

## ANALYSIS OF SIC PROPOSAL 197662.2SA and HYBRID

State Investment Council (SIC) draft legislation (197662.2SA) hybridized: Beginning in FY16 the scenario gradually increases revenue inflow from legislative, water, colonias and tribal projects. Beginning in FY19, the scenario gradually increases revenue inflow from revenue for public school projects.

Uses of Severance Taxes under current law reserves up to 62.5% for Legislative Projects, 32.5% for PSCOC programs and 5% for deposit in to the STPF. Proposed changes of the SIC Scenario and the Hybrid:

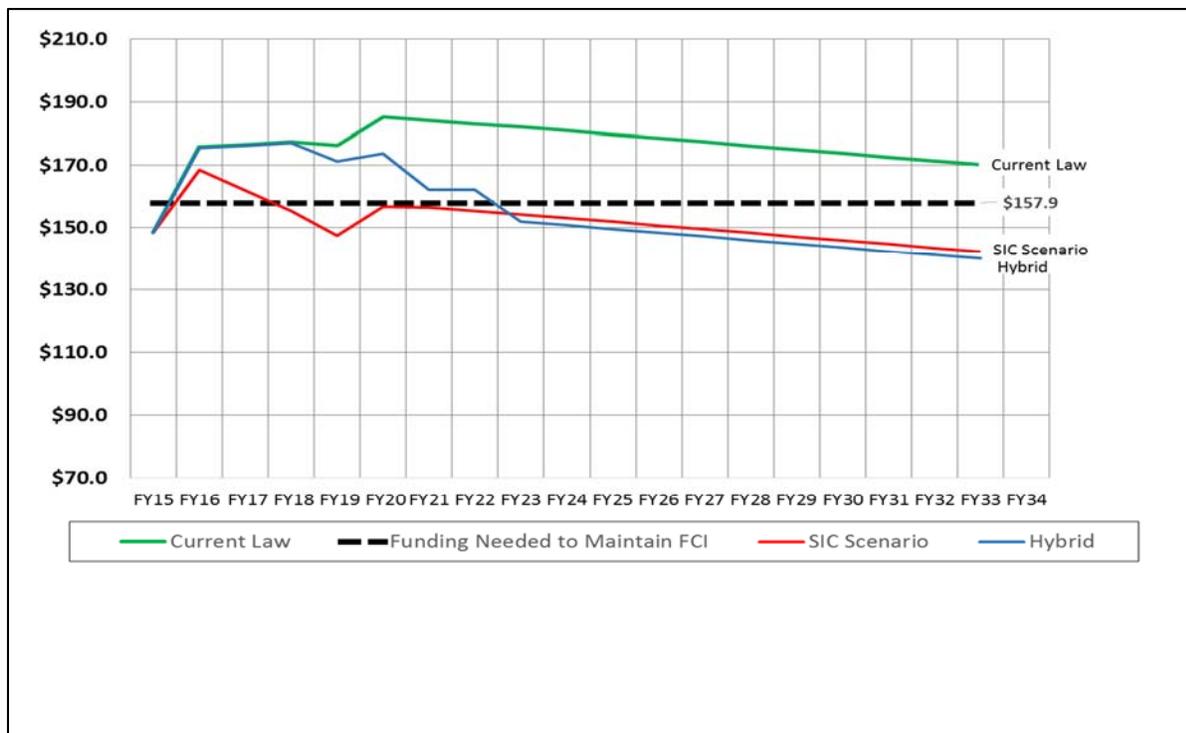
### Program Changes proposed by the SIC Scenario 197662.2SA

	Legis, H <sub>2</sub> O, Colonias, Tribal		PSCOC Programs	Transfer to STPF	
	STB's	Senior SSTB's	Supplemental SSTB's	Cash	
Current Law	50.0%	12.5%	32.5%	5.0%	= 100%
SIC Proposal	46.4%	12.5%	27.1%	14.2%	= 100%
Change	-3.6%	0.0%	-5.6%	9.2%	= 0%

