



Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0966

Date: April 5, 2011

Prime Sponsor(s): Sen. Hodge

Bill Status: Senate Appropriations

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TITLE: CONCERNING TRANSFERS OF MONEYS RELATING TO CAPITAL CONSTRUCTION.

Fiscal Impact Summary	FY 2010-11	FY 2011-12	FY 2012-13
State Revenue			
State Transfers Transfer from the Higher Education Maintenance and Reserve Fund to the General Fund	(\$1,128,624)		
Transfer from the General Fund to the Capital Construction Fund		(\$48,267,765)	
State Expenditures			
FTE Position Change			
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.			
Appropriation Summary for FY 2011-2012: None required.			
Local Government Impact: None.			

** No new expenditures are required. With the transfer of moneys to the General Fund, moneys will be available for appropriation or the General Fund Reserve.*

Summary of Legislation

This bill makes two transfers, one to the General Fund and one to the Capital Construction Fund. For FY 2010-11, the bill transfers \$1,128,624 from the Higher Education Maintenance and Reserve Fund to the General Fund. For FY 2011-12, the bill transfers \$48,267,765 from the General Fund to the Capital Construction Fund.

Background

The Higher Education Maintenance and Reserve Fund (M&R fund) receives 50 percent of the bonus payments credited to the Mineral Leasing Fund. Bonus payments are defined as the portion of the compensation paid to the federal government as consideration for the granting of a federal mineral lease. The funds in the M&R fund are used to generate interest which can then be used to fund higher education controlled maintenance projects. Current law allows the transfer of

the balance when the Legislative Council Staff Revenue Forecast indicates that there is not enough General Fund revenue to maintain a 4 percent reserve. The amount transferred by the bill represents the fund balance as of March 9, 2011.

State Revenue and Expenditures

Transferring moneys from cash funds reduces interest earnings on those funds. The exact reduction in interest earnings has not been estimated.

No expenditures are required under the bill.

Departments Contacted

Higher Education