

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-1005.01 Rebecca Bayetti x4348

SENATE BILL 26-180

SENATE SPONSORSHIP

Bright and Marchman,

HOUSE SPONSORSHIP

Garcia and Taggart,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A SPECIAL PURPOSE AUTHORITY TO**
102 **INVEST CERTAIN PUBLIC MONEY, AND, IN CONNECTION**
103 **THEREWITH, CREATING A PROCESS FOR GOVERNMENT ENTITIES**
104 **TO CHOOSE TO HAVE THEIR MONEY INVESTED BY THE**
105 **AUTHORITY AND USING A PORTION OF THE INVESTMENT**
106 **PROCEEDS TO SUPPORT CHILD CARE ASSISTANCE FOR FAMILIES**
107 **WITH LOW INCOMES.**

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://leg.colorado.gov>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

The bill creates a special purpose authority (investment performance authority) that is authorized to invest certain public money from certain special funds, enterprise funds, and funds held by other special purpose authorities. State and other governmental entities (eligible entities) may choose to have the investment performance authority invest their money instead of the state treasurer or other authorized investor, under certain conditions.

The investment performance authority is governed by a board of directors made up of the following 7 members:

- The state treasurer or the state treasurer's designee, who serves as chair of the board;
- The director of the office of state planning and budgeting or the director's designee;
- An individual with professional experience in managing federal, state, or local government money or managing the money of an institution of higher education or other endowment fund, appointed by the governor;
- 2 individuals with professional experience in investment consulting or investment management, with one individual appointed by the speaker of the house of representatives and one individual appointed by the majority leader of the senate;
- An individual employed in the child care field, appointed by the minority leader of the senate; and
- An individual working with a child care advocacy organization, appointed by the minority leader of the house of representatives.

The investment performance authority uses the earnings from the investment of eligible entities' money:

- To quarterly disburse to eligible entities on a pro rata basis;
- To pay the reasonable administrative costs and expenses of the investment performance authority;
- To create a reserve; and
- To disburse to counties for child care assistance to families with low incomes according to a formula established in coordination with the child care assistance program allocation committee and the department of early childhood.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 118 to

1 title 24 as follows:

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ARTICLE 118

Investment Performance Authority

24-118-101. Legislative declaration.

(1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(I) COLORADO'S ECONOMY DEPENDS ON WORKING FAMILIES HAVING ACCESS TO AFFORDABLE CHILD CARE. WITHOUT RELIABLE CHILD CARE, PARENTS ARE FORCED OUT OF THE WORKFORCE OR INTO PART-TIME EMPLOYMENT, UNDERMINING BOTH FAMILY ECONOMIC SECURITY AND THE STATE'S LABOR MARKET.

(II) CHILD CARE PROGRAMS FOR FAMILIES WITH LOW INCOMES IN THE STATE ARE LARGELY SUPPORTED THROUGH FEDERAL BLOCK GRANT FUNDING, WHICH HAS REMAINED FLAT FOR DECADES AND FAILED TO KEEP PACE WITH INFLATION AND THE RISING COST OF CHILD CARE;

(III) AS A RESULT, THESE PROGRAMS OFTEN LACK SUFFICIENT FUNDING TO SERVE ALL ELIGIBLE FAMILIES. FOR EXAMPLE, AS OF FEBRUARY 1, 2026, MORE THAN THIRTEEN THOUSAND CHILDREN WERE SUBJECT TO ENROLLMENT FREEZES IN PLACE IN NINETEEN COLORADO COUNTIES OR WERE ON WAIT LISTS FOR THE COLORADO CHILD CARE ASSISTANCE PROGRAM. RURAL COMMUNITIES, IN PARTICULAR, OFTEN HAVE FEWER PROVIDERS AND LIMITED CAPACITY, CREATING GEOGRAPHIC INEQUITIES BETWEEN FAMILIES WHO CAN BENEFIT FROM CHILD CARE PROGRAMS.

(IV) THE ECONOMIC IMPACT OF INADEQUATELY FUNDING CHILD CARE SERVICES FOR WORKING FAMILIES IS SEVERE. ACCORDING TO A 2024 ANALYSIS, COLORADO'S GROSS DOMESTIC PRODUCT LOSES OVER THREE BILLION DOLLARS ANNUALLY WHEN PARENTS CANNOT WORK DUE TO LACK

1 OF CHILD CARE. THIS FIGURE DOES NOT ACCOUNT FOR LOST CONSUMER
2 SPENDING, REDUCED BUSINESS PRODUCTIVITY, OR THE EFFECTS ON LOCAL
3 ECONOMIES ACROSS THE STATE.

4 (V) WORKING PARENTS WITH LIMITED CHILD CARE OPTIONS OFTEN
5 RELY ON FRIEND, FAMILY, OR NEIGHBOR CHILD CARE PROVIDERS, WHO
6 SACRIFICE OTHER INCOME-GENERATING OPPORTUNITIES, WHICH FURTHER
7 NEGATIVELY IMPACTS COLORADO'S ECONOMY, TO ENSURE THE SAFE CARE
8 OF THE CHILDREN IN THEIR LIVES.

9 (VI) SAFE, HIGH-QUALITY EARLY CHILDHOOD PROGRAMS PRODUCE
10 LONG-TERM OUTCOMES THAT BENEFIT BOTH INDIVIDUALS AND SOCIETY.
11 A 2017 ANALYSIS FOUND THAT CHILDREN WHO ATTEND QUALITY EARLY
12 CARE PROGRAMS HAVE HIGHER HIGH SCHOOL GRADUATION RATES AND
13 HIGHER EMPLOYMENT LEVELS AS ADULTS. THESE OUTCOMES REDUCE
14 FUTURE PUBLIC EXPENDITURES WHILE INCREASING ECONOMIC
15 PRODUCTIVITY.