### Program Changes proposed by the Hybrid

	Legis, H <sub>2</sub> O, Colonias, Tribal		PSCOC Programs	Transfer to STPF	
	STB's	Senior SSTB's	Supplemental SSTB's	Cash	
Current Law	50.0%	12.5%	32.5%	5.0%	= 100%
SIC Proposal	46.4%	12.5%	27.5%	13.6%	= 100%
Change	-3.6%	0.0%	-5.0%	8.6%	= 0%

**Chart 1. Annual Funding Needed to Maintain FCI: \$157.9M  
SIC Scenario 197662.2SA and the Hybrid**



# ANALYSIS OF SIC PROPOSAL 197662.2SA and HYBRID cont.

## FISCAL IMPACTS

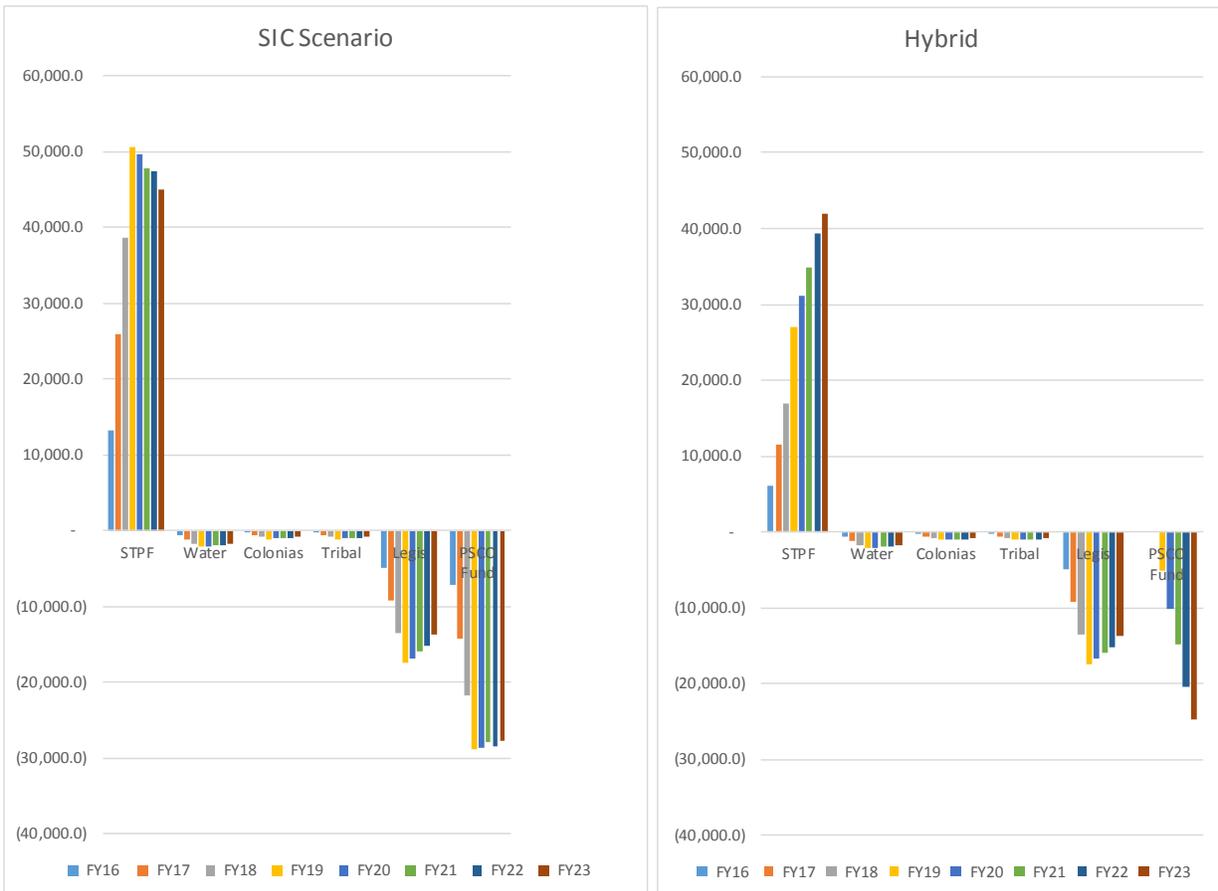
**Table 2. Fiscal Impacts of SIC Scenario 197662.2SA**

