



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-183: STATE FUNDING FOR CSM CAPITAL CONSTRUCTION COSTS

Prime Sponsors:

Sen. Mullica; Kirkmeyer
Rep. Winter T.; Lindsay

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill directs the State Treasurer to enter into a certificate of participation agreement to finance capital improvements to Guggenheim Hall at the Colorado School of Mines.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures

Appropriations. No appropriation is required. See State Appropriations section.

**Table 1
State Fiscal Impacts**

Type of Impact	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$13,000,000	\$0
State Expenditures	\$13,000,000	\$780,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Funds sources for the impacts are shown in the table below.

**Table 1A
 State Revenue**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$13,000,000	\$0
Total Revenue	\$0	\$0

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$780,000
Cash Funds	\$13,000,000	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$0	\$0
Total Expenditures	\$13,000,000	\$780,000
Total FTE	0.0 FTE	0.0 FTE

Budget year expenditures reflect project costs authorized by the bill, not including financing-related costs, and out-year expenditures reflect annual payment capacity remaining from HB 24-1231 COP issuance.

Summary of Legislation

The bill directs the State Treasurer to enter into a certificate of participation (COP) agreement by December 31, 2026, to finance capital improvements to Guggenheim Hall at the Colorado School of Mines. The financing may total up to \$13.0 million, plus associated costs and interest. Annual payments are subject to appropriation and must fit within an existing \$17.5 million payment cap for related agreements.

Background and Assumptions

Certificates of Participation (COP)

The state uses certificates of participation (COP) to finance capital projects through lease-purchase agreements. Under this structure, the state transfers an interest in a property to a lessor in exchange for cash and leases it back through annual payments, subject to appropriation. A trustee holds the property interest, collects payments, and distributes them to investors. Interest rates are set at issuance based on market conditions. At the end of the lease term, the state obtains ownership of the asset at little to no additional cost.

House Bill 24-1231 COPs and Available Payment Capacity

This bill limits annual state-funded payments to the difference between \$17.5 million and existing COP payments under [House Bill 24-1231](#), which authorized COPs for capital construction projects related to health care education at four institutions of higher education. Based on the [Series 2024A Certificates of Participation official statement](#), these projects are expected to require total base payments of about \$16.7 million annually beginning in FY 2027-28, over a 25-year term. As a result, the fiscal note estimates that approximately \$780,000 in annual payment capacity remains for the Guggenheim Hall project.

Estimated COP Issuance

The fiscal note reflects only the \$13.0 million in project costs authorized by the bill and does not include financing-related costs associated with the COP, such as issuance costs and capitalized interest. Based on typical COP financings, these additional costs are estimated to increase the total issuance amount by approximately 3 to 7 percent, or about \$0.4 million to \$0.9 million. The exact amount will depend on market interest rates, final repayment structure, and the length of capitalized interest period at the time of issuance.

Colorado School of Mines Guggenheim Hall

For FY 2026-27, the Colorado School of Mines submitted [a funding request](#) through the capital construction process for a one-phase project to replace the aging HVAC and plumbing systems in their Guggenheim Hall. The request included \$12.1 million of state funds and cash fund spending authority of an additional \$1.5 million, for total project costs of \$13.6 million. The Capital Development Committee ranked this project 21st out of 47 requested projects, and as of April 2025, funding for this project was not included in the capital construction portion of the FY 2026-27 Long Bill.

State Revenue

In FY 2026-27, the bill increases state revenue by an estimated \$13.0 million from the COP issuance. Actual proceeds will vary based on issuance costs, capitalized interest, market conditions, and final financing terms. Proceeds will be deposited in a cash fund for the Colorado School of Mines and are not subject to TABOR.

State Expenditures

The bill increases state expenditures in the Colorado School of Mines and the Department of the Treasury by \$13.0 million in FY 2026-27 and up to \$780,000 beginning in FY 2027-28. These costs, shown in Table 2 and discussed below, will be paid from a project-specific cash fund in the Colorado School of Mines and the General Fund, respectively.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2026-27	Out Year FY 2027-28
Colorado School of Mines	\$13,000,000	\$0
Department of the Treasury	\$0	up to \$780,000
Total Costs	\$13,000,000	up to \$780,000

Colorado School of Mines

In FY 2026-27, state expenditures at the Colorado School of Mines will increase by \$13.0 million, or the amount generated by the COP issuance, for project costs related to the Guggenheim Hall capital renewal project. Based on the capital request discussed in the Background and Assumptions section, the fiscal note assumes that all funds will be expended in one year.

Department of the Treasury

The bill increases state expenditures in the Department of the Treasury for annual lease payments associated with the COP agreement. As discussed in the Background and Assumptions section, approximately \$780,000 in annual payment capacity remains under the statutory cap after existing COP obligations. The fiscal note assumes that payments will begin FY 2027-28; however, the timing and structure of payments will depend on final lease terms and may vary.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

While the bill does not require an appropriation, it is assumed that an informational notation will be added to capital construction appropriations indicating that approximately \$13.0 million will be received through the COP and expended by the Colorado School of Mines.

State and Local Government Contacts

Colorado School of Mines	Personnel
Joint Budget Committee Staff	Treasury

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).