

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

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

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 SEVEN 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 WITH 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;

4 (IV) TWO INDIVIDUALS WITH PROFESSIONAL EXPERIENCE IN
5 INVESTMENT CONSULTING OR INVESTMENT MANAGEMENT, WITH ONE
6 INDIVIDUAL APPOINTED BY THE SPEAKER OF THE HOUSE OF
7 REPRESENTATIVES AND ONE INDIVIDUAL APPOINTED BY THE MINORITY
8 LEADER OF THE SENATE;

9 (V) AN INDIVIDUAL EMPLOYED IN THE CHILD CARE FIELD,
10 APPOINTED BY THE MAJORITY LEADER OF THE SENATE; AND

11 (VI) AN INDIVIDUAL WORKING WITH A CHILD CARE ADVOCACY
12 ORGANIZATION, APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF
13 REPRESENTATIVES.

14 (b) (I) APPOINTED MEMBERS OF THE BOARD SERVE THREE-YEAR
15 TERMS; EXCEPT THAT THE TERMS OF THE MEMBERS INITIALLY APPOINTED
16 BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE MAJORITY
17 LEADER OF THE SENATE PURSUANT TO SUBSECTIONS (2)(a)(IV) AND
18 (2)(a)(V) OF THIS SECTION IS FOUR YEARS. A MEMBER MAY BE APPOINTED
19 FOR NO MORE THAN THREE CONSECUTIVE TERMS. ANY VACANCY MUST BE
20 FILLED IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT, FOR THE
21 DURATION OF THE UNEXPIRED TERM.

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

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

26 (I) MAJORITY VOTE OF THE AUTHORITY BOARD FOR MISFEASANCE,
27 MALFEASANCE, WILLFUL NEGLECT OF DUTY, OR OTHER CAUSE AFTER

1 NOTICE AND A PUBLIC HEARING, UNLESS NOTICE AND A PUBLIC HEARING
2 ARE EXPRESSLY WAIVED IN WRITING BY THE MEMBER AT RISK OF BEING
3 REMOVED; OR

4 (II) THE APPOINTING AUTHORITY FOR CAUSE.

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

8 (II) THE BOARD SHALL MEET AT LEAST QUARTERLY. THE CHAIR
9 SHALL SCHEDULE THE MEETINGS OF THE BOARD AND MAY CALL
10 ADDITIONAL MEETINGS AS NECESSARY FOR THE BOARD TO COMPLETE ITS
11 DUTIES.

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

15 (f) (I) ALL MEETINGS OF THE BOARD ARE OPEN TO THE PUBLIC. THE
16 BOARD MUST TRANSACT ALL BUSINESS AT A REGULAR OR SPECIAL
17 MEETING AT WHICH A QUORUM CONSISTING OF AT LEAST A MAJORITY OF
18 THE TOTAL MEMBERSHIP OF THE BOARD IS PRESENT. ANY ACTION OF THE
19 BOARD REQUIRES THE AFFIRMATIVE VOTE OF A MAJORITY OF THE
20 MEMBERS PRESENT AT THE MEETING.

21 (II) ONE OR MORE MEMBERS OF THE BOARD MAY PARTICIPATE IN
22 ANY MEETING AND MAY VOTE THROUGH THE USE OF
23 TELECOMMUNICATIONS DEVICES, INCLUDING A CONFERENCE TELEPHONE
24 OR SIMILAR COMMUNICATIONS EQUIPMENT. PARTICIPATION THROUGH
25 TELECOMMUNICATIONS DEVICES CONSTITUTES PRESENCE IN PERSON AT
26 THE MEETING. USE OF TELECOMMUNICATIONS FOR PARTICIPATION DOES
27 NOT SUPERSEDE ANY REQUIREMENTS FOR OPEN MEETINGS OTHERWISE

1 PROVIDED BY LAW.

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

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

10 (b) (I) ANY BOARD MEMBER, EMPLOYEE, AGENT, OR ADVISER OF
11 THE AUTHORITY WHO HAS A DIRECT OR INDIRECT INTEREST IN ANY
12 CONTRACT, TRANSACTION, OR PROPOSAL WITH THE AUTHORITY SHALL
13 DISCLOSE THE INTEREST TO THE AUTHORITY. THE INTEREST MUST BE SET
14 FORTH IN THE MINUTES OF THE AUTHORITY, AND A BOARD MEMBER,
15 EMPLOYEE, AGENT, OR ADVISER WHO HAS THE INTEREST SHALL NOT
16 PARTICIPATE ON BEHALF OF THE AUTHORITY IN THE AUTHORIZATION OF
17 THE CONTRACT, TRANSACTION, OR PROPOSAL.