16 (b) THEREFORE, THE GENERAL ASSEMBLY FINDS THAT ADDRESSING
17 THE FUNDING CRISIS IN THIS AREA REQUIRES A SIGNIFICANT STATE-DRIVEN
18 INVESTMENT TO ELIMINATE WAIT LISTS AND ENROLLMENT FREEZES, SERVE
19 ELIGIBLE FAMILIES, AND STRENGTHEN COLORADO'S ECONOMY.

20 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

21 (a) GIVEN THE CURRENT GENERAL FUND BUDGETARY
22 CONSTRAINTS, AN ALTERNATIVE PATH IS NECESSARY TO PROVIDE SUPPORT
23 FOR THE CHILD CARE NEEDS OF WORKING FAMILIES WITH LOW INCOMES IN
24 THE STATE AND THAT IT IS PARAMOUNT TO PROVIDE THIS SUPPORT AS
25 DIRECTLY AS POSSIBLE TO THOSE FAMILIES;

26 (b) THE MAJORITY OF STATE MONEY IS INVESTED BY THE STATE
27 TREASURER IN FIXED-INCOME ASSETS THAT HAVE COMPARATIVELY LOW

1 RETURNS; AND

2 (c) ALLOWING CERTAIN STATE MONEY TO BE INVESTED IN A MORE
3 FLEXIBLE MANNER TO GENERATE BETTER RETURNS PROVIDES AN
4 OPPORTUNITY TO MAXIMIZE THE RATE OF RETURN ON PUBLIC MONEY
5 WHILE PROVIDING ADDITIONAL SUPPORT DIRECTLY TO LOCAL
6 GOVERNMENTS TO ADDRESS THE CHILD CARE NEEDS OF WORKING FAMILIES
7 WITH LOW INCOMES.

8 **24-118-102. Definitions.** AS USED IN THIS ARTICLE 118, UNLESS
9 THE CONTEXT OTHERWISE REQUIRES:

10 (1) "AUTHORITY" MEANS THE INVESTMENT PERFORMANCE
11 AUTHORITY CREATED IN THIS ARTICLE 118.

12 (2) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE
13 AUTHORITY.

14 (3) "CHILD CARE ASSISTANCE ALLOCATION COMMITTEE" MEANS
15 THE CHILD CARE ASSISTANCE ALLOCATION COMMITTEE CREATED IN
16 SECTION 26.5-4-110.

17 (4) "DEPARTMENT OF EARLY CHILDHOOD" MEANS THE
18 DEPARTMENT OF EARLY CHILDHOOD, CREATED IN SECTION 26.5-1-104.

19 (5) "ELIGIBLE ENTITY" MEANS:

20 (a) A DEPARTMENT, BOARD, BUREAU, COMMISSION, DIVISION,
21 INSTITUTION, QUASI-GOVERNMENTAL ENTITY, OR OTHER AGENCY OR
22 INSTRUMENTALITY OF THE STATE, INCLUDING A STATE INSTITUTION OF
23 HIGHER EDUCATION.

24 (b) AN ENTERPRISE, AS DEFINED IN SECTION 24-77-102 (3); OR

25 (c) A SPECIAL PURPOSE AUTHORITY, AS DEFINED IN SECTION
26 24-77-102 (15)(b).

27 (6) "SECURITY" MEANS A BILL, STOCK, NOTE, BOND, BANKERS'

1 ACCEPTANCE, COMMERCIAL PAPER, PROPERTY ASSET, REAL ESTATE
2 INVESTMENT TRUST, PRIVATE EQUITY ASSET, REPURCHASE AGREEMENT,
3 REVERSE REPURCHASE AGREEMENT, SECURITIES LENDING AGREEMENT,
4 GUARANTEED INVESTMENT CONTRACT, GUARANTEED INTEREST
5 CONTRACT, ANNUITY CONTRACT, FUNDING AGREEMENT, CERTIFICATE OF
6 INDEBTEDNESS OR OTHER EVIDENCE OF INDEBTEDNESS, INTEREST IN ANY
7 SECURITY, OR, IN GENERAL, ANY INTEREST OR INSTRUMENT COMMONLY
8 KNOWN AS A "SECURITY" OR ANY CERTIFICATE OF INTEREST OR
9 PARTICIPATION IN, TEMPORARY OR INTERIM CERTIFICATE FOR, GUARANTEE
10 OF, OR WARRANT OR RIGHT TO SUBSCRIBE TO OR PURCHASE ANY SECURITY.

11 **24-118-103. Investment performance authority - creation -**
12 **board.**

13 (1) THERE IS CREATED THE INVESTMENT PERFORMANCE
14 AUTHORITY. THE AUTHORITY IS A SPECIAL PURPOSE AUTHORITY, AS
15 DEFINED IN SECTION 24-77-102 (15), AND IS A BODY CORPORATE AND A
16 POLITICAL SUBDIVISION OF THE STATE. THE AUTHORITY IS NOT AN AGENCY
17 OF STATE GOVERNMENT AND IS NOT SUBJECT TO ADMINISTRATIVE
18 DIRECTION BY ANY DEPARTMENT, COMMISSION, BOARD, BUREAU, OR
19 AGENCY OF THE STATE.

20 (2) (a) THE POWERS OF THE AUTHORITY ARE VESTED IN THE
21 GOVERNING BODY OF THE AUTHORITY, WHICH IS A BOARD OF DIRECTORS.
22 THE BOARD CONSISTS OF THE NINE FOLLOWING MEMBERS:

23 (I) THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE,
24 WHO SERVES AS CHAIR OF THE BOARD;

25 (II) THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND
26 BUDGETING OR THE DIRECTOR'S DESIGNEE;

27 (III) AN INDIVIDUAL WHO HAS PROFESSIONAL EXPERIENCE IN

1 MANAGING FEDERAL, STATE, OR LOCAL GOVERNMENT MONEY OR
2 MANAGING THE MONEY OF AN INSTITUTION OF HIGHER EDUCATION OR
3 OTHER ENDOWMENT FUND, APPOINTED BY THE GOVERNOR WITH THE
4 CONSENT OF THE SENATE;

