

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING AN AUTOMATIC FUNDING MECHANISM FOR PAYMENT OF FUTURE COSTS ATTRIBUTABLE TO CERTAIN OF THE STATE'S CAPITAL ASSETS.

Prime Sponsors: Senator Lambert
Representative Rankin

JBC Analyst: Alfredo Kemm
Phone: 303-866-2061
Date Prepared: March 12, 2015

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/12/15.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.001	Bill Sponsor amendment - does not change fiscal impact
L.002	Bill Sponsor amendment - does not change fiscal impact
L.004	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2015-16.

Description of Amendments in This Packet

L.001 Bill Sponsor amendment **L.001** (attached) is a technical amendment which further clarifies the exclusion of information technology projects; clarifies that the Lottery Fund and the Limited Gaming Fund are excluded from the definition of "cash funds"; corrects the definition of "depreciation" to refer to Generally Accepted Accounting Principles (GAAP); and clarifies that the term "project cost" means "the depreciable component" of the total project cost; and corrects that project cost is defined by the project appropriation rather than the project request.

L.002 Bill Sponsor amendment **L.002** (attached) is a technical amendment which clarifies that the annual depreciation-lease equivalent payment is paid from the General Fund.

L.004 Bill Sponsor amendment **L.004** (attached) is a technical amendment which clarifies the 1.0 percent controlled maintenance payment.

Points to Consider*Future Fiscal Impact*

Additional, annual operating appropriations for General-Funded *depreciation-lease equivalent* payments will be necessary in future years in which depreciation begins to be reported for capital construction projects. Additional, annual operating appropriations for General-Funded and cash-funded *controlled maintenance* payments will be necessary in future years in which *controlled maintenance* is paid for projects funded by annual lease-purchase payment agreements. Specific amounts may be estimated based on prior years' capital construction funding, but are otherwise unknown until the capital construction budgets for FY 2015-16 and future years are passed, projects are completed, and depreciation schedules are reported.

Additional, annual operating appropriations from the General Fund will be paid into the State's capital construction accounts – the Capital Construction Fund and the Controlled Maintenance Trust Fund. While payments made to the Controlled Maintenance Trust Fund will be paid into the principal and such moneys would therefore not be available for funding from principal, payments made into the Capital Construction Fund will offset some or all of the need for the annual General Fund transfer to the Capital Construction Fund for funding capital construction projects. To an increasing extent over time, additional operating appropriations will simply offset General Fund that would otherwise be transferred to fund capital construction and controlled maintenance.