

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 24-1231

BY REPRESENTATIVE(S) Young and Daugherty, Amabile, Boesenecker, Hernandez, Kipp, Bacon, Bird, Bradfield, Brown, Duran, English, Froelich, Garcia, Hamrick, Joseph, Lieder, Lindsay, Lynch, Mabrey, Martinez, Mauro, Ortiz, Ricks, Titone, Willford, Winter T., Clifford, Epps, Herod, Marvin, McCormick, Parenti, Rutinel, Snyder, Taggart, Valdez, Velasco, Vigil, Woodrow, McCluskie;
also SENATOR(S) Kirkmeyer and Mullica, Priola, Michaelson Jenet, Pelton B., Bridges, Buckner, Cutter, Exum, Fields, Ginal, Hansen, Jaquez Lewis, Kolker, Roberts, Simpson, Zenzinger, Fenberg.

CONCERNING STATE FUNDING FOR FOUR PROJECTS RELATED TO HEALTH SCIENCES EDUCATION PROGRAMS FOR MEDICAL PROFESSIONS BEING UNDERTAKEN BY STATE INSTITUTIONS OF HIGHER EDUCATION, AND, IN CONNECTION THEREWITH, AUTHORIZING THE STATE TO ISSUE FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENTS TO FINANCE A PORTION OF CAPITAL COSTS ASSOCIATED WITH CONSTRUCTION OF FACILITIES FOR THE UNIVERSITY OF NORTHERN COLORADO'S COLLEGE OF OSTEOPATHIC MEDICINE, METROPOLITAN STATE UNIVERSITY OF DENVER'S HEALTH INSTITUTE TOWER, COLORADO STATE UNIVERSITY'S VETERINARY HEALTH EDUCATION CAMPUS, AND EXPANSION AND RENOVATION OF TRINIDAD STATE COLLEGE'S VALLEY CAMPUS MAIN BUILDING, PROVIDING FUNDING FOR ESCROW MONEY THAT IS REQUIRED FOR

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

ACCREDITATION OF THE UNIVERSITY OF NORTHERN COLORADO'S COLLEGE OF OSTEOPATHIC MEDICINE BY TRANSFERRING MONEY FROM THE GENERAL FUND FOR ULTIMATE DEPOSIT TO AN ESCROW ACCOUNT AND REDUCING THE STATE RESERVE BY THE SAME AMOUNT FOR THE PERIOD DURING WHICH THE MONEY IS HELD IN ESCROW, AND MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) The state is facing a physician shortage, and a rapidly growing population and an aging physician workforce have created a current and future demonstrated need for more physicians to serve Colorado communities;

(b) The physician shortage is felt most acutely in rural and other underserved communities;

(c) With an increasing disparity between the demand for and supply of physicians, there is an urgent need for medical education programs to begin work now to train providers;

(d) This is particularly critical because physician training can take up to a decade, meaning a physician shortage in 2034 is a problem that needs to be addressed today;

(e) To address this critical issue, the University of Northern Colorado is establishing an osteopathic medical college and plans to enroll 150 graduate-level medical students in a four-year medical degree program every year;

(f) The osteopathic medical profession has a long tradition of providing care where patients lack doctors; and

(g) Opening the College of Osteopathic Medicine requires capital investment for construction of a building and a temporary cash reserve as required by the University of Northern Colorado's accrediting body.

(2) The general assembly further finds and declares that:

(a) A statement for the Committee on Health, Education, Labor and Pensions of the United States Senate made by the American Hospital Association on February 16, 2023, stated that there is "a historic workforce crisis complete with real-time short-term staffing shortages and a daunting long-range picture of an unfulfilled talent pipeline in healthcare". This is especially true in Colorado, where workforce shortages are at an all-time high and the state is projected to need an estimated 10,000 more nurses by 2026.

