

## CHAPTER 201

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**EDUCATION - PUBLIC SCHOOLS**

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**SENATE BILL 96-199**

BY SENATORS Blickensderfer, Lacy, Rizzuto, and Bishop;  
also REPRESENTATIVES Grampas, Owen, Romero, and Reeves.

**AN ACT****CONCERNING THE PUBLIC SCHOOL FUND.**

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

**SECTION 1.** 22-41-106, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-41-106. Disposition of income.** (1) ~~At~~ Interest derived from the investment and reinvestment of the public school fund shall be credited AS FOLLOWS:

(a) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH (a), AN AMOUNT EQUAL TO THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX DURING THE PREVIOUS CALENDAR YEAR DIVIDED BY THE EFFECTIVE INTEREST RATE TIMES THE INTEREST EARNED SHALL BE PERIODICALLY RETAINED IN AND BECOME PART OF THE PUBLIC SCHOOL FUND TO ACCOUNT FOR INFLATION. THE EFFECTIVE INTEREST RATE AND THE INTEREST EARNED SHALL BE THOSE CALCULATED BY THE STATE TREASURER FOR THE PREVIOUS CALENDAR YEAR. THIS RETAINED AMOUNT SHALL NOT EXCEED THE AMOUNT OF INTEREST EARNED FROM THE PUBLIC SCHOOL FUND. IF THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX DURING THE PREVIOUS CALENDAR YEAR IS ZERO OR IS NEGATIVE, NO INTEREST SHALL BE RETAINED IN THE PUBLIC SCHOOL FUND PURSUANT TO THIS PARAGRAPH (a).

(b) THE REMAINDER OF THE INTEREST DERIVED FROM THE PUBLIC SCHOOL FUND SHALL BE CREDITED TO THE PUBLIC SCHOOL INCOME FUND AND PERIODICALLY TRANSFERRED THEREFROM TO THE STATE PUBLIC SCHOOL FUND.

(2) FOR PURPOSES OF THIS SECTION, "CONSUMER PRICE INDEX" MEANS THE UNITED STATES CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED

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

METROPOLITAN STATISTICAL AREA FOR ALL ITEMS FOR ALL URBAN CONSUMERS AS PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR OR ITS SUCCESSOR INDEX.

**SECTION 2. Future appropriations.** Although no appropriation is included in this act for the fiscal year beginning July 1, 1996, it appears that this act will require appropriations from the general fund for subsequent fiscal years, and the amount required to be appropriated for the fiscal year beginning July 1, 1997, is estimated to be six million eight hundred seventy-eight thousand dollars (\$6,878,000).

**SECTION 3. Effective date.** This act shall take effect July 1, 1997.

**SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 23, 1996