5 (IV) AN INDIVIDUAL WHO HAS PROFESSIONAL EXPERIENCE IN
6 INVESTMENT CONSULTING OR INVESTMENT MANAGEMENT, APPOINTED BY
7 THE GOVERNOR WITH THE CONSENT OF THE SENATE;

8 (V) AN INDIVIDUAL WHO IS A CERTIFIED PUBLIC ACCOUNTANT OR
9 WHO HAS PROFESSIONAL EXPERIENCE IN ACTUARIAL AND RISK
10 MANAGEMENT, APPOINTED BY THE GOVERNOR WITH THE CONSENT OF THE
11 SENATE;

12 (VI) A REPRESENTATIVE OF AN ELIGIBLE ENTITY WHO HOLDS A
13 PROFESSIONAL FINANCIAL ROLE, APPOINTED BY THE GOVERNOR;

14 (VII) THE DIRECTOR OF A COUNTY DEPARTMENT OF HUMAN OR
15 SOCIAL SERVICES, APPOINTED BY THE GOVERNOR FROM A LIST OF
16 NOMINEES PROVIDED BY THE COLORADO HUMAN SERVICES DIRECTORS
17 ASSOCIATION TO THE GOVERNOR;

18 (VIII) AN INDIVIDUAL EMPLOYED IN THE CHILD CARE FIELD,
19 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES; AND

20 (IX) AN INDIVIDUAL WORKING WITH A CHILD CARE ADVOCACY
21 ORGANIZATION, APPOINTED BY THE MINORITY LEADER OF THE SENATE.

22 (b) (I) APPOINTED MEMBERS OF THE BOARD SERVE THREE-YEAR
23 TERMS; EXCEPT THAT THE TERMS OF THE MEMBERS INITIALLY APPOINTED
24 PURSUANT TO SUBSECTIONS (2)(a)(III), (2)(a)(VII), (2)(a)(IX), AND
25 (2)(a)(V) OF THIS SECTION IS FOUR YEARS. A MEMBER MAY BE APPOINTED
26 FOR NO MORE THAN THREE CONSECUTIVE TERMS. ANY VACANCY MUST BE
27 FILLED IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT, FOR THE

1 DURATION OF THE UNEXPIRED TERM.

2 (II) THE APPOINTING AUTHORITIES SHALL MAKE THEIR INITIAL
3 APPOINTMENTS TO THE BOARD NO LATER THAN THIRTY DAYS AFTER THE
4 EFFECTIVE DATE OF THIS SECTION.

5 (III) THE APPOINTMENTS MADE TO THE BOARD PURSUANT TO
6 SECTIONS (2)(a)(III) TO (2)(a)(V) MUST BE MADE WITH THE CONSENT OF
7 THE SENATE. AN APPOINTMENT MADE WHILE THE SENATE IS NOT IN
8 SESSION IS A TEMPORARY APPOINTMENT, AND THE APPOINTEE SERVES ON
9 A TEMPORARY BASIS UNTIL THE SENATE IS IN SESSION AND IS ABLE TO
10 CONFIRM THE APPOINTMENT.

11 (c) A MEMBER MAY BE REMOVED FROM THE BOARD BY:

12 (I) MAJORITY VOTE OF THE AUTHORITY BOARD FOR MISFEASANCE,
13 MALFEASANCE, WILLFUL NEGLECT OF DUTY, OR OTHER CAUSE AFTER
14 NOTICE AND A PUBLIC HEARING, UNLESS NOTICE AND A PUBLIC HEARING
15 ARE EXPRESSLY WAIVED IN WRITING BY THE MEMBER AT RISK OF BEING
16 REMOVED; OR

17 (II) THE APPOINTING AUTHORITY FOR CAUSE.

18 (d) (I) THE CHAIR OF THE BOARD SHALL CALL THE FIRST MEETING
19 OF THE BOARD TO OCCUR NO LATER THAN NINETY DAYS AFTER THE
20 EFFECTIVE DATE OF THIS SECTION.

21 (II) THE BOARD SHALL MEET AT LEAST QUARTERLY. THE CHAIR
22 SHALL SCHEDULE THE MEETINGS OF THE BOARD AND MAY CALL
23 ADDITIONAL MEETINGS AS NECESSARY FOR THE BOARD TO COMPLETE ITS
24 DUTIES.

25 (e) MEMBERS OF THE BOARD SERVE WITHOUT COMPENSATION BUT
26 MAY BE REIMBURSED FOR ACTUAL AND REASONABLE EXPENSES INCURRED
27 IN THE PERFORMANCE OF THEIR DUTIES.

1 (f) (I) ALL MEETINGS OF THE BOARD ARE OPEN TO THE PUBLIC. THE
2 BOARD MUST TRANSACT ALL BUSINESS AT A REGULAR OR SPECIAL
3 MEETING AT WHICH A QUORUM CONSISTING OF AT LEAST A MAJORITY OF
4 THE TOTAL MEMBERSHIP OF THE BOARD IS PRESENT. ANY ACTION OF THE
5 BOARD REQUIRES THE AFFIRMATIVE VOTE OF A MAJORITY OF THE
6 MEMBERS PRESENT AT THE MEETING.

7 (II) ONE OR MORE MEMBERS OF THE BOARD MAY PARTICIPATE IN
8 ANY MEETING AND MAY VOTE THROUGH THE USE OF
9 TELECOMMUNICATIONS DEVICES, INCLUDING A CONFERENCE TELEPHONE
10 OR SIMILAR COMMUNICATIONS EQUIPMENT. PARTICIPATION THROUGH
11 TELECOMMUNICATIONS DEVICES CONSTITUTES PRESENCE IN PERSON AT
12 THE MEETING. USE OF TELECOMMUNICATIONS FOR PARTICIPATION DOES
13 NOT SUPERSEDE ANY REQUIREMENTS FOR OPEN MEETINGS OTHERWISE
14 PROVIDED BY LAW.