(b) Metropolitan State University of Denver is prepared to meet this urgent demand by growing its allied health programs by 25%, enrolling nearly 7,000 students by 2030 who will go on to deliver care in critical areas, such as mental and behavioral health, nursing, social work, and speech, language, and hearing sciences;

(c) As such, Metropolitan State University of Denver has identified an opportunity to address the urgent labor market needs by creating interdisciplinary learning spaces for aspiring health-care professionals, allowing for growth of the university's programs that serve this sector;

(d) To accomplish this, Metropolitan State University of Denver's Health Institute will begin construction of a new facility, the Health Institute Tower, that will grow the health-care workforce through innovation, increased instructional and training capacity, and expansion of programs in high-need health-care-related areas;

(e) In addition, the Health Institute Tower will advance and retain Colorado's health-care workers through interdisciplinary training, education, and industry partnerships, all while delivering health and wellness services to surrounding communities; and

(f) The Health Institute Tower will enable average enrollment growth of 25% across all 10 healthcare-focused academic departments at the university, which disciplines are all experiencing greater demand and will be positioned to grow enrollment due to additional square footage for instruction and training and greater efficiencies provided by the Health Institute Tower.

(3) The general assembly further finds and declares that:

(a) Colorado State University has led innovations in veterinary education, animal care, biomedical discovery, and public health and now must adapt its delivery of education and modernize its facilities through a new veterinary health education complex;

(b) The veterinary health education complex will be a one-of-a-kind complex with educational, clinical, and research capacity serving society's evolving relationship with animals as companions, livestock, and wildlife;

(c) Colorado State University's current veterinary education facilities are outdated and not large enough to meet the increasing needs of students and the state;

(d) The veterinary health education complex will address the shortage of veterinarians and those who can care for animals with new facilities for integrated education, clinical practice, and applicable research in one location; will provide upgraded technology and facilities to educate, retain, and graduate veterinarians; and will allow for best practices in health education to be realized by employing experiential learning strategies with state-of-the-art laboratories, simulation skill labs, active learning classrooms, and clinical experiences; and

(e) The project will allow Colorado State University to increase veterinary student enrollment by potentially 20%, with the incoming first-year class helping to alleviate the severe workforce shortage in the field of veterinary medicine.

(4) The general assembly further finds and declares that:

(a) Trinidad state college's valley campus has origins back to 1936, serves approximately 500 career and technical students annually, and had its last major renovation to a portion of the campus' main building over 23 years ago;

(b) The provision of allied health certificate and degree programs is critical to serving the health-care needs of Alamosa, Colorado, and its surrounding communities, which face shortages in critical health-care personnel;

(c) The renovation of the campus' main building will add a two-story addition to the building that will allow for critical allied health programs including those for nursing, emergency medical technicians, dental assisting, and medical assisting to move into the main building from the program's current condition-challenged space and significantly support student success initiatives and regional workforce needs;

(d) The campus services over 130 allied health students annually, and the renovation project will expand capacity of the allied health programs offered at the campus by as much as 50% in nursing, nursing aide, emergency medical technician, medical assisting, and dental assisting programs; and

(e) The renovation project will also address much needed deferred maintenance issues of the campus' main building, will create an assembly space to serve both the college and community, and will allow critical student services, including services that assist students from disadvantaged backgrounds, to move to a more student-accessible location in the building, thereby providing better access to these services for allied health program students and the student body as a whole.

(5) The general assembly further finds and declares that financing the capital construction needs of the University of Northern Colorado's College of Osteopathic Medicine, the Metropolitan State University of Denver's Health Institute Tower, Colorado State University's veterinary health and education complex, and Trinidad State College's valley campus main building renovation will, in part, come from the state through execution of one or more financed purchase of an asset or certificate of participation agreements, which, while each project is separate, may be executed in connection with each other.

SECTION 2. In Colorado Revised Statutes, **add** 24-36-124 as follows:

24-36-124. Financed purchase of an asset or certificate of participation agreements - fund capital costs related projects at four institutions of higher education - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "AGREEMENT" MEANS ONE OR MORE FINANCED PURCHASE OF AN

ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENTS EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION.

(b) "APPLICABLE BOARD" MEANS EITHER:

(I) THE BOARD OF TRUSTEES FOR THE UNIVERSITY OF NORTHERN COLORADO ESTABLISHED PURSUANT TO SECTION 23-40-104 (1)(a);

(II) THE BOARD OF TRUSTEES FOR METROPOLITAN STATE UNIVERSITY OF DENVER ESTABLISHED PURSUANT TO SECTION 23-54-102 (1)(a);

(III) THE BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY SYSTEM ESTABLISHED PURSUANT TO SECTION 23-30-101 (1)(a); OR

(IV) THE STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION CREATED IN SECTION 23-60-104 (1)(b).

