

## STATEMENT OF PURPOSE

### RS25386

Appropriates \$753,600 to the Endowment Fund Investment Board for FY 2018 and caps the number of authorized full-time equivalent positions at 3.7. The source of funding is dedicated from charges to the funds invested by the board. The bill includes funding for the increased costs of health insurance, provides funding for replacement items, and accounts for an increase in statewide cost allocation. This bill includes an ongoing 3% merit-based increase in employee compensation for permanent employees. Three line-items are included. Line item 1 shifts \$69,900 from the Miscellaneous Revenue Fund to the Endowment Earnings Reserve Administrative Fund to account for the proportion of time spent on the various portfolios. Line item 2 includes \$36,800 one-time to double-fill the manager of investments position for 20 days and to pay off accrued vacation. Line item 3 provides funding to potentially increase the salary of the Manager of Investments by \$30,000 (from \$164,600 to \$197,600). Lastly, the budget includes \$100 for cybersecurity insurance.

The bill authorizes a continuous appropriation for consulting fees, bank custodial fees, and portfolio-related external costs. It contains legislative intent recognizing the amount the State Land Board has approved for transfer into the income funds in FY 2018 and available for appropriation to the beneficiaries. The endowment distribution for public schools is up by 28.1% from last year due to the recognition of deferred gains. This amounts to \$10,324,800 more than last year. The distribution for the other land endowments is the same as last year.

### FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	3.70	0	675,400	0	675,400
Removal of One-Time Expenditures	0.00	0	(17,500)	0	(17,500)
FY 2018 Base	3.70	0	657,900	0	657,900
Benefit Costs	0.00	0	3,600	0	3,600
Replacement Items	0.00	0	1,700	0	1,700
Statewide Cost Allocation	0.00	0	200	0	200
Change in Employee Compensation	0.00	0	13,200	0	13,200
FY 2018 Program Maintenance	3.70	0	676,600	0	676,600
1. Shift Misc Rev Fund to Endow Fund	0.00	0	0	0	0
2. Double-fill Manager of Investments	0.00	0	36,800	0	36,800
3. Investment Manager Salary Increase	0.00	0	40,100	0	40,100
Cybersecurity Insurance	0.00	0	100	0	100
Budget Law Exceptions	0.00	0	0	0	0
FY 2018 Total	3.70	0	753,600	0	753,600
Chg from FY 2017 Orig Approp	0.00	0	78,200	0	78,200
% Chg from FY 2017 Orig Approp.	0.0%		11.6%		11.6%

#### Contact:

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**DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).**



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