

FISCAL NOTE

The fiscal impact in the form of potential increased investment earnings is indeterminable. This bill has the potential to result in increased investment earnings to the State Agency Pool account (SAP) over time by modifying the major maintenance payment schedule for K-12 school districts and community colleges to quarterly payments. The State Treasurer's Office is provided the opportunity to invest funds that would have otherwise been expended under the current payment structures for K-12 school districts and community colleges.

The October 2018 Consensus Revenue Estimating Group (CREG) forecasts 3.23% annual yield for FY 2020 investment earnings for the SAP. Modifying the K-12 major maintenance payments to four quarterly payments has a potential fiscal impact of an annual increase of \$775,000 from investment earnings to the SAP. The change to community college major maintenance payments has a potential fiscal impact of an annual increase of \$137,000 from investment earnings to the SAP. The total estimated annual impact is \$912,000.

There is also a potential decrease in investment earnings for K-12 school district and community college major maintenance accounts, but the fiscal impact is indeterminable.

Amending W.S. 21-18-205(f) by increasing the allowable percentage of cash reserves for community colleges results in no fiscal impact.

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