space needs. Referring to the legislative declaration (Section 23-70-101, C.R.S.) regarding Auraria's creation, the committee noted that the Auraria Higher Education Center Board of Directors was established to provide for the coordination of the planning and construction of a multi-institutional higher education complex and to provide the land, physical plant, and facilities necessary to accommodate and house Metropolitan State College, UC-Denver, and the Community College of Denver.

Consequently, committee did not endorse the purchase of the Dravo Building. Rather, the committee requested that all parties work together toward future space acquisitions. The ultimate authority, however, would rest with the Auraria governing board.

The Capital Development Committee's sentiments regarding this issue are also reflected within H.B. 1008 which was introduced this legislative session. H.B. 1008 addressed the approval of facility master plans before capital construction projects will receive committee approval. Section 23-70-104 of the bill pertains solely to duties of the Auraria board. It states the board is "To review current facilities master plans submitted to the Auraria board by the governing boards of the constituent institutions. Facilities master plans submitted by constituent institutions shall conform with the long-range plan developed by the Auraria board ... the Auraria board shall approve the facilities master plans submitted pursuant to this paragraph (h) and no capital construction shall commence except in accordance with an approved facilities master plan."

The committee also recommends, within its prioritized listing of capital construction recommendations, funding for an Auraria facilities master plan. The master plan for the campus has not been updated since 1973.

III. STATE BUILDINGS DIVISION REPORT

The 1987 Long Appropriations Bill (Senate Bill 218) contains footnote 9c which directed that the Capital Development Committee "analyze the impact of the 1987-88 funding changes on the State Buildings Division and to report its findings to the Joint Budget Committee at the same time that the committee submitted its recommendations on capital construction and controlled maintenance. 1/ This section of the report summarizes the committee's findings during its review of the capital construction and controlled maintenance requests of executive departments and agencies for fiscal year 1988-89 as they pertain to the financial, administrative, and managerial impacts of the reductions at the State Buildings Division.

Background

As part of the budget reallocation plan in the 1987 Long Appropriations Bill, the duties and responsibilities of State Buildings Division (SBD) of the Department of Administration were greatly reduced with corresponding staff reductions. The rationale for eliminating the 23.0 FTE and \$890,000 division budget was cited in Joint Budget Committee staff documents dated March 17, 1987, as follows:

<u>State Buildings Division</u>	\$890,000	23.0 FTE
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This would eliminate funding of most of the functions performed by this Division. The Division currently coordinates all phases of a construction program for all departments except Natural Resources and Highways. This recommendation recognizes the ability of departments such as Higher Education to manage their construction budgets. The Office of Planning and Budgeting would be funded \$100,000 to maintain the statewide real estate inventory, oversee the leasing program, and coordinate the controlled maintenance and capital construction budget requests. 2/

1/ Session Laws of Colorado, First Regular Session, 1987: Volume 1, page 91.

2/ Joint Budget Committee staff memorandum presented to joint session of House and Senate, March 17, 1987.

The Long Bill as introduced did contain an appropriation to the Office of State Planning and Budgeting to administer the state office facility lease program and to coordinate the capital construction and controlled maintenance requests. However, the bill to eliminate in statute the State Buildings Division (House Bill 1347) by transferring or repealing the division's powers and duties was vetoed by the Governor and the veto was not overridden. Subsequently, the House acted to amend the Long Bill to reinstate 2.0 FTE and \$200,000 to perform these same functions within the State Buildings Division.

In his veto message to the General Assembly on House Bill 1347, Governor Roy Romer detailed his objections to the proposed elimination of the State Buildings Division. He summarized the functions of the division as follows:

The State Buildings Division supervises construction and maintenance projects for most state agencies. In a typical year this would involve about 20 major projects and scores of smaller maintenance projects, together totalling more than \$55 million in state funds. The division's staff has the necessary training and experience to select architects and engineers, approve contracts and specifications and oversee contract performance, thereby assuming that state funds are properly spent.

Governor Romer concluded that House Bill 1347 would

"... necessarily, leave each state agency to manage its own projects without experienced personnel. The state should keep control of its construction expenditures in one central, experienced staff. Leaving each agency to manage its own projects without central supervision would inevitably lead to increases in project costs and waste of taxpayer dollars."

The Governor commented that the Long Bill proposal to fund 2.0 FTE and \$100,000 in the Office of State Planning and Budgeting "would be wholly inadequate, and those functions should, in any event, be kept in the State Buildings Division."

The Capital Development Committee began its examination of the impacts of the staff reductions of the State Buildings Division in June, 1987. The committee addressed the following questions:

- What are the current statutory duties and responsibilities of the State Buildings Division?
- Which of these duties and responsibilities could most appropriately be decentralized and which should remain as centralized functions?
- What are the identifiable impacts of the elimination of most of the division in terms of project costs, timeliness of

project approval, and other reductions in services?

- What are the implications of the reductions for other division functions, notably the evaluation and ranking of controlled maintenance requests and the management of the state leasing program?
- What legislative remedies might be required in 1988 to ensure that the most critical functions of the division continue to be performed at some level?

Statutory Duties and Responsibilities of the State Buildings Division

The State Buildings Division was created in 1979 in the Department of Administration as a type 2 transfer of duties, powers, and functions formerly housed within the Office of State Planning and Budgeting. The division was given a variety of statutory duties and responsibilities which can be grouped under five major categories.

1. Oversight of all phases of state capital construction and controlled maintenance projects, including development, review, and enforcement of all construction standards on state projects.
2. Development, review, and technical assistance to state agencies in creating of facilities master plans and facilities program plans.
3. Supervision, review, and prioritization of all state controlled maintenance projects, and administration of emergency controlled maintenance funds.
4. Negotiation of state leases, and management of state leases in specified communities outside of Denver; also, approval of easements and rights-of-way.
5. Maintenance and publication of an inventory of state real property.

The following discussion summarizes the principal duties and responsibilities under each of these categories.

Capital Construction/Controlled Maintenance Oversight

One of the principal functions of the State Buildings Division prior to July 1, 1987, was the centralized oversight and supervision of all phases of a state capital construction project. The division's responsibilities begin with the statutory power to coordinate, review, and make recommendations on capital construction and controlled

maintenance requests and to assist the Office of State Planning and Budgeting in developing an annual executive budget recommendation for capital construction. The division then undertakes the management of the construction process as follows.

- Project initiation. The division supervises and is responsible for the expenditure of funds appropriated for capital construction and controlled maintenance projects, including keeping a current record of project balances and developing internal control methods to assure compliance with appropriations provisions and executive orders.
- Selection of design team. The division maintains lists of qualified consultants such as architects, engineers, landscape architects, land surveyors, and other approved consultants for contracting with state agencies and departments. The division also provides technical assistance to agencies and departments during the initial phases of a capital construction project and evaluates these projects in their initial planning stages. Final selection of contractors and approval of all contracts has also been a duty of the division.
- Project design. The division has responsibility for developing (or causing to be developed) approval standards related to space, and to architectural, structural, mechanical and electrical systems, and energy conservation. The division is then empowered to review all phases of project construction to assure conformance with these standards and with terms of the appropriation. In addition, the division is authorized to enforce standards for the handicapped and to develop and maintain life-cycle cost analysis methods for state facilities. The division has the power to approve or disapprove such systems prior to the start of construction.
- Administering construction contract bids. The division administers bid procedures and recommends the lowest responsible bids to the contracting department or agency. The division also approves the contract to be awarded.
- Construction phase. The division develops a construction procedures manual for state facilities and develops standards of inspection for monitoring the inspection of construction projects. Inspections and monitoring are provided to assure conformity with approved physical planning.
- Project status reports. Statute requires that the division submit an annual report on the status and costs of all projects completed or underway as of the last day of the preceding fiscal year. The division is also required to issue a quarterly controlled maintenance project status report.

- Funds expenditure. The department is responsible for the supervision of funds expended for capital construction/controlled maintenance projects, for recording current balances, and maintaining internal controls. The executive director of the department is also empowered to transfer funds between controlled maintenance projects as outlined in statute.
- Technical assistance. The division provides technical assistance to all state agencies through all phases of a project.
- Follow-up responsibilities: facilities maintenance and care. The division is responsible for determining if state facilities are being properly maintained and cared for, and to report such findings to the principal agency, the Governor, and the General Assembly. The division is also required to develop and maintain life-cycle cost analyses for existing state facilities.

Facilities Planning Functions

A second principal function of the State Buildings Division resides in the area of facilities master plans and facility program plans. Currently, the statutes require the Department of Administration to develop or cause to be developed facilities master plans and facility program plans for each state institution or agency, except for institutions of higher education. The division does have responsibility, however, for reviewing codes and standards developed by the Colorado Commission of Higher Education.

The division is further empowered to assure the conformity of facilities master plans with approved operational plans, to develop standards to be the basis for approving such plans, and to provide technical assistance to agencies and departments in creating such plans. In addition, facilities program plans are reviewed for compliance with construction standards and appropriation specifications.

Controlled Maintenance

The division has had primary responsibility for reviewing controlled maintenance budget requests, evaluating and prioritizing these requests, and making recommendations on the funding of these projects. The division provides essentially the same functions for managing controlled maintenance projects as it does for capital construction and reports quarterly to the General Assembly on the status of controlled maintenance projects. Technical assistance is provided to departments and agencies on all phases of a maintenance project. In addition, the Executive Director of the Department of Administration is authorized to administer emergency controlled

maintenance funds or to transfer funds within existing appropriations to meet emergency situations.

Negotiation and Management of State Leases

The Department of Administration has responsibility for negotiating and executing real property leases for all state agencies and departments, with the exception of the Department of Natural Resources. The State Buildings Division has been used to extend leasing authority to land, buildings, and office or other space. Similarly, the division negotiates and approves all easements and rights of way across state and non-state lands on behalf of state government entities. The Department of Administration relies upon the State Buildings Division to administer other real property transactions such as purchases, sales, and exchanges of land. The division also provides technical assistance to other states agencies in these areas.

An example of State Buildings Division lease management functions is the management of leased property outside the Denver area. The department is required by the Long Bill each year to manage the state's leased properties in nine communities.^{3/} The division reports on cost savings and possible consolidations of leases to the General Assembly each January and serves as repository of all lease information on these out-state properties.

Real Property Inventory

The Department of Administration is required to prepare and maintain an inventory of all state real property. The inventory is to include all real property of the state, including higher education institutions, but does not extend to properties under the jurisdiction of the state board of land commissioners or the state Department of Highways. The inventory is to contain sufficient information to identify the controlling state government agency, the location of the property, the date and source of acquisition, and a listing of subsequent improvements. An index system is to be maintained to assist in answering questions as to location and control.

The department is to establish procedures by which state departments and agencies report all acquisitions and dispositions of real property to allow for accurate updating and maintenance of the inventory. This provision is reinforced by requirements that no acquisition or disposition of state property take place until a complete report of such transaction has been filed with the department, although the department has no power to approve or disapprove such transactions. A biennial report to the General Assembly is required concerning the acquisition or disposition of real property.

^{3/} See footnote 9a, 1987 Long Appropriations Bill. (Session Laws, 1987, Volume 1, page 91).

Separate provision is made for obtaining and maintaining a current inventory of computer equipment and all capital assets valued in excess of \$100,000. The equipment inventory is to be maintained by the department in the same fashion as the real property inventory.

Centralization vs. Decentralization of Functions

In its analysis of the State Buildings Division, the committee considered which functions previously performed by the division might most appropriately be decentralized and which should remain housed within a single agency. The committee interviewed officials of the departments and agencies most affected by the staff reductions, such as the Departments of Higher Education, Institutions, and Corrections. Committee members also questioned facilities managers at numerous sites during the committee's 1987 tours of state facilities.

In addition, the committee requested that the current staff of SBD identify those functions which had not been performed or which had been only partially performed in recent years. The division identified the following items:

Capital construction/controlled maintenance oversight. The division reported little responsibility in the coordination, review, or recommendation of requests for capital construction projects. These functions have been performed primarily by the Office of State Planning and Budgeting. The division has been the primary agent, however, in the review, evaluation, and recommendation of controlled maintenance requests.

The other oversight responsibility not currently being performed has been in the area of project inspection. The division has been largely inactive in developing inspection standards and monitoring inspection of construction projects.

Facilities master plan/facilities program plan. The division has not been active in developing or causing to be developed the facilities master plans or facilities program plans detailed in statute. However, the division has been instrumental in developing and reviewing standards upon which those plans are based, notably in the area of higher education. This review insures conformity with operational master plans, and provides some technical assistance to agencies and departments in the process of developing such plans.

