



**Colorado
Legislative
Council
Staff**

HB16-1459

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0555 **Date:** April 27, 2016
Prime Sponsor(s): Rep. Becker K.; Brown **Bill Status:** House Finance
 Sen. Sonnenberg; Kefalas **Fiscal Analyst:** Kori Donaldson (303-866-4976)

BILL TOPIC: SUBMISSION THRESHOLD FOR HIGHER ED CASH PROJECTS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures Cash Funds	Potential expenditure decrease.	
Appropriation Required: None.		
Future Year Impacts: Potential ongoing decrease in expenditures by higher education institutions.		

Summary of Legislation

Under current law, higher education institutions may submit lists of capital construction projects anticipated to be commenced within the next two years using institutional cash funds, and costing more than \$2 million, to the Capital Development Committee (CDC) for review and approval. Any project listed and reviewed by the CDC as part of an institution's two-year projection of cash need may commence without further legislative review, with certain exceptions related to borrowing. This bill, **recommended by the CDC**, increases the threshold for projects reviewed through two-year cash lists from \$2 million to \$10 million for everything but acquisitions, new construction, and projects financed using the state's credit rating.

State Expenditures

The bill may result in a decrease in state expenditures from cash funds held by institutions of higher education. Eliminating the legislative review of certain capital projects costing more than \$2 million and less than \$10 million could accelerate a project's time line and thus avoid possible increases in inflation or interest rates. The amount of any such decrease cannot be determined at this time.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Higher Education