

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 14-0177.01 Julie Pelegriin x2700

SENATE BILL 14-086

SENATE SPONSORSHIP

Roberts,

HOUSE SPONSORSHIP

Rosenthal,

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 **CONCERNING CREATION OF A REVOLVING LOAN PROGRAM FOR**
102 **CHARTER SCHOOL CAPITAL CONSTRUCTION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates the charter school capital construction revolving loan program (loan program) to provide loans for charter schools and institute charter schools (schools) that have charter contracts and have been in existence for 4 or fewer years. The treasury department (department) will administer the loan program in accordance with rules

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

adopted by the state treasurer.

In determining whether to issue a loan, the department will take into account several criteria. For each loan, the department will set the amount, the interest rate, the administrative fees, and the term. A school cannot receive more than \$300,000 in loans through the loan program over the lifetime of the school. The interest rate on a loan cannot exceed 4% per year, and the term of a loan cannot exceed 5 years. The department will automatically withhold the monthly payment of principal, fees, surcharge, and interest on a loan from the amount of state moneys due to the school that obtained the loan. If a school defaults on a loan, the school is solely responsible for repayment of the loan.

The department will make the loans from the charter school capital construction revolving loan fund (revolving loan fund) created in the bill. The revolving loan fund consists of a one-time transfer of \$5 million from the state education fund; moneys received as repayments of principal and interest; and any gifts, grants, or donations the department may receive for the loan program.

The bill creates the charter school capital construction default insurance fund (default insurance fund) to restore the balance of the revolving loan fund if a charter school defaults on a loan. The default insurance fund consists of moneys collected as a surcharge on loans issued through the loan program. The state treasurer will establish the amount of the surcharge and the required balance of the default insurance fund by rule.

The department will submit to the joint budget committee an annual report on the financial condition of the revolving loan fund and the default insurance fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-30.5-410 as
3 follows:

4 **22-30.5-410. Revolving loan program - definitions - created -**
5 **rules - fund - report.** (1) AS USED IN THIS SECTION, UNLESS THE
6 CONTEXT OTHERWISE REQUIRES:

7 (a) "LOAN PROGRAM" MEANS THE CHARTER SCHOOL CAPITAL
8 CONSTRUCTION REVOLVING LOAN PROGRAM CREATED IN THIS SECTION.

9 (b) "DEFAULT INSURANCE FUND" MEANS THE CHARTER SCHOOL
10 CAPITAL CONSTRUCTION DEFAULT INSURANCE FUND CREATED IN

1 SUBSECTION (7) OF THIS SECTION.

2 (c) "REVOLVING LOAN FUND" MEANS THE CHARTER SCHOOL
3 CAPITAL CONSTRUCTION REVOLVING LOAN FUND CREATED IN SUBSECTION
4 (6) OF THIS SECTION.

5 (d) "TREASURY DEPARTMENT" MEANS THE DEPARTMENT OF THE
6 TREASURY CREATED IN SECTION 24-1-112, C.R.S.

7 (2) THERE IS CREATED IN THE TREASURY DEPARTMENT THE
8 CHARTER SCHOOL REVOLVING LOAN PROGRAM TO PROVIDE LOW-INTEREST
9 LOANS FOR CAPITAL CONSTRUCTION TO ELIGIBLE CHARTER SCHOOLS AND
10 ELIGIBLE INSTITUTE CHARTER SCHOOLS. A CHARTER SCHOOL OR INSTITUTE
11 CHARTER SCHOOL IS ELIGIBLE TO RECEIVE A LOAN THROUGH THE LOAN
12 PROGRAM IF THE CHARTER SCHOOL OR INSTITUTE CHARTER SCHOOL HAS
13 ENTERED INTO A CHARTER CONTRACT WITH A SCHOOL DISTRICT OR THE
14 INSTITUTE AND HAS BEEN IN EXISTENCE FOR FOUR OR FEWER YEARS AT
15 THE TIME THE LOAN IS ISSUED. THE LOANS ISSUED THROUGH THE LOAN
16 PROGRAM ARE PAYABLE FROM THE CHARTER SCHOOL CAPITAL
17 CONSTRUCTION REVOLVING LOAN FUND CREATED IN SUBSECTION (6) OF
18 THIS SECTION. THE TREASURY DEPARTMENT SHALL ADMINISTER THE LOAN
19 PROGRAM IN ACCORDANCE WITH THIS SECTION AND THE RULES
20 PROMULGATED BY THE STATE TREASURER.

