

FISCAL NOTE

This bill repeals the Strategic Investments and Projects Account (SIPA) effective July 1, 2026, after the end of the fiscal year (FY) 2025-2026 biennium.

This bill transfers the SIPA balance to the General Fund on July 1, 2026. Based on the October 30, 2025 LSO Fiscal Profile, the forecast SIPA balance transferred to the General Fund is \$138,974,688, prior to any appropriations from the SIPA during the 2026 Budget Session. Any funds directed by law to be deposited or reverted to the SIPA would be deposited in the General Fund. Any funds appropriated or obligated from the SIPA would be paid from the General Fund.

Table 1. SIPA, LSRA, and SFP Revenue Attributable to PWMTF's Investment Income and Statutory Spending Policy Amount (SPA), and LSRA Transfer Under W.S. 9-4-219(b).

| | FY 2027 | FY 2028 | FY 2029 |
|---|-----------------|-----------------|-----------------|
| NON-ADMINISTRATIVE IMPACT | | | |
| Anticipated Revenue increase/(decrease) | | | |
| LSRA (PWMTF Investment Income) | \$41,400,000 | \$27,100,000 | \$22,100,000 |
| SIPA (PWMTF Investment Income) | (\$41,400,000) | (\$27,100,000) | (\$22,100,000) |
| SIPA (PWMTF RA SPA Guarantee) | (\$232,100,000) | (\$264,600,000) | (\$282,200,000) |
| SFP (Transfer 45% of SIPA SPA) | (\$123,100,000) | (\$131,300,000) | (\$136,900,000) |
| SFP (LSRA Transfer W.S. 9-4-219(b)) | \$0 | \$203,900,000 | \$136,900,000 |

Table 2. PWMTF Reserve Account, SIPA, General Fund, and LSRA Transfers.

| | FY 2027 | FY 2028 | FY 2029 |
|---|-----------------|-----------------|-----------------|
| NON-ADMINISTRATIVE IMPACT | | | |
| Anticipated Expenditure increase/(decrease) | | | |
| PWMTF RA (SPA Guarantee) | (\$232,100,000) | (\$264,600,000) | (\$282,200,000) |
| SIPA (SFP Transfer 45% of SIPA SPA) | (\$123,100,000) | (\$131,300,000) | (\$136,900,000) |
| SIPA (SPCCA Transfer) | (\$10,000,000) | (\$10,000,000) | (\$10,000,000) |
| GENERAL FUND (SPCCA Transfer) | \$10,000,000 | \$10,000,000 | \$10,000,000 |
| LSRA (Transfer to SFP W.S. 9-4-219(b)) | \$0 | \$203,900,000 | \$136,900,000 |

Source of revenue and expenditure increases and (decreases):

This bill repeals the SIPA and the statutory spending policy amount guarantee from the Permanent Wyoming Mineral Trust Fund Reserve Account (PWMTF RA) to the SIPA and redirects investment income from the Permanent Wyoming Mineral Trust Fund (PWMTF) that would have been distributed to the SIPA to the Legislative Stabilization Reserve Account (LSRA), resulting in corresponding revenue and expenditure decreases. Tables 1 and 2 depict the estimated revenue and expenditure impacts, by fund and source, for FY 2027, FY 2028, and FY 2029.

The maximum revenue increase to the LSRA is equal to 2.5 percent of the five-year average market value of the PWMTF, or a portion of the PWMTF statutory spending policy amount: \$273,500,000 in FY 2027, \$291,700,000 in FY 2028, and \$304,300,000 in FY 2029. The SIPA would experience estimated revenue decreases of \$41,400,000 in FY 2027, \$27,100,000 in FY 2028, and \$22,100,000 in FY 2029 attributable to PWMTF investment income, and the LSRA would experience corresponding revenue increases. The SIPA would also experience estimated revenue decreases of \$232,100,000 in FY 2027, \$264,600,000 in FY 2028, and \$282,200,000 in FY 2029 attributable to the statutory spending policy amount guarantee from the PWMTF RA, and the PWMTF RA would experience corresponding estimated expenditure decreases.

Strategic investments and projects account-
repeal.

26LSO-0123, 1.0

The Public School Foundation Program Account (SFP) would experience estimated revenue decreases of \$123,100,000 in FY 2027, \$131,300,000 in FY 2028, and \$136,900,000, equal to 45 percent of the PWMTF statutory spending policy amount attributable to the SIPA, and the SIPA would experience corresponding expenditure decreases.

The SIPA would experience estimated expenditure decreases of \$10,000,000 in FY 2027, \$10,000,000 in FY 2028, and \$10,000,000 in FY 2029 attributable to transfers from the SIPA to the State Penitentiary Capital Construction Account (SPCCA), and the General Fund would experience corresponding expenditure increases.

This bill does not modify W.S. 9-4-219(b), which is a transfer from the LSRA to the SFP ensuring the balance of the SFP is \$100,000,000 at the end of each fiscal year, as long as the balance of the LSRA is at least \$500,000,000. However, as a result of repealing the SIPA and the corresponding revenue decreases, the SFP would experience estimated revenue increases through transfers from the LSRA in accordance with W.S. 9-4-219(b). The estimated revenue increases to the SFP from the LSRA transfer are \$203,900,000 in FY 2028 and \$136,900,000 in FY 2029, and the LSRA would experience corresponding expenditure increases. The estimated ending balance of the SFP on June 30, 2028 is \$150,500,000 using the October 30, 2025 LSO Long-Term Fiscal Profile, resulting in the LSRA expenditure increase equal to the SFP revenue decrease, less \$50,500,000 or the SFP balance in excess of \$100,000,000.

Assumptions:

The revenue and expenditure estimates utilize the October 2025 Consensus Revenue Estimating Group forecast investment income. The balances of the SIPA and SFP are based on the October 30, 2025 LSO Long-Term Fiscal Profile.

The State Treasurer's Office projects yields in FY 2027 through FY 2029 to be 2.54 percent, 2.53 percent, and 2.55 percent, respectively for permanent funds and 3.52 percent, 3.62 percent, and 3.77 percent respectively for State Agency Pool funds.

Yield is defined as the interest and dividend income from the investment. Over the long term, total returns for permanent funds are expected to be 6.75 percent, while total returns for State Agency Pool funds are expected to be 3.50 percent. This is in accordance with the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized and unrealized gains.

Prepared by: Matthew Willmarth, LSO

Phone: 777-7881

HB0033