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
STPF	13,208.8	25,920.1	38,563.7	50,633.4	49,633.2	47,829.3	47,441.0	44,878.0	318,107.4
Water	(610.2)	(1,159.2)	(1,690.2)	(2,181.6)	(2,095.2)	(2,001.6)	(1,893.6)	(1,713.6)	(13,345.2)
Colonias	(306.0)	(579.6)	(847.8)	(1,087.2)	(1,051.2)	(1,000.8)	(950.4)	(856.8)	(6,679.8)
Tribal	(306.0)	(579.6)	(847.8)	(1,087.2)	(1,051.2)	(1,000.8)	(950.4)	(856.8)	(6,679.8)
Legis	(4,887.0)	(9,284.4)	(13,543.2)	(17,431.2)	(16,776.0)	(16,012.8)	(15,148.8)	(13,687.2)	(106,770.6)
PSCO Fund	(7,099.6)	(14,317.3)	(21,634.7)	(28,846.2)	(28,659.6)	(27,813.3)	(28,497.8)	(27,763.6)	(184,632.0)

**Table 3. Fiscal Impacts of Hybrid**

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
STPF	6,109.2	11,602.8	16,929.0	26,938.3	31,209.2	34,916.0	39,298.8	41,903.3	208,906.5
Water	(610.2)	(1,159.2)	(1,690.2)	(2,181.6)	(2,095.2)	(2,001.6)	(1,893.6)	(1,713.6)	(13,345.2)
Colonias	(306.0)	(579.6)	(847.8)	(1,087.2)	(1,051.2)	(1,000.8)	(950.4)	(856.8)	(6,679.8)
Tribal	(306.0)	(579.6)	(847.8)	(1,087.2)	(1,051.2)	(1,000.8)	(950.4)	(856.8)	(6,679.8)
Legis	(4,887.0)	(9,284.4)	(13,543.2)	(17,431.2)	(16,776.0)	(16,012.8)	(15,148.8)	(13,687.2)	(106,770.6)
PSCO Fund	-	-	-	(5,151.1)	(10,235.6)	(14,900.0)	(20,355.6)	(24,788.9)	(75,431.1)