Controlled maintenance administration. All functions are performed except those related to inspection standards and inspection of project sites.

Leasing oversight and management. The responsibility to negotiate and execute real property leases, easements, and rights-of-way has been only partially executed in recent years. The division reports participation in between 10 and 50 percent of all real estate leases and 25-30 percent of easements and rights-of-way.

Real property inventory. The division also reports an incomplete effort in the area of obtaining and maintaining a current and correct inventory of state real property. The division does continue to publish a biennial report of state holdings based on data submitted by the agencies and departments.

Facilities Managers

Interviews with facilities managers indicated that significant decentralization of state facilities management responsibilities could be workable and could result in a more cost-effective and streamlined process providing greater efficiency for state government. In particular, the Colorado Inter-Institutional Facilities Group, comprised of facilities managers from throughout the state, recommended a number of suggestions regarding centralization vs. decentralization of functions:

- the group determined that a need exists for a centralized group of persons with technical expertise in each of the major engineering disciplines to provide advice and technical assistance to smaller agencies and institutions. However, the group also recommended that such advice and assistance be made available on a fee-for-service basis as a way of funding such services out of the project appropriation;
- a second area which should remain centralized was the budget process and the prioritization of controlled maintenance requests. The group cited centralization of these processes as important because smaller agencies lack the technical expertise and planning capabilities necessary to guarantee equal participation in the controlled maintenance appropriations process. In addition, the facilities managers emphasized a need for a centralized agency to respond to changing needs and priorities in controlled maintenance. Similar to administration of emergency controlled maintenance funds, this function would allow a central agency to transfer monies as needed between projects but would not preclude the process of direct appropriations to agencies; and
- the facilities managers also supported the centralized approach to code variance analysis and encouraged the state to formally adopt a set of minimum codes. This would leave the option to agencies and institutions to adopt more detailed or more restrictive codes, if necessary. The group

noted, however, that adoption of such codes might require the establishment of an appeals board to consider necessary code variances and might need to be a centralized function to serve smaller agencies.

The facilities managers also presented testimony in support of many of the decentralized functions anticipated in the Long Bill reductions. In particular they cited the desirability of direct appropriations to agencies and departments for management of their own capital construction and controlled maintenance projects. Creation of facilities master plans and facilities programs plans was also viewed as primarily an agency function, although technical assistance for small agencies was encouraged. The adoption of standards and codes was also seen as a function of the individual agencies and institutions, although state-wide minimum codes were supported. Similarly, the reporting functions related to real property leases and state inventory maintenance were viewed as most appropriate at the agency level, although some central data-gathering might be necessary.

The facilities group concluded that while many functions could be effectively decentralized for large agencies, attention should be paid to the technical and planning needs of smaller agencies. Suggestions covered a range of possible alternatives to assure small agency assistance, from code development and review to technical assistance in project management.

Higher Education

A third component on the issue of centralization vs. decentralization was the response of the higher education community to the reductions of the State Buildings Division. Representatives of the Colorado Commission on Higher Education, college and university governing boards, and facilities managers from various institutions met with the committee. The ability of many colleges and universities to manage their own capital construction and controlled maintenance projects was demonstrated by those providing testimony. Discussions with representatives of higher education also underscored the cost-effectiveness and efficiency of a decentralized approach to state facilities management. However, the higher education community also supported an approach to provide advice and assistance to agencies and institutions on a fee-for-service basis through a small centralized staff of technical experts. In addition, budgeting and determining of priorities for controlled maintenance and the setting of state facilities codes and standards were viewed as centralized functions. An appeals board process to consider code variances was also suggested.

In response to the staff reductions at the State Buildings Division, a Memorandum of Understanding between the Department of Administration and the Commission on Higher Education was developed. This agreement:

recognizes that certain governing boards and institutions have achieved construction planning and management competencies comparable to those of the fully staffed State Buildings Division. Delegation of project administration duties to CCHE/DOA-designated governing boards and institutions will alleviate the State Buildings Division workload and permit the division to provide more timely action for non-designated agencies and institutions.

The stated purpose of the Memorandum of Understanding was to promote "prompt and efficient physical plans review, simplicity of state administrative procedures, and best utilization of limited state resources." The memorandum was viewed as a way of allowing higher education to rapidly implement the processes outlined in the State Budget Reallocation plan, specifically by allowing "second party" physical plans reviews to be performed at the governing board level.

The Memorandum of Understanding delegates to the Colorado Commission on Higher Education the responsibility to review and approve physical plans formerly performed by the State Buildings Division. The CCHE in turn has delegated to certain governing boards a range of duties and responsibilities which include: review and approval of contracts; review of construction documents and approval to fund bidding; processing and signing pay requests, change orders, and request for consultant services; establishment and management of bid procedures; and, performance of other construction-related duties, including issuing purchase orders. The commission has noted, however, that non-designated governing boards will continue to be subject to direct oversight by the Department of Administration.

The Department of Administration, for its part, has agreed to maintain a "second party" physical plans review function for non-designated governing boards and to promptly certify to CCHE and the governing board the physical plans review as per correlation of spaces, code review, and construction cost estimates.

The agreement affects construction projects bid after June 30, 1987, and is annually renewable for each fiscal year.

Identifiable Impacts of SBD Reductions

The Capital Development Committee's next step was to attempt to evaluate the impact of funding changes on all state departments and agencies during their annual capital construction budget review hearings. Departments and agencies were requested to provide the following information at the time of their hearings:

- project cost savings or increases directly related to changes within the State Buildings Division;

- documentation of any delays in project implementation pursuant to the funding changes, and the effect of such delays on programs within the department; and
- analysis of how capital construction and controlled maintenance projects were implemented before and after the funding changes to the State Buildings Division.

Responses to the committee's request for information were sporadic due to the short period of time between the reductions at SBD and the time of the budget request hearings. Many agencies indicated that they were unable to respond because new projects had not been brought on line or because the division had already completed its work regarding continuing projects. The Commission on Higher Education noted that with only four months experience, it is too early to identify significant cost savings/increases for the system of higher education. The Colorado School of Mines stated, "Generally, there has been insufficient experience to-date to identify significant cost savings or increases directly related to changes with the State Buildings Division." Nonetheless, some respondents were able to project costs and possible impacts to their agencies on the basis of their past experiences with SBD. A sampling of their comments follows:

Department of Social Services

Illustrative of the response of executive agencies having limited capital construction budgets was the response of the Department of Social Services. The department submitted estimates of additional costs to the committee based on past construction management experience. It was projected that controlled maintenance projects would cost an additional \$16,000 per year and that capital construction projects would cost an additional \$40,000 per year due to the changes at SBD. These costs would be incurred for the services of project administrators on a temporary or contractual basis. The department did not report any delays in project implementation due to funding changes. The department noted that:

Prior to the funding changes to State Buildings Division, capital construction and controlled maintenance projects for the department were controlled by State Buildings personnel acting as project administrator. The areas of expertise included architectural, engineering and design. Unlike the universities, this agency had no staff with these qualifications.

Department officials concluded that services rendered by the State Buildings Division prior to the funding changes were very beneficial to the agency.

Department of Corrections

In contrast with Social Services, the Department of Corrections has one of the largest capital construction/controlled maintenance budgets of any state agency. In assessing its fiscal year 1988-89 capital construction budget needs. The department noted the following factors in increases to project costs:

- plan review previously provided free to each agency must be paid for;
- code variances, previously provided by SBD, will not be available from private firms. Stricter compliance with codes will increase costs;
- professional liability insurance for plan review firms must be absorbed by projects, whereas SBD was protected by state self-insurance;
- construction managers must be employed to assist the department in scheduling, cost estimating, day-to-day progress and on-site construction monitoring. This is necessitated by the inability of current department staff or SBD to provide these services.

Estimates of increased costs ranged from \$3.9 million in the construction of one new 500-bed medium security facility to as much as 13 percent of total project costs for construction of the new Denver Diagnostic Unit. The department reported that although no additional staff had been added due to changes at SBD, a request for the FTE for the Facilities Planning Office would be made in FY 1988-89, partially as a result of these changes.

Higher Education Responses

Not surprisingly, the higher education community was best able to project the impacts of the funding changes at its institutions. The University of Colorado, for example, informed the committee that the university "has adequate staff and other resources to handle the legal, administration and project management aspects of most capital construction and controlled maintenance projects." The university noted reductions in contract review delays and the time to process change awards, contractor payments, etc., as a result of the reductions at SDB. The university concluded that relative to capital construction projects, "the main savings to the University are largely in the time saved in avoiding duplication of effort and in the ability to manage the project on a more day-to-day basis without having to wait for responses from a central state agency." The university did express concern, however, that SBD would now lack a mechanism to manage funding adjustments between projects as had been done in the past. This inflexibility was viewed as causing potential delays in modifying controlled maintenance projects which would occur months

after initial requests were made.

The University of Northern Colorado indicated that actual costs related to division reductions were unknown at the time, but estimated that appropriated projects would incur some additional costs for second party review, probably through a contract arrangement. However, the school also projected substantial cost savings as a result of reductions in project delays. The reduction of extra paperwork and reports would also result from the elimination of duplicative functions. It was contended that project efficiencies created by eliminating these duplicative functions would more than offset any new project costs. UNC cited several areas in which the Memorandum of Understanding would end confusion and delays by delegating additional duties and responsibilities at the governing board level.

Representatives of the Consortium of State Colleges also reported a lack of experience by which to judge the impacts of the SBD changes. They did conclude that:

The Consortium believes that there will be additional costs related to drafting of contracts (due to services required by the Attorney General's Office) and for professional contract engineering (required for review of construction projects documents). In addition, additional personnel may be required by the college due to increased workload including contract writing, review process, writing of project specifications and drafting and review of bid projects.

Finally, the Colorado School of Mines reported some additional costs of code review and project implementation delays. The school has a small professional staff responsible for project management which has helped to minimize the impacts of SBD reductions. Some concern was expressed over possible additional costs (for code review) and lack of controlled maintenance budget flexibility.

The general response of most state departments, agencies, and institutions of higher education shared the belief that too little time had passed to accurately assess the impact of the SBD reductions. Colleges and universities with good in-house resources for project management tended to minimize the impact of such changes, while other executive departments projected more significant cost increases and potential delays. The loss of SBD management flexibility in administering controlled maintenance funds was viewed as a potentially serious problem. Actual cost estimates for project management functions, however, varied widely between respondents and reflected a high level of uncertainty about the actual implications of the reductions at SBD.

Other Division Functions

The committee also expressed concerns about the ability of the reduced staff at SBD to perform other functions of the Department of Administration. Most notable among these functions were the management of the state leasing program and the ongoing supervision of the annual controlled maintenance budget requests. The committee was particularly interested in hearing a plan to accommodate these programs from the department, within the existing staffing levels.

Space Leasing Functions

The September, 1987, performance audit of Office Space Leasing in Colorado opened with the following observations.

- The Department of Administration, State Buildings Division, is statutorily charged with negotiating and executing leases on behalf of the state.
- Appropriations to pay for leases are made to individual departments and to the Department of Administration for payment of consolidated office space in nine cities, and for office space in Denver office buildings.
- Beginning July 1, 1987, funding for the State Buildings Division was reduced to pay for only 2 FTE to coordinate capital construction and controlled maintenance requests. Despite this reduction in funding, the Department of Administration remains responsible for state leasing.

The audit report noted that field staff and unit directors of 12 departments currently negotiate leases for their agencies, often with little real estate expertise or written procedural guidelines. Moreover, with the reductions of SBD, no centralized lease management of the state's \$9 million in annual lease activity was being performed. The report recommended that the General Assembly consider funding two positions within the Department of Administration to perform the central leasing function; one professional with legal and real estate expertise and one clerical. Also recommended was the retention of a commercial real estate broker under contract with the state, to assist agencies in obtaining the best space at the least cost.

The report of the State Auditor, while recommending centralization of the space leasing functions, also recommended decentralization of the nine city Office Space Consolidation Program. Noting that "the ability of the division to continue to implement the consolidation is now uncertain due to reduced funding", the auditors concluded that the Department of Administration could not demonstrate cost savings due to consolidations under the present program. In fact, additional costs due to extra accounting tasks appeared to be

incurred. It was recommended that this function be decentralized by shifting appropriations for office space in the nine cities directly to the departments occupying leased space.

Finally, the audit report suggested that the General Assembly consider housing a master planning function within the Department of Administration. The legislative role in master planning should be in evaluating state facilities management processes, determining space standards, developing master planning goals and resources, and setting the policy for delivery of state services. Implementation of these policies would then be carried out by the department. The report concluded:

The Legislature should consider establishing and funding a facilities management function within the Department of Administration which has responsibility for development, oversight, and implementation of a long-range, comprehensive, facilities master plan for the State of Colorado.

