

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3754/3	Introduction Number AB-740
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Subject
 Certain duties and powers of the investment board

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
 - Increase Existing Revenues
 - Decrease Existing Revenues
 - Increase Costs - May be possible to absorb within agency's budget
 - Yes No
 - Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs Permissive Mandatory
 - 2. Decrease Costs Permissive Mandatory
 - 3. Increase Revenue Permissive Mandatory
 - 4. Decrease Revenue Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected

Affected Ch. 20 Appropriations

- GPR FED PRO PRS SEG SEGS 20.536

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Fiscal Estimate Narratives

INV 1/13/2004

LRB Number	03-3754/3	Introduction Number	AB-740	Estimate Type	Updated
Subject					
Certain duties and powers of the investment board					

Assumptions Used in Arriving at Fiscal Estimate

Amended Estimate

AB 740 (LRB 3754/3) contains two provisions that affect the Investment Board. The first combines two required reports to the legislature to be combined into one. Current law requires SWIB to submit a report to the Legislature on January 1 on the Investment Board's investment goals and strategies and a second report on March 31 that describes progress in meeting its goals, performance and Wisconsin investments. The bill combines the two reports into one, which makes it easier to understand the relationship between the Investment Board's strategies and performance. This change will have no effect on the agency's operating budget.

The second concerns the types of investment that external managers may invest. Under current law, SWIB may contract with external managers to invest the assets in certain types of investments, including "foreign" corporate and government debt. Because of the restriction to "foreign" debt, it precludes external managers from investing in domestic (US only) debt investments. The bill expands the permissible investments to all types of debt. If SWIB contracts with an external manager, the fees paid to the external manager will be charged back to the fund. This change will have no effect on the agency's operating budget but may affect fees paid to external managers.

Long-Range Fiscal Implications

None