21 (3) (a) THE STATE TREASURER SHALL PROMULGATE RULES IN
22 ACCORDANCE WITH THE "STATE ADMINISTRATIVE PROCEDURE ACT",
23 ARTICLE 4 OF TITLE 24, C.R.S., TO IMPLEMENT THE LOAN PROGRAM IN
24 ACCORDANCE WITH THIS SECTION. AT A MINIMUM, THE RULES MUST
25 ESTABLISH:

26 (I) THE PROCEDURES AND TIMELINES FOR SUBMITTING, REVIEWING,
27 AND DENYING OR APPROVING LOAN APPLICATIONS, INCLUDING THE FORM

1 OF THE LOAN APPLICATION AND THE INFORMATION AN APPLICANT MUST
2 PROVIDE WITH A LOAN APPLICATION, WHICH MUST AT A MINIMUM INCLUDE
3 A DESCRIPTION OF THE PROJECT FOR WHICH THE APPLICANT PLANS TO USE
4 THE LOAN MONEYS;

5 (II) THE CRITERIA FOR GRANTING LOANS, WHICH MUST INCLUDE,
6 AT A MINIMUM:

7 (A) THE SOUNDNESS OF THE APPLICANT'S FINANCIAL BUSINESS
8 PLAN;

9 (B) THE APPLICANT'S LEVEL OF FINANCIAL NEED, OTHER FUNDING
10 SOURCES AVAILABLE TO THE APPLICANT, AND OTHER FUNDING SOURCES
11 FOR WHICH THE APPLICANT MAY BE ELIGIBLE;

12 (C) THE AVAILABILITY OF MONEYS IN THE REVOLVING LOAN FUND
13 AND THE NUMBER OF APPLICANTS;

14 (D) THE IMPACT THAT A LOAN GRANTED THROUGH THE LOAN
15 PROGRAM MAY HAVE ON THE APPLICANT'S ELIGIBILITY FOR OR RECEIPT OF
16 OTHER PRIVATE AND PUBLIC FINANCING; AND

17 (E) THE APPLICANT'S PLAN FOR INNOVATIVELY ENHANCING OR
18 LEVERAGING ANY MONEYS RECEIVED THROUGH THE LOAN PROGRAM;

19 (III) THE CRITERIA AND GUIDELINES FOR SETTING THE TERMS OF
20 EACH LOAN, INCLUDING THE AMOUNT, ADMINISTRATIVE FEES, INTEREST
21 RATE, AND DURATION OF A LOAN, WHICH TERMS COMPLY WITH THE
22 REQUIREMENTS SPECIFIED IN SUBSECTION (4) OF THIS SECTION;

23 (IV) THE PROCEDURES NECESSARY FOR WITHHOLDING THE LOAN
24 PAYMENTS AS PROVIDED IN SUBSECTION (5) OF THIS SECTION; AND

25 (V) THE AMOUNT OF THE SURCHARGE ON LOANS NECESSARY TO
26 FUND THE DEFAULT INSURANCE FUND AND THE REQUIRED BALANCE OF THE
27 DEFAULT INSURANCE FUND.

1 (b) THE STATE TREASURER SHALL SEEK AND CONSIDER INPUT FROM
2 ORGANIZATIONS THAT REPRESENT CHARTER SCHOOLS WHEN
3 PROMULGATING THE RULES FOR THE LOAN PROGRAM.

4 (4) (a) THE TREASURY DEPARTMENT SHALL SET THE AMOUNT OF
5 EACH LOAN ISSUED THROUGH THE LOAN PROGRAM. A SINGLE CHARTER
6 SCHOOL OR INSTITUTE CHARTER SCHOOL SHALL NOT RECEIVE A TOTAL OF
7 MORE THAN THREE HUNDRED THOUSAND DOLLARS IN LOANS THROUGH
8 THE LOAN PROGRAM OVER THE LIFETIME OF THE CHARTER SCHOOL OR
9 INSTITUTE CHARTER SCHOOL. A SINGLE CHARTER SCHOOL OR INSTITUTE
10 CHARTER SCHOOL MAY, AT ANY TIME, BE OBLIGATED ON MORE THAN ONE
11 LOAN ISSUED THROUGH THE LOAN PROGRAM.

