FISCAL NOTE

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
PUBLIC SCHOOL FOUNDATION PROGRAM ACCOUNT	($24,700,000)	($25,700,000)	($27,100,000)

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
COMMON SCHOOL PERMANENT FUND RESERVE ACCOUNT	($24,700,000)	($25,700,000)	($27,100,000)

Source of revenue and expenditure (decrease):

This bill reduces the statutory spending policy amount (SPA) for the Common School Account within the Permanent Land Fund (CSPLF) from 5 percent to 4.5 percent of the five-year average market value of the CSPLF, resulting in decrease to the SPA of $24,700,000 in fiscal year (FY) 2026, $25,700,000 in FY 2027, and $27,100,000 in FY 2028. Under current law, investment earnings from the CSPLF are distributed to the Common School Account within the Permanent Land Income Fund (CSLIA) and are then subsequently transferred to the Public School Foundation Program Account (SFP). In years when investment earnings from the CSPLF are less than the SPA, an automatic appropriation from the CSPLF Reserve Account to the CSLIA occurs to guarantee the SPA amount for the CSPLF and is also subsequently transferred to the SFP.

Under this bill, the decrease to the SPA results in an expenditure decrease of $24,700,000 in FY 2026, $25,700,000 in FY 2027, and $27,100,000 in FY 2028 from the CSPLF Reserve Account, which is equal to the decrease in the SPA. There would also be a corresponding revenue decrease to CSLIA, and subsequently the SFP, equal to the CSPLF Reserve Account expenditure decrease.

Assumptions:

The revenue and expenditure decreases assume the January 2025 Consensus Revenue Estimating Group forecast.

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