(2)(a) NOTWITHSTANDING THE PROVISIONS OF SECTIONS 24-82-102 (1)(b) AND 24-82-801, AND PURSUANT TO SECTION 24-36-121, NO LATER THAN DECEMBER 31, 2024, THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, SHALL EXECUTE AN AGREEMENT FOR THE PURPOSES DESCRIBED IN SUBSECTION (4) OF THIS SECTION, THE TOTAL AMOUNT OF THE PRINCIPAL OF WHICH AGREEMENT SHALL NOT EXCEED TWO HUNDRED FORTY-SIX MILLION NINE HUNDRED THIRTY-SIX THOUSAND NINETY-TWO DOLLARS, PLUS REASONABLE AND NECESSARY ADMINISTRATIVE, MONITORING, AND CLOSING COSTS AND INTEREST, INCLUDING CAPITALIZED INTEREST.

(b) THE ANTICIPATED ANNUAL STATE-FUNDED PAYMENTS FOR THE PRINCIPAL AND INTEREST COMPONENTS OF THE AMOUNT PAYABLE UNDER AN AGREEMENT ENTERED INTO PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION SHALL NOT EXCEED SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS, WITH PRINCIPAL AMORTIZATION NOT OCCURRING BEFORE JULY 1, 2027.

(c) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, AT THE STATE TREASURER'S SOLE DISCRETION, MAY ENTER INTO AN AGREEMENT AUTHORIZED BY SUBSECTION (2)(a) OF THIS SECTION WITH ANY FOR-PROFIT OR NONPROFIT CORPORATION, TRUST, OR COMMERCIAL BANK ACTING AS A

TRUSTEE AS THE LESSOR.

(d) THE AGREEMENT MUST PROVIDE THAT ALL OF THE OBLIGATIONS OF THE STATE UNDER THE AGREEMENT ARE SUBJECT TO THE ACTION OF THE GENERAL ASSEMBLY IN ANNUALLY MAKING MONEY AVAILABLE FOR ALL PAYMENTS THEREUNDER. PAYMENTS UNDER THE AGREEMENT MUST BE MADE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AS APPLICABLE, FROM THE GENERAL FUND OR FROM ANY OTHER LEGALLY AVAILABLE SOURCE OF MONEY.

(e) THE AGREEMENT MUST ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE DO NOT CREATE STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION. IF THE STATE DOES NOT RENEW THE AGREEMENT, THE SOLE SECURITY AVAILABLE TO THE LESSOR IS THE PROPERTY THAT IS THE SUBJECT OF THE NONRENEWED AGREEMENT.

(f) (I) THE AGREEMENT MAY CONTAIN SUCH TERMS, PROVISIONS, AND CONDITIONS AS THE STATE TREASURER, ACTING ON BEHALF OF THE STATE, DEEMS APPROPRIATE, INCLUDING ALL OPTIONAL TERMS; EXCEPT THAT THE AGREEMENT MUST SPECIFICALLY AUTHORIZE THE STATE OR THE APPLICABLE BOARD TO RECEIVE FEE TITLE TO ALL REAL AND PERSONAL PROPERTY THAT IS THE SUBJECT OF THE AGREEMENT ON OR BEFORE THE EXPIRATION OF THE TERMS OF THE AGREEMENT.

(II) THE STATE TREASURER, ACTING ON BEHALF OF THE STATE, HAS THE AUTHORITY TO DETERMINE WHAT COLLATERAL TO USE FOR THE AGREEMENT AS THE STATE TREASURER DEEMS APPROPRIATE.

(g) THE AGREEMENT MAY PROVIDE FOR THE ISSUANCE, DISTRIBUTION, AND SALE OF INSTRUMENTS EVIDENCING RIGHTS TO RECEIVE RENTALS AND OTHER PAYMENTS MADE AND TO BE MADE UNDER THE AGREEMENT. THE INSTRUMENTS MAY BE ISSUED, DISTRIBUTED, OR SOLD ONLY BY THE LESSOR OR ANY PERSON DESIGNATED BY THE LESSOR AND NOT BY THE STATE. THE INSTRUMENTS DO NOT CREATE A RELATIONSHIP BETWEEN THE PURCHASERS OF THE INSTRUMENTS AND THE STATE OR CREATE ANY OBLIGATION ON THE PART OF THE STATE TO THE PURCHASERS.