12 (b) THE TREASURY DEPARTMENT SHALL SET THE ADMINISTRATIVE
13 FEE FOR EACH LOAN AT AN AMOUNT NOT TO EXCEED THE DIRECT COSTS
14 INCURRED BY THE TREASURY DEPARTMENT IN ISSUING AND
15 ADMINISTERING THE LOAN, INCLUDING ANY COSTS ASSOCIATED WITH
16 WITHHOLDING THE LOAN PAYMENT AMOUNTS PURSUANT TO SUBSECTION
17 (5) OF THIS SECTION.

18 (c) THE TREASURY DEPARTMENT SHALL SET THE INTEREST RATE
19 FOR EACH LOAN ISSUED THROUGH THE LOAN PROGRAM. THE TREASURY
20 DEPARTMENT SHALL ENSURE THAT THE INTEREST RATE IS LOWER THAN
21 THE PRIVATE MARKET RATE FOR A COMPARABLE LOAN BUT IS SUFFICIENT
22 TO ENABLE THE REVOLVING LOAN FUND TO BE SELF-SUSTAINING; EXCEPT
23 THAT THE INTEREST RATE FOR A LOAN ISSUED THROUGH THE LOAN
24 PROGRAM SHALL NOT EXCEED FOUR PERCENT PER YEAR.

25 (d) THE TREASURY DEPARTMENT SHALL SET THE DURATION OF
26 EACH LOAN ISSUED THROUGH THE LOAN PROGRAM AND THE REPAYMENT
27 TERMS; EXCEPT THAT THE DURATION OF A SINGLE LOAN SHALL NOT

1 EXCEED FIVE BUDGET YEARS.

2 (5) (a) THE TREASURY DEPARTMENT SHALL AUTOMATICALLY
3 WITHHOLD THE MONTHLY PAYMENT OF PRINCIPAL, ADMINISTRATIVE FEES,
4 INTEREST, AND SURCHARGE, IF ANY, DUE ON A LOAN ISSUED PURSUANT TO
5 THE LOAN PROGRAM. THE TREASURY DEPARTMENT MAY EXPEND THE
6 AMOUNT OF ADMINISTRATIVE FEES FOR EACH LOAN ISSUED THROUGH THE
7 LOAN PROGRAM TO OFFSET THE COSTS INCURRED IN ADMINISTERING THE
8 LOAN PROGRAM.

9 (b) THE TREASURY DEPARTMENT SHALL WITHHOLD A CHARTER
10 SCHOOL'S MONTHLY LOAN PAYMENT FROM THE PAYMENTS TO THE
11 CHARTERING DISTRICT OF THE STATE SHARE OF THE DISTRICT'S TOTAL
12 PROGRAM MADE BY THE DEPARTMENT OF EDUCATION PURSUANT TO
13 ARTICLE 54 OF THIS TITLE. THE STATE TREASURER SHALL NOTIFY THE
14 DEPARTMENT OF EDUCATION AND THE CHIEF FINANCIAL OFFICERS OF THE
15 CHARTERING DISTRICT AND THE CHARTER SCHOOL OF THE AMOUNT OF
16 MONEYS WITHHELD, AND THE CHARTERING DISTRICT SHALL REDUCE THE
17 AMOUNT OF FUNDING IT PROVIDES TO THE CHARTER SCHOOL BY THE
18 WITHHELD AMOUNT.

19 (c) THE TREASURY DEPARTMENT SHALL WITHHOLD AN INSTITUTE
20 CHARTER SCHOOL'S MONTHLY LOAN PAYMENT FROM THE PAYMENTS TO
21 THE STATE CHARTER SCHOOL INSTITUTE MADE BY THE DEPARTMENT OF
22 EDUCATION PURSUANT TO ARTICLE 54 OF THIS TITLE. THE STATE
23 TREASURER SHALL NOTIFY THE DEPARTMENT OF EDUCATION, THE STATE
24 CHARTER SCHOOL INSTITUTE, AND THE CHIEF FINANCIAL OFFICER OF THE
25 INSTITUTE CHARTER SCHOOL OF ANY AMOUNT OF MONEYS WITHHELD, AND
26 THE STATE CHARTER SCHOOL INSTITUTE SHALL REDUCE THE AMOUNT OF
27 FUNDING IT PROVIDES TO THE INSTITUTE CHARTER SCHOOL BY THE

1 WITHHELD AMOUNT.

2 (d) IN THE CASE OF A DEFAULT ON A LOAN ISSUED THROUGH THE
3 LOAN PROGRAM, THE CHARTER SCHOOL OR INSTITUTE CHARTER SCHOOL
4 THAT RECEIVES THE LOAN IS SOLELY LIABLE FOR REPAYMENT OF THE
5 LOAN.

