



**Legislative Council Staff**

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**Final Fiscal Note**

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**Drafting Number:** LLS 21-0794      **Date:** June 22, 2021  
**Prime Sponsors:** Sen. Hansen; Rankin      **Bill Status:** Signed into Law  
Rep. McCluskie; Herod      **Fiscal Analyst:** Matt Bishop | 303-866-4796  
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**Bill Topic:**      **BOND PAYMENTS FOR AURARIA HIGHER EDUCATION CENTER**

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**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill appropriates funds to the Auraria Higher Education Center for the purposes of making bond and certificate of participation payments and maintaining reserves required to meet bond coverage ratios. It increases state expenditures in the current FY 2020-21 only.

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**Appropriation Summary:** For the current FY 2020-21, the bill includes an appropriation of \$5,500,000 to the Auraria Higher Education Center in the Department of Higher Education.

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**Fiscal Note Status:** The fiscal note reflects the enacted bill.

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**Table 1**  
**State Fiscal Impacts Under SB 21-109**

		<b>Current Year FY 2020-21</b>	<b>Budget Year FY 2021-22</b>	<b>Out Year FY 2022-23</b>
<b>Revenue</b>		-	-	-
<b>Expenditures</b>	General Fund	\$2,750,000	-	-
	Cash Funds	\$2,750,000	-	-
	<b>Total</b>	<b>\$5,500,000</b>		
<b>Transfers</b>		-	-	-
<b>TABOR Refund</b>		-	-	-

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## **Summary of Legislation**

Current law permits the Auraria Higher Education Center (AHEC) to issue revenue bonds for auxiliary facilities and requires that payments on such bonds come only from revenue generated by those auxiliary facilities. The bill creates an exception for FY 2020-21 and FY 2021-22 that the payments may come from other fund sources and appropriates funds for that purpose.

## **Background**

AHEC is comprised of three separate higher education institutions, with a combined student population of nearly 42,000. The Community College of Denver, Metropolitan State University of Denver, and the University of Colorado Denver share classroom space, parking, and general services on the campus. AHEC manages campus facilities and non-academic functions, including utilities, the library, the child care center, classroom and event scheduling, and campus police and security.

AHEC's auxiliary revenue comes from operations including the student union, campus bookstore, and parking. A decrease in services used during the COVID-19 pandemic has resulted in a significant reduction in auxiliary revenue. Due to its structure, AHEC does not meet the definition of an institution of higher education and was not eligible for federal CARES Act funding.

## **State Expenditures**

In the current FY 2020-21, the bill increases General Fund expenditures by \$2,750,000 and increases cash fund expenditures by \$2,750,000. The cash funds come from the academic institutions that use AHEC facilities in the following amounts:

- \$1,389,300 from the Trustees of Metropolitan State University of Denver;
- \$980,700, from the Regents of the University of Colorado; and
- \$380,000 from the State Board for Community Colleges and Occupational Education.

## **Effective Date**

This bill was signed into law by the Governor and took effect on March 12, 2021.

## **State Appropriations**

For FY 2020-21, the bill includes a General Fund appropriation of \$2,750,000 and a cash funds appropriation of \$2,750,000 to the Auraria Higher Education Center in the Department of Higher Education.

**State and Local Government Contacts**

Higher Education

Joint Budget Committee Staff