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FISCAL IMPACT REPORT

SPONSOR: Stewart DATE TYPED: 02/04/02 HJR 15/aHEC
 SHORT TITLE: Permanent School Fund Distribution SB _____
 ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	79,812.7	See Narrative	Recurring	General Fund
	(79,812.7)	See Narrative	Recurring	Land Grant Permanent Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

State Investment Council (SIC)

Synopsis of Amendment

The amendment restricts the increased distribution to the common school funds portion of the Land Grant Permanent Fund.

SUMMARY

Synopsis of Original Bill

The resolution proposes to increase the distribution from the Land Grant Permanent Fund (LGPF) by 1.3 percent to 6.0 percent. Currently, the distribution is set at 4.7 percent.

FISCAL IMPLICATIONS

The estimate assumes that it would take Congress the balance of FY03 to enact enabling legislation. In addition, the estimate assumes that the other beneficiaries of the fund would be held harmless over time.

SIC has stated that the distribution from the LGPF could be increased by 0.1 percent without eroding the corpus of the fund. As the accompanying graph demonstrates, this proposal would generate increasingly smaller distributions over time. By the year 2028, the corpus of the LGPF would be sufficiently eroded as to generate less under a 6% distribution plan than it would under current law.

***Land Grant Permanent Fund
Distributions Comparison***

