

CAPITAL CONSTRUCTION

October 1, 2009

Prepared by Legislative Council Staff

Capital Need

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- Capital Construction
- Controlled Maintenance
- Certificates of Participation

Historic Perspective

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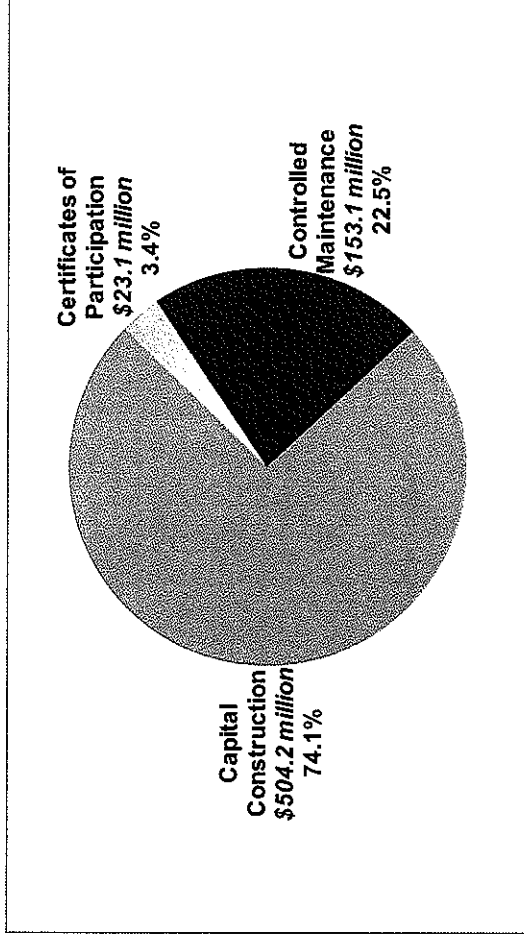
- History of Revenue to the Capital Construction Fund
(handout)
- 5-Year History of State-Funded Appropriations
(see following pages)
- 4-Year History of Requests vs. Appropriations
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5-Year History of Appropriations

State-Funded Capital Appropriations by Project Type

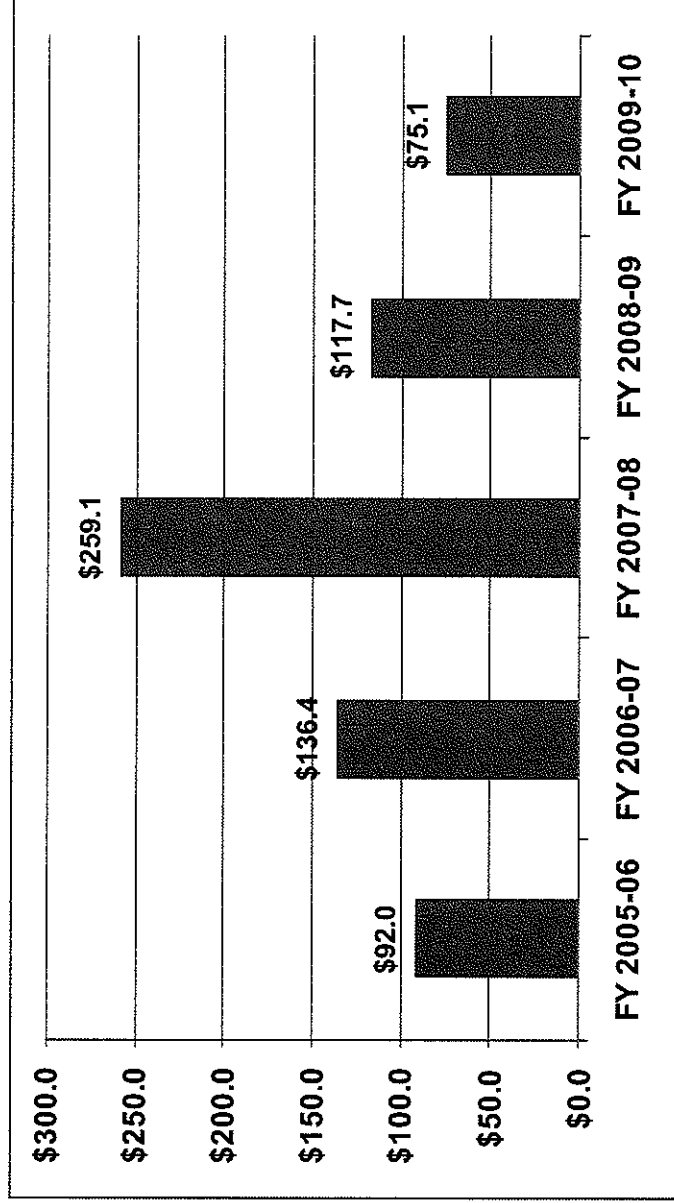
FY 2005-06 to FY 2009-10

Total = \$680.4 million



5-Year History of Appropriations (Cont.)