6 (6) (a) THERE IS CREATED IN THE STATE TREASURY THE CHARTER
7 SCHOOL CAPITAL CONSTRUCTION REVOLVING LOAN FUND, WHICH
8 CONSISTS OF:

9 (I) FIVE MILLION DOLLARS TRANSFERRED ON THE EFFECTIVE DATE
10 OF THIS SECTION FROM THE STATE EDUCATION FUND CREATED IN SECTION
11 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION;

12 (II) MONEYS WITHHELD BY THE TREASURY DEPARTMENT
13 PURSUANT TO SUBSECTION (5) OF THIS SECTION AND CREDITED TO THE
14 REVOLVING LOAN FUND AS REPAYMENTS OF PRINCIPAL AND INTEREST ON
15 LOANS ISSUED THROUGH THE LOAN PROGRAM;

16 (III) MONEYS RECEIVED BY THE TREASURY DEPARTMENT AND
17 CREDITED TO THE REVOLVING LOAN FUND FROM PUBLIC OR PRIVATE GIFTS,
18 GRANTS, OR DONATIONS; AND

19 (IV) ANY AMOUNT TRANSFERRED TO THE REVOLVING LOAN FUND
20 FROM THE DEFAULT INSURANCE FUND PURSUANT TO SUBSECTION (7) OF
21 THIS SECTION.

22 (b) THE MONEYS IN THE REVOLVING LOAN FUND ARE
23 CONTINUOUSLY APPROPRIATED TO THE TREASURY DEPARTMENT TO
24 IMPLEMENT THE LOAN PROGRAM.

25 (c) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE
26 REVOLVING LOAN FUND NOT EXPENDED FOR THE PURPOSE OF THIS SECTION
27 AS PROVIDED BY LAW. THE STATE TREASURER SHALL CREDIT ALL INTEREST

1 AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS
2 IN THE REVOLVING LOAN FUND TO THE REVOLVING LOAN FUND. ANY
3 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE
4 REVOLVING LOAN FUND AT THE END OF A FISCAL YEAR REMAIN IN THE
5 REVOLVING LOAN FUND AND SHALL NOT BE CREDITED OR TRANSFERRED
6 TO THE GENERAL FUND OR ANOTHER FUND.

7 (d) THE GENERAL ASSEMBLY HEREBY DECLARES THAT, FOR
8 PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE
9 LOAN PROGRAM IS NECESSARY TO PROVIDE RESOURCES FOR PUBLIC
10 SCHOOL BUILDING CAPITAL CONSTRUCTION AND MAY THEREFORE RECEIVE
11 FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4)
12 OF ARTICLE IX OF THE STATE CONSTITUTION.

13 (7) (a) THERE IS CREATED IN THE STATE TREASURY THE CHARTER
14 SCHOOL CAPITAL CONSTRUCTION DEFAULT INSURANCE FUND, WHICH
15 CONSISTS OF AMOUNTS COLLECTED AS A SURCHARGE ON THE LOANS
16 ISSUED THROUGH THE LOAN PROGRAM AND DEPOSITED IN THE DEFAULT
17 INSURANCE FUND. THE STATE TREASURER MAY TRANSFER MONEYS FROM
18 THE DEFAULT INSURANCE FUND TO THE REVOLVING LOAN FUND AS
19 NECESSARY TO RESTORE THE BALANCE OF THE REVOLVING LOAN FUND IF
20 A CHARTER SCHOOL DEFAULTS ON A LOAN MADE FROM THE REVOLVING
21 LOAN FUND. THE STATE TREASURER MAY IMPOSE AND SUSPEND
22 IMPOSITION OF THE SURCHARGE ON LOANS ISSUED THROUGH THE LOAN
23 PROGRAM AS NECESSARY TO MAINTAIN THE REQUIRED BALANCE OF THE
24 DEFAULT INSURANCE FUND.

25 (b) THE MONEYS IN THE DEFAULT INSURANCE FUND ARE
26 CONTINUOUSLY APPROPRIATED TO THE TREASURY DEPARTMENT FOR THE
27 PURPOSES OF THIS SUBSECTION (7).