**Chart 2. Fiscal Impacts of SIC Scenario 197663.2SA and Hybrid**



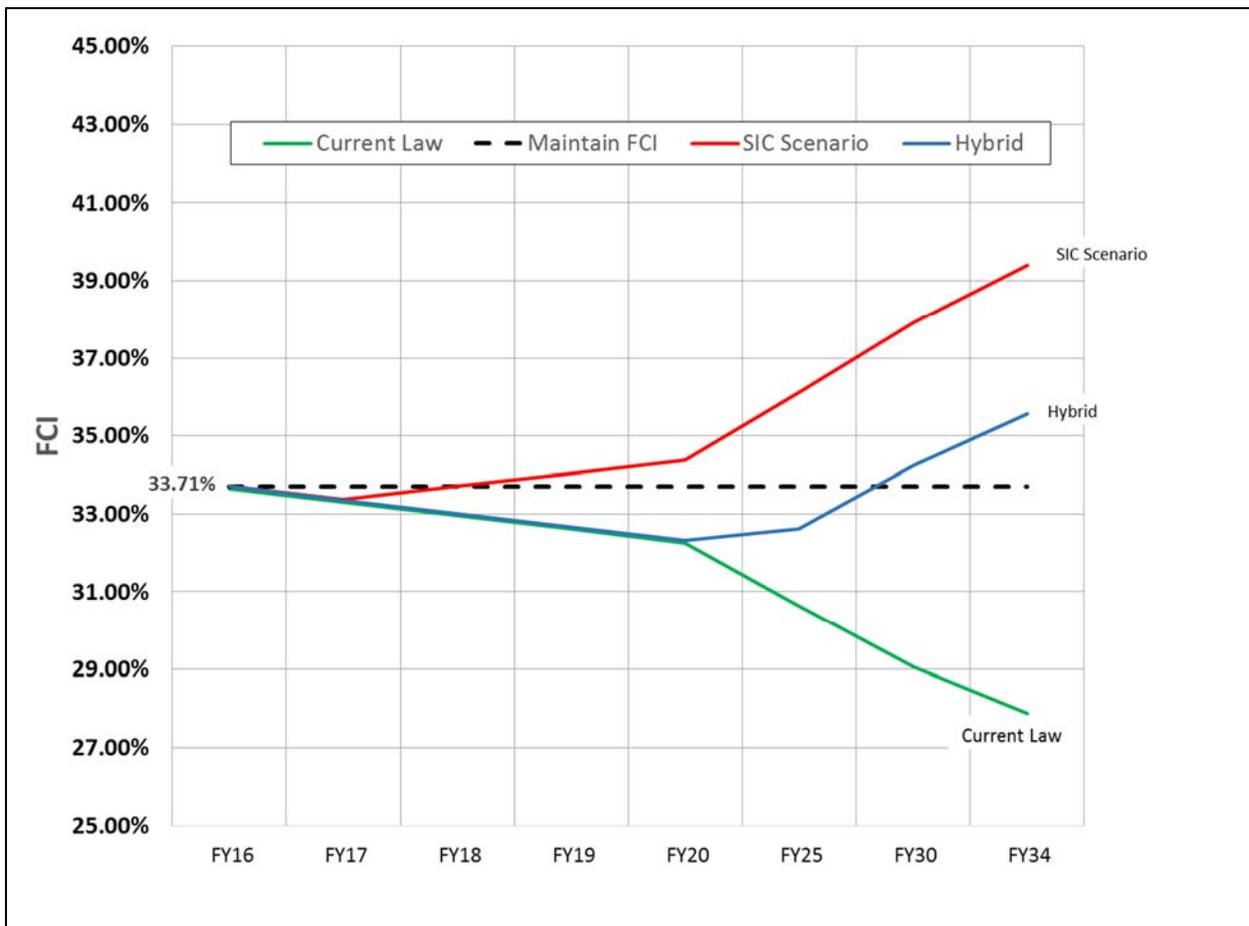
## ANALYSIS OF SIC PROPOSAL 197662.2SA and HYBRID cont.

### FCI IMPACTS

**Table 4. FCI Impacts of SIC Scenario 197663.2SA and Hybrid**

	FY16	FY17	FY18	FY19	FY20	FY25	FY30	FY34
Current Law	33.66%	33.30%	32.95%	32.61%	32.26%	30.63%	29.06%	27.88%
Maintain FCI	33.71%	33.71%	33.71%	33.71%	33.71%	33.71%	33.71%	33.71%
SIC Scenario	33.71%	33.37%	33.70%	34.03%	34.37%	36.12%	37.92%	39.40%
Hybrid	33.71%	33.35%	33.00%	32.66%	32.32%	32.62%	34.23%	35.57%

**Chart 3. Impacts on the School Facility Conditions Index (FCI) Statewide.**



Note: Analysis in nominal dollars, not inflation adjusted. Revenues based on August 2014 Consensus Revenue Estimates. FY2020 and out years assume \$230M annually in PSCOC program revenue.