18 (II) FOR PURPOSES OF THIS SUBSECTION (3)(b), THE BOARD
19 MEMBER EMPLOYED IN THE CHILD CARE FIELD AS DESCRIBED IN
20 SUBSECTION (2)(a)(V) OF THIS SECTION MAY PARTICIPATE IN THE
21 AUTHORIZATION OF A CONTRACT, TRANSACTION, OR PROPOSAL UNLESS
22 THE BOARD MEMBER IS THE DIRECTOR OR OWNER OF A RELEVANT CHILD
23 CARE CENTER.

24 (4) THE AUTHORITY MAY HIRE STAFF AND ENTER INTO CONTRACTS
25 AS IT DEEMS NECESSARY OR CONVENIENT TO ADMINISTER THIS ARTICLE
26 118.

27 (5) THE AUTHORITY AND ITS CORPORATE EXISTENCE CONTINUES

1 UNTIL TERMINATED BY LAW; EXCEPT THAT A LAW MUST NOT TAKE EFFECT
2 SO LONG AS THE AUTHORITY HAS OUTSTANDING OBLIGATIONS UNLESS
3 ADEQUATE PROVISION HAS BEEN MADE FOR THE PAYMENT OF THE
4 OUTSTANDING OBLIGATIONS. UPON TERMINATION OF THE EXISTENCE OF
5 THE AUTHORITY, ALL ITS RIGHTS AND PROPERTIES IN EXCESS OF ITS
6 OBLIGATIONS MUST PASS TO AND BE VESTED IN THE STATE.

7 (6) THE INCOME AND REVENUE OF THE AUTHORITY AND ANY
8 PROPERTY OWNED BY THE AUTHORITY ARE EXEMPT FROM ALL TAXATION
9 AND ASSESSMENTS IN COLORADO.

10 **24-118-104. Investment performance authority - general**
11 **powers and duties.**

12 (1) THE AUTHORITY HAS AND MAY EXERCISE ALL RIGHTS AND
13 POWERS NECESSARY OR INCIDENTAL TO, OR IMPLIED FROM, THE SPECIFIC
14 POWERS GRANTED IN THIS ARTICLE 118, WHICH SPECIFIC POWERS SHALL
15 NOT BE CONSIDERED AS A LIMITATION UPON ANY POWER NECESSARY OR
16 APPROPRIATE TO CARRY OUT THE PURPOSES AND INTENT OF THIS ARTICLE
17 118. IN ADDITION TO ANY OTHER POWERS GRANTED TO THE AUTHORITY IN
18 THIS ARTICLE 118, THE AUTHORITY HAS THE DUTIES, PRIVILEGES,
19 IMMUNITIES, RIGHTS, LIABILITIES, AND DISABILITIES OF A BODY
20 CORPORATE AND POLITICAL SUBDIVISION OF THE STATE AND THE DUTIES
21 AND POWERS TO:

22 (a) HAVE PERPETUAL EXISTENCE AND SUCCESSION;

23 (b) ADOPT, ALTER, HAVE, AND USE A SEAL;

24 (c) SUE AND BE SUED AND OTHERWISE ASSERT OR DEFEND THE
25 AUTHORITY'S LEGAL INTERESTS;

26 (d) FIX THE TIME AND PLACE AT WHICH REGULAR AND SPECIAL
27 MEETINGS MAY BE HELD;

1 (e) ADOPT, AMEND, OR REPEAL BYLAWS, POLICIES, AND
2 PROCEDURES CONSISTENT WITH THE PROVISIONS OF THIS ARTICLE 118;

3 (f) MAKE BUSINESS DECISIONS TO IMPLEMENT THIS ARTICLE 118;

4 (g) MAKE AND EXECUTE AGREEMENTS, CONTRACTS, AND OTHER
5 INSTRUMENTS NECESSARY OR CONVENIENT IN THE EXERCISE OF THE
6 POWERS AND FUNCTIONS OF THE AUTHORITY PURSUANT TO THIS ARTICLE
7 118;

8 (h) ACQUIRE OFFICE SPACE, EQUIPMENT, SERVICES, SUPPLIES, AND
9 INSURANCE NECESSARY TO CARRY OUT THE PURPOSES OF THIS ARTICLE
10 118;

