

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4425/1	Introduction Number AB-0857
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Description
 Authority of the Board of Commissioners of Public Lands to make trust fund loans and delegate authority to invest trust fund moneys, the use of common school fund income moneys, and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase 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 checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	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
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.536(1)(k)	

Agency/Prepared By SWIB/ Bill Ford (608) 852-6871	Authorized Signature Bill Ford (608) 852-6871	Date 1/29/2018
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Fiscal Estimate Narratives

SWIB 1/29/2018

LRB Number	17-4425/1	Introduction Number	AB-0857	Estimate Type	Original
Description Authority of the Board of Commissioners of Public Lands to make trust fund loans and delegate authority to invest trust fund moneys, the use of common school fund income moneys, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Board of Commissioners of Public Lands (BCPL) manages and invests the assets of the common school fund, the normal school fund, the university fund, and the agricultural college fund (trust funds). BCPL is authorized by state statutes to delegate management of all or a portion of the trust funds to the State of Wisconsin Investment Board (SWIB).

If BCPL delegates management of trust fund assets to SWIB, under current law SWIB may invest the monies belonging to the trust funds in any fixed income investment or fund that invest only in fixed income instruments. Under this bill, if the BCPL delegates management of trust fund assets to SWIB, SWIB shall invest the monies belonging to the trust funds in any manner authorized for the investment of any funds managed by SWIB. This would include, in addition to fixed income investments, equities, private investment, real estate and other investment vehicles.

The costs SWIB would incur under this bill are indefinite because they depend upon whether BCPL delegates any trust fund assets for management to SWIB, the dollar amount of any assets delegated and how these assets are invested. Any costs SWIB incurs in managing delegated assets would have to be recovered by SWIB.

As of the date of this fiscal estimate, BCPL has not delegated management of any trust fund assets to SWIB

Long-Range Fiscal Implications