Controlled Maintenance Oversight Functions

As was cited earlier, the State Buildings Division previously reviewed, evaluated, and prioritized all controlled maintenance budget requests, and recommended funding for an annual listing of ranked projects. This ranking function and the technical assistance to small agencies and departments were viewed by members of the Capital Development Committee as vital functions in the overall administration of controlled maintenance projects. Committee members expressed concern when informed by the Executive Director of the Department of Administration that a private consulting firm would replace the SBD managers previously responsible for implementing this process. Departments and agencies were informed by the department, however, that "notwithstanding the reduced staff and capability of the State Buildings Division, we (the department) have retained to the extent possible the philosophy and the methodology of past years ..." The department noted it contracted with Manning Knapp Architects of Boulder, Colorado, to perform the evaluation and prioritization of all agency project requests.

A total of 767 projects were requested for fiscal year 1988-89, and 312 were evaluated and ranked by Manning Knapp. The consultant employed the same scoring method as had been employed by the State Buildings Division with one modification. The use of a performance index as an evaluating factor was excluded for the following reason:

Since this judgment, requiring an intimate working relationship with each agency, could no longer be assessed, the Consultant instead assessed each agency's current capability to complete the number, scope, size, and complexity of projects requested. The consultant then ranked only those projects which in his judgment, could be

reasonably accomplished by that agency.

At its December meetings, the committee closely questioned the project scoring system, particularly in terms of institutions using a systems approach to maintenance. The State Buildings Division and the consultant were asked to re-examine their methodology and report back to the committee prior to the start of the 1989-1990 budget cycle.

Committee Recommendation

After reviewing all the data available at this time, the Capital Development Committee recommends Senate Bill 35 as a means of addressing the most immediate concerns raised by reductions at the State Buildings Division. Senate Bill 35 is an attempt to identify and retain the most critical duties and responsibilities of the division by transferring these to a new Division of Facilities Management. The bill attempts also to maintain a level of decentralization of functions consistent with the committee's findings regarding appropriate agency-level activities.

Senate Bill 35 creates the new Division of Facilities Management effective July 1, 1988. The functions of the division are as follows:

- to negotiate and approve leases which are entered into by any state agency, and to keep current records of such leasing;
- to develop standards relating to space, architectural, structural, mechanical, and electrical systems for the purpose of creating facilities master plans and facilities program plans, and to assure conformity between physical plans and approved program plans;
- to review and approve construction and design documents for purposes of code compliance and compliance with appropriations;
- to obtain and maintain a correct and current inventory of all real property and improvements owned by the state, exclusive of holdings of the state Department of Highways, and the State Board of Land Commissioners. The bill identifies specific types of information to be included in the inventory;
- to provide technical assistance to state departments, institutions, and agencies involved in construction projects;
- to submit to the General Assembly an annual report on the status of all capital construction and controlled maintenance projects; and

- to coordinate and review capital construction and controlled maintenance requests to assist the Office of State Planning and Budgeting in developing the executive budget request in these areas.

The Division of Facilities Management is to create a construction procedures manual for all state buildings and facilities except roads, highways, and projects under the supervision of Department of Natural Resources. Finally, the bill authorizes the executive director to exercise additional flexibility in administering emergency controlled maintenance funds.

Senate Bill 35 preserves those crucial functions previously administered by the State Buildings Division, placing them in the new Division of Facilities Management. Only those functions considered to be absolutely vital to the efficient management of state facilities have been reinstated and all other State Buildings Division powers have been repealed. The Department of Administration estimates that five additional FTE will be needed for administration of this act.

IV. BACKGROUND REPORT

Capital Construction and Controlled Maintenance Definitions

Budget review hearings for capital construction and controlled maintenance projects over the past few years have revealed that the definitions for controlled maintenance, capital construction, and capital outlay need to be revamped. In particular, the committee finds that the dollar thresholds should be increased to reflect current costs and the definitions revised to prevent agencies from classifying a project under more than one category.

In response to the committee's concern regarding the definitions problem, a subcommittee has been formed to study the situation. Two members of the Capital Development Committee and two members of the Joint Budget Committee have been appointed. Results of their efforts to resolve the problem areas should be available in early spring of this year.

Summary of Definitions

Capital Construction Statutory Definitions

Section 24-75-301, C.R.S., defines capital construction as the purchase of land; purchase construction, or demolition of buildings including utilities, remodeling or renovation; site improvement or development; purchase and installation of fixed or movable equipment; purchase of the services of architects, engineers, and other consultants; and instructional or scientific equipment if the cost exceeds fifty thousand dollars.

Capital Construction Long Bill Definition (Section 3)

The Long Bill definition provides that appropriations to the capital construction fund shall remain available until completion of a project or for a period of three years, whichever comes first.

The Long Bill further specifies that operating and maintenance costs shall be a major consideration in the design and construction of any project involving renovation. If the lowest bid on a construction project is in excess of the appropriation, the project shall be redesigned. The redesigned project must then receive the approval of the State Buildings Division or the Colorado Commission on Higher Education for higher education projects.

In final, departments and institutions are required to purchase available goods and services which are produced by the Division of Correctional Industries.

It should be noted that neither the statutory or Long Bill definition of capital construction provides a dollar threshold for capital construction projects.

Controlled Maintenance Statutory Definitions

Pursuant to section 24-30-1301, C.R.S., controlled maintenance involves corrective repairs or replacement used for existing state-owned, general-funded buildings and other physical facilities. This includes work for utilities, site improvements, and the replacement and repair of fixed equipment.

It is also outlined in this section what controlled maintenance funds may not be used for: repairs or replacement when such work is funded in an agency's operating budget, rented or leased facilities, or facilities constructed and maintained by self-liquidating property funds.

Further, the section specifically notes that minor maintenance items can not be accumulated to create a controlled maintenance project. Also, controlled maintenance does not include any work properly categorized as capital construction or capital outlay.

Controlled Maintenance Long Bill Definitions (Section 3)

The Long Bill provides that controlled maintenance funds may only be used for purposes outlined in section 24-30-1301, and are limited to \$30,000.

Definition of "specific" maintenance projects is not included in the Long Bill, but these are understood to be controlled maintenance projects in excess of \$30,000. These projects are line-itemed in the Long Bill.

Long Bill Definition of Capital Outlay (Section 1)

Specified within the Long Bill are the items which departments, institutions, and agencies must fund through their capital outlay budget. This listing includes equipment costing more than one hundred dollars and less than fifty thousand dollars; alterations and replacements costing less than fifteen thousand dollars; new structures costing less than fifteen thousand dollars; and nonstructured improvements to land costing less than five thousand dollars.

The Long Bill emphasizes that capital outlay does not include those projects which are defined as capital construction pursuant to section 24-74-301, C.R.S.

Appropriation Definitions --
Operating Funds for Improvements and
Capital Construction Funds

A. Operating Funds

Capital	A.	\$100 - 5,000		
Outlay	B.	\$100 -	15,000	
	C.	\$100 -		50,000

- A. Nonstructural improvements to land-grading, leveling, drainage, landscaping, and the construction of roadways, ditches, and sewers; where the cost is less than \$5,000.
- B. Alteration, replacement, extensive repair, remodeling or renewal of plumbing, wiring, or ventilation systems costing less than \$15,000, and new buildings less than \$15,000.
- C. Includes vehicles, books, furniture, file cabinets, office machines with a useful life over one year and which may be continuously used, costing \$100 to \$50,000.

B. Capital Construction Funds

Controlled Maintenance	A.	\$0 - \$30,000		
Specific Maintenance	B.		\$30,000	No Limit
Capital Construction	C.	\$0 -		No Limit

- A. Corrective repairs or replacement for existing state-owned general fund buildings, utilities site improvements or fixed equipment. This may include architectural or other consultant fees. Projects are limited to \$30,000.
- B. Controlled maintenance projects in excess of \$30,000.
- C. Land purchase; purchase, construction, or demolition of buildings or utilities; remodel of renovated buildings and utilities; site improvements or development; purchase and installation of fixed or movable equipment; instructional or scientific equipment.

Areas to be Addressed

After reviewing these definitions, the committee has identified specific areas which should be addressed.

Capital outlay. The committee finds that the definition needs to be updated to reflect current costs. It must also be ensured that funds for such items as annual upkeep and ongoing planning be included in an agency's operating budget, rather than within its capital construction appropriation.

Specific examples of items which the committee found that should be included under capital outlay are fire doors, fire alarm systems, major pieces of equipment under \$50,000, engineering studies, utility studies, and facility program plans. During their testimony, departments and agencies explained that capital construction funds were being requested because capital outlay budgets were not sufficient to fund their minor capital needs. The committee seeks to encourage adequate capital outlay budgets as a means of allowing departmental flexibility within operating budgets, and as a way of allowing minor projects to be managed at the departmental or agency level.

Specific maintenance definition. The Long Bill provides no definition for specific maintenance projects. It is generally understood this category includes controlled maintenance projects which are in excess of \$30,000. These projects are line-itemed in the Long Bill. Committee members are concerned with the lack of definition. In order to achieve the label "specific maintenance" the committee is concerned that departments combine minor maintenance projects into one large request. In reality, these minor maintenance projects ought to be funded out of the capital outlay budget. Further, combining minor maintenance projects delays and impairs the department's attention to minor projects. This can cause further deterioration of the facility and drive up the total cost of the project.

Overlapping definitions. The committee has found that the total scope of a project may include both capital construction and controlled maintenance work. In an effort to increase their chances of funding the project, departments will submit a project both to the State Buildings Divisions (controlled maintenance) and the Capital Development Committee. Double submission of projects causes great confusion when the time arises to prioritize projects. It is also misleading in determining the total capital needs of the state.

It is the desire of the committee that the definitions of capital construction and controlled maintenance be expanded to encompass situations in which a project could be categorized under both capital definitions.

Funding History of Capital Construction and
Controlled Maintenance Projects

Pursuant to House Bill 1070 (1985 session), the Capital Development Committee is charged to make annual recommendations to the Joint Budget Committee regarding the funding of capital construction projects.

This segment of the report documents the projects which were recommended by the committee each fiscal year, and lists those projects which received appropriations in the Long Bill.

Fiscal Year 1986-87

During its first year of operation, the Capital Development Committee reviewed capital construction requests totaling \$127.5 million. After studying each project during numerous budget hearings with the various state departments and institutions, the Capital Development Committee prepared six possible funding scenarios for recommendation to the Joint Budget Committee. Of these, "Scenario V" was chosen for submission to the committee. Scenario V recommended \$60.8 million be transferred to the capital construction fund in order to fund 28 capital construction projects.

The 1986 Long Bill (House Bill 1342) contained an appropriation of \$39,129,135 for capital construction and controlled maintenance purposes. Of this amount, \$14,590,000 was from the lottery fund and \$24,538,635 was from the general fund. 1/

Scenario V follows and is listed in priority order according to project category. The following table also notes the FY 1986-87 Long Bill appropriations.

1/ Senate Bill 192 (1987 session) provided a \$1,464,129 positive supplemental appropriation to the 1986 capital construction fund appropriation.

Capital Development Committee Recommendations
and Long Bill Appropriations

(Scenario V)

I. No Choice Continuation Projects

This category includes commitments to projects, such as lease-purchases, which are necessary if state participation is to continue. Failure to appropriate for these projects could result in the loss of the state's investment to date.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
1. Grand Junction Office Building Lease (Department of Admin.)	\$ 656,000	\$ 738,036
2. GGCC - New Computer, Lease Payments (Department of Admin.)	1,573,296	1,088,456 OF
3. Lease Payment Satellite Homes (Department of Institutions)	1,819,859	1,601,238 <u>2/</u>
4. Arkansas Valley Correctional Facility (Department of Corrections)	17,500,000	17,500,000 <u>3/</u>
No Choice Totals	\$21,549,155	\$19,839,274 1,088,456 OF*

2/ The Department of Institutions received a negative supplemental from the original \$1,819,859 appropriation during the 1987 legislative session.

3/ The Ordway facility, upon the recommendation of the Capital Development Committee, received an additional \$7,500,000 appropriation during the 1986 second extraordinary session for the purposes of a 240-bed expansion.

* OF = other funds, such as institutional funds. FF = federal funds.

