

State Revenue

The bill authorizes the issuance of certificates of participation (COPs) in the amount of \$11.0 million, plus reasonable administrative expenses for the costs of issuance and monitoring. Proceeds from the sale of the COPs will be held by a trustee, and so are not reflected as state revenue for purposes of this fiscal note.

State Expenditures

This bill will increase state expenditures for DPS by \$37,500 in FY 2013-14, \$984,542 in FY 2014-15, and \$705,500 in FY 2015-16. Table 1 and the discussion that follows describe the costs of the bill. These costs will be paid from the General Fund.

Table 1. Expenditures Under HB 14-1170			
Cost Components	FY 2013-14	FY 2014-15	FY 2015-16
Project Manager	\$37,500	\$112,500	\$0
Lease Payments	0	867,542	705,500
Property Insurance	0	4,500	0
TOTAL	\$37,500	\$984,542	\$705,500

Assumptions. This fiscal note assumes that DPS will purchase a new building and begin renovations before the end of the current fiscal year. It will begin making annual lease payments to repay the COPs beginning in FY 2014-15 from General Fund. The projected cost of the annual lease payments is \$867,283 over a period of 20 years, for a total repayment cost of about \$18.2 million. The cost calculation is based on an issuance cost of \$11.2 million — \$11.0 million plus \$0.2 million for reasonable administrative expenses associated with the costs of issuance and monitoring — at a rate of 5.0 percent over 20 years.

Cost to purchase and renovate a new building for the CBI Pueblo lab. DPS will hire a project manager beginning in FY 2013-14 to oversee the renovation of the new building. The project manager will work for four months during FY 2013-14 at a cost of \$9,375 per month. The project manager will be a contract employee so this fiscal note does not include any capital or operating outlay expenses.

The FY 2014-15 costs include \$112,500 for 12 months of employment for the project manager, \$867,542 for the annual lease payment for the COP issuance, and \$4,500 to be reappropriated to the Department of Personnel and Administration for expenses associated with property insurance. The existing CBI Pueblo lab will remain operational for most of the fiscal year, so this fiscal note assumes that costs associated with the lease payments for the existing lab will be paid through the regular budget process.

For FY 2015-16, the costs include \$705,500 for the increased annual lease payment. This amount is the difference between the \$165,000 budgeted for the lease payments at the existing CBI Pueblo lab space and the cost of the FY 2015-16 annual lease payment for the newly renovated space ($\$870,500 - 165,000 = \$705,500$).

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2013-14, the bill requires an appropriation of \$37,500 General Fund to DPS.

For FY 2014-15, the bill requires an appropriation of \$984,542 General Fund to DPS and the reappropriation of \$4,500 from DPS to Risk Management Services, Division of Human Services within the Department of Personnel and Administration.

State and Local Government Contacts

Personnel

Public Safety

Treasury