

# FY 2012-13 Supplemental Capital Construction Request

## Higher Education

Various Higher Education Projects — November 2008 Issue (COP Project)

**Motion:**

Approve the supplemental request for the FY 2012-13 COP payment for various higher education projects (\$420,184 CCF and -\$420,184 CF).

**GENERAL INFORMATION**

2009-203

**1. Which supplemental criterion does the request meet?**

New Data

The full FY 2012-13 annual lease payment cannot be made until the source of funds is adjusted.

**2. Which projects will be restricted to fund the supplemental request?**

N/A

**3. Has the request been approved by OSPB and CCHE?**

Yes

**PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION**

The appropriation to be amended was authorized in the following bill: HB 12-1335

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$4,066,510	\$420,184	\$39,512,548	\$43,999,242
CF	\$61,659,587	(\$420,184)	\$0	\$61,239,403
	\$65,726,097	\$0	\$39,512,548	\$105,238,645

**REASON FOR SUPPLEMENTAL REQUEST**

The Governor's Office of State Planning and Budgeting (OSPB) is requesting state funds to offset lower-than-expected revenues to the Federal Mineral Lease (FML) Higher Education Revenues Fund. The OSPB economic forecast published in March 2012 anticipated that the full FY 2012-13 certificate of participation (COP) payment of \$18.6 million could be supported from FML revenues. Thus the full FY 2012-13 COP payment was appropriated from this source; however, revised revenue projections indicate that there will not be sufficient money available from this source to make the second half of the FY 2012-13 payment. According to OSPB, the shortfall in FML revenue results from lower natural gas prices and an associated reduction in new drilling activity.

The supplemental adjustment is not anticipated to impact the amount of state funds available for future capital projects. In addition to the request for an adjustment to the FY 2012-13 appropriation to the project, OSPB has also requested that the Joint Budget Committee carry legislation to increase the General Fund transfer to the Capital Construction Fund for FY 2012-13 in the amount of this request, thus offsetting its potential impact on the Capital Construction Fund.