15 (g) ALL PUBLIC RECORDS OF THE BOARD ARE SUBJECT TO THE
16 "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF THIS TITLE
17 24. ALL RECORDS ARE SUBJECT TO ANY BUDGET AND AUDIT LAWS
18 APPLICABLE TO THE AUTHORITY AND MAY BE SUBJECT TO REGULAR AUDIT
19 TO THE EXTENT REQUIRED BY LAW.

20 (3) (a) THE BOARD AND ANY EMPLOYEE, AGENT, OR ADVISER OF
21 THE AUTHORITY SHALL ACT IN GOOD FAITH AND IN A COMMERCIALY
22 REASONABLE MANNER.

23 (b) (I) ANY BOARD MEMBER, EMPLOYEE, AGENT, OR ADVISER OF
24 THE AUTHORITY WHO HAS A DIRECT OR INDIRECT INTEREST IN ANY
25 CONTRACT, TRANSACTION, OR PROPOSAL WITH THE AUTHORITY SHALL
26 DISCLOSE THE INTEREST TO THE AUTHORITY. THE INTEREST MUST BE SET
27 FORTH IN THE MINUTES OF THE AUTHORITY, AND A BOARD MEMBER,

1 EMPLOYEE, AGENT, OR ADVISER WHO HAS THE INTEREST SHALL NOT
2 PARTICIPATE ON BEHALF OF THE AUTHORITY IN THE AUTHORIZATION OF
3 THE CONTRACT, TRANSACTION, OR PROPOSAL.

4 (II) FOR PURPOSES OF THIS SUBSECTION (3)(b), THE BOARD
5 MEMBER EMPLOYED IN THE CHILD CARE FIELD AS DESCRIBED IN
6 SUBSECTION (2)(a)(VIII) OF THIS SECTION MAY PARTICIPATE IN THE
7 AUTHORIZATION OF A CONTRACT, TRANSACTION, OR PROPOSAL UNLESS
8 THE BOARD MEMBER IS THE DIRECTOR OR OWNER OF A RELEVANT CHILD
9 CARE CENTER.

10 (4) THE AUTHORITY MAY HIRE STAFF AND ENTER INTO CONTRACTS
11 AS IT DEEMS NECESSARY OR CONVENIENT TO ADMINISTER THIS ARTICLE
12 118.

13 (5) THE AUTHORITY AND ITS CORPORATE EXISTENCE CONTINUES
14 UNTIL TERMINATED BY LAW; EXCEPT THAT A LAW MUST NOT TAKE EFFECT
15 SO LONG AS THE AUTHORITY HAS OUTSTANDING OBLIGATIONS UNLESS
16 ADEQUATE PROVISION HAS BEEN MADE FOR THE PAYMENT OF THE
17 OUTSTANDING OBLIGATIONS. UPON TERMINATION OF THE EXISTENCE OF
18 THE AUTHORITY, ALL ITS RIGHTS AND PROPERTIES IN EXCESS OF ITS
19 OBLIGATIONS MUST PASS TO AND BE VESTED IN THE STATE.

20 (6) THE INCOME AND REVENUE OF THE AUTHORITY AND ANY
21 PROPERTY OWNED BY THE AUTHORITY ARE EXEMPT FROM ALL TAXATION
22 AND ASSESSMENTS IN COLORADO.

23 **24-118-104. Investment performance authority - general**
24 **powers and duties.**

25 (1) THE AUTHORITY HAS AND MAY EXERCISE ALL RIGHTS AND
26 POWERS NECESSARY OR INCIDENTAL TO, OR IMPLIED FROM, THE SPECIFIC
27 POWERS GRANTED IN THIS ARTICLE 118, WHICH SPECIFIC POWERS SHALL

1 NOT BE CONSIDERED AS A LIMITATION UPON ANY POWER NECESSARY OR
2 APPROPRIATE TO CARRY OUT THE PURPOSES AND INTENT OF THIS ARTICLE
3 118. IN ADDITION TO ANY OTHER POWERS GRANTED TO THE AUTHORITY IN
4 THIS ARTICLE 118, THE AUTHORITY HAS THE DUTIES, PRIVILEGES,
5 IMMUNITIES, RIGHTS, LIABILITIES, AND DISABILITIES OF A BODY
6 CORPORATE AND POLITICAL SUBDIVISION OF THE STATE AND THE DUTIES
7 AND POWERS TO:

- 8 (a) HAVE PERPETUAL EXISTENCE AND SUCCESSION;
- 9 (b) ADOPT, ALTER, HAVE, AND USE A SEAL;
- 10 (c) SUE AND BE SUED AND OTHERWISE ASSERT OR DEFEND THE
11 AUTHORITY'S LEGAL INTERESTS;
- 12 (d) FIX THE TIME AND PLACE AT WHICH REGULAR AND SPECIAL
13 MEETINGS MAY BE HELD;
- 14 (e) ADOPT, AMEND, OR REPEAL BYLAWS, POLICIES, AND
15 PROCEDURES CONSISTENT WITH THE PROVISIONS OF THIS ARTICLE 118;
- 16 (f) MAKE BUSINESS DECISIONS TO IMPLEMENT THIS ARTICLE 118;
- 17 (g) MAKE AND EXECUTE AGREEMENTS, CONTRACTS, AND OTHER
18 INSTRUMENTS NECESSARY OR CONVENIENT IN THE EXERCISE OF THE
19 POWERS AND FUNCTIONS OF THE AUTHORITY PURSUANT TO THIS ARTICLE
20 118;
- 21 (h) ACQUIRE OFFICE SPACE, EQUIPMENT, SERVICES, SUPPLIES, AND
22 INSURANCE NECESSARY TO CARRY OUT THE PURPOSES OF THIS ARTICLE
23 118;
- 24 (i) APPOINT OR CONTRACT WITH AGENTS, EMPLOYEES, AND
25 PROFESSIONAL AND BUSINESS ADVISERS AS NECESSARY IN THE
26 AUTHORITY'S JUDGMENT TO ACCOMPLISH THE PURPOSES OF THIS ARTICLE
27 118 AND TO FIX THE COMPENSATION AND ESTABLISH THE DUTIES OF THE

