

**FISCAL NOTE**

Allowing the Transportation Trust Fund to invest in equities may increase its investment income on a long-term basis. As of the end of the fiscal year 2018, the investment returns for the State Agency Pool, which is not invested in equities, averaged 2.18 percent return for the last 5 years. The returns for Pool A, that could invest in equities over the same period, averaged 2.56 percent. Therefore, inclusion of equity investment in this fund could increase revenue over the long term. But, as investment returns always depend on a variety of factors such as market conditions and asset allocation, the State Treasurer's Office cannot estimate the difference in investment revenues for each fiscal year. In addition, there may be individual years when the returns could potentially be less than they would have been as currently invested.

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