

Sen. Gail Schwartz, Chair
Sen. Randy Baumgardner
Sen. Cheri Jahn

Rep. Edward Vigil, Vice-Chair
Rep. Randy Fischer
Rep. Libby Szabo

CAPITAL DEVELOPMENT COMMITTEE

State Capitol Building, Room 029
Denver, Colorado 80203-1784
(303) 866-3521



January 28, 2014

Representative Crisanta Duran
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative Duran:

The Capital Development Committee (CDC) is invested in its process of developing a prioritized recommendation for funding capital projects that best reflects the needs of the state. On January 23, 2014, the CDC reviewed a list of state-funded capital construction and controlled maintenance projects that it plans to consider for recommendation to the Joint Budget Committee (JBC) for inclusion in the 2014 Long Bill. Based on the preliminary list of projects that the committee is considering for prioritization, the CDC respectfully requests that the JBC set aside an additional \$175.0 million for capital construction and controlled maintenance projects, for a total General Fund transfer of \$374.0 million.

The CDC anticipates, based on the Governor's November 1, 2013 budget submission, that the JBC is currently budgeting about \$199.0 million for capital construction and controlled maintenance projects. The CDC strongly believes that additional funding is needed above and beyond the amount recommended by the Governor's office for capital projects, specifically for projects at higher education institutions and for Level II controlled maintenance. The CDC recommends that the JBC budget about \$374.0 million General Fund for capital projects, including the amount recommended in the Governor's November 1, 2013 budget submission, and an additional \$175.0 million for capital projects at higher education institutions (\$136.0 million) and the full Level II controlled maintenance request (\$39.0 million).

The CDC is invested in funding additional capital construction and controlled maintenance projects for FY 2014-15 above what was recommended for funding by the Governor's Office of State Planning and Budgeting. It believes that there is a clear and demonstrated need for additional funding. Additionally, the committee believes that there will be one-time money available to spend in FY 2014-15, and that capital construction is a prudent investment of one-time moneys. The December economic forecast published by Legislative Council Staff estimates that, after statutory transfers are met, \$120.5 million is expected to remain in the General Fund at the end of FY 2013-14. Additionally, for FY 2014-15 the General Fund is projected to have between \$871.2 million and \$1.4 billion more than the amount budgeted for FY 2013-14. The CDC believes the additional revenue should be allocated, at least in part, for capital construction.

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The CDC would welcome the opportunity to meet with the JBC to discuss the amount of money to budget for FY 2014-15 capital projects. If you have any questions or concerns about the CDC's recommendation, please call Kori Donaldson, Legislative Council Staff, at 303-866-4976.

Sincerely,



Senator Gail Schwartz
Chair, Capital Development Committee

c: Capital Development Committee Members
Joint Budget Committee Members
Erick Scheminske, Office of State Planning and Budgeting
Laura Blomquist, Office of State Planning and Budgeting
Tonya Covarrubias, Department of Higher Education
John Ziegler, Joint Budget Committee Staff
Amanda Bickel, Joint Budget Committee Staff
Kori Donaldson, Capital Development Committee Staff