



---

## **FY 2025-26 BUDGET REQUEST**

**Presentation to the Capital Development Committee**

**OSPB Director Mark Ferrandino**

**Monday, December 16, 2024**

---

# Governor's FY 2025-26 Budget Proposal

*Over the last few years we have continued to deliver on building a Colorado for all where all Coloradans can thrive. We have implemented full-day kindergarten and Universal Preschool, provided multiple paths to get a good job, reduced health care costs, made Colorado safer, reduced property taxes while making historic investments in K-12 education, and worked to expand access to housing that Coloradans can afford by cutting red tape and making smart investments.*



# Governor's FY 2025-26 Budget Proposal

*Colorado's economy continues to be strong and outpace the nation. However, this year's budget requires tough choices as lower inflation restricts the amount of revenue the state can keep under TABOR. Additionally, larger non-discretionary costs, such as Medicaid and education are using more of the available General Fund.*

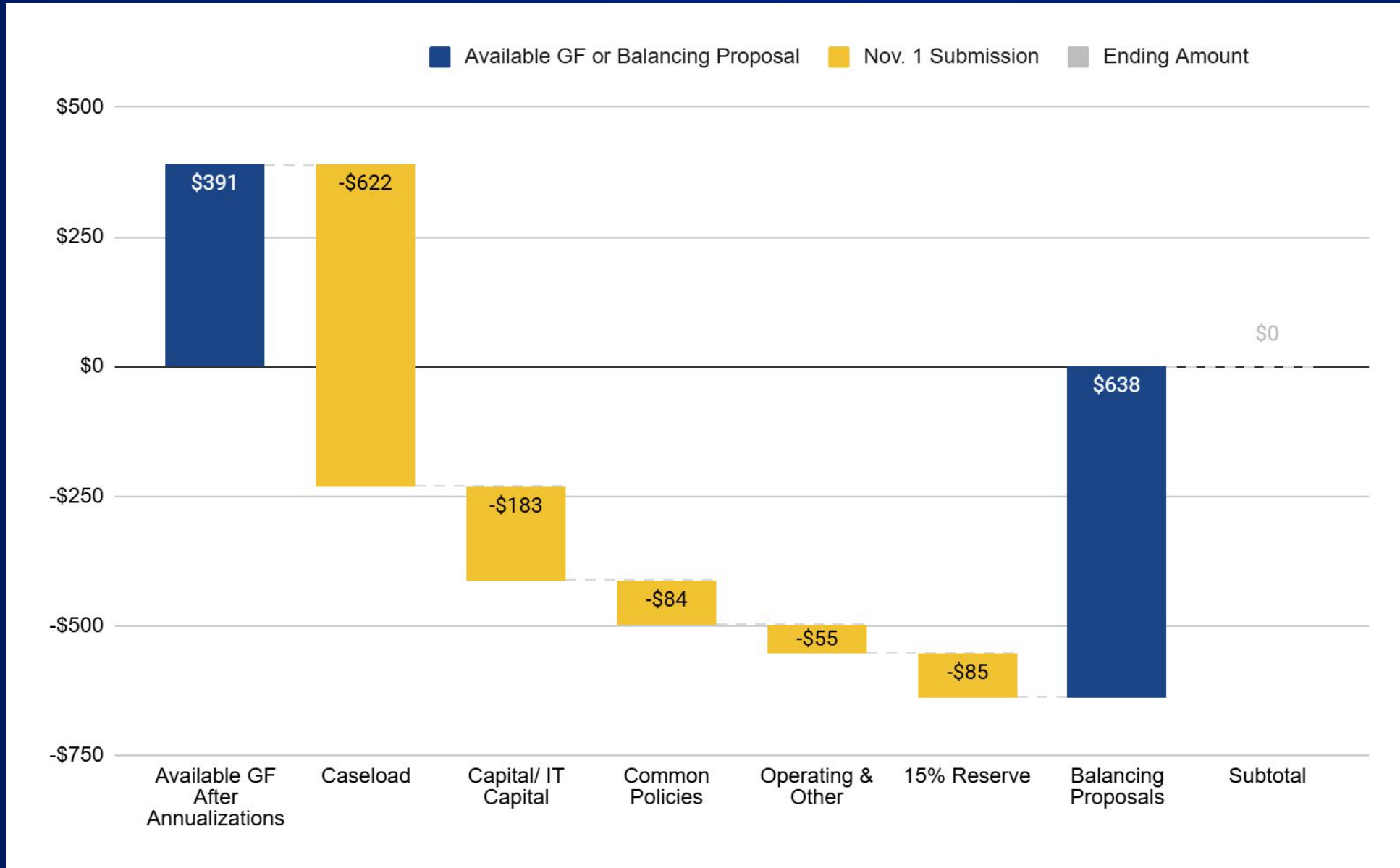


# Governor's FY 2025-26 Budget Proposal

*The budget protects the progress we've made while making strategic investments in public safety, education, and our workforce and families to continue to improve our great state while driving government to be more efficient all while being fiscally responsible.*



# Governor's FY 2025-26 Budget Proposal



# Governor's FY 2025-26 Budget Proposal

- There is only \$391M available for General Fund due to lower inflation, and annualizations.
- Caseload, capital and common policy costs result in us being \$500M below the reserve even before addressing “discretionary costs.”
- General operating costs including for non-executive branches and the reserve require add another \$140M.
- This budget has ~\$640M in balancing proposals.





