

# COLORADO DEPARTMENT OF THE TREASURY

**Dave Young**  
State Treasurer



**Eric Rothaus**  
Deputy Treasurer

## Public School Fund Study and Report (HB22-1146)

### Investment / Finance Subgroup

#### Desired Outcomes

**Discuss and, if possible, reach an initial consensus on the Investment/Finance Focus Area's key issues to address.**

- > *The impact of current Colorado constitutional and statutory provisions on the investment of money in the Fund*
- > *The current inability to invest in a diversified portfolio (constraints include gain/loss provision and restrictions from directly owning companies)*
- > *Investment opportunities to increase the growth of the Fund's principal, as well as income earned. Please consider:*
  - *Topics identified from the latest Callan report*
  - *Topics discussed in the Legal Subgroup meeting*
    - *Sources and uses of revenue*
    - *Cost/benefit of pursuing alternative uses for \$21 million distributed to the School Finance Act*
  - *Topics discussed in the Education Focus Work Group meeting*
    - *Impact investing; endowment model; and an optimal set of Land Board Trust assets and revenue creation strategies*
- > *The group does not need to:*
  - > *Identify any portfolio mix to pursue*
  - > *Analyze investment tradeoffs of specific asset sectors*
  - > *Discuss specific investments*

#### Process

For each discussion question.

- Building blocks approach – begin with one suggestion and augment it. Then move on to an alternative
- Large group – Synthesize and listen for themes; summarize options
- Check for an emerging consensus. Where might we agree?

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## **Agenda**

- 8:30 Welcome (Eric Rothaus)
- 8:35 Callan report discussion (Janet Becker-Wold)
- 9:05 Review agenda. Decide on discussion topics and group process (Karla Raines)
- 9:15 Impact of Colorado constitutional and statutory provisions on the investment of money in the Fund (Karla)
- 9:35 Current inability to invest in a diversified portfolio  
Constraints include gain/loss provision (Fund is inviolate), restrictions on the State directly owning companies, requirement to have \$21 million go toward the School Finance Act (Karla)
- 9:55 Investment opportunities to increase the growth of the Fund's principal, as well as the income earned (Karla)
- 10:15 Next steps (Karla)
- > Decide if we need another meeting to finalize recommendations for the focus area
  - > Prepare for upcoming meetings
- 10:25 Public Comment (Eric)
- 10:30 Thank you and Adjourn (Eric)