THE INSTRUMENTS ARE NOT A NOTE, BOND, OR ANY OTHER EVIDENCE OF STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION.

(h) INTEREST PAID UNDER AN AGREEMENT AUTHORIZED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION, INCLUDING INTEREST REPRESENTED BY THE INSTRUMENTS, IS EXEMPT FROM COLORADO INCOME TAX.

(i) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER AND THE APPLICABLE BOARD, IS AUTHORIZED TO ENTER INTO ANCILLARY AGREEMENTS AND INSTRUMENTS THAT ARE NECESSARY OR APPROPRIATE IN CONNECTION WITH AN AGREEMENT, INCLUDING BUT NOT LIMITED TO DEEDS, GROUND LEASES, SUB-LEASES, EASEMENTS, OR OTHER INSTRUMENTS RELATED TO THE REAL PROPERTY ON WHICH THE FACILITIES ARE LOCATED.

(j) THE PROVISIONS OF SECTION 24-30-202 (5)(b) DO NOT APPLY TO AN AGREEMENT OR TO ANY ANCILLARY AGREEMENT OR INSTRUMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (2). THE STATE CONTROLLER OR THEIR DESIGNEE SHALL WAIVE ANY PROVISION OF THE FISCAL RULES PROMULGATED PURSUANT TO SECTIONS 24-30-202 (1) AND (13) THAT THE STATE CONTROLLER FINDS INCOMPATIBLE OR INAPPLICABLE WITH RESPECT TO AN AGREEMENT OR AN ANCILLARY AGREEMENT OR INSTRUMENT.

(3)(a) BEFORE EXECUTING THE AGREEMENT, IN ORDER TO PROTECT AGAINST FUTURE INTEREST RATE INCREASES, THE STATE, ACTING BY AND THROUGH THE STATE TREASURER AND AT THE DISCRETION OF THE STATE TREASURER, MAY ENTER INTO AN INTEREST RATE EXCHANGE AGREEMENT PURSUANT TO ARTICLE 59.3 OF TITLE 11. SUCH INTEREST RATE EXCHANGE AGREEMENT IS A PROPOSED PUBLIC SECURITY FOR THE PURPOSES OF ARTICLE 59.3 OF TITLE 11. ANY PAYMENTS MADE BY THE STATE UNDER AN INTEREST RATE EXCHANGE AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) MUST BE MADE SOLELY FROM MONEY AVAILABLE TO THE STATE TREASURER FROM THE EXECUTION OF THE AGREEMENT ENTERED INTO PURSUANT TO SUBSECTION (2) OF THIS SECTION OR FROM MONEY DESCRIBED IN SUBSECTION (2)(d) OF THIS SECTION.

(b) AN INTEREST RATE EXCHANGE AGREEMENT ENTERED INTO

PURSUANT TO THIS SUBSECTION (3) MUST ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE DO NOT CREATE STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT OR ANY MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20(4) OF ARTICLE X OF THE STATE CONSTITUTION.

(c) ANY MONEY RECEIVED BY THE STATE UNDER AN INTEREST RATE EXCHANGE AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) MUST BE USED TO MAKE PAYMENTS ON AN AGREEMENT ENTERED INTO PURSUANT TO SUBSECTION (2) OF THIS SECTION OR TO PAY THE COSTS RELATED TO THE PURPOSES SET FORTH IN SUBSECTION (4) OF THIS SECTION FOR WHICH AN AGREEMENT WAS EXECUTED.