II. Final Stage of Continuation Projects

This category includes expenditures considered necessary to complete a project in its final stage, usually the third year following the architectural and engineering, and construction phases. These projects frequently involve the purchase of necessary equipment and furnishings.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
5. Trinidad State Junior College, Mullen Building Rehabilitation (Department of Higher Education)	\$ 166,900	\$ 166,900
6. Fort Lewis College, Classroom/Office Building Equipment (Department of Higher Education)	175,375	258,330
7. Western State College, Taylor Hall Equipment (Department of Higher Education)	197,047	197,047
8. Colorado Advanced Technology Institute, CATI Programs, Centers of Excellence (Department of Higher Education)	250,000	250,000
9. Division of Youth Services, Grand Junction Facility (Department of Institutions)	398,444	398,444
10. University of Northern Colorado, Kepner Hall Renovation (Dept. of Higher Education)	463,800	463,800
11. UC-Boulder, Performing Arts Building Renovation (Department of Higher Education)	2,465,000	1,200,000
12. Mesa College, Renovation of Lowell Heiny Building (Department of Higher Education)	45,359	45,359
Final Stage Totals	\$4,161,925	\$2,979,800

III. Health and Life Safety Projects

These projects are necessary to eliminate health or safety hazards to state employees and the general public.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
13. State Facilities Asbestos Program (Department of Health)	\$2,100,000	\$ 0
14. Colorado State Hospital, Smoke and Ventilation Improvements (Department of Institutions)	847,141	0
15. Scale Test Truck Unit, Northeastern Colorado (Department of Agriculture)	110,000	110,000
16. Scale Test Truck Unit, Western Slope (Department of Agriculture)	60,500	60,500
17. Replace Mass Spectrometer, Upgrade Data Handling System (Department of Health)	130,000	0
18. UC-Boulder, Chemistry Building Environmental Health and Safety (Department of Higher Education)	960,800	0
19. UC-Boulder, Fine Arts Ventilation (Department of Higher Education)	381,300	0
20. CSU, Professional Veterinary Medicine, Veterinary Teaching Hospital, Large Animal Isolation Barn Renovation (Department of Higher Education)	99,654	0
21. University of Southern Colorado, Fire Monitoring and Control System (Department of Higher Education)	38,000	0
Health and Life Safety Totals	\$4,727,395	\$170,500

IV. Continuation Projects Not In Their Final Stage

This category includes phased projects for which funding has already begun. Appropriations this year will not be the final appropriations requested, although individual phases will be completed.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
22. Telecommunications Network (Dept. of Administration)	\$ 300,000	\$ 300,000 OF
23. Communications Upgrade, Colorado State Patrol (Department of Public Safety)	500,000	500,000 OF
24. Grand Junction Remedial Action Program (Department of Health)	525,000 100,000 OF	400,000 76,190 OF 33,000,000 FF
25. CSU, Replacement Facility for Departments of Biochemistry and Radiation Biology (Department of Higher Education)	4,032,007	0
26. Uranium Mill Tailings Remedial Action Program (Department of Health)	3,528,375 1,200,000 OF 60,500,000 FF	2,500,000 1,000,000 OF 31,500,000 FF
Continuation Projects Totals	\$ 8,885,382 1,300,000 OF 60,500,000 FF	\$ 2,900,000 1,876,190 OF 64,500,000 FF

V. Desirable I Project

This project is of the highest priority among projects which have not received a prior appropriation. In addition, this project has been identified as an urgent future need.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
27. Construction of Youth Services Detention Centers (Department of Institutions) <u>4/</u>	\$1,500,000	\$ 0
Desirable I Totals	\$1,500,000	\$ 0

VI. Controlled Maintenance Projects

Projects in this category are for the maintenance of existing facilities to prevent greater problems in the future and to ensure long-term usefulness. The State Buildings Division submitted a prioritized request list for controlled maintenance of \$98,093,166 (1,168 projects) for FY 1986-87.

<u>Departments</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
Emergency Projects	\$ 500,000	\$ 500,000
Administration	673,000	410,000
Agriculture	129,000	129,000
Corrections	913,000	803,000
Education	229,450	0
Health	43,200	0
Higher Education	13,934,154	6,873,593
Institutions	2,477,090	1,387,560
Judicial	8,300	0
Military Affairs	625,309	598,509
Natural Resources	0	0
Public Safety	23,750	0
Revenue	406,360	0
Social Services	32,412	32,412
Miscellaneous Projects	4,975	122,676
Controlled Maintenance Totals	\$20,000,000	\$10,856,750

4/ Senate Bill 101 (1986 session) called for a 10-year lease-purchase agreement for the construction and renovation of youth detention centers around the state. Lease payments were to begin in fiscal year 1987-88.

VII. Projects Not Receiving a Priority Ranking

The projects listed below were not FY 1986-87 capital construction recommendations of the Capital Development Committee. The projects were, however, designated for capital construction funds in the Long Bill.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
Improvements to Buildings and Grounds at the Colorado State Fair (Department of Agriculture)	\$ 0	\$ 500,000
Superfund Programs for Cleanup of Hazardous Waste Sites (Department of Health)	0	2,500,000 OF 33,000,000 FF
Renovation of Social Services Building, Final Phase (Department of Administration)	0	310,860 400,000 OF
Capacity Expansion of Correctional Facilities (Department of Corrections)	0	1,210,000
Projects Not Ranked - Totals	0	\$ 2,020,860 2,900,000 OF 33,000,000 FF
"Scenario V" Cumulative Totals	\$60,823,857 1,300,000 OF 60,500,000 FF	\$39,129,135 5,864,646 OF 97,500,000 FF

Fiscal Year 1987-88

For fiscal year 1987-88, the Capital Development Committee received requests from fourteen state departments and institutions totaling \$206 million in capital construction funds. In prioritizing these projects the committee ranked 34 projects within seven separate project categories. Appropriations within the 1987 Long Bill provided funds for 23 of the 34 projects recommended. An additional 10 capital construction projects also received capital construction fund appropriations.

Senate Bill 218, 1987 session, designated an appropriation of \$45,132,485 to the capital construction fund for controlled maintenance and construction purposes. An unexpended capital construction fund balance of \$5,208,308 allowed for a total \$50,340,793 to be line-itemed in the bill. The balance of the fund was comprised of \$17,500,000 from the state lottery fund and \$27,632,485 from the general fund.

In ranking the capital construction projects, the committee utilized the same project categories and definitions, with a few exceptions, as the previous year. In the tables below, new project categories are followed by a definition of the projects.

Capital Development Committee Recommendations and Long Bill Appropriations

(Scenario III)

I. No Choice Continuation Projects

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
1. Grand Junction Office Building Lease (Dept. of Administration)	\$ 722,442	\$ 722,442
2. Renovation/Replacement of DYS Facilities (Department of Institutions)	4,389,857	4,389,857
3. Division of Developmental Disabilities, Facilities Lease Purchase (Department of Institutions)	1,829,958	1,829,958
No Choice Totals	\$6,942,257	\$6,942,257

II. Final Stage of Continuation Projects

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
4. Renovate Social Services Building (Department of Administration) <u>5/</u>	\$2,200,000	\$330,400 OF
5. UC-Boulder, Performing Arts Building Renovation (Department of Higher Education)	1,514,600	1,514,600
6. Colorado School of Mines, Berthoud Hall Renovation (Department of Higher Education)	395,300	395,300
7. Mesa College, Lowell Heiny Building Renovation (Department of Higher Education)	254,442	254,442
Final Stage Totals	\$4,364,342	\$2,164,342 330,400 OF

III. Controlled Maintenance Projects

Projects in this category are for the maintenance of existing facilities to prevent greater problems in the future and to ensure long-term usefulness. The total prioritized request submitted by the State Building Divisions for fiscal year 1987-88 was for 910 projects totaling \$120,991,675. The committee members emphasized the need to fund controlled maintenance projects, as it moved the controlled maintenance classification from its sixth place category ranking in FY 1986-87, to the number three ranking for FY 1987-88.

5/ S.B. 192 (1987 session) provided a supplemental appropriation for the Social Services Building renovation, totaling \$1,826,000.

<u>Departments</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
Emergency Projects	\$ 1,000,000	\$ 664,970
Administration	697,000	657,000
Agriculture	33,000	156,000
Corrections	1,465,000	1,465,000
Education	250,000	250,000
Health	32,400	32,400
Higher Education	13,783,297	13,615,127
Institutions	5,292,568	5,390,020
Judicial	3,500	0
Military Affairs	15,000	0
Natural Resources	0	0
Public Safety	0	0
Revenue	31,613	31,613
Social Services	60,000	69,000
Miscellaneous Projects	336,622	143,070
Controlled Maintenance Totals	\$23,000,000	\$22,474,200

IV. Health and Life Safety Projects

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
9. Colorado State Hospital, Geriatric Psychiatry Code Corrections (Department of Institutions)	\$ 873,440	\$873,440
10. UC-Boulder, Chemistry Building Health and Safety Corrections (Department of Higher Education)	994,400	994,400
11. University of Northern Colorado, Ross Hall of Science, Life Safety Corrections (Department of Higher Education)	3,493,000	3,493,280
12. UC-Boulder, Fine Arts Building Ventilation (Department of Higher Education)	394,600	394,600
13. CSU, Professional Veterinary Medicine, Large Animal Isolation Barn (Department of Higher Education)	97,755 101,745 OF	97,755 101,745 OF

14. University of Southern Colorado, Fire Monitoring and Control System (Department of Higher Education)	42,000	42,000
15. Developmental Disabilities, Code Corrections (Department of Institutions)	174,800	174,800
16. Replace Mass Spectrometer, Upgrade Data Handling System (Department of Health)	130,000	130,000
17. UC-Colorado Springs, Campus Fire Lane and Storm Drainage Construction (Department of Higher Education)	259,264	259,264
18. Colorado School of Mines, Engineering Hall Renovation (Department of Higher Education)	2,100,000	2,100,000
Health and Life Safety Totals	\$8,559,259 101,745 OF	\$ 8,559,539 101,745 OF

V. Continuation Projects Not In Their Final Stage

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
19. CSU, Replacement Facility for Departments of Biochemistry and Radiation Biology (Department of Higher Education)	\$ 4,061,647	\$ 4,061,647
20. Uranium Mill Tailings Remedial Action Program (Department of Health)	5,200,000 1,000,000 OF 55,800,000 FF	2,600,000 500,000 OF 27,900,000 FF
21. Denver Area Diagnostic Unit (Department of Corrections)	2,125,000	1,925,000
22. Sewage Treatment Construction (Department of Health)	500,000	500,000
Continuation Projects Totals	\$11,886,647 1,000,000 OF 55,800,000 FF	\$ 9,086,647 500,000 OF 27,900,000 FF

VI. Critical/Urgent Projects

Projects in this category had not received a prior appropriation but had been determined to be of critical need. These projects are of the highest priority among new capital construction projects.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
23. Shadow Mountain Correctional Facility Expansion (Department of Corrections)	\$14,367,668	\$ 0
24. Four-Mile, 256-Bed Facility (Department of Corrections)	874,000	0
25. Colorado School of Mines, Steinhauer Field House Renovation (Department of Higher Education)	1,554,976	0
26. Auraria Parkway, Lawrence and Larimer Closure (Department of Higher Education)	2,500,000 4,000,000 OF	2,500,000 OF
27. Auraria Campus Ventilation and Improvements (Department of Higher Education)	2,516,895	0
28. Pueblo Community College, Academic Replacement Facility (Department of Higher Education)	805,950	0
Critical/Urgent Project Totals	22,619,489 \$4,000,000 OF	\$2,500,000 OF

VII. Economic Benefit Projects

This category included projects which would bring economic benefits to the state or which would stimulate the economic development of the state. Projects were placed in this category on the theory that they would pay for themselves in the long run. Due to the recent emphasis from state officials in this area, a significant area of concern for the committee has been the economic impact and benefits of these projects. Testimony from state and local officials, business leaders, and private citizens has repeatedly underscored the important relationship between capital development and economic development.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
29. Colorado Advanced Technology Institute, Equipment (Department of Higher Education)	\$ 1,205,000	\$ 0
30. Denver Convention Center, Land Acquisition (Department of Administration) <u>6/</u>	35,000,000 OF	0
31. Colorado State Fair, Building Improvements (Department of Agriculture)	500,000	0
32. UC-Health Sciences Center, Research and Pharmacy Education Facility (Department of Higher Education) <u>7/</u>	277,375 1,661,695 OF	18,800,000 OF
33. Cumbres and Toltec Scenic Railroad Commission, Railroad Dining Facility (Department of Higher Education)	170,000 342,800 OF	0
34. Insectary Facility (Department of Agriculture)	1,709,661	0
Economic Benefit Totals	\$3,862,036 37,004,495 OF	\$18,800,000 OF

VIII. Projects Not Receiving a Priority Ranking

The projects listed below were not FY 1987-88 capital construction recommendations of the committee. The projects were, however, earmarked for capital construction funds in the Long Bill.