---

# Capital Submission for FY 2025-26

---

# Capital

---

## Overview

OSPB “shall propose this plan for the budget, consisting of operating expenditures, capital construction expenditures, estimated revenues, and special surveys, but the plan for capital construction expenditures must consider recommendations made by the Office of the State Architect for state agencies, and recommendations made by the Colorado Commission on Higher Education for state institutions of higher education. Budget requests shall include a description of one or more measurable annual objectives in the areas of operational efficiency and effectiveness for each department, institution, and agency. Proposed expenditures in the budget shall not exceed estimated moneys available” ([Section 24-37-304, C.R.S.](#)).

OSPB’s capital philosophy is to set the baseline capital process and standards in conjunction with the Office of State Architect (OSA) as expert liaisons on capital requests.



# Capital

---

## Overview

Initiatives to develop capital prioritized list:

- Capital scoring rubric with analysis of each project
- Governors Bold 5:
  - Top Ten Safest States
  - More Housing Now
  - Saving People Money on Healthcare
  - Saving People Money on Property Tax and Providing Relief
  - Achieving 100% Renewable Energy by 2040
- CDC input from last session
  - Fund continuing projects that have previously been funded to complete projects.
- JBC input from last session
  - Meet threshold for Controlled Maintenance - at least 1% of the Current Replacement Value (CRV)
  - Fund continuing projects that have previously been funded to complete projects.

# Capital

---

## FY 2025-26 Governor's Submission

### **Governor's Submission**

- Total request is for \$230.5 million total funds, including \$150.7 million GF/CCF, \$77 million cash funds, and \$2.8 million federal funds
- The November 1 Budget Submission includes the following:
  - Fully funding Controlled Maintenance Level I - \$85.6 million GF/CCF
  - 5 General Fund/CCF Projects - \$65.1 million GF/CCF
  - 6 cash fund projects - \$77 million CF, and \$2.8 million FF
- 4 of these requests are continuation projects, and 7 are new projects
- This budget request also delays the next phase of the CSU Clark Building Renovation & Additions capital project by one year. The project was funded in the FY 2024-25 capital budget, and it is not anticipated that this funding delay will hinder the project timeline.

# Capital

## General Fund Prioritized Capital Requests

Agency/ Ranking	Project Name	TF	CCF/GF	CF	FF	Continuation
DPA/OSA-01	Controlled Maintenance Level 1	\$85,578,759	\$85,578,759	\$0	\$0	N
DOC/DRDC- 01	Denver Reception and Diagnostic Center (DRDC) Fire Protection System Replacement	\$21,333,662	\$21,333,662	\$0	\$0	N
CDHS- 01	Kitchen Replacement at Mental Health Hospital at Pueblo	\$24,098,508	\$24,098,508	\$0	\$0	Y
IHE/AHEC-	Auraria Campus Safety Center	\$16,075,891	\$16,075,891	\$0	\$0	Y
CDA- 01	Gate 5 Ticket Booths & Office Buildings	\$2,378,608	\$2,378,608	\$0	\$0	N
DPA- 02	Capitol Grounds Renovations	\$1,238,206	\$1,238,206	\$0	\$0	N
<b>Total CC/CR Requested projects prioritized by OSPB</b>		<b>\$150,703,634</b>	<b>\$150,703,634</b>	<b>\$0</b>	<b>\$0</b>	

# Capital

## Capital Construction Summaries - Prioritized

### **1. DPA/OSA Controlled Maintenance Level 1 - (\$85M GF)**

Level 1 projects address life safety and/or loss of use (resulting from equipment/system failure and/or lack of compliance with codes, standards, and accreditation requirements) and includes the Emergency Fund for unanticipated circumstances. If Level 1 projects do not receive funding, the cost to the state will escalate over time, eventually requiring larger, system-wide repairs or full replacement, under urgent or emergency circumstances.

**2. DOC/DRDC Fire Protection System Replacement (\$21M GF)**-This is a single-phase project to address the failed fire protection system at DRDC. Currently the facility is under a 24/7 fire watch until they are able to get this project funded. There are currently 24 vacancies already at DRDC and they have trouble keeping up with visual rounds every 30 minutes to remain compliant in physical fire watch.

**3. CDHS Kitchen Replacement at Mental Health Hospital at Pueblo - (\$24M GF) -** This is a request for the final phase of a two-phase project. This project will address the need of the kitchen at CMHHIP. The current kitchen has failed multiple times, resulting in the distribution of cold meals, which is against policy and law. [Federal Code Regulations](#). This current kitchen is obligated to serve approximately 1.79M meals per year.