(4) THE PROCEEDS OF AN AGREEMENT ENTERED INTO PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MUST BE USED TO FUND CAPITAL CONSTRUCTION COSTS RELATED TO THE CONSTRUCTION OF THE FOLLOWING FACILITIES FOR THE FOLLOWING INSTITUTIONS OF HIGHER EDUCATION:

(a) UNIVERSITY OF NORTHERN COLORADO'S COLLEGE OF OSTEOPATHIC MEDICINE;

(b) METROPOLITAN STATE UNIVERSITY OF DENVER'S HEALTH INSTITUTE TOWER THAT WILL INCREASE HEALTH-CARE-RELATED INSTRUCTIONAL AND TRAINING CAPACITY AND EXPAND PROGRAMS IN HIGH-NEED AREAS RELATED TO HEALTH CARE;

(c) COLORADO STATE UNIVERSITY'S VETERINARY HEALTH AND EDUCATION COMPLEX; AND

(d) TRINIDAD STATE COLLEGE'S VALLEY CAMPUS MAIN BUILDING RENOVATION THAT WILL INCREASE CAPACITY TO PROVIDE ALLIED HEALTH CERTIFICATE AND DEGREE PROGRAMS, ADDRESS DEFERRED MAINTENANCE, CREATE AN ASSEMBLY SPACE TO SERVE THE COLLEGE AND COMMUNITY, AND ALLOW CRITICAL STUDENT SERVICES TO MOVE TO A MORE STUDENT-ACCESSIBLE LOCATION WITHIN THE BUILDING.

SECTION 3. In Colorado Revised Statutes, 24-75-201.1, **amend** (1)(d)(XXIII) as follows:

24-75-201.1. Restriction on state appropriations - legislative declaration - definitions. (1) (d) For each fiscal year, unrestricted general fund year-end balances must be retained as a reserve in the following amounts:

(XXIII) (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(d)(XXIII)(B) OF THIS SECTION, for the fiscal year 2022-23, and each fiscal year thereafter, fifteen percent of the amount appropriated for expenditure from the general fund for that fiscal year.

(B) FOR THE FISCAL YEAR 2023-24 AND EACH FISCAL YEAR THEREAFTER UNTIL THE ESCROW MONEY IS RELEASED AS SET FORTH IN SECTION 23-40-107, FIFTEEN PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR REDUCED BY FORTY-ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS. AS USED IN THIS SUBSECTION (1)(d)(XXIII)(B), "ESCROW MONEY" HAS THE SAME MEANING AS SET FORTH IN SECTION 23-40-107 (1)(c).

SECTION 4. In Colorado Revised Statutes, **add** 23-40-107 as follows:

23-40-107. Escrow requirement for accreditation of college of osteopathic medicine - cash fund - offset to appropriation - legislative declaration - report - definitions - repeal. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE ACCREDITATION BODY FOR THE COLLEGE OF OSTEOPATHIC MEDICINE OF THE UNIVERSITY OF NORTHERN COLORADO REQUIRES THAT THE UNIVERSITY DEPOSIT MONEY INTO AN ESCROW ACCOUNT TO BE HELD AND RELEASED ONLY UPON EITHER THE:

(I) FAILURE OF THE COLLEGE TO COMPLETE ACCREDITATION; OR

(II) GRADUATION OF THE FIRST COHORT FROM THE COLLEGE;

(b) MONEY FOR THE ESCROW IS FROM A TRANSFER OF GENERAL FUND MONEY TO THE UNIVERSITY IN THE AMOUNT REQUIRED BY THE ACCREDITATION BODY;

(c) IN CONNECTION WITH THE TRANSFER OF MONEY FROM THE

GENERAL FUND TO SATISFY THE ACCREDITATION BODY'S ESCROW REQUIREMENTS, THERE IS A TEMPORARY REDUCTION IN THE STATE'S CASH RESERVE SET FORTH IN SECTION 24-75-201.1, WHICH IS A STRATEGIC INVESTMENT OF A SMALL PORTION OF THE REQUIRED STATUTORY RESERVE IN THE GENERAL FUND TO REDUCE COSTS OF THE UNIVERSITY REQUIRED FOR ACCREDITATION OF THE COLLEGE WHILE ENSURING THAT THE STATE MAXIMIZES THE BENEFIT OF THE HISTORIC AND IMPORTANT LEVELS MAINTAINED AS RESERVES IN THE GENERAL FUND;

