

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0715.01 Jason Gelender x4330

SENATE BILL 14-139

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SENATE SPONSORSHIP

Scheffel,

HOUSE SPONSORSHIP

(None),

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Senate Committees  
State, Veterans, & Military Affairs

House Committees

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A BILL FOR AN ACT

101 CONCERNING STATE-SUPPORTED FINANCING FOR CHARTER SCHOOL  
102 CAPITAL CONSTRUCTION, AND, IN CONNECTION THEREWITH,  
103 MAKING AN APPROPRIATION FROM THE STATE EDUCATION FUND  
104 TO THE STATE CHARTER SCHOOL DEBT RESERVE FUND.

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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 state currently provides several mechanisms, including a state charter school debt reserve fund, and a "moral obligation" program that

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.

creates a "moral obligation" of the state to make appropriations to enable the payment of bonds issued by the Colorado educational and cultural facilities authority on behalf of qualified charter schools that would not otherwise be paid, that help charter schools finance capital construction on more favorable terms than they would otherwise be able to. The bill allows increased use of these mechanisms by:

- ! Increasing the balance of the state charter school debt reserve fund by making a one-time appropriation of \$3 million from the state education fund and requiring that investment earnings on the fund be credited to the fund rather than to the state education fund; and
- ! Increasing the maximum limit of the state's "moral obligation" from \$400 million to \$500 million.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-30.5-407, **amend**  
3 (2) (a) (III), (2) (a) (IV), (2) (c), (4) (d) introductory portion, and (4) (d)  
4 (II); and **add** (2) (a) (I.5) and (2) (a) (V) as follows:

5 **22-30.5-407. State charter school debt reserve fund - creation**  
6 **- use of fund moneys - legislative declaration.** (2) (a) There is hereby  
7 created in the state treasury the state charter school debt reserve fund. The  
8 fund shall consist of the following moneys:

9 (I.5) THREE MILLION DOLLARS THAT ARE APPROPRIATED FROM THE  
10 STATE EDUCATION FUND TO THE STATE CHARTER SCHOOL DEBT RESERVE  
11 FUND ON JULY 1, 2014;

12 (III) Moneys transferred from the state education fund to the state  
13 charter school debt reserve fund pursuant to paragraph (d) of subsection  
14 (4) of this section; and

15 (IV) Moneys credited to the fund by the state treasurer pursuant  
16 to section 22-30.5-408 (2) (c) (II); AND

17 (V) INTEREST AND INCOME CREDITED TO THE FUND PURSUANT TO  
18 PARAGRAPH (c) OF THIS SUBSECTION (2).

1           (c) All interest and income derived from the deposit and  
2 investment of moneys in the state charter school debt reserve fund ~~shall~~  
3 ~~be~~ BEFORE JUNE 30, 2014, IS CREDITED TO THE STATE EDUCATION FUND AND ALL  
4 INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF  
5 MONEYS IN THE STATE CHARTER SCHOOL DEBT RESERVE FUND ON AND  
6 AFTER JULY 1, 2014, IS CREDITED TO THE STATE CHARTER SCHOOL DEBT  
7 RESERVE FUND; except that all interest and income derived from the  
8 deposit and investment of moneys in the state charter school interest  
9 savings account shall be credited to the account in accordance with  
10 paragraph (b) of this subsection (2). At the end of any fiscal year, all  
11 unexpended and unencumbered moneys in the state charter school debt  
12 reserve fund and the account ~~shall~~ remain in the fund and the account  
13 respectively.

14           (4) (d) If the state treasurer expends moneys from the portion of  
15 the state charter school debt reserve fund that is not the state charter  
16 school interest savings account or if the state treasurer expends moneys  
17 from the state charter school interest savings account for purposes other  
18 than the payment of the administrative costs of the state treasurer, the  
19 state treasurer shall withhold charter school per pupil facilities aid  
20 program moneys to the extent necessary to restore that portion of the state  
21 charter school debt reserve fund, by the transfer of all withheld amounts  
22 from the state education fund to that portion of the state charter school  
23 debt reserve fund, to a ~~one~~ FOUR million dollar balance and to the extent  
24 necessary to restore the state charter school interest savings account, by  
25 the transfer of all withheld amounts from the state education fund to the  
26 state charter school interest savings account, to the balance prior to  
27 expenditure of moneys from the account, in accordance with the

1 following requirements:

2 (II) If, in any given fiscal year, the state treasurer determines that  
3 after withholding the maximum amount of charter school per pupil  
4 facilities aid program moneys that may be withheld pursuant to  
5 subparagraph (I) of this paragraph (d) the portion of the state charter  
6 school debt reserve fund that is not the state charter school interest  
7 savings account will not be restored to a ~~one~~ FOUR million dollar balance  
8 or the state charter school interest savings account will not be restored to  
9 the balance in the account prior to the state treasurer's expenditure of  
10 moneys from the account, each charter school that is not relying upon the  
11 state charter school debt reserve fund and the provisions of section  
12 22-30.5-408 with respect to bonds issued on its behalf by the Colorado  
13 educational and cultural facilities authority shall have its payment reduced  
14 by the same percentage and by a maximum of ten percent.

15 **SECTION 2.** In Colorado Revised Statutes, 22-30.5-408, **amend**  
16 (2) (a) and (2) (c) (II) as follows:

17 **22-30.5-408. Replenishment of qualified charter school debt**  
18 **service reserve funds - additional responsibilities - state treasurer -**  
19 **qualified charter schools - definitions.** (2) (a) If the Colorado  
20 educational and cultural facilities authority has issued qualified charter  
21 school bonds on behalf of any qualified charter school that fails  
22 immediately to restore its qualified charter school debt service reserve  
23 fund to the applicable qualified charter school debt service reserve fund  
24 requirement, the board of directors of the authority shall submit to the  
25 governor a certificate certifying any amount of moneys required to restore  
26 the qualified charter school debt service reserve fund to the applicable  
27 qualified charter school debt service reserve fund requirement. The

1 governor shall submit a request for appropriations in an amount sufficient  
2 to restore any or all qualified charter school debt reserve funds to their  
3 respective qualified charter school debt service reserve fund requirements  
4 and the general assembly may, but shall not be required to, appropriate  
5 moneys for said purpose. If, in its sole discretion, the general assembly  
6 appropriates any moneys for said purpose, the aggregate outstanding  
7 principal amount of bonds for which moneys may be appropriated for said  
8 purpose shall not exceed ~~four~~ FIVE hundred million dollars.

9 (c) (II) Any net proceeds from the sale of property securing the  
10 bonds for which the qualified charter school debt reserve fund is  
11 established shall be used to reimburse the state treasurer for any costs  
12 incurred in connection with the sale of such property. The state treasurer  
13 shall credit any additional net proceeds from the sale of such property to  
14 the state charter school debt reserve fund to restore the fund to a balance  
15 of ~~one~~ FOUR million dollars. The state treasurer shall credit any remaining  
16 net proceeds from the sale of such property to the state charter school  
17 interest savings account in the state charter school debt reserve fund.

18 **SECTION 3. Safety clause.** The general assembly hereby finds,  
19 determines, and declares that this act is necessary for the immediate  
20 preservation of the public peace, health, and safety.