

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Robin J. Smart, JBC Staff

**SUBJECT:** Higher Education Federal Mineral Lease Revenues Fund

**DATE:** March 23, 2015

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The Higher Education Federal Mineral Lease (FML) Revenues Fund provides a potential offset for General Fund otherwise required for Capital Construction. There is currently a balance of \$10.0 million in the fund because more came into the fund in FY 2013-14 than was anticipated; and both the Office of State Planning and Budgeting (OSPB) and Legislative Council Staff (LCS) project additional revenue in the fund during FY 2014-15. Based on this information, staff recommends **reducing the current General Fund appropriation in the *Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.* line item by \$1,980,124 and increasing the cash funds by a corresponding value for FY 2015-16.** The recommended appropriation includes \$17,773,050 total funds, including \$5,781,075 General Fund and \$11,991,975 cash funds from the Higher Education Federal Mineral Lease Revenues Fund.

## **Background**

During figure setting, the Committee approved an appropriation of \$17,773,050 total funds, including \$7,761,199 General Fund and \$10,011,851 federal mineral lease funds. The projected FY 2014-15 FML revenue and distribution formulas determine the amount anticipated to be available for Capital Construction for FY 2015-16. For FY 2014-15:

- The Legislative Council Staff forecast is for \$6,369,901 revenue to the Higher Education FML Fund;
- The Office of State Planning and Budgeting forecast is for \$1,980,124 to this fund.

Based on the existing fund balance and the revenue forecast, staff recommends using the most conservative forecast (OSPB) to appropriate funds to this line item.