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## FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 02/22/01 HB \_\_\_\_\_  
 SHORT TITLE: Investment of Educational Retirement Fund SB 387  
 ANALYST: Eaton

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	NFI			

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

This bill adds to the list of permissible investments that the Educational Retirement Board (ERB) can make on behalf of the ERB members. Added are: Corporate bonds and bonds of a partnership or trust. The bonds may be convertible to common stock. These new changes apply to both the domestic and international portfolio. Removed is the requirement that the corporation have a minimum net worth of \$25 million or its equivalent in a foreign currency denomination.

#### Significant Issues

Updates like these are a reflection of the expansive evolution in the types of investment instruments available to investors. Updates of these lists will likely continue for this agency as well as the other state investing agencies.

### FISCAL IMPLICATIONS

This bill has no fiscal impact.

JBE/ar