

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 12-0952  
**Prime Sponsor(s):** Rep. Brown  
 Sen. Renfroe

**Date:** May 1, 2012  
**Bill Status:** House Finance  
**Fiscal Analyst:** Kori Donaldson (303-866-4976)

**TITLE:** CONCERNING THE USE OF UNSPENT MONEYS AFTER COMPLETION OF CAPITAL CONSTRUCTION PROJECTS AT STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION AUTHORIZED BY A 2008 FEDERAL MINERAL LEASE REVENUES LEASE-PURCHASE AGREEMENT.

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2012-2013:</b> None required. See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

Recommended by the Capital Development Committee (CDC), this bill makes provisions for the use of unspent moneys for capital construction projects financed in whole or in part through a 2008 issuance of certificates of participation (COPs). The bill directs that a certificate of completion be submitted for each financed project no later than August 1, 2012. The bill permits the transfer of a proportion of the unspent cash funds contributed for projects at two institutions of higher education within 30 days of receipt of a certificate of completion. No later than August 15, 2012, the bill directs the State Treasurer's Office and the Office of the State Controller to calculate the amount of unspent moneys remaining, and to provide this information to the CDC. Within 30 days of receipt of this information, the bill directs the CDC to determine how the remaining unspent moneys should be spent, so long as the moneys are spent for a capital construction or eligible controlled maintenance project or projects at a state-supported institution of higher education. The CDC is directed to communicate its decision to the State Treasurer's Office in writing. Finally, the bill directs the State Treasurer to ensure that any approved projects are funded as soon as possible.

## **Background**

The General Assembly authorized a COP issuance in 2008 to fund 12 projects at various higher education institutions. The annual lease payment for the COPs is paid in part from the Higher Education Federal Mineral Lease Revenues fund. Most of the projects financed through the COP issuance are nearing completion, and the State Treasurer's Office and the Office of the State Controller have identified between \$6.0 and \$11.0 million in projected cost savings. After calculating the transfer of the proportion of unspent cash funds to two institutions of higher education (the Auraria Higher Education Center and Colorado Northwestern Community College), Legislative Council Staff estimates about \$5.5 million will be available to spend on another capital construction or controlled maintenance project or projects. The cost savings are from three sources, including: (1) some unspent state share of the COPs; (2) some unspent higher education institution shares of the COPs; and (3) some unspent higher education institution cash matches for projects.

## **State Expenditures**

This bill is not expected to increase state expenditures. The State Treasurer's Office and the Office of the State Controller may experience a one-time increase in workload to coordinate and calculate the unspent moneys remaining for each project. However, this fiscal note assumes these costs can be absorbed within existing resources.

Once the CDC identifies the additional project or projects to be funded from the remaining unspent moneys, the COP documents will require revisions, which will drive some additional legal fees for bond counsel within the State Treasurer's Office. However, this fiscal note assumes these costs can be absorbed within existing resources.

## **State Appropriations**

No appropriation is required. Any project or projects funded as a result of the passage of this bill will be funded from unspent moneys associated with a 2008 COP issuance. Existing and new projects financed as a result of the COP issuance are not individually appropriated. The cost of the projects is repaid through an annual lease payment, the state share of which is annually appropriated to the State Treasurer's Office. However, the annual lease payment amount will not change if an additional project or projects is financed from the unspent moneys identified by the State Treasurer's Office and the Office of the State Controller.

## **Departments Contacted**

Higher Education  
Treasurer

Legislative Council  
Personnel and Administration

State Planning and Budgeting