

**Fiscal Analysis**  
**DOC-Riverside Power Plant**  
**Project Cost Increase**



**Bill/Sponsor** SCR 28, Senator S. Johnson

**House Committee** Appropriations

**Analysis** **Summary**

The FY 2003-04 Capital Outlay budget act contained cost and construction authorizations to replace the 40+ year old coal fired power plant at the Riverside Correctional Facility with a new automated gas fired plant. The authorized cost was established at \$3,000,000 to be financed almost entirely from State Building Authority bonds. The project was authorized not only because of environmental concerns, but also due to projected operational savings of nearly \$500,000 per year.

Construction bids from 3 contractors were opened in July and all came in substantially higher than the total cost authorization. The Department of Corrections is requesting a revised total project cost of \$4,500,000. This is mostly the result of a lower, inaccurate original cost authorization and inflationary increases.

The Joint Capital Outlay Subcommittee (JCOS) approved this resolution, with recommendation. The Department of Management and Budget also recommends approval.

**State Fiscal Impact**

The State Building Authority will finance the cost increase. The increased annual General Fund payments to the SBA after the long-term bonds have been issued range from an estimated \$135,000 to \$165,000.

**Local Fiscal Impact**

None

Riverside Correctional Facility Power Plant Automation Project			
	Current Authorizations	Requested Change	Revised Authorizations
State Building Authority	\$2,999,900	\$1,500,000	\$4,499,900
State GF/GP	100	0	100
Totals	\$3,000,000	\$1,500,000	\$4,500,000

**Analyst(s)**  
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