11 (i) APPOINT OR CONTRACT WITH AGENTS, EMPLOYEES, AND
12 PROFESSIONAL AND BUSINESS ADVISERS AS NECESSARY IN THE
13 AUTHORITY'S JUDGMENT TO ACCOMPLISH THE PURPOSES OF THIS ARTICLE
14 118 AND TO FIX THE COMPENSATION AND ESTABLISH THE DUTIES OF THE
15 AGENTS, EMPLOYEES, AND ADVISERS, INCLUDING CONTRACTING WITH THE
16 OFFICERS, PERSONNEL, AND CONSULTANTS OF THE STATE TREASURER TO
17 PERFORM ANY ACTIVITIES SPECIFIED IN THIS ARTICLE 118;

18 (j) INVEST MONEY IN ACCORDANCE WITH SECTION 24-118-105;

19 (k) CHARGE TO AND COLLECT FROM ELIGIBLE ENTITIES FEES AND
20 CHARGES IN CONNECTION WITH THE AUTHORITY'S INVESTMENT SERVICES,
21 INCLUDING FEES AND CHARGES SUFFICIENT TO REIMBURSE THE AUTHORITY
22 FOR COSTS NECESSARILY INCURRED BY THE AUTHORITY IN CONNECTION
23 WITH CARRYING OUT THE PURPOSE AND INTENT OF THIS ARTICLE 118 AND
24 THE ESTABLISHMENT AND MAINTENANCE OF RESERVES OR OTHER MONEY,
25 AS THE AUTHORITY MAY DETERMINE TO BE REASONABLE; AND

26 (l) CONTRACT FOR AND TO SEEK AND ACCEPT ANY GIFTS, GRANTS,
27 OR DONATIONS AND LOANS OF FUNDS, PROPERTY, OR OTHER AID IN ANY

1 FORM FROM THE FEDERAL GOVERNMENT, THE STATE, ANY STATE AGENCY,
2 ANY OTHER PUBLIC OR PRIVATE SOURCE, OR ANY COMBINATION THEREOF,
3 AND TO COMPLY, SUBJECT TO THE PROVISIONS OF THIS ARTICLE 118, WITH
4 THE TERMS AND CONDITIONS OF SUCH CONTRACTS OR THE ACCEPTANCE OF
5 SUCH ITEMS.

6 (2) ANY CONTRACT OR AGREEMENT ENTERED INTO PURSUANT TO
7 THIS ARTICLE 118 IS EXEMPT FROM THE "PROCUREMENT CODE", ARTICLES
8 101 TO 112 OF THIS TITLE 24.

9 **24-118-105. Investment of public money - duties - eligible**
10 **entities - investment options.**

11 (1) (a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
12 CONTRARY, THE AUTHORITY MAY INVEST MONEY ON BEHALF OF ELIGIBLE
13 ENTITIES THAT HAVE CHOSEN TO HAVE THEIR MONEY INVESTED BY THE
14 AUTHORITY. THE AUTHORITY MAY POOL MONEY FROM ELIGIBLE ENTITIES
15 AND INVEST THE MONEY TO INCREASE THE PERFORMANCE OF THE ELIGIBLE
16 ENTITIES' MONEY ACCORDING TO THIS SECTION.

17 (b) THE AUTHORITY SHALL ACT AS A PRUDENT INVESTOR AND USE
18 CARE TO PRESERVE THE MONEY OF EACH ELIGIBLE ENTITY WHILE ALSO
19 ATTEMPTING TO SECURE THE MAXIMUM RATE OF RETURN, CONSIDERING
20 THE PROBABLE INCOME AS WELL AS THE PROBABLE SAFETY OF THEIR
21 MONEY.

22 (c) THE AUTHORITY HAS THE POWER TO:

23 (I) INVEST ANY MONEY NOT REQUIRED FOR IMMEDIATE
24 DISBURSEMENT;

25 (II) SELL SECURITIES AND PROPERTY PURCHASED AND HELD BY
26 THE AUTHORITY;

27 (III) DEPOSIT SECURITIES IN ANY BANK WITHIN OR WITHOUT THE

1 STATE; AND

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

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

7 (b) FOR EACH INVESTMENT OPTION THAT THE AUTHORITY OFFERS,
8 THE AUTHORITY SHALL DEVELOP A STATEMENT OF THE DETAILS,
9 PURPOSES, AND OBJECTIVES OF THE INVESTMENT OPTION, WHICH
10 STATEMENT MUST INCLUDE:

11 (I) THE INVESTMENT OBJECTIVES;

12 (II) A DESCRIPTION OF ELIGIBLE INVESTMENTS;

13 (III) CREDIT STANDARDS FOR INVESTMENTS;

14 (IV) ALLOWABLE MATURITY RANGES FOR INVESTMENTS;

15 (V) THE PORTFOLIO CONCENTRATIONS PERMITTED FOR EACH TYPE
16 OF SECURITY OWNED; AND

17 (VI) THE SAFEKEEPING PRACTICES UTILIZED.

