

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Bill No. 2
 Bill Version: SCS CSHB 116 (RES)
 ((S)) Publish Date: 4-17-00

Revision Date/Time: 28-Mar-00
 Title: Board of Agriculture and Conservation
 Sponsor: Rep. James
 Requestor: (S) RES

Dept Affected: Natural Resources
 BRU: Agricultural Development and ARLF Admin.
 Component: Agricultural Development, and ARLF Program Admin.
 Component No: 455 and 2235

Expenditures/Revenues (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS & CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |

| | | | | | | |
|-----------------------------|-----|-----|-----|-----|-----|-----|
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------------------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|---------------------------------------|-----|-----|-----|-----|-----|-----|
| CHANGE IN REVENUES (fund code) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|---------------------------------------|-----|-----|-----|-----|-----|-----|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| 1021 ARLF | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| TOTAL | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |

Estimate of any current year (FY2000) cost: \$ none

POSITIONS

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

FY01 and future costs are difficult to quantify since proposed legislation creates a new level of government.

Per diem allowance language section 39.20.180 (2) is unclear as to rate of reimbursement.

Currently the Agricultural Revolving Loan Fund Board meeting expenses are approximately \$9.0 per year for travel related meeting expenses for 8 meeting a year, the minimum set by statute. These costs can be higher depending on where a board member lives, the number of meetings held, or if all seven seats are filled during the year. There are no costs to the Division of Agriculture for the creamery corporation meetings. The new board of agriculture, it would be reasonable to assume, would need to meet at least twice as many times or more (16) since the proposed board has an expanded mission. We estimate a potential \$10.0 increase in meeting expenses. This \$10.0 is reflected in the fiscal

note.

| | | | |
|---------------------------|---------------------------------|--------|--------------|
| Prepared by: | Robert Wells <i>[Signature]</i> | Phone: | 907-745-7200 |
| Division: | Division of Agriculture | Date: | 17-Apr-00 |
| Approved by Commissioner: | John Shively <i>[Signature]</i> | Date: | 17-Apr-00 |
| Agency: | Natural Resources | | |

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Based on loans issued in FY99, each percent decline in the interest rate of Agricultural Revolving Loan Fund loans will result in a corresponding decline in interest revenue that averages approximately \$20.0 annually over a five-year period.

Also the exiting portfolio could eventually participate in any offered reduction through requested loan modifications, which would further reduce interest income.