1 AGENTS, EMPLOYEES, AND ADVISERS, INCLUDING CONTRACTING WITH THE
2 OFFICERS, PERSONNEL, AND CONSULTANTS OF THE STATE TREASURER TO
3 PERFORM ANY ACTIVITIES SPECIFIED IN THIS ARTICLE 118;

4 (j) INVEST MONEY IN ACCORDANCE WITH SECTION 24-118-105;
5 (k) CHARGE TO AND COLLECT FROM ELIGIBLE ENTITIES FEES AND
6 CHARGES IN CONNECTION WITH THE AUTHORITY'S INVESTMENT SERVICES,
7 INCLUDING FEES AND CHARGES SUFFICIENT TO REIMBURSE THE AUTHORITY
8 FOR COSTS NECESSARILY INCURRED BY THE AUTHORITY IN CONNECTION
9 WITH CARRYING OUT THE PURPOSE AND INTENT OF THIS ARTICLE 118 AND
10 THE ESTABLISHMENT AND MAINTENANCE OF RESERVES OR OTHER MONEY,
11 AS THE AUTHORITY MAY DETERMINE TO BE REASONABLE; AND

12 (l) CONTRACT FOR AND TO SEEK AND ACCEPT ANY GIFTS, GRANTS,
13 OR DONATIONS AND LOANS OF FUNDS, PROPERTY, OR OTHER AID IN ANY
14 FORM FROM THE FEDERAL GOVERNMENT, THE STATE, ANY STATE AGENCY,
15 ANY OTHER PUBLIC OR PRIVATE SOURCE, OR ANY COMBINATION THEREOF,
16 AND TO COMPLY, SUBJECT TO THE PROVISIONS OF THIS ARTICLE 118, WITH
17 THE TERMS AND CONDITIONS OF SUCH CONTRACTS OR THE ACCEPTANCE OF
18 SUCH ITEMS.

19 (2) ANY CONTRACT OR AGREEMENT ENTERED INTO PURSUANT TO
20 THIS ARTICLE 118 IS EXEMPT FROM THE "PROCUREMENT CODE", ARTICLES
21 101 TO 112 OF THIS TITLE 24.

22 **24-118-105. Investment of public money - duties - eligible**
23 **entities - investment options.**

24 (1) (a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
25 CONTRARY, THE AUTHORITY MAY INVEST MONEY ON BEHALF OF ELIGIBLE
26 ENTITIES THAT HAVE CHOSEN TO HAVE THEIR MONEY INVESTED BY THE
27 AUTHORITY. THE AUTHORITY MAY POOL MONEY FROM ELIGIBLE ENTITIES

1 AND INVEST THE MONEY TO INCREASE THE PERFORMANCE OF THE ELIGIBLE
2 ENTITIES' MONEY ACCORDING TO THIS SECTION.

3 (b) THE AUTHORITY SHALL ACT AS A PRUDENT INVESTOR AND USE
4 CARE TO PRESERVE THE MONEY OF EACH ELIGIBLE ENTITY WHILE ALSO
5 ATTEMPTING TO SECURE THE MAXIMUM RATE OF RETURN, CONSIDERING
6 THE PROBABLE INCOME AS WELL AS THE PROBABLE SAFETY OF THEIR
7 MONEY.

8 (c) THE AUTHORITY HAS THE POWER TO:

9 (I) INVEST ANY MONEY NOT REQUIRED FOR IMMEDIATE
10 DISBURSEMENT;

11 (II) SELL SECURITIES AND PROPERTY PURCHASED AND HELD BY
12 THE AUTHORITY;

13 (III) DEPOSIT SECURITIES IN ANY BANK WITHIN OR WITHOUT THE
14 STATE; AND

15 (IV) INVEST ANY MONEY IN UNSECURED PROMISSORY NOTES OF A
16 NATIONAL BANK HAVING THE HIGHEST INVESTMENT RATINGS.

17 (2) (a) THE AUTHORITY SHALL OFFER MULTIPLE INVESTING
18 OPTIONS TO ELIGIBLE ENTITIES INCLUDING, AT A MINIMUM, TWO
19 INVESTMENT OPTIONS THAT VARY BASED ON DURATION.

20 (b) FOR EACH INVESTMENT OPTION THAT THE AUTHORITY OFFERS,
21 THE AUTHORITY SHALL DEVELOP A STATEMENT OF THE DETAILS,
22 PURPOSES, AND OBJECTIVES OF THE INVESTMENT OPTION, WHICH
23 STATEMENT MUST INCLUDE:

24 (I) THE INVESTMENT OBJECTIVES;

25 (II) A DESCRIPTION OF ELIGIBLE INVESTMENTS;

26 (III) CREDIT STANDARDS FOR INVESTMENTS;

27 (IV) ALLOWABLE MATURITY RANGES FOR INVESTMENTS;

1 (V) THE PORTFOLIO CONCENTRATIONS PERMITTED FOR EACH TYPE
2 OF SECURITY OWNED; AND

3 (VI) THE SAFEKEEPING PRACTICES UTILIZED.