6/ House Bill 1382 (1987 session) authorizes the state to provide financial assistance, in the form of six annual payments not to exceed \$36 million, to the City and County of Denver for land acquisition for the proposed Colorado Convention Center. Payments are to begin July 1, 1988

7/ The UC-Health Sciences appropriation was only for the research portion of the facility. Funding for the pharmacy education portion of the building was excluded.

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
1. Preparation of Space for a Correctional Industries Program at Arkansas Valley Correctional Facility (Dept. of Corrections)	\$ 0	\$ 115,500
2. Renovation of Space at Buena Vista Correctional Facility for Double-Bunking (Dept. of Corrections)	0	156,600
3. Engineering and Construction of Sewer Lagoon Capacity Expansion at Buena Vista Correctional Facility for Double-Bunking (Dept. of Corrections)	0	120,000
4. Water Wells, Pumps and Water Storage Expansion at Buena Vista Correctional Facility for Double-Bunking (Department of Corrections)	0	30,000
5. Fire-Safety Improvements at Buena Vista Correctional Facility for Double-Bunking (Dept. of Corrections)	0	233,000
6. CSU, Professional Veterinary Medicine, Electrical System Upgrade (Department of Higher Education)	0	71,178 74,083 OF
7. CSU, Professional Veterinary Medicine, Purchase of Blood Chemistry Analyzer (Department of Higher Education)	0	77,175 80,325 OF
8. CSU, Professional Veterinary Medicine, Telephone System Upgrade (Department of Higher Education)	0	73,500 76,500 OF
9. Equipment for Colorado State Hospital (Department of Institutions)	0	200,000

<u>Project Name</u>	<u>CDC Recommendation</u>	<u>Long Bill Appropriation</u>
10. National Guard, Architectural and Engineering Fees for Durango Armory (Department of Military Affairs)	0	36,855 79,166 OF
Non-prioritized Project Totals	0	1,113,808 310,074 OF
FY 1987-88	\$81,234,030	\$50,340,793
"Scenario III" Totals	42,106,240 OF 55,800,000 FF	22,542,219 OF 27,900,000 FF

Recent Legislation

During the Capital Development Committee's first two years of operation, numerous bills were introduced and became law which affected the capital construction, controlled maintenance, or capital assets of the state. For the 1986 legislative session, the Capital Development Committee did not sponsor any legislation. The committee did, however, introduce four bills for the 1987 legislative session. Two of the 1987 bills did become law. A review of the recent legislation involving capital construction follows.

Legislation Enacted in 1986

Appropriations/Finance

House Bill 1342 -- Long Appropriations Bill

The 1986 Long Bill contained an appropriation of \$39,129,135 for capital construction and controlled maintenance purposes. Of that amount, \$14,590,000 was from the lottery fund and \$24,538,635 was from the general fund. A comparison of the fiscal year 1986-87 appropriations in relation to the Capital Development Committee's Scenario V priority rankings follows below:

<u>Project Category</u>	<u>Committee Recommendation</u>	<u>FY 1986-87 Appropriation</u>
No Choice Continuation Projects	\$21,549,155	\$20,057,895
Final Stage of Continuation Projects	4,161,925	2,979,880
Health and Life Safety Projects	4,727,395	170,500
Continuation Projects Not In Their Final Stage	8,885,382	2,900,000
Desirable I Projects	1,500,000	0
Projects Receiving Funds, But Not Recommended By The Committee		2,020,860
Controlled Maintenance	<u>20,000,000</u>	<u>11,000,000</u>
Totals	\$60,823,857	\$39,129,135

Senate Bill 101 -- Department of Institutions -- Lease-Purchase Agreement with the Colorado Health Facilities Authority 8/

Senate Bill 101 authorized the executive director of the Department of Institutions to enter into a lease-purchase agreement with the Colorado Health Facilities Authority for the purpose of providing youth training and detention facilities. The bill extends lease-purchase authorization to construction of additional facilities at the Pueblo Regional Center. It is specified that lease-purchase payments are subject to annual appropriations by the General Assembly and are not construed to be a debt to the state. The bill further specified which facilities were to be constructed or renovated, total project cost, and the net effective interest rate payable by the state under the lease-purchase agreement. The term of the lease-purchase agreement was limited to ten years and no appropriation was required for first-year costs.

Further, the bill required that Legislative Council approve land purchases and construction sites for the youth centers. The executive director of the Department of Institutions is required to make quarterly progress reports to the Capital Development Committee and annual reports to the General Assembly.

House Bill 1340 -- Fiscal Policy of the State

The 1986 "tax package" bill, H.B. 1340, contained one provision relating to the capital construction fund. The bill provided for the transfer of \$15 million in fiscal years 1988-89 and 1989-90, and \$25 million in fiscal year 1990-91, to the capital construction fund.

Corrections Legislation

Senate Bill 100 -- Lease of Territorial Correctional Property

This bill authorized the executive director of the Department of Corrections to lease Cell House No. 4, on the grounds of the Colorado Territorial Correctional Facility, to a local Fremont County government agency for use as a museum.

Senate Bill 114 -- Private Jail Facility -- Pilot Project

Pursuant to this legislation, Las Animas and Huerfano counties were authorized to enter into a contract for a pilot project involving the operation of a private jail facility. The creation of a joint jail commission to study the privatization of jails was also authorized.

8/ Descriptions of this and other bills are excerpted from the Digest of Bills Enacted by the Fifty-fifth General Assembly, 1986, Second Regular Session (Legislative Drafting Office, June, 1986).

Senate Bill 155 -- Denver Diagnostic Center -- Location and Planning

Senate Bill 155 specified the location of the future Denver Diagnostic Unit. It is stated that the intent of the General Assembly was for the establishment of an advisory group by the Department of Corrections for aid in facility planning and design.

Miscellaneous Capital Construction Issues

House Bill 1162 -- Sale of Property -- Proceeds to Capital Construction Fund

Proceeds from the sale or exchange of a state parcel of real property in Denver would be credited to the capital construction fund, pursuant to H.B. 1162.

House Bill 1039 -- Nursing Home Construction at Walsenberg

House Bill 1039 authorized the construction of a nursing home at Walsenberg, Colorado, subject to appropriation. An appropriation, however, was not contained within the 1986-87 Long Bill.

House Bill 1097 -- Construction of an Addition to the Colorado State Veterans Center

A total of \$1,485,000 in cash funds for anticipation warrants was appropriated to the Department of Social Services to provide an addition to the nursing home unit at the Colorado State Veterans Center. The State Board of Social Services was authorized to establish an interest rate for the anticipation warrants and allows the executive director of the department to sell surplus real property in order to pay off any outstanding warrants.

House Bill 1095 -- Auraria Higher Education Center -- Tivoli Revenues

This bill authorized the Auraria Higher Education Center board of directors to use revenues from the Tivoli Brewery properties for the repayment of monies advanced for construction of student facilities on the Auraria campus.

House Bill 1050 -- Exchange of Real Property -- Department of Administration

The executive director of the Department of Administration was authorized to exchange real property and improvements located in Denver County for real property and improvements in Jefferson County pursuant to H.B. 1050. The property exchange was to be in lieu of selling the property.

House Bill 1119 -- Transfer of Land and Improvements -- Department of Institutions

House Bill 1119 authorized the executive director of the Department of Institutions to transfer land, improvements, and rights-of-way at the Wheat Ridge Regional Center to the State Board of Land Commissioners.

Legislation Enacted in 1987 9/

Bills Recommended by the Capital Development Committee

Senate Bill 2 -- Department of Administration -- Master Leasing Program

Senate Bill 2 authorized the executive director of the Department of Administration to develop a master lease program by consolidating and refinancing existing lease-purchase agreements. The bill authorized the executive director to pool leases or refinance when it appears that a cost savings to the state can be achieved, possibly through lower interest rates and transaction costs. All agreements, though, shall contain a provision stating that the lease payment is subject to annual appropriation by the General Assembly.

Further powers granted to the executive director included: execution of lease-purchase agreements involving personal property but agreements of real property must be approved by the General Assembly; determining the terms and conditions of the lease-purchase agreement; and enter into, execute, or negotiate ancillary agreements with any offices of the state.

Senate Bill 3 -- Allocation for Art in Public Places

This legislation was directed at promoting expanded accountability and responsibility to the Colorado Council on the Arts and Humanities for their role in the implementation of the Arts in Public Places Program.

Prior to the enactment of this legislation, the council only had the power to select and convene juries for the selection of artists. Senate Bill 3 further provided the council with the supervision of the jury process, contracting, purchase, commission, review of design, execution, and placement of public art. The bill also provides that works of art purchased pursuant to the Art in Public Places Program, became the property of the state art collection.

9/ Description of some bills in this section are excerpted from the Digest of Senate and House Bills Enacted by the Fifty-sixth General Assembly of the State of Colorado (Legislative Drafting Office, July, 1987).

Appropriation/Finance Bills

Senate Bill 218 -- Long Appropriations Bill

Senate Bill 218 designated an appropriation of \$45,132,485 to the capital construction fund for controlled maintenance and capital construction purposes. An unexpended capital construction fund balance of \$5,208,308 allowed for a total of \$50,340,793 to be line-itemed in the bill. The balance of the fund was comprised of \$17,500,000 from the lottery fund and \$27,632,485 from the general fund. A comparison of actual appropriations for fiscal year 1987-88, as compared to the Capital Development Committee's Scenario III recommendations follows.

<u>Project Category</u>	<u>Committee Recommendation</u>	<u>FY 1987-88 Appropriation</u>
No Choice Continuation Projects	\$ 6,942,257	\$ 6,942,257
Final Stage of Continuation Projects <u>10/</u>	4,364,342	2,164,342 330,400 OF
Controlled Maintenance Projects	23,000,000	22,474,200
Health and Life Safety Projects	8,559,259 101,745 OF	8,559,539 101,745 OF
Continuation Projects Not In Their Final Stage	11,886,647 56,800,000 OF	9,086,647 28,400,000 OF
Critical Urgent Projects	22,619,489 4,000,000 OF	2,500,000 OF
Economic Benefit Projects	3,862,036 37,004,495 OF	18,800,000 OF
Projects Not Receiving a Committee Recommendation	0	1,113,808 <u>310,074 OF</u>
Totals	\$81,234,030 97,906,240 OF	\$50,340,793 50,442,219 OF

10/ Senate Bill 192 (1987 session) provided a supplemental appropriation for the Social Services Building renovation totaling \$1,826,000.

OF = Other funds.

House Bill 1382 -- Land Acquisition for the Proposed Denver Convention Center

House Bill 1382 authorized the state to provide financial assistance, in the form of six annual payments, to the City and County of Denver for land acquisition for the proposed Denver Convention Center.

The bill called for a contract between the city and the state that would provide six payments of \$6 million each, beginning July 1, 1988, not to exceed a total of \$36 million. Payments are to be made from the state's capital construction fund; are subject to annual appropriation from the General Assembly; and the contract is not to represent an indebtedness to the state.

Miscellaneous Bills

House Bill 1239 -- Concerning Control of Asbestos -- Appropriation

House Bill 1239 repealed and reenacted provisions regarding the control of asbestos in order to achieve statewide uniformity in its regulation. The Air Quality Control Commission is authorized to promulgate rules and regulations concerning asbestos control, including:

- abatement performance standards and practices;
- maximum allowable asbestos levels;
- exemptions for emergency situations in order to carry out abatement needs;
- requirements for air pollution permits for asbestos abatement projects;
- establish fees for permits and certification;
- requirements for asbestos management for schools;
- requirements and fees for notification to demolish, renovate, or perform asbestos abatement; and
- inspection and monitoring procedures when asbestos abatement is in progress.

Senate Bill 11 -- Department of Administration -- Appropriations for Controlled Maintenance Projects

Senate Bill 11 extended the statutory provisions which grant increased flexibility to the executive director of the Department of

Administration in administering appropriations for controlled maintenance projects.

Senate Bill 165 -- Department of Institutions -- Transfer of Property in Mesa County

Senate Bill 165 authorized the Department of Institutions to transfer title of real property in Mesa County to the Consortium of State Colleges for use by Mesa College.

