

Auraria hole may be boon

Oil, gas revenue could help science building, higher ed

By Chris Barge

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A gaping hole on the Auraria campus became the catalyst that produced what could be a financial gusher for Colorado's cash-strapped colleges and universities.

The outcry over cutting off money for a new science building at Auraria jelled a plan to pour some of the millions Colorado expects from the oil and gas boom into higher education.

Gov. Bill Ritter announced Tuesday his support for two bills that, combined, would finish paying for the \$111 million science building and fund other higher education construction projects that have languished for years.

Lawmakers have been working since last summer on the bills, which had gone through more than a dozen drafts and faced an uphill fight in the House and Senate.

But momentum shifted March 20, when new revenue forecasts came in drastically lower than expected, and lawmakers decided to stop funding the multiyear science building project.

Higher education officials railed against the decision.

Metro State President Stephen Jordan asked Denver Mayor John Hickenlooper at the NCAA basketball tournament Friday to throw the city's support behind restoring funding for the building.

Sen. Josh Penry, R-Grand Junction, said he got a call Friday from University of Colorado President Bruce Benson asking, "What do we do?"

Penry suggested Benson, a successful oilman, urge Ritter to get on board with the bill that Penry and a half-dozen lawmakers had been working on for months.

Benson said he spoke with over 30 people about the science building through the weekend and had lunch Monday with Ritter.

"I said, 'How am I going to get this funding?' " Benson said of the conversation.

Ritter said he was looking into it, but did not commit to a plan of action, Benson said.

By Monday evening, Ritter's budget director Todd Saliman called Benson to say the governor would support solving the problem by using some of the money Colorado gets from the federal government when oil companies lease federal land in the state.

Over the next 24 hours, Rep. Bernie Buescher, D-Grand Junction, worked with Ritter and other lawmakers to iron out differences over the bills that divvy up \$100 million in additional federal mineral lease revenues the state expects to begin receiving annually starting in four years.

Currently, half the money from that revenue source goes to K-12 education and the rest is divided between water projects and local governments.

Penry urged his colleagues to cap the amount going to K-12 education and funnel all revenue growth into higher education and areas affected by energy production.

That way, over the next three to five years, the state would have enough money to solve the higher education funding problem, without having to ask voters to pass a severance tax hike on the oil and gas industry, he said.

"The conversation has always been about severance tax, but this is where the game is," Penry said.

Buescher and others decided instead to allow the amount dedicated to K-12 education to grow by a maximum of 5 percent per year. In that way, Buescher argued, the K-12 funding was "held harmless."

That became the plan announced Tuesday.

Even by allowing less of the money to go to higher education, Ritter said the state can start on the backlog of higher education projects that has piled up since the 2002 recession.

Buescher said he will introduce the legislation soon.

House Minority Leader Mike May, R-Parker, said he will need some convincing before allowing the state to take out what amounts to a \$150 million loan backed by the anticipated oil and gas revenues.

The interest will be higher, May said, because the money will come from certificates of participation rather than a bond, which voters would have to approve.

"You pay a cost for not asking permission," May said.

Figures provided by Penry show that the \$150 million loan would cost \$210 million to pay off in 15 years.

Penry said it makes sense to borrow the money now because inflation on construction costs exceeded the interest on the loan. "That's what makes the numbers work," he said.

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Problem solved

State leaders hatched a plan over the weekend to save funding for the Auraria campus science building.

Bruce Benson, President of the University of Colorado

* Drew attention to the funding crisis on the Auraria campus by calling 30 to 40 people over the weekend. Had lunch with Gov. Bill Ritter on Monday and urged him to fund the building.

Rep. Bernie Buescher, D-Grand Junction, chairman of the Joint Budget Committee * His committee cut funding for the Auraria science center on Thursday after revenue forecasts indicated the state lack funds.

* Worked through Tuesday to complete legislation in the works for six months that now stands to save the science building.

Mayor John Hickenlooper

* Threw the city's muscle behind trying to find money for the science building after its funding was cut.

Gov. Bill Ritter

* Announced Tuesday that he would back a plan to allow the state to borrow \$150 million to fund construction of the Auraria science center and other high-priority higher education construction projects across the state.

Sen. Josh Penry, R-Grand Junction

* Suggested Benson urge Ritter to get on board with the bill Penry and others had been working. Penry argued for capping the amount going to K-12 education and funnel all revenue growth into higher education and areas affected by energy production.

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