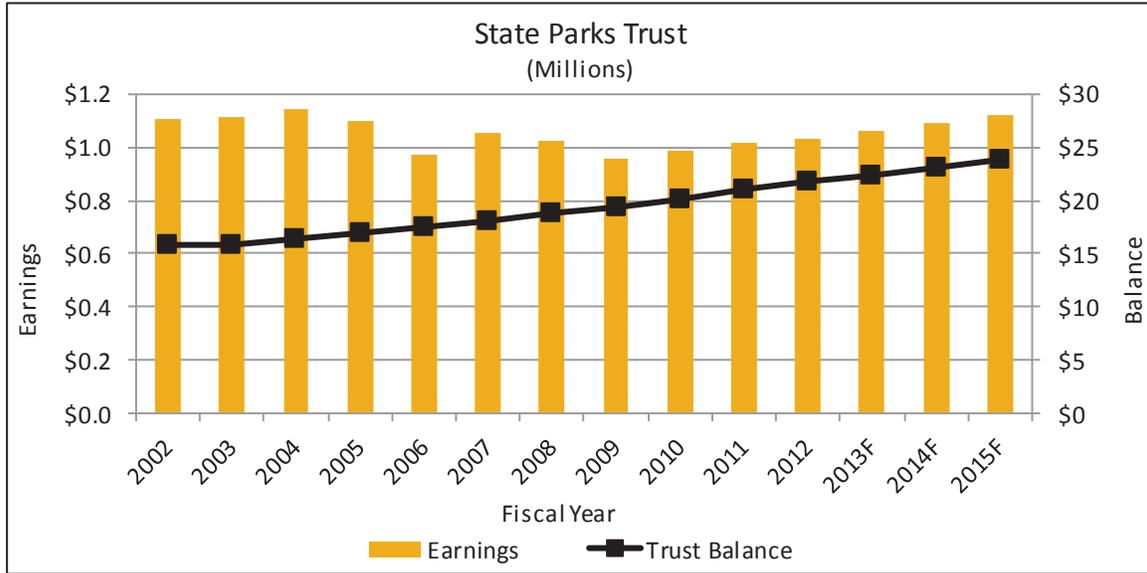


# Legislative Fiscal Division

## Revenue Estimate Profile

### Parks Trust Interest

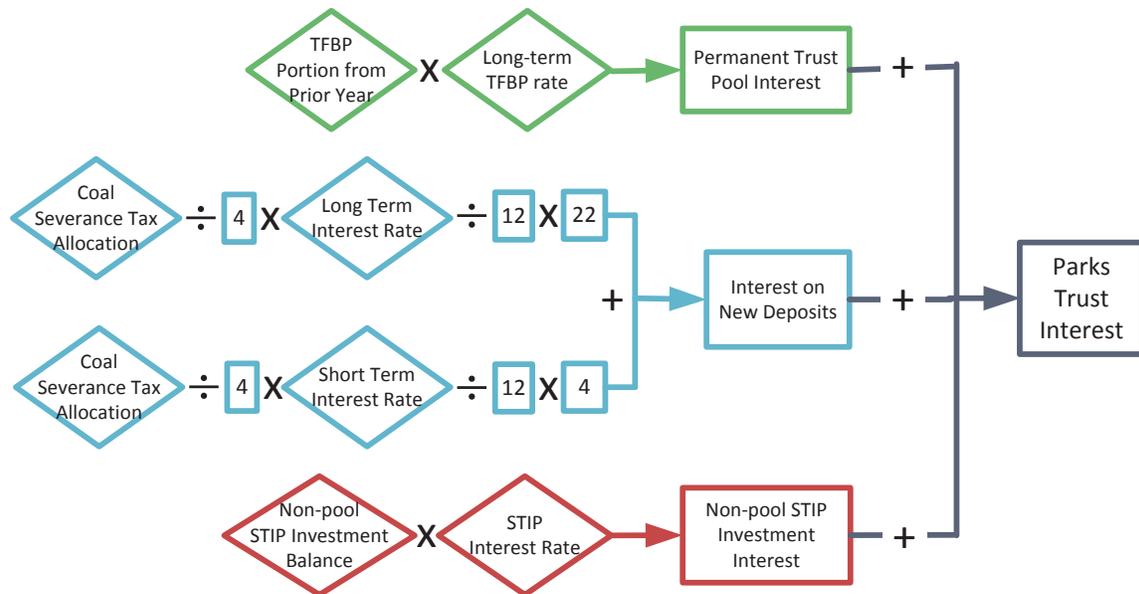
The TFBP was formed in 1995 to manage the fixed investments held in the state’s major trust funds. Each trust owns “shares” of the pool and interest earnings are paid to each trust on a per-share basis. TFBP earnings are the largest source of earnings for the trust, as shown in the figure below. To estimate TFBP earnings, the base year rate of return generated by the pool, as reported by the BOI, is adjusted during the forecast period for maturing securities. The applicable long-term rate for these securities is based on an average of four long-term rates projected by IHS.