Advisory Committee on Capital Development

Pursuant to the provisions of House Bill 1070 (1985 Session), the Capital Development Committee "may prescribe its own rules of procedure and may appoint an advisory committee from among professionals in the private sector to include but not be limited by the following areas of expertise: Real estate, architecture, finance, and engineering." Originally constituted in 1985, the Advisory Committee on Capital Development was expanded to eighteen members in 1987 to include individuals with experience in real estate management and appraisal, engineering, and planning. The current membership of the advisory committee is as follows:

Mr. Jerry Kempf, Chairman, Colorado-Ute Electric Association
Mr. Ray Baker, Colorado Concern and Gold Crown Realty
Mr. Mike Barrett, KKBNA Consulting Engineers
Mr. Mike Cheroutes, Davis, Graham, and Stubbs
Mr. J. Frank Cordova, Am-Cor Engineers, Inc.
Ms. Karen Countryman, Town of Silverthorne
Ms. Linda Doty, Coopers and Lybrand
Mr. Warren "Nate" Eckloff, Stern Brothers and Company
Ms. Barbara Grogan, Western Industrial Contractors
The Honorable John Hamlin
Mr. Walter Imhoff, Hanifen Imhoff, Inc.
Mr. Lyle Kyle, Colorado Public Expenditure Council
Mr. Tim McManus, Fuller and Company
Mr. Ric Pederson, Frederick Ross and Company
Mr. Jerry Seracuse, SLP Architects
Mr. Steve Schuck, the Schuck Corporation
Mr. Dale Walker*
Mr. George Wallace, Denver Technological Center

The Advisory Committee operated under a subcommittee structure which allowed for examination and evaluation of issues identified by the Capital Development Committee. Under Mr. Kempf's chairmanship, the subcommittees explored the following topics and problems:

- Prison Issues Subcommittee: Prison Overcrowding Issues
- Immediate Needs Subcommittee: Department of Revenue building needs, Auraria campus space needs, and UC-Denver East Classroom building options.

* The committee was saddened to learn of the passing of Mr. Dale Walker in November, 1987. Mr. Frank DeFilippo was later named to Mr. Walker's place on the committee.

- Capital Development Authority Subcommittee: House Bill 1021.
- Legislative Subcommittee: Various topics.
- Capital Assets Management Subcommittee: S.B. 141.
- Long-Range Planning Subcommittee: 5- and 10-year capital planning.
- Strategic Planning Subcommittee: Goals and objectives.
- Engineering and Construction Subcommittee: Technical advice.

The Advisory Committee was also active in presenting background information to the legislative committee on capital-related issues. On October 14, the Advisory Committee hosted a full day seminar for the Capital Development Committee at the University of Denver Law School campus. The seminar covered a variety of topics ranging from options in capital finance to new techniques in capital assets management. The Advisory Committee also held periodic briefings throughout the year on subjects of interest to the legislative committee.

APPENDICES

APPENDIX A

Bills Recommended by the Capital Development Committee
For Introduction in the 1988 Legislative Session

1. Concerning the Approval of Facilities Plans -- House Bill 1008
2. Concerning the Authority of the Colorado Housing and Finance Authority -- House Bill 1021
3. Concerning the Creation of a Division of Facilities Management -- Senate Bill 35
4. Concerning the Development of a Capital Assets Management Information System, and in Connection Therewith, Authorizing a Statewide Inventory, and Making an Appropriation Therefor -- Senate Bill 140
5. Concerning Required Appropriations for Controlled Maintenance Purposes -- Senate Bill 41

STATE OF COLORADO

BY REPRESENTATIVES Allison and Trujillo;
also SENATORS Wham and Traylor.

A BILL FOR AN ACT

1 CONCERNING THE APPROVAL OF FACILITIES PLANS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires each state agency to submit facilities master plans and facility program plans to the office of state planning and budgeting for approval and prohibits the state agency from submitting a budget request to the capital development committee until the plans have been approved. Provides that the capital development committee shall not review capital construction and controlled maintenance requests until the state agencies making such requests have submitted facilities plans to the office of state planning and budgeting and such plans are approved.

Requires the board of directors of the Auraria higher education center to approve facilities master plans submitted by the Auraria constituent institutions. Prohibits the commencement of any capital construction in the Auraria center unless such construction is in accordance with the plans.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 2-3-1302, Colorado Revised Statutes, 1980

4 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW

5 SUBSECTION to read:

6 2-3-1302. Capital development committee established -

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 legislative declaration. (3) The general assembly hereby
2 finds and declares that capital construction and controlled
3 maintenance should be accomplished in accordance with
4 facilities master plans and facility program plans. To that
5 end, the capital development committee is created to oversee
6 the development of such plans.

7 SECTION 2. 2-3-1304 (1) (a), Colorado Revised Statutes,
8 1980 Repl. Vol., as amended, is amended to read:

9 2-3-1304. Powers and duties of capital development
10 committee. (1) (a) To study the capital construction and
11 controlled maintenance requests and proposals for the
12 acquisition of capital assets of each state department,
13 institution, and agency; EXCEPT THAT NO SUCH REQUEST SHALL BE
14 RECEIVED BY THE CAPITAL DEVELOPMENT COMMITTEE UNTIL THE
15 DEPARTMENT, INSTITUTION, OR AGENCY HAS COMPLETED FACILITIES
16 MASTER PLANS AND FACILITY PROGRAM PLANS IN ACCORDANCE WITH
17 SECTION 24-37-103.5, C.R.S. THE CAPITAL DEVELOPMENT COMMITTEE
18 SHALL ALSO REVIEW THE FACILITIES MASTER PLANS FOR THE CAPITOL
19 COMPLEX.

20 SECTION 3. 24-37-103 (1), Colorado Revised Statutes,
21 1982 Repl. Vol., as amended, is amended BY THE ADDITION OF A
22 NEW PARAGRAPH to read:

23 24-37-103. Director - duties. (1) (e) Review
24 facilities master plans and facility program plans in
25 accordance with section 24-37-103.5.

26 SECTION 4. Part 1 of article 37 of title 24, Colorado
27 Revised Statutes, as amended, is amended BY THE ADDITION OF A

1 NEW SECTION to read:

2 24-37-103.5. Facilities master plans - approval. Each
3 state institution and agency, except state schools, colleges,
4 and universities as provided in section 23-1-106, C.R.S.,
5 shall submit current facilities master plans and facility
6 program plans to the director. The director, after
7 consultation with the executive director of the department of
8 administration and the appropriate legislative committees,
9 shall approve or disapprove the facilities master plans and
10 facility program plans submitted pursuant to this section. If
11 the director disapproves the plans, the state agency or
12 institution may modify or amend the plans and resubmit them to
13 the director. No state agency or institution shall submit a
14 budget request for a capital construction or controlled
15 maintenance project to the capital development committee until
16 the facilities master plan and facilities program plan of the
17 state agency has been approved by the director.

18 SECTION 5. 23-70-104 (1), Colorado Revised Statutes, as
19 amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to
20 read:

21 23-70-104. Duties of the Auraria board. (1) (h) To
22 review current facilities master plans submitted to the
23 Auraria board by the governing boards of the constituent
24 institutions. Facilities master plans submitted by
25 constituent institutions shall conform with the long-range
26 plan developed by the Auraria board pursuant to paragraph (e)
27 of this subsection (1). The Auraria board shall approve the

1 facilities master plans submitted pursuant to this paragraph
2 (h) and no capital construction shall commence except in
3 accordance with an approved facilities master plan.

4 SECTION 6. Repeal. 24-30-1303 (1) (1), Colorado Revised
5 Statutes, 1982 Repl. Vol., is repealed.

6 SECTION 7. Effective date - applicability. This act
7 shall take effect July 1, 1988, and shall apply to all capital
8 construction projects proposed on or after July 1, 1991.

9 SECTION 8. Safety clause. The general assembly hereby
10 finds, determines, and declares that this act is necessary
11 for the immediate preservation of the public peace, health,
12 and safety.

STATE OF COLORADO

BY REPRESENTATIVES Allison and Trujillo;
also SENATORS Traylor, Wham, Mendez, and McCormick.

A BILL FOR AN ACT

1 CONCERNING THE AUTHORITY OF THE COLORADO HOUSING AND FINANCE
2 AUTHORITY TO FINANCE CERTAIN STATE FACILITIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Defines "state facility" and authorizes the Colorado housing and finance authority to enter into financing agreements to finance state facilities. Authorizes the authority to acquire or improve any state facility and to mortgage, sell, or lease any state facility.

Requires approval by the general assembly prior to the financing of any facility by the authority. Further requires that a state agency enter into a financing agreement with the authority before a state facility is financed by the authority and that the agreement specify who will operate and maintain the facility.

Authorizes the authority to contract with the executive director of the department of administration for the supervision of the construction of any state facility financed by the authority.

Requires the authority, upon full payment of the principal of and interest on bonds issued by the authority to finance a state facility, to convey title of the facility to the state.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 29-4-702, Colorado Revised Statutes, 1986

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW
2 SUBSECTION to read:

3 29-4-702. Legislative declaration. (4) The general
4 assembly further finds and declares that it is necessary to
5 provide adequate office space and other facilities for the
6 conduct of the executive, legislative, and judicial functions
7 of state government and its various departments, agencies, and
8 commissions. In order to provide such office space and
9 facilities at a cost that state government can afford, the
10 general assembly finds it necessary to provide for the
11 financing of such facilities by the exercise of the powers
12 granted in this part 7. The public facilities to be financed
13 pursuant to this article shall include, but shall not be
14 limited to, judicial, administrative, residential,
15 rehabilitative, medical, correctional, and such other public
16 facilities as may be approved by the general assembly.

17 SECTION 2. 29-4-703 (5.2), the introductory portion to
18 29-4-703 (12.5), and 29-4-703 (12.5) (d), (12.5) (f), (12.5)
19 (h), (12.5) (j), and (12.5) (k), Colorado Revised Statutes,
20 1986 Repl. Vol., as amended, are amended, and the said
21 29-4-703 is further amended BY THE ADDITION OF A NEW
22 SUBSECTION, to read:

23 29-4-703. Definitions. (5.2) "Financing agreement"
24 includes a lease, sublease, installment purchase agreement,
25 rental agreement, option to purchase, loan agreement,
26 participation agreement, loan purchase agreement, or any other
27 agreement, or any combination thereof, entered into in

1 connection with the financing of a project OR OF A STATE
2 FACILITY or the provision of capital pursuant to this part 7.

3 (12.5) "Project costs" means the sum total of all costs
4 incurred in the development of a project OR OF A STATE
5 FACILITY which are approved by the authority as reasonable and
6 necessary. "Project costs" includes, but is not limited to:

7 (d) Fees in connection with the planning, execution, and
8 financing of the project OR THE STATE FACILITY, such as those
9 of architects, engineers, attorneys, accountants, and the
10 authority;

11 (f) The cost of construction, rehabilitation,
12 reconstruction, and equipping of the project OR THE STATE
13 FACILITY, not including the cost of raw materials, work in
14 process, and stock in trade;

15 (h) Expenses in connection with initial occupancy of the
16 project OR THE STATE FACILITY;

17 (j) An allowance established by the authority for
18 contingency reserves and reserves for any anticipated
19 operating deficits after completion of the project OR THE
20 STATE FACILITY; and

21 (k) The cost of other items that the authority
22 determines to be reasonable and necessary for the development
23 of the project OR THE STATE FACILITY, including but not
24 limited to relocation costs, utility connection fees,
25 indemnity and surety bonds, premiums on insurance, and fees
26 and expenses of trustees, depositories, and paying agents for
27 the bonds and notes.

1 (15.5) "State facility" means a public work or
2 improvement, including, but not limited to, real property,
3 buildings, equipment, furnishings, and any other real or
4 personal property or any interest therein, which is financed,
5 refinanced, acquired, owned, constructed, reconstructed,
6 extended, rehabilitated, improved, or equipped directly or
7 indirectly, in whole or in part, by the authority and which is
8 intended to provide office space or other facilities for the
9 conduct of the executive, legislative, or judicial functions
10 of state government. "State facility" includes, but is not
11 limited to, judicial, administrative, residential,
12 rehabilitative, medical, correctional, and such other public
13 works as may be approved by the general assembly. "State
14 facility" shall not include water projects or highways.

