



Colorado
Legislative
Council
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TRANSMITTAL MEMORANDUM

January 28, 2009

TO: Capital Development Committee

FROM: Jennifer Moe, Senior Analyst, (303) 866-3487

SUBJECT: Governor Ritter's Latest Budget Balancing Proposal for FY 2009-10

Attached is Governor Ritter's budget balancing proposal dated January 27, 2009. Below, I have highlighted two parts of the proposal related to capital construction.

1. **Reduces the Recommended Number of FY 2009-10 State-Funded Capital Requests**

The Governor's Office of State Planning and Budgeting (OSPB) now recommends only four projects for funding in FY 2009-10, totaling \$45.6 million and including:

- a. University of Colorado Denver, Anschutz Certificates of Participation (COPs) — \$5.1 million;
- b. Corrections, Colorado State Penitentiary II COP — \$10.7 million;¹
- c. Level I Controlled Maintenance — \$22.3 million; and
- d. Revenue, Colorado Integrated Tax Architecture (CITA) — \$7.4 million.

2. **Transfers the Principal Balance of, Plus Additions to, the Higher Education Maintenance and Reserve Fund (HEMRF) to the General Fund**

OSPB estimates that the current principal balance of the HEMRF is \$47.2 million. In addition, OSPB recommends transferring the unspent balances of projects frozen October 1, 2008 (\$50.2 million) and of projects frozen January 15, 2009 (\$43.4 million) from the Capital Construction Fund to the HEMRF, then to the General Fund, to mitigate the higher education shortfall in FY 2008-09, FY 2009-10, and FY 2010-11. Thus, the total amount recommended for transfer is \$140.8 million.

¹ The scheduled FY 2009-10 payment is \$13.9 million. OSPB did not explain in the proposal why it recommends less than the scheduled payment.