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### FISCAL IMPACT REPORT

SPONSOR:	Watchman	DATE TYPED:	02/04/00	HB	HJR 11
SHORT TITLE:	Emergency School Capital Outlay Fund			SB	
				ANALYST:	Eaton

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		See Attachment	Recurring*	Severance Tax Perm.

(Parenthesis ( ) Indicate Revenue Decreases)

\* Impact ends after fiscal year 2016

### SOURCES OF INFORMATION

State Investment Council (SIC)

## SUMMARY

### Synopsis of Bill

This bill proposes to amend the state Constitution to segregate \$1 billion dollars from the Severance Tax Permanent Fund (STPF) to a sub-account. The earnings growth in the sub-account during the preceding calendar year shall be distributed annually to an "emergency capital outlay fund" to be used for public school capital outlay projects decided by the legislature. Prioritization of projects and procedures in doing so shall be provided for in state law. On July 1, 2016, the assets in the sub-account shall be transferred back to the Severance Tax Permanent Fund and no other appropriations shall be made from the emergency fund using STPF funds.

### Significant Issues

The annual distributions will be subject to annual market returns, fluctuations and corrections. A year with a substantial market correction could drop the value of the fund below \$1 billion, yielding zero distributions in the following and possibly subsequent fiscal years.

## FISCAL IMPLICATIONS

See Attachment

JE/gm

Attachment