15 SECTION 3. 29-4-708 (1) (1) and (1) (u), Colorado
16 Revised Statutes, 1986 Repl. Vol., as amended, are amended to
17 read:

18 29-4-708. General powers of the authority. (1) (1) To
19 act as agent for federal, state, or local government or for
20 qualified organizations or corporations in connection with the
21 acquisition, construction, reconstruction, rehabilitation,
22 leasing, operation, or management of a housing facility, STATE
23 FACILITY, or project or any part thereof or the furnishing of
24 capital to business enterprises;

25 (u) To protect the interest of the authority in housing
26 facilities, projects, STATE FACILITIES, and loans to and
27 equity investments in business enterprises for capital made

1 under this part 7 by such action as is in the best interest of
2 the authority, including, without limitation, taking
3 assignment of leases, rentals, and other revenues and assets
4 and proceeding with foreclosure, repossession, purchase, sale,
5 or other means of acquisition of such facilities or projects
6 or other security and, in the case of equity investments,
7 taking any action permitted by law or pursuant to any
8 subscription, partnership, or other instrument, certificate,
9 or document related to such investment;

10 SECTION 4. Part 7 of article 4 of title 29, Colorado
11 Revised Statutes, 1986 Repl. Vol., as amended, is amended BY
12 THE ADDITION OF A NEW SECTION to read:

13 29-4-710.7. Powers of the board - state facilities -
14 financing - conditions. (1) In addition to any other powers
15 granted to the authority in this part 7, the authority shall
16 have the following powers:

17 (a) To commit to enter and to enter into a financing
18 agreement to sell, make, or participate in a loan to finance
19 or lease, for a term not to exceed ninety-nine years, with or
20 without an option to purchase, any state facility upon such
21 terms and conditions as the authority may deem appropriate.
22 The authority may enter into such a financing agreement prior
23 to, on the date of, or subsequent to the completion of the
24 state facility. Where such a financing agreement is entered
25 into, the authority may pay the project costs of the state
26 facility and complete the construction and development thereof
27 prior to any actual conveyance, loan, or lease.

1 (b) To acquire, construct, reconstruct, rehabilitate,
2 improve, alter, equip, and repair, or to provide for the
3 acquisition, construction, reconstruction, rehabilitation,
4 improvement, alteration, equipping, and repairing of any state
5 facility; to provide for the maintenance, operation, and
6 management of any state facility; and to mortgage or otherwise
7 encumber, or to sell or lease, any state facility;

8 (c) To prepare or cause to be prepared plans,
9 specifications, designs, and estimates of costs for the
10 acquisition, construction, reconstruction, rehabilitation,
11 improvement, alteration, equipping, maintenance, or repairing
12 of any state facility and to periodically modify such plans,
13 specifications, designs, and estimates.

14 (2) Notwithstanding any other provision of this part 7,
15 the authority is not authorized to finance any facility
16 unless:

17 (a) Prior approval by the general assembly has been
18 given by bill authorizing the financing of a specific state
19 facility;

20 (b) A state agency has entered into a financing
21 agreement with the authority to finance the state facility;
22 and

23 (c) The financing agreement specifies who shall be
24 responsible for the operation and maintenance of the facility.

25 (3) Any financing agreement entered into with respect to
26 a state facility pursuant to the provisions of this part 7
27 shall provide, along with other revenues available to the

1 authority, for rentals or other payments adequate to pay the
2 principal and interest on any bonds issued to finance such
3 state facility as the same fall due and to create and maintain
4 such reserves and accounts for depreciation and costs of
5 capital as the authority shall determine to be necessary.

6 (4) The authority shall have the power to contract with
7 the executive director of the department of administration for
8 the purpose of requiring the department of administration to
9 supervise the construction and operation of any state facility
10 financed pursuant to the provisions of this part 7.

11 (5) Notwithstanding the provisions of any other law, the
12 state and any state agency shall have the power to lend or
13 grant money or real or personal property or both to the
14 authority in connection with a state facility financed
15 pursuant to this part 7 and to enter into contracts to make
16 such loans and grants, all upon such terms and conditions as
17 the authority and the state or state agency may agree upon.

18 (6) When the principal of and interest on bonds issued
19 by the authority to finance the cost of state facilities,
20 including any refunding bonds, have been fully paid and
21 retired or when adequate provision has been made to fully pay
22 and retire the same, and all other conditions of the
23 resolution, the financing agreement, the trust indenture, or
24 other security arrangement, if any, authorizing and securing
25 the same have been satisfied, the authority shall promptly do
26 all things and execute such deeds, conveyances, and other
27 documents as are necessary and required to release the trust

1 indencure and any other security arrangement and to convey its
2 right, title, and interest in such facilities so financed, and
3 any other facilities leased or subject to any other form of
4 security arrangement to secure the bonds, to the state of
5 Colorado.

6 SECTION 5. Safety clause. The general assembly hereby
7 finds, determines, and declares that this act is necessary
8 for the immediate preservation of the public peace, health,
9 and safety.

STATE OF COLORADO

35

BY SENATORS Traylor, Mendez, Wham, and Trujillo;
also REPRESENTATIVES Allison and Trujillo.

A BILL FOR AN ACT

1 CONCERNING THE CREATION OF A DIVISION OF FACILITIES
2 MANAGEMENT.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Creates a division of facilities management in the department of administration. Transfers the functions and property of the state buildings division to the division of facilities management. Requires the division to perform functions related to the construction and maintenance of state buildings.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. Part 13 of article 30 of title 24, Colorado
5 Revised Statutes, 1982 Repl. Vol., as amended, is REPEALED AND
6 REENACTED, WITH AMENDMENTS, to read:

7 PART 13

8 DIVISION OF FACILITIES MANAGEMENT

9 24-30-1301. Definitions. As used in this part 13,
10 unless the context otherwise requires:

11 (1) "Capital construction" means:

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 (a) Purchase of land, regardless of the value thereof;
2 (b) Purchase, construction, or demolition of buildings
3 or other physical facilities, including utilities, or
4 remodeling or renovation of existing buildings or other
5 physical facilities, including utilities, to make physical
6 changes necessitated by changes in the program, to meet
7 standards required by applicable codes, to correct other
8 conditions hazardous to the health and safety of persons which
9 are not covered by codes, to effect conservation of energy
10 resources, to effect cost savings for staffing, operations, or
11 maintenance of the facility, or to improve appearance;

12 (c) Site improvement or development;

13 (d) Purchase and installation of the fixed and movable
14 equipment necessary for the operation of new, remodeled, or
15 renovated buildings and other physical facilities and for the
16 conduct of programs initially housed therein upon completion
17 of the new construction, remodeling, or renovation;

18 (e) Purchase of the services of architects, engineers,
19 and other consultants to prepare plans, program documents,
20 life-cycle cost studies, energy analyses, and other studies
21 associated with any capital construction project and to
22 supervise the construction or execution of such capital
23 construction projects;

24 (f) Any item of instructional or scientific equipment if
25 the cost will exceed fifty thousand dollars.

26 (2) (a) "Controlled maintenance" means:

27 (1) Corrective repairs or replacement used for existing

1 state-owned, general-funded buildings and other physical
2 facilities, including, but not limited to, utilities and site
3 improvements, which are suitable for retention and use for at
4 least five years, and replacement and repair of the fixed
5 equipment necessary for the operation of such facilities, when
6 such work is not funded in an agency's operating budget to be
7 accomplished by the agency's physical plant staff;

8 (II) That controlled maintenance funds may not be used:

9 (A) For corrective repairs or replacement for buildings
10 and other physical facilities and replacement or repair of the
11 fixed and movable equipment necessary for the operation of
12 physical facilities, when such work is funded in an agency's
13 operating budget to be accomplished by the agency's physical
14 plant staff; for the repair and replacement of fixed and
15 movable equipment necessary for the conduct of programs (such
16 repair and replacement is funded as capital outlay); for
17 rented or leased facilities, or facilities constructed and
18 maintained by self-liquidating property funds. Minor
19 maintenance items shall not be accumulated to create a
20 controlled maintenance project, nor shall minor maintenance
21 work be accomplished as a part of a controlled maintenance
22 project unless the work is directly related.

23 (B) For any work properly categorized as capital
24 construction or capital outlay.

25 (b) "Controlled maintenance" may include the purchase of
26 the services of architects, engineers, and other consultants
27 to investigate conditions and prepare recommendations for the

1 correction thereof, to prepare plans and specifications, and
2 to supervise the execution of such controlled maintenance
3 projects as provided by appropriation by the general assembly.

4 (3) "Department" means the department of administration.

5 (4) "Division" means the division of facilities
6 management.

7 (5) "Executive director" means the executive director of
8 the department of administration.

9 (6) "Facility" means any public building or facility of
10 the state but does not include highways.

11 (7) "Principal representative" means the governing board
12 of a state department, institution, or agency or, if there is
13 no governing board, the executive head of a state department,
14 institution, or agency, as designated by the governor or the
15 general assembly.

16 (8) "State agency" means this state or any department,
17 institution, or other agency of the state, including
18 institutions of higher education.

19 (9) "State-assisted facility" means a facility
20 constructed, or a major facility constructed or renovated, in
21 whole or in part, with state funds or with funds guaranteed or
22 insured by a state agency.

23 (10) "State facility" means a facility constructed, or a
24 major facility constructed or renovated, by a state agency.

25 24-30-1302. Transfer of functions, equipment, and
26 personnel. (1) The division shall, on and after July 1,
27 1988, execute, administer, perform, and enforce the rights,

1 powers, duties, functions, and obligations vested in what was
2 commonly referred to as the state buildings division in the
3 department prior to July 1, 1988. On July 1, 1988, all
4 employees of the state buildings division whose principal
5 duties are concerned with the duties and functions transferred
6 to the division and whose employment in the division is deemed
7 necessary by the director of the division to carry out the
8 purposes of this part 13 shall be transferred to the division
9 and shall become the employees thereof. Such employees shall
10 retain all rights to state personnel system benefits and
11 retirement benefits under the laws of this state, and their
12 services shall be deemed to have been continuous. All
13 transfers and any abolishment of positions in the state
14 personnel system shall be made and processed in accordance
15 with state personnel system laws and rules and regulations.

16 (2) On July 1, 1988, all items of property, real and
17 personal, including office furniture and fixtures, books,
18 documents, and records of the state buildings division
19 pertaining to the duties and functions transferred to the
20 division pursuant to section 24-1-116 (2), are transferred to
21 the division and become the property thereof.

22 (3) Whenever the state buildings division is referred to
23 or designated by any contract or other document in connection
24 with the duties and functions transferred to the division,
25 such reference or designation shall be deemed to apply to the
26 division. All contracts entered into by the state buildings
27 division prior to July 1, 1988, in connection with the duties

1 and functions transferred to the division are hereby
2 validated, with the division succeeding to all the rights and
3 obligations of such contracts. Any appropriation of funds
4 from prior fiscal years available to satisfy obligations
5 incurred under such contracts are hereby transferred and
6 appropriated to the division for the payment of such
7 obligations.

8 24-30-1303. Division of facilities management. There is
9 hereby created a division of facilities management in the
10 department of administration. The division shall exercise its
11 powers, duties, and functions as if transferred to said
12 department by a type 2 transfer. The executive director shall
13 appoint, pursuant to section 13 of article XII of the state
14 constitution, a director of facilities management as head of
15 the division and also such other personnel as may be necessary
16 for the efficient operation of the division.

17 24-30-1304. Functions of the division. (1) The
18 division shall:

19 (a) Negotiate and approve leases which are entered into
20 on behalf of the state government by any state agency for
21 land, buildings, and office or other space and keep current
22 records of all such leases;

23 (b) Develop, or cause to be developed, with the approval
24 of the governor, specific standards relating to space, to
25 architectural, structural, mechanical, and electrical systems,
26 and to energy conservation, except in higher education as
27 provided in section 23-1-106, C.R.S., which shall be the basis

1 for approving facilities master plans, facility program plans,
2 schematic designs, design development phases, and construction
3 documents; except that such standards shall be approved by the
4 president of the senate and the speaker of the house of
5 representatives when they concern space, systems, or energy
6 conservation in that portion of the capitol buildings group
7 which is under the jurisdiction of the general assembly;

8 (c) Insure conformity of physical plans with approved
9 facility program plans;

10 (d) Review and approve schematic design, design
11 development, and construction documents as to compliance with
12 approved construction standards and the appropriation and
13 review cost estimates prior to authorizing the calling of bids
14 as to compliance with the appropriation. In the event the
15 executive director, after such review, finds that schematic
16 design, design development, or construction documents do not
17 comply with approved construction standards and the
18 appropriation or that cost estimates do not comply with the
19 appropriation, he shall immediately notify the principal
20 representative in writing of his findings and make appropriate
21 recommendations. Upon receipt of such notice, the principal
22 representative shall take action as necessary to implement the
23 recommendations and bring the project into compliance,
24 continuing or modifying plans, designs, construction
25 documents, or cost estimates, as the case may be. The
26 director may enter into whatever contracts he deems necessary
27 to fulfill the requirements of this paragraph (d).

1 (e) (I) Obtain and maintain a correct and current
2 inventory of all real property, with improvements thereon,
3 owned by or held in trust for the state of Colorado or any
4 state department, agency, or institution, including state
5 institutions of higher education, and, in cooperation with the
6 attorney general, correct any defects in title to said real
7 property necessary to vest marketable title in the state. For
8 purposes of this section, "real property" does not include
9 land or any interest therein acquired by the state department
10 of highways and used, or intended to be used, for right-of-way
11 purposes, nor does "real property" include the public lands of
12 the state which are subject to the jurisdiction of the state
13 board of land commissioners.