STIP interest (including other interest) is earned on cash, prior to investment in long-term investments. Funds are acquired from new deposits and/or maturing securities in the forecast period. Funds are held in STIP until the BOI determines that conditions are favorable for investment in the TFBP. To estimate future STIP earnings, an average short-term interest rate is developed, based on IHS projections of three short-term investments.

The 1.27% coal severance tax distribution to the parks trust is considered new deposits. New deposits are transferred to the trust on a quarterly basis. When the BOI receives the coal tax transfer, the funds are immediately invested in STIP. Funds are expected to remain in STIP for one month before being invested in the TFBP. The interest earned on new deposits is estimated by summing STIP earnings for one month with TFBP earnings for the remainder of the year.

#### Forecast Methodology:



# Legislative Fiscal Division

## Revenue Estimate Profile

### Parks Trust Interest

#### Revenue Estimate Assumptions:

This section contains the assumptions used to generate the revenue estimates contained in Senate Joint Resolution 2. It does not reflect changes, if any, enacted by the 2013 Legislature that may affect future estimates of this revenue source.

	t	Total Rev.	GF Rev.	TFBP	STIP	Invested	Average
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Balance</u>	<u>Return</u>
						<u>Millions</u>	<u>Rate</u>
Actual	2002	1.106	0.000	1.100	0.006		
Actual	2003	1.115	0.000	1.101	0.003		
Actual	2004	1.140	0.000	1.138	0.002	16.189	7.0%
Actual	2005	1.100	0.000	1.095	0.005	16.772	6.6%
Actual	2006	0.972	0.000	0.957	0.015	17.305	5.6%
Actual	2007	1.055	0.000	1.034	0.021	17.950	5.9%
Actual	2008	1.025	0.000	1.008	0.017	18.569	5.5%
Actual	2009	0.954	0.000	0.951	0.003	19.284	4.9%
Actual	2010	0.989	0.000	0.989	0.001	19.953	5.0%
Actual	2011	1.014	0.000	1.013	0.001	20.803	4.9%
Actual	2012	1.034	0.000	1.033	0.001	21.590	4.8%
Forecast	2013	1.063	0.000	1.051	0.012	22.287	4.8%
Forecast	2014	1.089	0.000	1.075	0.014	23.023	4.7%
Forecast	2015	1.119	0.000	1.103	0.016	23.789	4.7%

	t	Net Coal Tax	New Deposit	Non Pool	Non Pool
	<u>Fiscal</u>	<u>New Deposit</u>	<u>Long Term</u>	<u>STIP</u>	<u>STIP Bal</u>
		<u>Millions</u>	<u>Rate</u>	<u>Rate</u>	<u>Millions</u>
Actual	2002	0.401	6.2%	2.6%	0.309
Actual	2003	0.000	5.7%	1.4%	0.140
Actual	2004	0.401	5.4%	1.3%	0.328
Actual	2005	0.478	5.2%	2.4%	0.236
Actual	2006	0.455	5.2%	4.1%	0.469
Actual	2007	0.518	5.4%	4.7%	0.514
Actual	2008	0.576	5.3%	3.1%	0.133
Actual	2009	0.629	5.1%	1.0%	0.138
Actual	2010	0.561	4.8%	0.2%	0.242
Actual	2011	0.698	4.4%	0.1%	0.252
Actual	2012	0.670	3.8%	0.1%	0.289
Forecast	2013	0.697	3.4%	0.1%	0.289
Forecast	2014	0.736	3.8%	0.1%	0.289
Forecast	2015	0.766	4.2%	0.2%	0.289

$$\text{Total Rev.} = \text{Invested Balance} \times \text{Average Return}$$

# Legislative Fiscal Division

## Revenue Estimate Profile

### Parks Trust Interest

#### Revenue Projection:

