



**Legislative
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FISCAL NOTE

Drafting Number:	LLS 18-0438	Date:	January 16, 2018
Prime Sponsors:	Rep. McLachlan Sen. Coram	Bill Status:	House Finance
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Bill Topic: FORT LEWIS COLLEGE SPENDING HESPERUS ACCOUNT

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>no net change</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill removes the requirements that the "Hesperus account" be annually appropriated by the General Assembly and that it be used for certain purposes. The bill does not increase or decrease state expenditures, but it changes how funds may be spent on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, the "Hesperus account" must be appropriated annually by the General Assembly to the Board of Trustees for Fort Lewis College to be used first for tuition waivers for qualified Native American pupils and then for other purposes designated by the board. The account contains proceeds from a property formerly known as the "Fort Lewis school".

The bill eliminates the requirement that the account be annually appropriated by the General Assembly and allows the Board of Trustees to use the money for any purpose they deem necessary.

Background

The Hesperus "Fort Lewis school" property is owned and managed by the State Land Board, with the Board of Trustees for Fort Lewis College receiving revenue from the property and working with the State Land Board to manage educational and community uses of the property. The Hesperus account contains earnings from leases for long term cattle grazing (\$12,000 to \$24,000 per year) and a pullout station for the King Coal Mine (up to \$6,000 annually). As of January 2018, the balance of the account is \$850,000.

State Expenditures

The bill does not change revenue to or expenditures from the account; however, it allows the Board of Trustees for Fort Lewis College additional flexibility in how the funds are spent. Currently, absent a specific appropriation from the General Assembly, General Fund and tuition revenue will be used to address ongoing maintenance needs at the property. Under the bill, the Board of Trustees may use income from the property to address the property's infrastructure, maintenance, and restoration needs, allowing General Fund and tuition revenue to be spent elsewhere. General Fund dollars will continue to fund tuition waivers for Native American students, as required under Section 23-52-105, C.R.S.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Higher Education

Natural Resources