18 (3) THE AUTHORITY SHALL DEVELOP PROCEDURES OUTLINING:

19 (a) MAXIMUM AND MINIMUM ACCOUNT SIZES;

20 (b) MAXIMUM AND MINIMUM TRANSACTION SIZES;

21 (c) INSTRUCTIONS FOR ESTABLISHING ACCOUNTS AND MAKING
22 DEPOSITS TO AND WITHDRAWALS FROM SUCH ACCOUNTS;

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

26 (e) PENALTIES UPON PARTICIPATING ELIGIBLE ENTITIES FOR EARLY
27 WITHDRAWAL OF MONEY INVESTED BY THE AUTHORITY ON THEIR BEHALF

1 AND PROCEDURES FOR RESOLVING OTHER CONTINGENCIES THAT MAY
2 JEOPARDIZE THE EARNING POTENTIAL OF AN ACCOUNT;

3 (f) DISBURSEMENT OF THE INCOME FROM THE INVESTMENT OF
4 MONEY BY THE AUTHORITY ACCORDING TO THE PROCESS OUTLINED IN
5 SECTION 24-118-107;

6 (g) ARRANGEMENTS FOR THE CUSTODY, SAFEKEEPING, AND
7 REGISTRATION OF ALL INVESTMENT SECURITIES AS THE AUTHORITY DEEMS
8 NECESSARY; AND

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

11 (4) THE AUTHORITY MAY INVEST IN ANY APPROPRIATE SECURITY,
12 IN THE AUTHORITY'S DISCRETION. THE AUTHORITY MAY INVEST PUBLIC
13 MONEY IN SECURITIES AND OTHER INVESTMENTS THAT WOULD NOT
14 OTHERWISE BE ALLOWED PURSUANT TO PART 6 OF ARTICLE 75 OF THIS
15 TITLE 24 OR ANY OTHER PROVISION OF STATE LAW GOVERNING THE
16 INVESTMENT OF PUBLIC MONEY. THE INVESTMENTS MADE BY THE
17 AUTHORITY ARE NOT LIMITED TO THOSE INSTRUMENTS IN WHICH THE
18 STATE TREASURER OR AN INDIVIDUAL ELIGIBLE ENTITY IS STATUTORILY
19 AUTHORIZED TO INVEST.

20 (5) THE AUTHORITY MAY CREATE ACCOUNTS AS NECESSARY TO
21 ACCOMPLISH THE PURPOSES OF THIS ARTICLE 118. THE AUTHORITY MAY
22 ESTABLISH PROCEDURES TO ADMINISTER THE ACCOUNTS IN ACCORDANCE
23 WITH THIS ARTICLE 118 AND ANY OTHER APPLICABLE PROVISION OF STATE
24 LAW. MONEY IN THE ACCOUNTS MUST BE SECURED IN THE MANNER
25 DETERMINED BY THE AUTHORITY AND MAY ONLY BE WITHDRAWN ON THE
26 ORDER OF AN INDIVIDUAL AUTHORIZED BY THE AUTHORITY.

27 **24-118-106. Eligible entities - opt-in to investment of money by**

1 **the authority - conditions.**

2 (1) AN ELIGIBLE ENTITY THAT MEETS THE REQUIREMENTS SET
3 FORTH IN THIS SECTION MAY CHOOSE TO HAVE THE AUTHORITY INVEST
4 SOME OR ALL OF THE ELIGIBLE ENTITY'S MONEY ON BEHALF OF THE
5 ELIGIBLE ENTITY, INSTEAD OF THE STATE TREASURER OR OTHER
6 AUTHORIZED PERSON, SO LONG AS THE MONEY TO BE INVESTED FROM THAT
7 FUND BY THE AUTHORITY ON BEHALF OF THE ELIGIBLE ENTITY MEETS ALL
8 OF THE FOLLOWING CONDITIONS:

