

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0207

Date: January 14, 2013

Prime Sponsor(s): Rep. Fischer
Sen. Schwartz

Bill Status: House SVMA

Fiscal Analyst: Kori Donaldson (303-866-4976)

TITLE: CONCERNING THE ACCOUNTING OF THE EQUIPMENT AND RENOVATION FEE ASSESSED AS A PART OF THE WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION COMPACT.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This **Capital Development Committee** (CDC) bill eliminates the requirement that an appropriation be made prior to spending a student fee assessed to out-of-state students that attend the veterinary medicine school at Colorado State University (CSU). Non-resident veterinary medicine students, including those students enrolled through the Western Interstate Commission for Higher Education (WICHE), are assessed a \$1,001 annual fee to be used for facility renovations and equipment purchases. The elimination of the appropriation requirement will permit cash-funded capital construction projects funded in whole or part from the equipment and renovation fee to conform to the existing streamlined approval process for higher education cash-funded capital projects.

Background

Higher education institutions annually submit two-year projections for all capital construction projects to be constructed using cash funds, and costing more than \$2 million. The CDC reviews and approves these two-year projections annually. If necessary, the CDC may direct institutions of higher education to modify the projections. Any project listed and reviewed by the CDC as part of an institution's two-year projection of cash need may commence construction upon approval of an institution's governing board, and without further legislative review, unless an institution plans to use the state's credit to issue bonds to pay for the project. The CDC first considered two-year

projections in December 2009. Beginning in 2010, most higher education cash projects reviewed and approved by the CDC were no longer listed in the annual appropriations bill or another appropriations bill.

State Expenditures

The bill removes the requirement that cash-funded capital construction projects funded in part or whole by the equipment and renovation fee be accounted for in the annual appropriations bill or in a supplemental appropriations bill. Over the past three years, the equipment and renovation fee assessed to non-resident veterinary medicine students at CSU has generated \$549,549 in revenue. Of that amount, \$367,800 was used for equipment purchases related to the education of students enrolled in the veterinary medicine school. The balance of \$181,749 was deposited to the capital construction projects account, bringing the total available for capital projects to \$2,903,845. Between FY 2008-09 and FY 2011-12, two capital construction projects were funded in part from the equipment and renovation fee and accounted for in the capital construction section of the annual appropriations bill.

Departments Contacted

Higher Education

Personnel and Administration