4 (3) THE AUTHORITY SHALL DEVELOP PROCEDURES OUTLINING:

5 (a) MAXIMUM AND MINIMUM ACCOUNT SIZES;

6 (b) MAXIMUM AND MINIMUM TRANSACTION SIZES;

7 (c) INSTRUCTIONS FOR ESTABLISHING ACCOUNTS AND MAKING
8 DEPOSITS TO AND WITHDRAWALS FROM SUCH ACCOUNTS;

9 (d) LIMITATIONS, IF ANY, ON THE AGGREGATE AMOUNT OF MONEY
10 THAT THE AUTHORITY MAY INVEST ON BEHALF OF A PARTICIPATING
11 ELIGIBLE ENTITY AT ANY ONE TIME;

12 (e) PENALTIES UPON PARTICIPATING ELIGIBLE ENTITIES FOR EARLY
13 WITHDRAWAL OF MONEY INVESTED BY THE AUTHORITY ON THEIR BEHALF
14 AND PROCEDURES FOR RESOLVING OTHER CONTINGENCIES THAT MAY
15 JEOPARDIZE THE EARNING POTENTIAL OF AN ACCOUNT;

16 (f) DISBURSEMENT OF THE EARNINGS FROM THE INVESTMENT OF
17 MONEY BY THE AUTHORITY ACCORDING TO THE PROCESS OUTLINED IN
18 SECTION 24-118-107;

19 (g) ARRANGEMENTS FOR THE CUSTODY, SAFEKEEPING, AND
20 REGISTRATION OF ALL INVESTMENT SECURITIES AS THE AUTHORITY DEEMS
21 NECESSARY; AND

22 (h) INTERVALS FOR REPORTS TO EACH PARTICIPATING ELIGIBLE
23 ENTITY THAT SHOW THE INVESTMENTS AND THE EARNINGS THEREON.

24 (4) THE AUTHORITY MAY INVEST IN ANY APPROPRIATE SECURITY,
25 IN THE AUTHORITY'S DISCRETION. THE AUTHORITY MAY INVEST PUBLIC
26 MONEY IN SECURITIES AND OTHER INVESTMENTS THAT WOULD NOT
27 OTHERWISE BE ALLOWED PURSUANT TO PART 6 OF ARTICLE 75 OF THIS

1 TITLE 24 OR ANY OTHER PROVISION OF STATE LAW GOVERNING THE
2 INVESTMENT OF PUBLIC MONEY. THE INVESTMENTS MADE BY THE
3 AUTHORITY ARE NOT LIMITED TO THOSE INSTRUMENTS IN WHICH THE
4 STATE TREASURER OR AN INDIVIDUAL ELIGIBLE ENTITY IS STATUTORILY
5 AUTHORIZED TO INVEST.

6 (5) THE AUTHORITY MAY CREATE ACCOUNTS AS NECESSARY TO
7 ACCOMPLISH THE PURPOSES OF THIS ARTICLE 118. THE AUTHORITY MAY
8 ESTABLISH PROCEDURES TO ADMINISTER THE ACCOUNTS IN ACCORDANCE
9 WITH THIS ARTICLE 118 AND ANY OTHER APPLICABLE PROVISION OF STATE
10 LAW. MONEY IN THE ACCOUNTS MUST BE SECURED IN THE MANNER
11 DETERMINED BY THE AUTHORITY AND MAY ONLY BE WITHDRAWN ON THE
12 ORDER OF AN INDIVIDUAL AUTHORIZED BY THE AUTHORITY.

13 **24-118-106. Eligible entities - opt-in to investment of money by**
14 **the authority - conditions.**

15 (1) AN ELIGIBLE ENTITY THAT MEETS THE REQUIREMENTS SET
16 FORTH IN THIS SECTION MAY CHOOSE TO HAVE THE AUTHORITY INVEST
17 SOME OR ALL OF THE ELIGIBLE ENTITY'S MONEY ON BEHALF OF THE
18 ELIGIBLE ENTITY, INSTEAD OF THE STATE TREASURER OR OTHER
19 AUTHORIZED PERSON, SO LONG AS THE MONEY TO BE INVESTED FROM THAT
20 FUND BY THE AUTHORITY ON BEHALF OF THE ELIGIBLE ENTITY MEETS ALL
21 OF THE FOLLOWING CONDITIONS:

22 (a) THE MONEY IS IN A SPECIAL FUND THAT IS NOT PART OF THE
23 GENERAL REVENUES OF THE STATE;

24 (b) WHEN RECEIVED IN THE FUND, THE MONEY DID NOT
25 CONSTITUTE STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION
26 24-77-102 (7), FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE
27 CONSTITUTION;

1 (c) THE MONEY IS A LIQUID ASSET;
2 (d) THE MONEY IS UNENCUMBERED;
3 (e) INVESTING THE MONEY IS NOT FORECASTED BY THE ELIGIBLE
4 ENTITY TO CREATE A NEGATIVE CASH BALANCE IN THE FUND AT ANY TIME
5 OVER THE DESIRED INVESTMENT PERIOD; AND

6 (f) INVESTING THE MONEY IS NOT FORECASTED BY THE BOARD TO
7 UNDULY BURDEN THE STATE TREASURER'S POOLED FUNDS.

8 (2) AN ELIGIBLE ENTITY MAY CHOOSE TO HAVE THE AUTHORITY
9 INVEST MONEY ON BEHALF OF THE ELIGIBLE ENTITY ONLY UPON APPROVAL
10 OF:

11 (a) THE MAJORITY OF ELIGIBLE ELECTORS VOTING ON THE
12 QUESTION AT A STATEWIDE GENERAL ELECTION, IF THE ELIGIBLE ENTITY
13 IS AN ENTERPRISE THAT WAS CREATED BY AN INITIATIVE, BALLOT ISSUE,
14 OR REFERRED MEASURE;

15 (b) THE GOVERNING BOARD, LEADERSHIP, OR DIRECTOR OF THE
16 ELIGIBLE ENTITY, AS APPROPRIATE; AND

17 (c) (I) THE CHAIR OF THE BOARD WHO IS THE STATE TREASURER OR
18 THE STATE TREASURER'S DESIGNEE; OR

19 (II) THE MEMBER OF THE BOARD WHO IS THE DIRECTOR OF THE
20 OFFICE OF STATE PLANNING AND BUDGETING OR THE DIRECTOR'S
21 DESIGNEE.

22 (3) IN CONSULTATION WITH THE AUTHORITY, AN ELIGIBLE ENTITY
23 MAY SELECT ANY OF THE AUTHORITY'S INVESTMENT OFFERINGS FOR ITS
24 MONEY.

