

CHAPTER 30

EDUCATION - UNIVERSITIES AND COLLEGES

HOUSE BILL 03-1048

BY REPRESENTATIVE(S) Vigil, Coleman, White, Williams T., Boyd, Frangas, Hodge, Jahn, Merrifield, Paccione, Plant, Pommer, Ragsdale, and Williams S.;

also SENATOR(S) Taylor, Anderson, Tupa, Groff, and Tapia.

AN ACT

CONCERNING AUTHORIZATION TO MOVE MONEYS FROM THE COLORADO STUDENT OBLIGATION BOND AUTHORITY FUND TO FUNDS ESTABLISHED FOR THE FUTURE PAYMENT OF HIGHER EDUCATION EXPENSES.

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

SECTION 1. 23-3.1-205.4, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

23-3.1-205.4. Colorado student obligation bond authority fund - creation - control - use. (4) THE AUTHORITY MAY REQUEST AUTHORIZATION TO TRANSFER OR LOAN MONEYS FROM THE COLORADO STUDENT OBLIGATION BOND AUTHORITY FUND TO THE PREPAID EXPENSE TRUST FUND, CREATED IN SECTION 23-3.1-206.7, OR TO ANY FUND CREATED FOR THE IMPLEMENTATION OF THE COLLEGE SAVINGS PROGRAM, ESTABLISHED PURSUANT TO PART 3 OF THIS ARTICLE, AS NECESSARY TO CARRY OUT THE AUTHORITY'S POWERS AND DUTIES UNDER THIS PART 2 AND PART 3 OF THIS ARTICLE. THE AUTHORITY SHALL SUBMIT ANY SUCH TRANSFER OR LOAN REQUEST TO THE EXECUTIVE DIRECTOR FOR APPROVAL. THE AUTHORITY SHALL NOT TRANSFER OR LOAN MONEYS FROM THE COLORADO STUDENT OBLIGATION BOND AUTHORITY FUND TO THE PREPAID EXPENSE TRUST FUND OR TO ANY FUND CREATED FOR THE IMPLEMENTATION OF THE COLLEGE SAVINGS PROGRAM UNLESS SUCH TRANSFER OR LOAN IS APPROVED BY THE EXECUTIVE DIRECTOR.

SECTION 2. 23-3.1-221, Colorado Revised Statutes, is amended to read:

23-3.1-221. Account of activities - receipts for expenditures - report - audit. The authority shall keep an accurate account of all its activities and of all its receipts and expenditures and shall report annually on such activities, receipts, and

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

expenditures in the month of February to its members, to the governor, to the commission, and to the state auditor in a form prescribed by the controller. Also included in the report shall be any recommendations with reference to additional legislation, a financial analysis of the actuarial soundness of the prepaid expense trust fund, AN ACCOUNTING OF ANY LOANS OR TRANSFERS APPROVED PURSUANT TO SECTION 23-3.1-205.4 (4), and other action that may be necessary to carry out the purposes of the authority. The state auditor may investigate the affairs of the authority and may examine the properties and records of the authority, and the controller may prescribe methods of accounting and the rendering of periodical reports in relation to undertakings by the authority. The department of higher education shall adopt and prepare a budget for the authority for the next fiscal year. Beginning July 1, 2000, the fiscal year of the authority shall begin on July 1 and shall end on June 30. The authority shall not be required to comply with fiscal rules of the state of Colorado until July 1, 2000.

SECTION 3. 23-3.1-206.7 (5) (a), Colorado Revised Statutes, is amended to read:

23-3.1-206.7. Prepaid expense program. (5) (a) The Colorado prepaid postsecondary education expense trust fund is hereby created. The prepaid expense trust fund shall consist of moneys remitted by purchasers, moneys acquired from governmental and private sources, and general fund appropriations, if any. IN ADDITION, THE PREPAID EXPENSE TRUST FUND MAY INCLUDE ANY MONEYS TRANSFERRED OR LOANED THERETO PURSUANT TO SECTION 23-3.1-205.4. All income derived from the deposit and investment of moneys in the prepaid expense trust fund shall be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the prepaid expense trust fund shall remain therein and shall not be credited or transferred to the general fund or any other fund. On May 26, 2000, the prepaid expense trust fund, and all moneys in said fund, including all interest and earnings in said fund shall be transferred with the authority as provided in section 23-3.1-205.3. All moneys remitted by purchasers and other moneys received by the authority in connection with the prepaid expense program shall be transmitted by the authority to the state treasurer and credited to the prepaid expense trust fund. The state treasurer shall invest moneys in the prepaid expense trust fund based upon the advice and recommendations of the authority and shall make disbursements from the prepaid expense trust fund in connection with the prepaid expense program based upon the direction of the authority and in a manner appropriate to carry out the prepaid expense program. All income derived from the deposit and investment of moneys in the prepaid expense trust fund shall be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the prepaid expense trust fund shall remain therein and shall not be credited or transferred to the general fund or any other fund.

SECTION 4. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then

the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: March 7, 2003