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

11 (b) WHEN RECEIVED IN THE FUND, THE MONEY DID NOT
12 CONSTITUTE STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION
13 24-77-102 (7), FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE
14 CONSTITUTION;

15 (c) THE MONEY IS A LIQUID ASSET;

16 (d) THE MONEY IS UNENCUMBERED;

17 (e) INVESTING THE MONEY IS NOT FORECASTED BY THE ELIGIBLE
18 ENTITY TO CREATE A NEGATIVE CASH BALANCE IN THE FUND AT ANY TIME
19 OVER THE DESIRED INVESTMENT PERIOD; AND

20 (f) INVESTING THE MONEY IS NOT FORECASTED BY THE CHAIR OF
21 THE BOARD, WHO IS THE STATE TREASURER OR THE STATE TREASURER'S
22 DESIGNEE, TO UNDULY BURDEN THE STATE TREASURER'S POOLED FUNDS.

23 (2) AN ELIGIBLE ENTITY MAY CHOOSE TO HAVE THE AUTHORITY
24 INVEST MONEY ON BEHALF OF THE ELIGIBLE ENTITY ONLY UPON APPROVAL
25 OF:

26 (a) THE GOVERNING BOARD, LEADERSHIP, OR DIRECTOR OF THE
27 ELIGIBLE ENTITY, AS APPROPRIATE; AND

1 (b) (I) THE CHAIR OF THE BOARD WHO IS THE STATE TREASURER OR
2 THE STATE TREASURER'S DESIGNEE; OR

3 (II) THE MEMBER OF THE BOARD WHO IS THE DIRECTOR OF THE
4 OFFICE OF STATE PLANNING AND BUDGETING OR THE DIRECTOR'S
5 DESIGNEE.

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

9 **24-118-107. Disbursement of investment earnings - eligible**
10 **entities - authority costs - child care assistance.**

11 (1) IF AVAILABLE, IN THE AUTHORITY'S DISCRETION, THE
12 AUTHORITY SHALL QUARTERLY DISBURSE ON A PRO RATA BASIS TO
13 ELIGIBLE ENTITIES EARNINGS FROM THE AUTHORITY'S INVESTMENT OF
14 MONEY ON BEHALF OF THE ELIGIBLE ENTITIES.

15 (2) FOR PURPOSES OF DETERMINING THE DISBURSEMENTS
16 REQUIRED PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE
17 AUTHORITY MAY DEDUCT FROM THE EARNINGS FROM THE AUTHORITY'S
18 INVESTMENT OF MONEY ON BEHALF OF ELIGIBLE ENTITIES AMOUNTS
19 ESTABLISHED BY THE AUTHORITY TO:

20 (a) PAY THE REASONABLE COSTS AND EXPENSES OF THE
21 AUTHORITY RELATED TO THE ADMINISTRATION OF THIS ARTICLE 118,
22 WHICH COSTS MUST NOT EXCEED ONE PERCENT OF THE EARNINGS FROM
23 THE AUTHORITY'S INVESTMENT OF MONEY ON BEHALF OF ELIGIBLE
24 ENTITIES;

25 (b) RETAIN AS A RESERVE, WHICH THE AUTHORITY MAY USE FOR
26 DISBURSEMENTS AS THE BOARD DEEMS NECESSARY AND ACCORDING TO
27 THE PROCEDURES ESTABLISHED BY THE BOARD; AND

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

3 (3) (a) THE AUTHORITY SHALL ESTABLISH, IN COORDINATION WITH
4 THE CHILD CARE ASSISTANCE PROGRAM ALLOCATION COMMITTEE AND THE
5 DEPARTMENT OF EARLY CHILDHOOD, A FORMULA FOR DISBURSEMENTS TO
6 COUNTIES FOR CHILD CARE ASSISTANCE TO FAMILIES WITH LOW INCOMES.
7 THE CHILD CARE ASSISTANCE PROGRAM ALLOCATION COMMITTEE AND THE
8 DEPARTMENT OF EARLY CHILDHOOD MUST AGREE UPON ANY ADJUSTMENT
9 OF THE FORMULA ONCE THE AUTHORITY HAS ESTABLISHED THE FORMULA.

10 (b) THE DEPARTMENT OF EARLY CHILDHOOD AND THE CHILD CARE
11 ASSISTANCE ALLOCATION COMMITTEE SHALL, WITHIN EXISTING
12 APPROPRIATIONS, PROVIDE CONSULTATION AND SUPPORT TO THE
13 AUTHORITY AS NECESSARY TO IMPLEMENT THIS SECTION.