25 **24-118-107. Disbursement of investment earnings - eligible**
26 **entities - authority costs - child care assistance - report.**

27 (1) IF AVAILABLE, IN THE AUTHORITY'S DISCRETION, THE

1 AUTHORITY SHALL QUARTERLY DISBURSE ON A PRO RATA BASIS TO
2 ELIGIBLE ENTITIES EARNINGS FROM THE AUTHORITY'S INVESTMENT OF
3 MONEY ON BEHALF OF THE ELIGIBLE ENTITIES. EARNINGS INCLUDE NET
4 CHANGES IN THE ASSET VALUE OF SECURITIES, WHETHER REALIZED OR
5 NOT.

6 (2) FOR PURPOSES OF DETERMINING THE DISBURSEMENTS
7 REQUIRED PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE
8 AUTHORITY MAY DEDUCT FROM THE EARNINGS FROM THE AUTHORITY'S
9 INVESTMENT OF MONEY ON BEHALF OF ELIGIBLE ENTITIES AMOUNTS
10 ESTABLISHED BY THE AUTHORITY TO:

11 (a) PAY THE REASONABLE COSTS AND EXPENSES OF THE
12 AUTHORITY RELATED TO THE ADMINISTRATION OF THIS ARTICLE 118,
13 WHICH COSTS MUST NOT EXCEED ONE PERCENT OF THE AMOUNT OF MONEY
14 THAT THE AUTHORITY ACTIVELY INVESTS ON BEHALF OF ELIGIBLE
15 ENTITIES;

16 (b) RETAIN AS A RESERVE, WHICH THE AUTHORITY MAY USE FOR
17 DISBURSEMENTS AS THE BOARD DEEMS NECESSARY AND ACCORDING TO
18 THE PROCEDURES ESTABLISHED BY THE BOARD, EXCEPT THAT THE
19 AUTHORITY SHALL NOT USE THE RESERVE FOR QUARTERLY
20 DISBURSEMENTS PURSUANT TO SUBSECTION (1) OF THIS SECTION UNLESS
21 THE QUARTERLY EARNINGS FROM THE AUTHORITY'S INVESTMENT OF
22 MONEY ON BEHALF OF ELIGIBLE ENTITIES IS LESS THAN THE BOOK YIELD
23 FOR THE STATE TREASURER'S POOLED FUNDS; AND

24 (c) DISBURSE TO COUNTIES FOR CHILD CARE ASSISTANCE AS SET
25 FORTH IN SUBSECTION (3) OF THIS SECTION.

26 (3) (a) THE AUTHORITY SHALL ESTABLISH, IN AGREEMENT WITH
27 THE CHILD CARE ASSISTANCE PROGRAM ALLOCATION COMMITTEE AND THE

1 DEPARTMENT OF EARLY CHILDHOOD, A FORMULA FOR DISBURSEMENTS TO
2 COUNTIES FOR CHILD CARE ASSISTANCE TO FAMILIES WITH LOW INCOMES.
3 THE CHILD CARE ASSISTANCE PROGRAM ALLOCATION COMMITTEE AND THE
4 DEPARTMENT OF EARLY CHILDHOOD MUST AGREE UPON ANY ADJUSTMENT
5 OF THE FORMULA ONCE THE AUTHORITY HAS ESTABLISHED THE FORMULA.

6 (b) THE DEPARTMENT OF EARLY CHILDHOOD AND THE CHILD CARE
7 ASSISTANCE ALLOCATION COMMITTEE SHALL, WITHIN EXISTING
8 APPROPRIATIONS, PROVIDE CONSULTATION AND SUPPORT TO THE
9 AUTHORITY AS NECESSARY TO IMPLEMENT THIS SECTION.

10 (c) ON OR BEFORE EACH FEBRUARY 1, BEGINNING IN 2028, EACH
11 COUNTY THAT RECEIVES A DISBURSEMENT FROM THE AUTHORITY SHALL
12 REPORT TO THE AUTHORITY, THE CHILD CARE ASSISTANCE PROGRAM
13 ALLOCATION COMMITTEE, AND THE DEPARTMENT OF EARLY CHILDHOOD
14 THE FOLLOWING INFORMATION ON THE DISBURSEMENTS RECEIVED FROM
15 THE AUTHORITY PURSUANT TO THIS SECTION, BASED ON THE PREVIOUS
16 CALENDAR YEAR:

17 (I) THE TOTAL AMOUNT OF DISBURSEMENTS RECEIVED;

18 (II) THE TOTAL AMOUNT OF EXPENDITURES MADE WITH
19 DISBURSEMENTS RECEIVED AND THE TOTAL AMOUNT EXPENDED ON
20 ADMINISTRATIVE COSTS, AGGREGATED BY PROGRAM TYPE;

21 (III) THE TOTAL NUMBER OF FAMILIES SERVED BY EXPENDITURES
22 MADE WITH DISBURSEMENTS RECEIVED, AGGREGATED BY PROGRAM TYPE;
23 AND

24 (IV) HOW THE EXPENDITURES MADE WITH DISBURSEMENTS
25 RECEIVED WERE MONITORED IN ACCORDANCE WITH THE REQUIREMENTS
26 OF THIS SECTION AND IN ACCORDANCE WITH EACH PROGRAM TYPE'S
27 RELEVANT MONITORING LAWS, REGULATIONS, AND PROCEDURES.

1 (4)(a) THE AUTHORITY SHALL RETAIN AS A RESERVE PURSUANT TO
2 SUBSECTION (2)(b) OF THIS SECTION AN AMOUNT EQUAL TO OR GREATER
3 THAN FIVE PERCENT OF THE TOTAL AMOUNT OF MONEY THAT THE
4 AUTHORITY ACTIVELY INVESTS ON BEHALF OF ELIGIBLE ENTITIES.