(d) DURING THE PERIOD THAT THE MONEY IS HELD IN ESCROW, THE TRANSACTION OF GENERAL FUND MONEY IS A NON-EXCHANGE TRANSACTION WITH A LONG-TERM TIME COMPONENT WHICH CONSTITUTES DEFERRED OUTFLOW OF RESOURCES BY THE STATE AND DEFERRED INFLOW OF RESOURCES BY THE UNIVERSITY, THE PRINCIPAL OF WHICH IS NOT RECOGNIZED AS REVENUE OR EXPENSE UNTIL RECOGNITION OF THE MONEY WHEN IT IS RELEASED FROM ESCROW;

(e) IF THE MONEY, INCLUDING ANY EARNED INTEREST, IS RELEASED FROM ESCROW UPON THE GRADUATION OF THE FIRST COHORT FROM THE COLLEGE, THE UNIVERSITY INTENDS TO RETAIN THE MONEY AND THE GENERAL ASSEMBLY INTENDS TO REDUCE ALL OR A PORTION OF THE TOTAL STATE APPROPRIATION TO THE UNIVERSITY FOR THE FISCAL YEAR IN WHICH THE MONEY IS RELEASED FROM ESCROW, AND FOR SUBSEQUENT FISCAL YEARS AS NEEDED, BY AN EQUIVALENT AMOUNT; AND

(f) THE RETENTION BY THE UNIVERSITY OF NORTHERN COLORADO OF THE MONEY RELEASED FROM ESCROW IS NOT INTENDED TO AFFECT OR IN ANY WAY MODIFY OR OTHERWISE IMPACT THE HIGHER EDUCATION FUNDING ALLOCATION MODEL ESTABLISHED IN ARTICLE 18 OF THIS TITLE 23.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COLLEGE" MEANS THE COLLEGE OF OSTEOPATHIC MEDICINE OF THE UNIVERSITY.

(b) "ESCROW ACCOUNT" MEANS THE ACCOUNT ESTABLISHED AND GOVERNED BY AN ESCROW AGREEMENT THAT IS ENTERED INTO BETWEEN AN ESCROW AGENT, THE ACCREDITING BODY FOR THE COLLEGE, AND THE UNIVERSITY TO RECEIVE AND HOLD THE ESCROW MONEY.

(c) "ESCROW MONEY" MEANS THE MONEY THAT IS DEPOSITED AND HELD IN THE ESCROW ACCOUNT AND RELEASED TO THE UNIVERSITY UPON EITHER THE FAILURE OF THE COLLEGE TO COMPLETE ACCREDITATION OR THE GRADUATION OF THE FIRST COHORT FROM THE COLLEGE, INCLUDING ANY EARNED INTEREST OR INVESTMENT INCOME.

(d) "FUND" MEANS THE COLLEGE OF OSTEOPATHIC MEDICINE ESCROW MONEY CASH FUND CREATED IN SUBSECTION (3)(a) OF THIS SECTION.

(e) "UNIVERSITY" MEANS THE UNIVERSITY OF NORTHERN COLORADO.

(3) (a) THE COLLEGE OF OSTEOPATHIC MEDICINE ESCROW MONEY CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION.

(b) ON OR BEFORE JUNE 30, 2024, THE STATE TREASURER SHALL TRANSFER FORTY-ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND.

(c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE UNIVERSITY FOR THE PURPOSE OF THE UNIVERSITY DEPOSITING THE MONEY INTO THE ESCROW ACCOUNT TO SATISFY NECESSARY COSTS IN ACCORDANCE WITH THE ACCREDITING BODY OF THE COLLEGE'S RULES AND REGULATIONS FOR OPERATING RESERVE AND ESCROW RESERVE REQUIREMENTS.

(d) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE DECEMBER 31, 2025.

(4) IF THE ESCROW MONEY IS RELEASED TO THE UNIVERSITY DUE TO FAILURE OF THE COLLEGE TO COMPLETE ACCREDITATION, THE UNIVERSITY SHALL PROVIDE A REPORT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, THE STATE TREASURER, AND THE OFFICE OF STATE PLANNING AND BUDGETING WITHIN TEN DAYS OF THE RELEASE OF THE ESCROW MONEY THAT SETS FORTH THE CIRCUMSTANCES FOR THE RELEASE OF THE ESCROW MONEY AND INFORMATION CONCERNING THE USE OF THE ESCROW MONEY BY THE UNIVERSITY AS REQUIRED BY THE ACCREDITATION BODY TO PAY OPERATING AND TEACH OUT COSTS OF STUDENTS OF THE COLLEGE.