**4. IHE/AHEC- Auraria Campus Safety Center (\$16M GF)**- This is a multi-phased project currently requesting phase 2 of 2. This phase is for the completion of the AHEC campus safety center. This safety center will be multi-purpose. It will not only be a dispatch center for the AHEC police department, but it will be a 24/7 facility for students on campus with a learning commons and offices.

**5. CDA Gate 5 Ticket Booths & Office Buildings (\$2.4M GF) -** This is a request for a single phase project to construct one ticket booth and a security building on the north side of the Gate 5 entrance. An additional ticket booth and an administrative office were part of the an original Gate 5 remodel project approved in 2021, but due to budget constraints and timing of stimulus funding, these buildings were cut from the original project. This project is shovel-ready and is projected to be completed by August of 2026.

**6. DPA Capitol Grounds Renovations (\$1.2M GF) -** This is a three-phase project for the improvement of the Colorado State Capitol grounds. In line with Executive Order D 2023 018, improvements will reduce water-use through water efficient landscaping. This project will address drainage, erosion and grading issues, improve traffic flow (pedestrian, cycle, vehicle, etc), address accessibility needs, replace the irrigation system, and xeriscape the turf with Colorado native and hardy plants.

# Capital

## Cash Fund Prioritized Requests

Agency/ Ranking	Project Name	TF	CCF/GF	CF	FF	Continuation
CDHE/HC- 01	Collections Care Facility- Construction	\$7,149,761	\$0	\$7,149,761	\$0	N
CDHS- 03	Depreciation Fund for Regional Centers and Group Homes	\$960,292	\$0	\$960,292	\$0	N
DMVA- 01	New Field Artillery Readiness Center	\$3,750,000	\$0	\$937,500	\$2,812,500	Y
DNR-01	Property Acquisition and Improvements	\$12,100,000	\$0	\$12,100,000	\$0	N
DNR-02	Infrastructure and Property Maintenance	\$39,750,950	\$0	\$39,750,950	\$0	N
DPA- 01	Capitol Complex Renovation & Footprint Reduction	\$16,047,739	\$0	\$16,047,739	\$0	Y
<b>Total FY 2025-26 CC/CR Cash funded only requested projects</b>		\$79,758,742	\$0	\$76,946,242	\$2,812,500	

# Capital

## Capital Construction Summaries

**CDHE/HC Collections Care Facility (\$7M CF)** - This is a single phase cash fund spending authority request for construction services to retrofit the DPA location at 1881 Pierce from primarily office space to warehouse storage. This request is a continuation of a previously approved legislative requests SB24-222.

**CDHS Depreciation Fund for Regional Centers and Group Homes (\$960K CF)** - This request is to make improvements and upkeep of the Intermediate Care Facilities for Intellectually and Developmentally Disabled People (ICF/IDD), Home and Community-Based Services (HCBS) and the learning centers at three Regional Centers: Wheat Ridge, Pueblo, and Grand Junction. The cash funds are from the Regional Centers' Depreciation Fund sub-account.

**DMVA New Field Artillery Readiness Center (\$937K CF, \$2.8M FF)** - This is a multi-phase project that is currently requesting phase 2 of 3. (The third phase is for FY 2028-29 which will have a \$10MGF and \$31M FF.) This project is for a permanent Army National Guard Readiness Center, located at the Rocky Mountain Metropolitan Airport (RMMA), in Westminster, Colorado. The facility will accommodate two Field Artillery Line Units. Phase 1 was funded as part of the FY 2021-22 Long Bill.

**DNR Property Acquisition and Improvements (\$12M CF)**- This is a fully CF project that DNR requests every year. The CF is from the fund balance in the Wildlife Cash Fund that is directly attributable to the Habitat Stamp Program. This project is to conserve or improve wildlife habitat and acquire land and water for wildlife purposes, or interest in land and water, as statutorily authorized under 33-1-105, C.R.S.

**DNR Infrastructure and Property Maintenance (\$39M CF)**- This is a fully CF project that DNR requests every year. The CF is from the fund balance from Parks and Outdoor Recreation Cash Fund, and the Wildlife Cash Fund. This project includes \$19,952,950 in cash spending authority to rehabilitate and improve infrastructure and facilities on state wildlife areas and CPW offices, \$300,000 of cash spending authority to rehabilitate and improve state highways on state parks, and \$19,498,000 of cash spending authority for infrastructure projects at state parks.

**DPA Capitol Complex Renovation & Footprint Reduction (\$16M CF)** - This request is to reduce overall State and private leased space by 1 million square feet over the next five years. This current phase will address 1570 Grant Street, which does not meet current ADA building codes, as well as plumbing and HVAC needs. The source of cash funds (\$16,047,739) is the Capitol Complex Renovation Cash Fund (\$2.5 million Capitol Complex Master Plan (CCMP), transferred funds (per Senate Bill 23-306), and \$14.8 million Annual Depreciation-Lease Equivalent (ADLE) payments (per Senate Bill 22-239).

# Capital

---

## Non-Prioritized Requests

Please see the full list of capital construction projects and detail, including those that were not prioritized, at this location. ([link](#))