

**FISCAL NOTE**

This bill would repeal three accounts: the 1) School Capital Construction Account (SCCA), 2) School Lands Mineral Royalties Account (SLMRA), and 3) School Major Maintenance Subaccount (SMMS) within the Strategic Investments and Projects Account (SIPA) effective July 1, 2024, after the end of the FY 2023-2024 biennium. Balances in the accounts would be transferred to the School Foundation Program Account (SFP) and any funds directed by law to revert to these accounts and subaccount would revert to the SFP.

Using the October 26, 2022 LSO Fiscal Profile, \$41,952,792 would be transferred from the SCCA to the SFP, based upon the SCCA estimated ending balance at the end of the FY 2023-2024 biennium. With the repeal of the SCCA, the SFP would appropriate funds for K-12 school major maintenance and capital construction beginning the FY 2025-2025 biennium, resulting in corresponding expenditure increases and decreases to the SFP and SCCA, respectively.

	FY 2024	FY 2025	FY 2026
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase/(decrease)			
SCHOOL FOUNDATION PROGRAM ACCOUNT		\$45,346,000	\$44,346,000
SCHOOL MAJOR MAINTENACE ACCOUNT		(\$50,300,000)	(\$52,100,000)
SCHOOL LANDS MINERAL ROYALTIES ACCOUNT		(\$40,000,000)	(\$39,000,000)
SCHOOL CAPITAL CONSTRUCTION ACCOUNT		(\$5,346,000)	(\$5,346,000)

	FY 2024	FY 2025	FY 2026
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure (decrease)			
STRATEGIC INVESTMENTS AND PROJECTS ACCOUNT		(\$50,300,000)	(\$52,100,000)

Source of revenue increase and (decrease) and expenditure (decrease):

The SFP would experience an estimated revenue increase of \$40,000,000 in FY 2025 and \$39,000,000 in FY 2026 from state royalties on school lands that are redirected to the SFP with the repeal of the SLMRA (W.S. 9-4-224). The SLMRA would experience a corresponding estimated revenue decrease.

The SFP would experience an estimated revenue increase of \$5,346,000 in FY 2025 and FY 2026 from federal mineral royalties (FMRs) that are redirected from the SCCA to the SFP. FMRs distributed to the SFP under W.S. 9-4-601(a)(ii) would increase by 2.7 percent and a corresponding decrease to the SCCA would occur with the repeal of W.S. 9-4-601(a)(vii).

The SFP would also receive any federal coal lease bonus revenue, as amended under this bill. However, the October 2022 Consensus Revenue Estimating Group (CREG) forecast estimates no federal coal lease bonus revenue.

The SIPA would experience an estimated expenditure decrease of \$50,300,000 in FY 2025 and \$52,100,000 in FY 2026 with the repeal of the SMMS (W.S. 9-4-220(b)). The SMMS would experience a corresponding estimated revenue decrease.

Assumptions:

The revenue and expenditure estimates utilize the October 2022 CREG forecast for FMRs, state royalties on school lands, and investment income distributed to the SMMS within the SIPA.

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