14 **24-118-108. Startup costs.**

15 FOR THE PURPOSES OF MEETING THE NECESSARY EXPENSES OF
16 INITIAL ORGANIZATION AND OPERATION, UNTIL THE AUTHORITY
17 OTHERWISE DERIVES SUFFICIENT MONEY PURSUANT TO THIS ARTICLE 118,
18 THE AUTHORITY OR THE DEPARTMENT OF THE TREASURY MAY SEEK,
19 ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR
20 PUBLIC SOURCES OR BORROW MONEY AS MAY BE REQUIRED FOR THE
21 NECESSARY EXPENSES OF ORGANIZATION AND OPERATION OF THE
22 AUTHORITY, INCLUDING BORROWING FROM FEE REVENUE GENERATED
23 PURSUANT TO SECTION 24-36-120. THE AUTHORITY SHALL REPAY THE
24 BORROWED MONEY WITHIN A REASONABLE TIME AFTER THE AUTHORITY
25 RECEIVES MONEY PROVIDED PURSUANT TO THIS ARTICLE 118.

26 **24-118-109. Annual report - money and activities subject to**
27 **audit.**

1 (1) THE AUTHORITY SHALL SUBMIT AN ANNUAL REPORT OF ITS
2 ACTIVITIES TO THE GOVERNOR AND THE JOINT BUDGET COMMITTEE OF THE
3 GENERAL ASSEMBLY NOT LATER THAN SEPTEMBER 30 OF EACH YEAR,
4 BEGINNING IN 2028. THE REPORT MUST SET FORTH A COMPLETE
5 OPERATING AND FINANCIAL STATEMENT COVERING THE PREVIOUS STATE
6 FISCAL YEAR.

7 (2) ALL MONEY AND ACTIVITIES OF THE AUTHORITY, INCLUDING
8 ITS RECEIPTS, DISBURSEMENTS, CONTRACTS, LEASES, MONEY,
9 INVESTMENTS, AND ANY OTHER RECORDS AND PAPERS RELATING TO ITS
10 FINANCIAL STANDING, ARE SUBJECT TO ANNUAL AUDIT, AT THE
11 AUTHORITY'S EXPENSE, ACCORDING TO THE PROVISIONS OF PART 6 OF
12 ARTICLE 1 OF TITLE 29.

13 **24-118-110. Liability of authority - prohibited acts.**

14 (1) A BOARD MEMBER OR ANY EMPLOYEE, OFFICER, OR AGENT OF
15 THE AUTHORITY WHO, IN THE GOOD FAITH PERFORMANCE OF THEIR DUTIES,
16 COMPLIES WITH THE STANDARDS ESTABLISHED IN THIS ARTICLE 118 FOR
17 THE INVESTMENT OF MONEY FROM ELIGIBLE ENTITIES SHALL NOT BE
18 LIABLE FOR THE LOSS OF PUBLIC MONEY RESULTING FROM SUCH
19 INVESTMENT.

20 (2) A BOARD MEMBER OR ANY EMPLOYEE, OFFICER, OR AGENT OF
21 THE AUTHORITY SHALL NOT, DIRECTLY OR INDIRECTLY, ACCEPT OR
22 RECEIVE FROM ANY OTHER PERSON, FOR THEMSELVES OR OTHERWISE THAN
23 ON BEHALF OF THE AUTHORITY, ANY FEE, REWARD, OR COMPENSATION IN
24 CONSIDERATION OF THE INVESTMENT OF PUBLIC MONEY OR IN
25 CONSIDERATION OF ANY AGREEMENT OR ARRANGEMENT TOUCHING UPON
26 THE USE OF THE INCOME FROM SUCH INVESTMENT.

27 **SECTION 2.** In Colorado Revised Statutes, 24-77-102, **amend**

1 (15)(b)(XXI) and (15)(b)(XXII); and **add** (15)(b)(XXIII) as follows:

2 **24-77-102. Definitions.**

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

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

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

6 **and**

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

9 (XXIII) THE INVESTMENT PERFORMANCE AUTHORITY CREATED IN
10 SECTION 24-118-103.

11 **SECTION 3. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly (August
14 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
15 referendum petition is filed pursuant to section 1 (3) of article V of the
16 state constitution against this act or an item, section, or part of this act
17 within such period, then the act, item, section, or part will not take effect
18 unless approved by the people at the general election to be held in
19 November 2026 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.