

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number
Bill Version **SB 97**
() Publish Date

Identifier (file name) SB097-CCED-DCRA-03-19-11
Title Community Revenue Sharing Formula
Sponsor Senate Finance Committee
Requester Senate Finance Committee
Dept. Affected DCCED
Appropriation Community and Regional Affairs
Allocation Community and Regional Affairs
OMB Component Number 2879

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants	22,000.0						
Miscellaneous							
TOTAL OPERATING	22,000.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	22,000.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	22,000.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Scott Ruby, Director
Division Community and Regional Affairs
Approved by Susan K. Bell, Commissioner
Commerce, Community, and Economic Development

Phone 269-4569
Date/Time 3/20/11 4:30 PM
Date 3/20/2011

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BILL NO. SB 97

Analysis

Senate Bill 97 would provide additional funding for public education allocated on the adjusted average daily membership and to communities through the Community Revenue Sharing program based on the price of oil that exceeds \$89 a barrel on July 1 of the fiscal year multiplied by \$2,000,000.

The Department of Commerce, Community, and Economic Development administers the Community Revenue Sharing Program and does not expect any additional costs to administer the program.

The fiscal note assumes a July 1 oil price of \$100 per barrel and the costs is calculated as follows:

$$\$100 - \$89 = 11 * \$2,000,000 = \$22 \text{ million}$$

Under this estimate, the total cost of SB97 with an oil price of \$100 on July 1 is \$44 million - \$22 million for education and \$22 million for communities.

If the program were implemented as of March 17, 2011, with the closing price of oil at \$114 per barrel, the total cost would be \$100 million - \$50 million for education and \$50 million for communities.

$$\$114 - \$89 = 25 * \$2,000,000 = \$50 \text{ million.}$$

Listed below is the calculation of the cost of the Community Revenue Sharing program at various oil prices.

Price of Oil

on July 1	Amount above \$89	Multiplier	Total Amount *
95	6	2,000,000	12,000,000
100	11	2,000,000	22,000,000
105	16	2,000,000	32,000,000
110	21	2,000,000	42,000,000
115	26	2,000,000	52,000,000
120	31	2,000,000	62,000,000
125	36	2,000,000	72,000,000

*the total amount would be doubled to include the allocations under Education and Community Revenue Sharing.