1 (c) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE
2 DEFAULT INSURANCE FUND NOT EXPENDED FOR THE PURPOSE OF THIS
3 SUBSECTION (7) AS PROVIDED BY LAW. THE STATE TREASURER SHALL
4 CREDIT ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND
5 DEPOSIT OF MONEYS IN THE DEFAULT INSURANCE FUND TO THE DEFAULT
6 INSURANCE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS
7 REMAINING IN THE DEFAULT INSURANCE FUND AT THE END OF A FISCAL
8 YEAR REMAIN IN THE DEFAULT INSURANCE FUND AND SHALL NOT BE
9 CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

10 (8) ON OR BEFORE AUGUST 1, 2015, AND ON OR BEFORE AUGUST
11 1 EACH YEAR THEREAFTER, THE STATE TREASURER SHALL ANNUALLY
12 SUBMIT TO THE JOINT BUDGET COMMITTEE A REPORT CONCERNING THE
13 CONDITION OF THE REVOLVING LOAN FUND AND THE DEFAULT INSURANCE
14 FUND. AT A MINIMUM, THE REPORT MUST INCLUDE AN ACCOUNTING OF THE
15 ACTUAL BEGINNING BALANCE, REVENUES, ITEMIZED EXPENDITURES, AND
16 ENDING BALANCE OF EACH FUND FOR THE PRECEDING FISCAL YEAR AND
17 THE PROJECTED BEGINNING BALANCE, REVENUES, ITEMIZED
18 EXPENDITURES, AND ENDING BALANCE OF EACH FUND FOR THE
19 THEN-CURRENT FISCAL YEAR.

20 **SECTION 2.** In Colorado Revised Statutes, 22-30.5-111.5,
21 **amend as it will take effect upon proclamation of the governor** (10)
22 as follows:

23 **22-30.5-111.5. Charter schools - financing - definitions.**

24 (10) (a) In accordance with section 22-30.5-406, an authorizing school
25 district shall reduce the funding provided to a charter school pursuant to
26 subsection (4), (5), or (6) of this section, whichever is applicable, by the
27 amount of any direct payments made by the state treasurer or the

1 authorizing school district, on the charter school's behalf, of principal and
2 interest due on bonds that were issued on the charter school's behalf by
3 a governmental entity other than a school district to finance charter school
4 capital construction.

5 (b) IN ACCORDANCE WITH SECTION 22-30.5-410 (5), AN
6 AUTHORIZING SCHOOL DISTRICT SHALL REDUCE THE FUNDING PROVIDED
7 TO A CHARTER SCHOOL PURSUANT TO SUBSECTION (4), (5), OR (6) OF THIS
8 SECTION, WHICHEVER IS APPLICABLE, BY THE AMOUNT OF ANY DIRECT
9 PAYMENTS MADE BY THE STATE TREASURER, ON THE CHARTER SCHOOL'S
10 BEHALF, OF PRINCIPAL AND INTEREST DUE ON LOANS THAT WERE ISSUED
11 TO THE CHARTER SCHOOL BY THE STATE TREASURER PURSUANT TO
12 SECTION 22-30.5-410 TO FINANCE CHARTER SCHOOL CAPITAL
13 CONSTRUCTION.

14 **SECTION 3.** In Colorado Revised Statutes, 22-30.5-112, **amend**
15 (2) (a.9) as follows:

16 **22-30.5-112. Charter schools - financing - definitions -**
17 **guidelines.** (2) (a.9) (I) For budget year 2002-03 and budget years
18 thereafter, and in accordance with section 22-30.5-406, the funding
19 provided by a chartering school district to a charter school pursuant to this
20 subsection (2) shall be reduced by the amount of any direct payments of
21 principal and interest due on bonds issued on behalf of a charter school
22 by a governmental entity other than a school district for the purpose of
23 financing charter school capital construction that were made by the state
24 treasurer or the chartering school district on behalf of the charter school.