(5) (a) WITHIN TEN DAYS OF RECEIPT OF NOTICE FROM THE ACCREDITATION BODY THAT THE ESCROW MONEY WILL BE RELEASED TO THE UNIVERSITY IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS OF ACCREDITATION BEING MET FOR THE GRADUATION OF THE FIRST COHORT OF THE COLLEGE, THE UNIVERSITY SHALL PROVIDE NOTICE OF THE SAME TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, THE STATE TREASURER, AND THE OFFICE OF STATE PLANNING AND BUDGETING.

(b) FOR THE STATE FISCAL YEAR IN WHICH THE ESCROW MONEY WILL BE RELEASED TO THE UNIVERSITY FOR THE REASON SET FORTH IN SUBSECTION (5)(a) OF THIS SECTION, THE AMOUNT TO BE PAID TO THE UNIVERSITY PURSUANT TO THE FEE-FOR-SERVICE AGREEMENT NEGOTIATED PURSUANT TO SECTION 23-18-303.5 FOR THAT STATE FISCAL YEAR IS REDUCED BY THE LESSER OF THE AMOUNT OF THE ESCROW MONEY OR THE AMOUNT OF A PORTION OF THE ESCROW MONEY THAT REDUCES THE AMOUNT TO BE PAID PURSUANT TO THE FEE-FOR-SERVICE AGREEMENT TO ZERO, AND THE UNIVERSITY SHALL USE THE ESCROW MONEY, OR A PORTION OF IT, AS APPLICABLE, TO OFFSET THE REDUCTION.

(c) IF THERE IS ESCROW MONEY REMAINING AFTER THE OFFSET REQUIRED BY SUBSECTION (5)(b) OF THIS SECTION IS MADE, THEN MONEY THAT THE UNIVERSITY WOULD OTHERWISE RECEIVE FROM THE COLLEGE OPPORTUNITY FUND IS REDUCED BY THE LESSER OF THE AMOUNT OF THE REMAINING ESCROW MONEY OR THE AMOUNT OF A PORTION OF THE REMAINING ESCROW MONEY THAT REDUCES THE MONEY THE UNIVERSITY WOULD OTHERWISE RECEIVE FROM THE COLLEGE OPPORTUNITY FUND TO ZERO, AND THE UNIVERSITY SHALL USE THE REMAINING ESCROW MONEY, OR A PORTION OF IT, AS APPLICABLE, TO OFFSET THE REDUCTION.

(d) IF, AFTER THE OFFSETS REQUIRED BY SUBSECTIONS (5)(b) AND (5)(c) OF THIS SECTION, THERE REMAINS ANY EXCESS ESCROW MONEY, THEN IN THE NEXT STATE FISCAL YEAR, THE AMOUNT TO BE PAID TO THE UNIVERSITY PURSUANT TO THE FEE-FOR-SERVICE AGREEMENT NEGOTIATED PURSUANT TO SECTION 23-18-303.5 FOR THAT STATE FISCAL YEAR IS REDUCED BY THE AMOUNT OF ANY EXCESS ESCROW MONEY AND THE UNIVERSITY SHALL USE THE REMAINING ESCROW MONEY TO OFFSET THE REDUCTION.

SECTION 5. Capital construction appropriation. For the 2024-25 state fiscal year, the general assembly anticipates that the

department of higher education will receive \$246,936,092 in cash funds from the proceeds of the financed purchase of asset or certificate of participation agreements executed pursuant to section 24-36-124, C.R.S. This figure is subject to the "(I)" notation as defined in the annual general appropriation act for the same fiscal year. To implement this act, the department is anticipated to use this amount as follows:

(a) \$127,542,028 for construction of the college of osteopathic medicine at the university of northern Colorado;

(b) \$50,000,000 for construction of the health institute tower at Metropolitan university of Denver;

(c) \$50,000,000 for construction of the veterinary health education complex at Colorado state university; and

(d) \$19,394,064 for renovation of the valley campus main building at Trinidad state college.

SECTION 6. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO