

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3755/3	Introduction Number SB-380
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Subject
 Certain duties and powers of the investment board

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.536	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

INV 1/13/2004

LRB Number	03-3755/3	Introduction Number	SB-380	Estimate Type	Original
Subject					
Certain duties and powers of the investment board					

Assumptions Used in Arriving at Fiscal Estimate

SB 380 (LRB 375/3) 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 by 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 an 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