

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSHB 51(FIN)
 (H) Publish Date: 4/28/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Seafood / Food Safety Lab BRU: Revenue Operations
 Component: Treasury
 Sponsor: Rules Committee
 Requester: House Finance Committee Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	10.0					
Contractual	8.0	7.0	7.0	7.0	7.0	7.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		1,009.4	1,007.6	1,010.7	1,012.4	1,007.8
TOTAL OPERATING	18.0	1,016.4	1,014.6	1,017.7	1,019.4	1,014.8

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	18.0	1,016.4	1,014.6	1,017.7	1,019.4	1,014.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	18.0	1,016.4	1,014.6	1,017.7	1,019.4	1,014.8

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation authorizes the issuance of \$11,600,000 in Certificates of Participation, plus the use of \$878,000 in investment earnings on the bond proceeds during construction and \$310,000 in state General Fund dollars to pay for the construction of a seafood and food safety laboratory.

Investment earnings projections on this project are based on cash flows provided by the Department of Transportation and Public Facilities and require a rate of return of 4.1% to realize sufficient earnings for full project funding. Although the assumptions that have been used are conservative, to the extent funds are spent more quickly than anticipated or the investment return is less than 4.1% the project may require additional funding for completion.

Assuming an interest cost of 5.83% (approximately 0.50% above current rates), and a 20-year term, the annual debt service payments will be approximately \$1.0 million beginning in fiscal year 2003 with a total repayment of just under \$20.2 million.

Prepared by: Deven Mitchell, State Debt Manager Phone 465-3750
 Division: Treasury Division Date/Time April 27, 2001, 5 p.m.
 Approved by: Larry Persily, Deputy Commissioner Date 04/27/2001
 Agency: Department of Revenue

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