14 (II) Such inventory shall be comprised of sufficient
15 information to identify such property with respect to which
16 unit of state government has control thereof, where such
17 property is located, and when and from what source the
18 property was acquired, including subsequent improvements. The
19 department shall establish and maintain an accurate index
20 system which will assure that inquiries as to the location and
21 control of all such property will be promptly answered.

22 (f) Provide technical assistance to state departments,
23 institutions, and agencies during the initial planning phases
24 and during any continuing phases of a capital construction
25 project, and evaluate such projects in their initial planning
26 stages and make recommendations to the governor or any state
27 institution, agency, board, or committee involved in the

1 proposed project;

2 (g) Submit to the general assembly, on or before
3 September 1 of each year, a full and complete report of the
4 nature and cost of all capital construction and controlled
5 maintenance projects completed and the status and estimated
6 cost of all capital construction and controlled maintenance
7 projects under way or authorized to be undertaken as of the
8 last day of the preceding fiscal year;

9 (h) Be responsible for coordinating, reviewing, and
10 making recommendations on capital construction requests,
11 including controlled maintenance, and assisting the office of
12 state planning and budgeting in developing an annual executive
13 recommendation for capital construction and controlled
14 maintenance.

15 (2) The provisions of subsection (1) of this section
16 shall not apply to lands under the jurisdiction of the state
17 board of land commissioners or to land leased by the division
18 of wildlife or the division of parks and outdoor recreation.

19 (3) All buildings and facilities, except public roads
20 and highways and projects under the supervision of the
21 division of wildlife and the division of parks and outdoor
22 recreation, erected for state purposes shall be constructed in
23 conformity with a construction procedures manual for state
24 facilities and state-assisted facilities prepared by the
25 department and approved by the governor. Such construction
26 shall be made only upon plans, designs, and construction
27 documents approved by the director and in compliance with

1 approved state standards.

2 24-30-1305. Controlled maintenance projects -
3 flexibility in administering appropriations. (1) When the
4 actual cost of a controlled maintenance project exceeds the
5 amount specifically appropriated for such project in the
6 annual general appropriation act or when an emergency need
7 arises for a new controlled maintenance project, the executive
8 director may eliminate one or more projects authorized by
9 appropriation in the general appropriation act and utilize the
10 savings to cover such additional cost or the cost of the
11 emergency project. When the actual cost of a controlled
12 maintenance project is less than the amount specifically
13 appropriated for such project in the annual general
14 appropriation act, the executive director may apply such
15 savings to other appropriated controlled maintenance projects.

16 (2) For purposes of this section, the term "emergency
17 project" means any project which is unforeseen and which
18 requires immediate remedial action to prevent a threat to the
19 public health, welfare, or safety.

20 24-30-1306. Acceptance of gifts and grants. The
21 department, with the approval of the governor, is specifically
22 empowered to receive and expend all grants, gifts, and
23 bequests, where such grants, gifts, or bequests involve no
24 state funds for acquisition, construction, or operation,
25 including federal funds available for the purposes for which
26 the department exists, and to contract with the United States
27 and all other legal entities with respect thereto. The

1 department may provide, where such funds are specifically
2 appropriated, matching funds wherever funds, grants, gifts,
3 bequests, and contractual assistance are available on such
4 basis. The department shall provide such information,
5 reports, and services as may be necessary to secure such
6 financial aid.

7 SECTION 2. 24-1-116 (2), Colorado Revised Statutes, 1982
8 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW
9 PARAGRAPH to read:

10 24-1-116. Department of administration - creation.
11 (2) (k) Division of facilities management, the head of which
12 shall be the director of facilities management. The division
13 of facilities management and the director of facilities
14 management, created by part 13 of article 30 of this title,
15 shall exercise their powers and perform their duties and
16 functions as if transferred by a type 2 transfer to the
17 department of administration as a division thereof.

18 SECTION 3. Repeal. 24-82-202, Colorado Revised
19 Statutes, 1982 Repl. Vol., is repealed.

20 SECTION 4. Effective date. This act shall take effect
21 July 1, 1988.

22 SECTION 5. Safety clause. The general assembly hereby
23 finds, determines, and declares that this act is necessary
24 for the immediate preservation of the public peace, health,
25 and safety.

STATE OF COLORADO

BY SENATORS Wham, Traylor, Mendez, Considine, and DeNier;
also REPRESENTATIVE Allison.

A BILL FOR AN ACT

1 CONCERNING THE DEVELOPMENT OF A CAPITAL ASSETS MANAGEMENT
2 INFORMATION SYSTEM, AND, IN CONNECTION THEREWITH,
3 AUTHORIZING A STATEWIDE INVENTORY, AND MAKING AN
4 APPROPRIATION THEREFOR.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Declares that it is the intent of the general assembly that an inventory of all state properties be conducted and that a capital assets management information system be developed so that state government can better manage its capital assets and make prudent decisions regarding the utilization of state property. Requires the executive director of the department of administration to enter into a contract with a qualified bidder for the purpose of conducting such an inventory and for developing such a management information system. Directs all agencies of state government, except for institutions of higher education and the department of highways, to use the management model developed by the successful bidder on the project to identify and evaluate opportunities for more effective utilization of capital assets owned by such agencies.

Requires reporting by state agencies to the department of administration for the purpose of demonstrating how the agency has used the management model. Further requires that each state agency shall conduct an annual review of its capital asset inventory and report any changes in such inventory to the department of administration.

Requires each state agency to notify the department of

administration before the agency sells, exchanges, or makes a different use of any capital asset.

Makes an appropriation for the implementation of the act.

1 Be it enacted by the General Assembly of the State of Colorado:

2 SECTION 1. Article 30 of title 24, Colorado Revised
3 Statutes, 1982 Repl. Vol., as amended, is amended BY THE
4 ADDITION OF A NEW PART to read:

5 PART 18

6 CAPITAL ASSET INVENTORY

7 24-30-1801. Legislative declaration. The general
8 assembly hereby determines and declares that in order to
9 properly maintain and utilize the capital assets of the state
10 it is necessary to first obtain an accurate inventory of such
11 capital assets. The general assembly further finds that the
12 development of a capital assets management information system
13 is necessary for the optimal utilization and management of the
14 state's capital assets. It is the intent of the general
15 assembly that the capital assets management information system
16 developed pursuant to this part 18 be an ongoing management
17 program.

18 24-30-1802. Definitions. As used in this part 18,
19 unless the context otherwise requires:

20 (1) "Capital asset" means any building, structure,
21 facility, or physical betterment or improvement or any land or
22 rights in land.

23 (2) "Department" means the department of administration.

24 (3) "Executive director" means the executive director of

1 the department of administration.

2 (4) "State agency" means this state or any department,
3 institution, or other agency of the state, including
4 institutions of higher education.

5 24-30-1803. Capital asset inventory - management
6 information system - contract for. (1) The executive
7 director shall enter into a contract for the performance of a
8 comprehensive capital asset inventory and for the development
9 of a capital assets management information system. Such
10 contract shall require the contractor to:

11 (a) Conduct an inventory of all capital assets,
12 including a description of the capital asset, the date of
13 acquisition, the current type and level of use, and any other
14 information deemed appropriate by the executive director in
15 the request for proposal; and

16 (b) Develop a capital assets management model, which
17 shall be based on:

18 (I) A prioritized list of objectives to be achieved by
19 the development of such a model;

20 (II) A study of capital assets which shall include the
21 value of such assets, identification of the agency which
22 exerts primary control over such asset, and any
23 interrelationship between that agency and other agencies which
24 utilize the asset to a lesser extent;

25 (III) Development of criteria for capital asset
26 management;

27 (IV) Development of a procedure for inputting data into

1 the management system to identify the tasks of each agency and
2 any private consultant;

3 (V) Training for agencies who will make use of the
4 management information system; and

5 (VI) Identification of life-cycle costs and the optimal
6 utilization of capital assets.

7 24-30-1804. Department of administration - capital asset
8 management model. (1) All state agencies shall use the asset
9 management model developed pursuant to section 24-30-1802 to
10 evaluate opportunities for more effective utilization of
11 capital assets owned by the agencies. Each agency shall make
12 annual reports to the executive director regarding the use of
13 such model; except that the executive director may request
14 that such reports be made on a more frequent basis. The
15 provisions of this subsection (1) shall not apply to
16 institutions of higher education or to the state department of
17 highways.

18 (2) Each state agency shall make an annual review of its
19 capital asset inventory and shall report any change in such
20 inventory to the department.

21 (3) The department shall maintain the management
22 information system.

23 (4) No state agency shall sell, exchange, or make a
24 different use of any capital asset without notifying the
25 department of such action and providing the department an
26 opportunity to submit comments to the state agency. The
27 provisions of this subsection (4) shall not be construed to

1 authorize the department to prohibit such sale, exchange, or
2 different use.

3 SECTION 2. 24-75-303 (2), Colorado Revised Statutes,
4 1982 Repl. Vol., as amended, is amended to read:

5 24-75-303. Appropriation for capital construction.
6 (2) No appropriation for capital construction shall be made
7 to or expended by any department, agency, or institution of
8 the state which has not complied with the requirements of
9 section ~~24-30-1303.5~~, 24-30-1804, with respect to preparation
10 and maintenance of a state inventory of real property and
11 improvements and other capital assets.

12 SECTION 3. Repeal. 24-30-1303.5, Colorado Revised
13 Statutes, 1982 Repl. Vol., as amended, is repealed.

14 SECTION 4. Appropriation. In addition to any other
15 appropriation, there is hereby appropriated, out of any moneys
16 in the general fund not otherwise appropriated, to the
17 department of administration, for the fiscal year beginning
18 July 1, 1988, the sum of _____ dollars (\$))
19 and 3.0 FTE, or so much thereof as may be necessary, for the
20 implementation of this act.

21 SECTION 5. Effective date. This act shall take effect
22 July 1, 1988.

23 SECTION 6. Safety clause. The general assembly hereby
24 finds, determines, and declares that this act is necessary
25 for the immediate preservation of the public peace, health,
26 and safety.

STATE OF COLORADO

BY SENATORS Wham, Mendez, and Traylor;
also REPRESENTATIVES Allison and Trujillo.

A BILL FOR AN ACT

1 CONCERNING REQUIRED APPROPRIATIONS FOR CONTROLLED MAINTENANCE
2 PURPOSES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires the general assembly to appropriate an amount for controlled maintenance purposes which is an amount equal to at least two percent of the total value of all capital assets of state departments, institutions, and agencies, including institutions of higher education.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 24-75-303 (1), Colorado Revised Statutes,
5 1982 Repl. Vol., as amended, is amended, and the said
6 24-75-303 is further amended BY THE ADDITION OF THE FOLLOWING
7 NEW SUBSECTIONS, to read:

8 24-75-303. Appropriation for capital construction.

9 (1) SUBJECT TO THE PROVISIONS OF SUBSECTION (3) OF THIS
10 SECTION, the general assembly shall appropriate for capital
11 construction in such form, in such amounts, and from such

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 funds as it deems necessary and may appropriate either for
2 construction or for planning of any project.

3 (3) For the 1988-89 fiscal year and each fiscal year
4 thereafter, the general assembly shall appropriate an amount
5 for controlled maintenance purposes which is equal to two
6 percent of the total value of all capital assets of state
7 departments, institutions, and agencies, including
8 institutions of higher education. For the purpose of making
9 the appropriation required by this subsection (3) for the
10 fiscal year beginning July 1, 1988, such value shall be
11 determined by the state treasurer as of July 1, 1987, and
12 shall be certified to the general assembly no later than April
13 15, 1988. For each fiscal year thereafter, the state
14 treasurer shall not be required to recalculate the value of
15 the capital assets but may use the value determined for the
16 fiscal year 1988-89 and apply whatever inflation or other
17 factors he deems necessary to determine the value for that
18 fiscal year. For each fiscal year after the fiscal year
19 1988-89, the state treasurer shall certify the value of all
20 capital assets to the general assembly no later than March 15.

21 (4) As used in this section:

22 (a) "Capital asset" means any building, structure,
23 facility, or physical betterment or improvement or any land or
24 rights in land.

25 (b) "Value" means the cost of replacement.

26 SECTION 2. Safety clause. The general assembly hereby
27 finds, determines, and declares that this act is necessary

- 1 for the immediate preservation of the public peace, health,
- 2 and safety.