5 (b) TO ESTABLISH AND MAINTAIN THE RESERVE, THE AUTHORITY
6 SHALL RETAIN THE FOLLOWING AMOUNTS THAT WOULD OTHERWISE HAVE
7 BEEN DISBURSED TO COUNTIES FOR CHILD CARE ASSISTANCE PURSUANT TO
8 SUBSECTIONS (2)(c) AND (3) OF THIS SECTION:

9 (I) IN ITS FIRST YEAR OF OPERATION, UP TO ONE HUNDRED PERCENT
10 OF THE AMOUNT THAT WOULD OTHERWISE HAVE BEEN DISBURSED TO
11 COUNTIES FOR CHILD CARE ASSISTANCE;

12 (II) IN ITS SECOND YEAR OF OPERATION, UP TO SEVENTY-FIVE
13 PERCENT OF THE AMOUNT THAT WOULD OTHERWISE HAVE BEEN
14 DISBURSED TO COUNTIES FOR CHILD CARE ASSISTANCE;

15 (III) IN ITS THIRD YEAR OF OPERATION, UP TO FIFTY PERCENT OF
16 THE AMOUNT THAT WOULD OTHERWISE HAVE BEEN DISBURSED TO
17 COUNTIES FOR CHILD CARE ASSISTANCE;

18 (IV) IN ITS FOURTH YEAR OF OPERATION AND ANY YEAR
19 THEREAFTER, THE AMOUNT NECESSARY TO MAINTAIN A RESERVE EQUAL
20 TO OR GREATER THAN THE AMOUNT REQUIRED BY SUBSECTION (4)(a) OF
21 THIS SECTION.

22 **24-118-108. Startup costs.**

23 FOR THE PURPOSES OF MEETING THE NECESSARY EXPENSES OF
24 INITIAL ORGANIZATION AND OPERATION, UNTIL THE AUTHORITY
25 OTHERWISE DERIVES SUFFICIENT MONEY PURSUANT TO THIS ARTICLE 118,
26 THE AUTHORITY OR THE DEPARTMENT OF THE TREASURY MAY SEEK,
27 ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR

1 PUBLIC SOURCES OR BORROW MONEY AS MAY BE REQUIRED FOR THE
2 NECESSARY EXPENSES OF ORGANIZATION AND OPERATION OF THE
3 AUTHORITY, INCLUDING BORROWING FROM THE CASH FUND CREATED IN
4 SECTION 24-22-115. THE AUTHORITY SHALL REPAY THE BORROWED
5 MONEY WITHIN A REASONABLE TIME AFTER THE AUTHORITY RECEIVES
6 MONEY PROVIDED PURSUANT TO THIS ARTICLE 118.

7 **24-118-109. Annual report - money and activities subject to**
8 **audit.**

9 (1) THE AUTHORITY SHALL SUBMIT AN ANNUAL REPORT OF ITS
10 ACTIVITIES TO THE GOVERNOR AND THE JOINT BUDGET COMMITTEE OF THE
11 GENERAL ASSEMBLY NOT LATER THAN SEPTEMBER 30 OF EACH YEAR,
12 BEGINNING IN 2028. THE REPORT MUST SET FORTH A COMPLETE
13 OPERATING AND FINANCIAL STATEMENT COVERING THE PREVIOUS STATE
14 FISCAL YEAR, INCLUDING AMALGAMATED DATA RECEIVED FROM COUNTIES
15 PURSUANT TO SECTION 24-118-107 (3)(c).

16 (2) ALL MONEY AND ACTIVITIES OF THE AUTHORITY, INCLUDING
17 ITS RECEIPTS, DISBURSEMENTS, CONTRACTS, LEASES, MONEY,
18 INVESTMENTS, AND ANY OTHER RECORDS AND PAPERS RELATING TO ITS
19 FINANCIAL STANDING, ARE SUBJECT TO ANNUAL AUDIT, AT THE
20 AUTHORITY'S EXPENSE, ACCORDING TO THE PROVISIONS OF PART 6 OF
21 ARTICLE 1 OF TITLE 29.

22 **24-118-110. Liability of authority - prohibited acts.**

23 (1) A BOARD MEMBER OR ANY EMPLOYEE, OFFICER, OR AGENT OF
24 THE AUTHORITY WHO, IN THE GOOD FAITH PERFORMANCE OF THEIR DUTIES,
25 COMPLIES WITH THE STANDARDS ESTABLISHED IN THIS ARTICLE 118 FOR
26 THE INVESTMENT OF MONEY FROM ELIGIBLE ENTITIES SHALL NOT BE
27 LIABLE FOR THE LOSS OF PUBLIC MONEY RESULTING FROM SUCH

1 INVESTMENT.

2 (2) A BOARD MEMBER OR ANY EMPLOYEE, OFFICER, OR AGENT OF
3 THE AUTHORITY SHALL NOT, DIRECTLY OR INDIRECTLY, ACCEPT OR
4 RECEIVE FROM ANY OTHER PERSON, FOR THEMSELVES OR OTHERWISE THAN
5 ON BEHALF OF THE AUTHORITY, ANY FEE, REWARD, OR COMPENSATION IN
6 CONSIDERATION OF THE INVESTMENT OF PUBLIC MONEY OR IN
7 CONSIDERATION OF ANY AGREEMENT OR ARRANGEMENT TOUCHING UPON
8 THE USE OF THE EARNINGS FROM SUCH INVESTMENT.

9 **SECTION 2.** In Colorado Revised Statutes, 24-77-102, **amend**
10 (15)(b)(XXI) and (15)(b)(XXII); and **add** (15)(b)(XXIII) as follows:

11 **24-77-102. Definitions.**

12 As used in this article 77, unless the context otherwise requires:

13 (15) (b) "Special purpose authority" includes, but is not limited to:

14 (XXI) The equal justice authority created in section 13-5.7-202;

15 **and**

16 (XXII) The building urgent infrastructure and leveraging dollars
17 authority created in section 24-117-104 (1); AND

18 (XXIII) THE INVESTMENT PERFORMANCE AUTHORITY CREATED IN
19 SECTION 24-118-103.

20 **SECTION 3. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly (August
23 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
24 referendum petition is filed pursuant to section 1 (3) of article V of the
25 state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part will not take effect
27 unless approved by the people at the general election to be held in

- 1 November 2026 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.