

FISCAL NOTE

| | FY 2021 | FY 2022 | FY 2023 |
|---|---------------|---------------|---------------|
| NON-ADMINISTRATIVE IMPACT | | | |
| Anticipated Revenue increase/(decrease) | | | |
| GENERAL FUND | (\$5,700,000) | (\$3,500,000) | (\$2,200,000) |
| COMMON SCHL. RESERVE ACCT | \$4,600,000 | \$3,500,000 | \$2,200,000 |
| SCHOOL CAP CON ACCOUNT | \$1,100,000 | | |

Source of revenue increase and (decrease):

This bill amends current law to direct the investment earnings of the School Capital Construction Account (SCCA) and the Common School Permanent Fund Reserve Account (CSPLF RA) to the respective accounts. Current law, W.S. 9-4-204(t)(i)(A), directs investment earnings to the General Fund except as otherwise provided by law. While this is the current practice for the SCCA, investment earnings from the CSPLF RA are currently directed to the Common School Land Income Account and subsequently to the School Foundation Program Account. The above table depicts the estimated revenue increase and decrease to each fund based upon current law not current practice.

Assumptions:

The SCCA beginning balance in FY 2021 is assumed to be \$60 million and exhausted at the end of the fiscal year based upon current law and estimated expenditures. The balance of the CSPLF RA is assumed to be decreased from \$249.2 million to \$120.8 million throughout the forecast period as it guarantees the spending policy amount for the Common School Account within the Permanent Land Fund.

The State Treasurer's Office projects yields in FY21 through FY23 to be around 1.85% for State Agency Pool funds. Yield is defined as the interest and dividend income from the investment. Over the long term total returns for State Agency Pool funds are expected to be 2.0% plus inflation, according to the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.

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