

COLORADO DEPARTMENT OF THE TREASURY

Dave Young
State Treasurer



Eric Rothaus
Deputy Treasurer

Public School Fund Study and Report (HB22-1146)

Legal Subgroup

Desired Outcomes

Discuss and, if possible, reach an initial consensus on the Legal Focus Area's key issues to address. Please focus your thinking on the legal elements.

- > *Current requirements of state COP obligations and bondholder expectations and the benefits and risks associated with any potential changes to the overall intake and distribution of money related to the Fund*
 - *Issues to be addressed include:*
 - *IRS determination, BEST debt service, and tax exempt status of the COPs*
 - *Alternative uses for the \$21 million going to the School Finance Act*
 - *Maintain in Permanent Fund to grow the corpus*
 - *Alternatively invest or deploy to benefit Colorado school children*
- > *The Fund's interest and income distribution and potential ways to address a sustainable, long-term distribution policy*
- > *What constitutional or statutory changes would need to take place in order to give the investment side more flexibility?*
- > *Are there legal implications to any of the following considerations being discussed by the Working Group:*
 - *Prioritizing equity over "all schools"*
 - *Prioritizing greatest need over "all schools"*
 - *Social impact investing*

Process

For each discussion question:

- **Building blocks approach – begin with one suggestion and augment it. Then move on to**

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an alternative

- Large group – Synthesize and listen for themes; summarize options
- Check for an emerging consensus. Where might we agree?

Agenda

8:00 Welcome (Eric Rothaus)

8:02 Review agenda and group process (Karla Raines)

- > Please be concise and precise in your comments. Let's maximize participation opportunities
- > Karla to facilitate, synthesize, and share; Jim and Illana to take notes on themes and options

8:05 Discuss the key issues listed above

See list above.

8:50 Next steps (Karla)

- > Decide if we need another meeting to finalize recommendations for the focus area
- > Prepare for upcoming meetings

8:55 Public Comment (Eric)

9:00 Thank you and Adjourn (Eric)