



DEPARTMENT OF THE TREASURY

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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STATE TREASURER CARY KENNEDY'S PLAN WILL CUT COSTS FOR HIGHER ED CONSTRUCTION

BILL HEADED TO HOUSE FLOOR

Denver – A new program that Colorado State Treasurer Cary Kennedy helped develop to lower the interest rates Colorado colleges and universities pay to finance capital construction passed out of the House Finance Committee late this afternoon. By providing the opportunity to access the state's strong credit rating, Senate Bill 08-245, the Higher Education Intercept program, will lower costs for colleges and universities. The bill passed out of the State Senate earlier today.

"We are doing everything we can to make college more affordable," said Kennedy. "This program will save tens of millions of dollars in financing costs which, in turn, keeps costs down for students."

Over the past year, colleges and universities have seen their borrowing costs rise dramatically as firms that have historically insured university bonds have been downgraded. The result has been increased costs to finance construction.

Under the Intercept program, which is modeled after a similar program currently available to Colorado K-12 school districts, the state will back university bonds with general fund appropriations for higher education.

"This is a procedure that has existed since 1991 for K-12 districts," said Rep. Bernie Buescher, House sponsor of the bill. "It's proven to be reliable and will allow higher ed institutions to finance new construction at much better rates." The bill has been praised by higher education officials from across the state.

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