25 (II) IN ACCORDANCE WITH SECTION 22-30.5-410 (5), AN
26 AUTHORIZING SCHOOL DISTRICT SHALL REDUCE THE FUNDING PROVIDED
27 TO A CHARTER SCHOOL PURSUANT TO THIS SUBSECTION (2) BY THE

1 AMOUNT OF ANY DIRECT PAYMENTS MADE BY THE STATE TREASURER, ON
2 THE CHARTER SCHOOL'S BEHALF, OF PRINCIPAL AND INTEREST DUE ON
3 LOANS THAT WERE ISSUED TO THE CHARTER SCHOOL BY THE STATE
4 TREASURER PURSUANT TO SECTION 22-30.5-410 TO FINANCE CHARTER
5 SCHOOL CAPITAL CONSTRUCTION.

6 **SECTION 4.** In Colorado Revised Statutes, 22-30.5-513, **add** (4)
7 (a) (I.5) (D.5) as follows:

8 **22-30.5-513. Institute charter schools - definitions - funding -**
9 **at-risk supplemental aid - legislative declaration.** (4) (a) (I.5) The
10 institute shall forward to each institute charter school an amount equal to
11 the institute charter school's pupil enrollment multiplied by the accounting
12 district's adjusted per pupil revenues of the institute charter school's
13 accounting district, minus:

14 (D.5) ANY AMOUNT WITHHELD PURSUANT TO SECTION 22-30.5-410
15 (5) FOR THE DIRECT PAYMENTS MADE BY THE STATE TREASURER OF
16 PRINCIPAL AND INTEREST DUE ON LOANS ISSUED TO THE INSTITUTE
17 CHARTER SCHOOL BY THE STATE TREASURER PURSUANT TO SECTION
18 22-30.5-410 TO FINANCE INSTITUTE CHARTER SCHOOL CAPITAL
19 CONSTRUCTION;

20 **SECTION 5.** In Colorado Revised Statutes, 22-30.5-513.5,
21 **amend as it will take effect upon proclamation of the governor** (4) (a)
22 (II) (D); and **add** (4) (a) (II) (E) as follows:

23 **22-30.5-513.5. Institute charter schools - funding - definitions.**
24 (4) (a) Negotiations between an institute charter school and the institute
25 begin with the institute charter school receiving an amount equal to:

26 (II) (D) Any amount withheld pursuant to section 22-30.5-406 for
27 the direct payments made by the state treasurer of principal and interest

1 due on bonds issued on behalf of the institute charter school by a
2 governmental entity for the purpose of financing institute charter school
3 capital construction; PLUS

4 (E) ANY AMOUNT WITHHELD PURSUANT TO SECTION 22-30.5-410
5 (5) FOR THE DIRECT PAYMENTS MADE BY THE STATE TREASURER OF
6 PRINCIPAL AND INTEREST DUE ON LOANS ISSUED TO THE INSTITUTE
7 CHARTER SCHOOL BY THE STATE TREASURER PURSUANT TO SECTION
8 22-30.5-410 TO FINANCE INSTITUTE CHARTER SCHOOL CAPITAL
9 CONSTRUCTION.

10 **SECTION 6.** In Colorado Revised Statutes, 22-54-115, **amend**
11 (3) (a) as follows:

12 **22-54-115. Distribution from state public school fund.** (3) No
13 later than the twenty-fifth day of each month, the state treasurer shall:

14 (a) Pay the amount certified as payable to each district, less the
15 total amount of any direct payments made by the state treasurer on behalf
16 of charter schools chartered by each school district of any principal and
17 interest due on bonds pursuant to section 22-30.5-406 OR ON LOANS
18 PURSUANT TO SECTION 22-30.5-410 (5), directly to the treasurer of each
19 district or, in accordance with written instructions from the district,
20 directly to an account designated by the district that allows the district to
21 retain title to the funds;

22 **SECTION 7.** In Colorado Revised Statutes, 22-54.5-408, **amend**
23 **as it will take effect upon proclamation by the governor** (5) (a) as
24 follows:

25 **22-54.5-408. Distribution from state public school fund.**
26 (5) No later than the twenty-fifth day of each month, the state treasurer
27 shall:

1 (a) Pay the amount certified as payable to each district, less the
2 total amount of any direct payments of principal and interest due on bonds
3 pursuant to section 22-30.5-406 OR ON LOANS PURSUANT TO SECTION
4 22-30.5-410 (5) made by the state treasurer on behalf of a charter school
5 authorized by the district, directly to the treasurer of each district or, in
6 accordance with written instructions from the district, directly to an
7 account designated by the district that allows the district to retain title to
8 the moneys;

9 **SECTION 8. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2014 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.