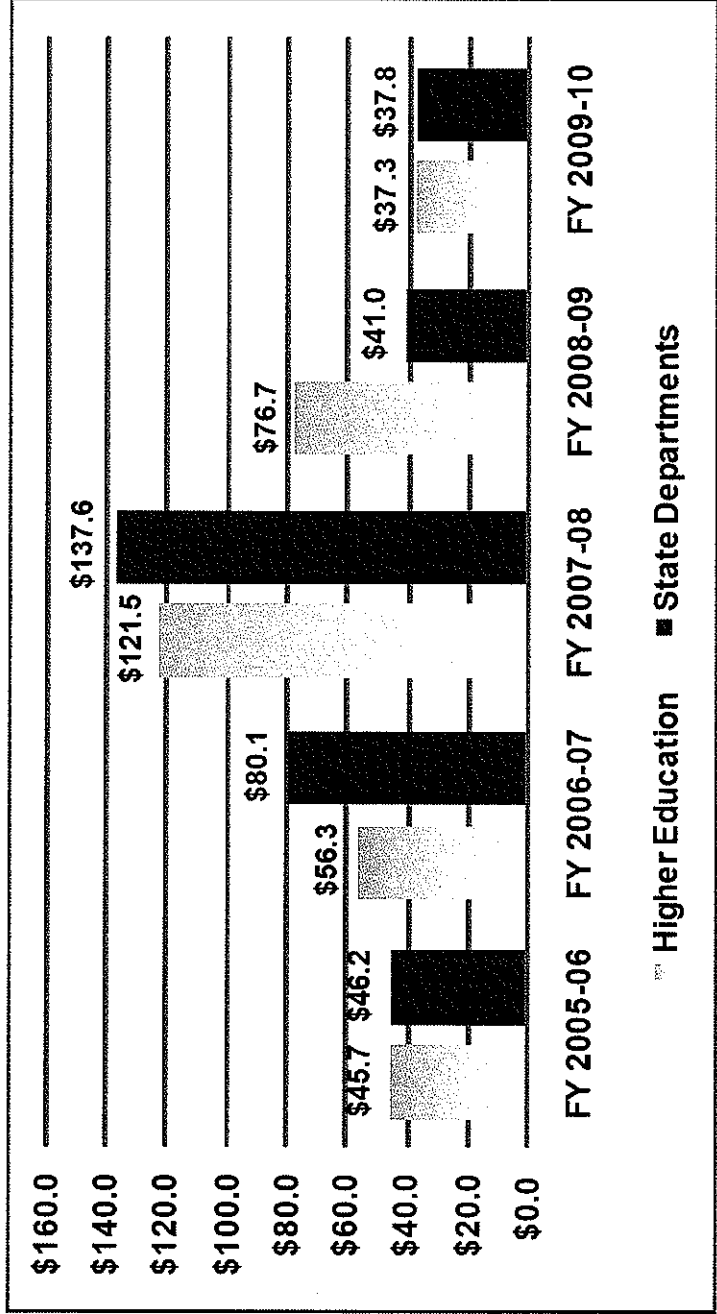
Five-Year History of State-Funded Capital Appropriations FY 2005-06 to FY 2009-10 (in millions)



5-Year History of Appropriations (Cont.)

Five-Year History of State-Funded Capital Appropriations for Higher Education and State Departments

FY 2005-06 to FY 2009-10
Appropriations (in millions)

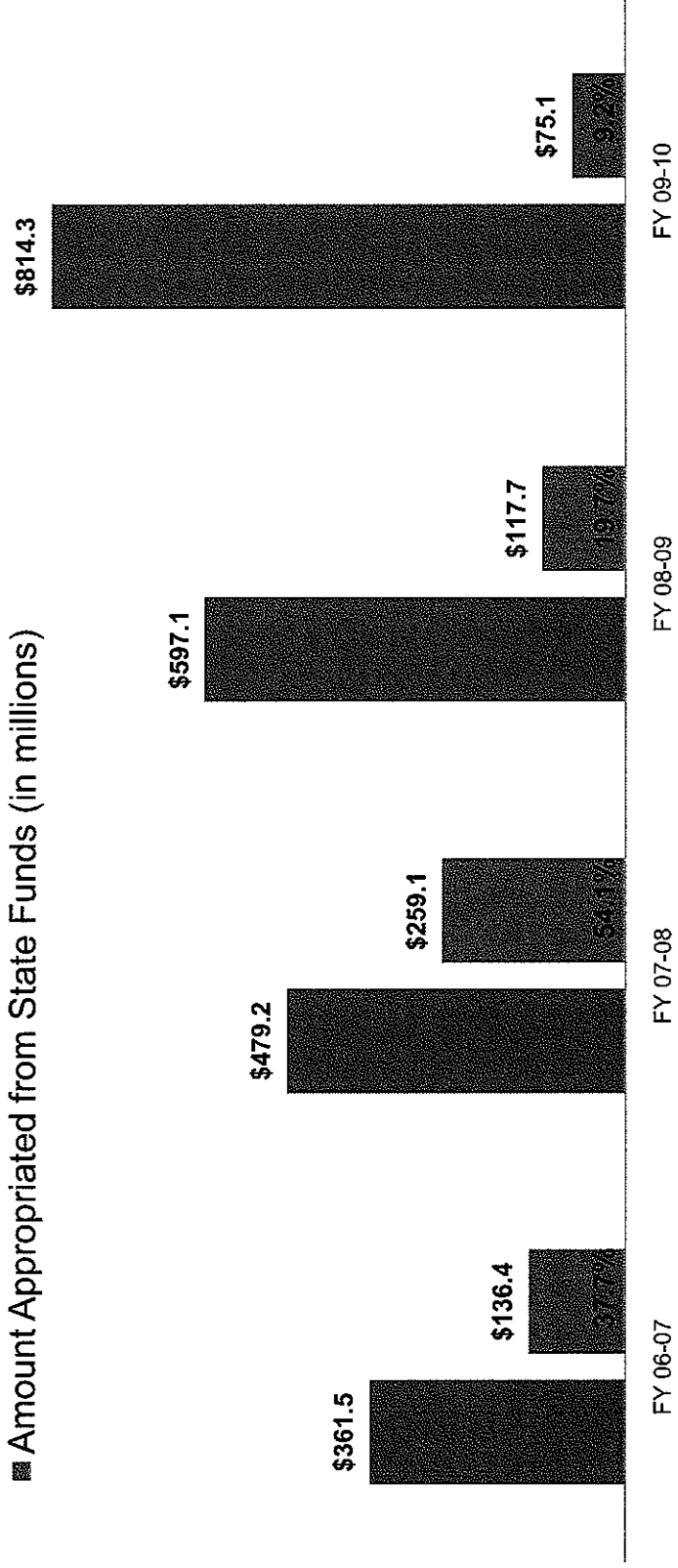


4-Year History of Requests vs. Appropriations



■ Amount Requested from State Funds* (in millions)

■ Amount Appropriated from State Funds (in millions)



*Request amounts vary throughout the fiscal year as projects are added, withdrawn, or amended.

FY 2010-11 Revenue vs. Need Estimate

- \$43.3 million available vs. \$1.28 billion requested
- Shortfall of \$1.24 billion for FY 2010-11

20-Year History of Revenue for Capital Projects (in millions)

Fiscal Year	Annual Statutory General Fund Transfer (outside 6% limit)	Additional Statutory General Fund Transfer (outside 6% limit)	Additional General Fund Appropriation (under 6% limit)	Lottery Revenue	HB 02-1310 Transfer	Tobacco Master Settlement Money (used for Fitzsimons COP only)	One-time Flexible Federal Funds	Deposits Pursuant to Legislation	Interest Earned on the CCF/ Capital Reversions	Interest Earned on the CMTF (used for controlled maintenance only)	Total	Interest Earned on the CMTF and Transferred to the General Fund
FY 90-91	15.0	(0.6)	4.7	49.4	0.0	0.0	0.0	0.0	8.0	0.0	76.5	0.0
FY 91-92	25.0	(25.0)	0.0	57.4	0.0	0.0	0.0	0.0	7.0	0.0	64.4	0.0
FY 92-93	25.0	(3.9)	11.5	44.7	0.0	0.0	0.0	0.0	5.8	0.0	83.1	0.0
FY 93-94	25.0	122.3	25.8	36.2	0.0	0.0	0.0	0.0	3.0	0.0	212.3	0.0
FY 94-95	50.0	70.3	81.4	35.1	0.0	0.0	0.0	0.0	3.4	0.0	240.2	0.0
FY 95-96	50.0	109.0	96.0	30.4	0.0	0.0	0.0	0.0	13.6	0.0	299.0	0.0
FY 96-97	50.0	180.9	38.0	36.6	0.0	0.0	0.0	0.0	38.0	4.3	347.8	0.0
FY 97-98	50.0	148.4	0.0	29.8	0.0	0.0	0.0	0.0	32.4	10.6	271.2	0.0
FY 98-99	50.0	418.3	1.9	11.0	0.0	0.0	0.0	0.0	35.7	17.4	534.3	0.0
FY 99-00	100.0	73.6	0.0	0.0	0.0	0.0	0.0	0.0	68.8	17.8	260.1	0.0
FY 00-01	100.0	174.5	10.7	0.0	0.0	0.0	0.0	0.0	37.0	17.8	340.1	0.0
FY 01-02	100.0	(174.9)	79.1	0.0	0.0	0.0	0.0	0.0	61.1	18.8	84.1	(9.5)
FY 02-03	100.0	(121.3)	0.0	0.0	0.0	0.0	0.0	0.2	8.3	0.0	(12.8)	0.0
FY 03-04	100.0	(90.5)	0.0	0.0	0.0	0.0	23.9	0.0	0.0	0.0	33.4	(2.0)
FY 04-05	0.0	(0.3)	0.2	0.0	2.7	0.0	0.0	0.0	4.8	0.3	7.7	0.0
FY 05-06	0.0	10.1	62.7	0.0	42.3	7.0	0.0	0.0	3.5	0.0	125.6	(3.1)
FY 06-07	0.0	145.9	0.0	0.0	31.0	0.0	0.0	0.0	5.5	3.2	185.6	0.0
FY 07-08	0.0	93.7	52.5	0.0	145.6	0.0	0.0	0.0	14.3	0.3	306.3	0.0
FY 08-09	0.0	24.9	0.0	0.0	83.1	0.0	0.0	0.0	25.2	0.0	133.2	0.0
FY 09-10	0.0	(26.1)	0.0	0.0	14.5	0.0	0.0	0.0	8.8	0.0	(2.9)	0.0
TOTAL	\$840.0	\$1,129.3	\$464.5	\$330.6	\$319.2	\$7.0	\$23.9	\$0.2	\$384.1	\$90.5	\$3,589.2	(\$14.6)

CCF = Capital Construction Fund

Key Legislation:

Senate Bill 93-007 - Created the Controlled Maintenance Trust Fund (CMTF). Required a \$300 million principal balance before interest earned could be appropriated.

House Bill 95-1359 - Struck the \$300 million principal balance provision, so interest earnings could be appropriated from the CMTF regardless of the size of the principal balance. Also designated the CMTF principal as available to constitute all or a portion of the state's emergency reserve under the requirements of TABOR.

Senate Bill 97-001 - Provided for a diversion of 10 percent of the state's sales and use taxes to transportation during years when there is no budget shortfall.

House Bill 02-1310 - Provided that any excess General Fund revenue above the statutory reserve (4 percent of the prior year's appropriations) at the end of the fiscal year is split between transportation (two-thirds) and capital construction (one-third).

House Bill 04-1412 - Repealed the annual General Fund transfer for FY 2004-05 and FY 2005-06, the last years in which it was scheduled to occur.

Four-Year Estimate of Revenue Versus State-Funded Capital Need

Revenue Source	FY 10-11	FY 11-12	FY 12-13	FY 13-14	Total	% of Total
General Fund						
for prison construction, expansion, or renovation projects	\$2,684,165	\$1,126,485	\$488,144	\$0	\$4,298,794	2.8%
for Anschutz certificates of participation payments (state-funded portion of payments only)	5,143,213	5,144,713	5,141,563	5,143,650	20,573,139	13.2%
for Colorado State Penitentiary II certificates of participation payments	13,942,350	13,940,850	13,940,250	13,941,000	55,764,450	35.8%
five-year statutory transfer beginning in FY 2012-13, pursuant to Senate Bill 09-228 ¹	0	0	0	43,500,000	43,500,000	27.9%
Capital Construction Fund Interest Earnings²	4,859,744	1,709,688	1,107,925	791,609	8,468,966	5.4%
Federal Mineral Lease (FML) Revenue for higher education projects²						
Higher Education Maintenance and Reserve Fund interest earnings, for controlled maintenance	19,000	87,000	197,000	359,000	662,000	0.4%
Higher Education FML Revenues Fund, for capital construction and/or financing for such projects	16,654,550	6,000,000	0	0	22,654,550	14.5%
	\$43,303,022	\$28,008,736	\$20,874,882	\$63,735,259	\$155,921,899	100.0%
Capital Need³						
Certificates of Participation	\$35,740,113	\$35,739,038	\$35,734,988	\$35,735,725	\$142,949,864	5.5%
Controlled Maintenance - All Agencies	99,887,951	112,556,955	113,683,461	108,393,857	434,522,224	16.6%
Capital Construction - Higher Education Institutions	518,773,591	252,125,827	223,281,194	156,806,552	1,150,987,164	43.9%
Capital Construction - State Departments	626,346,053	68,677,697	162,066,560	33,898,000	890,988,310	34.0%
Total Capital Need	\$1,280,747,708	\$469,099,517	\$534,766,203	\$334,834,134	\$2,619,447,562	100.0%
SHORTFALL	(\$1,237,444,686)	(\$441,090,781)	(\$513,891,321)	(\$271,098,875)	(\$2,463,525,663)	

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

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

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