

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 205(RES)
 (H) Publish Date: 4/17/01
 Dept. Affected: Natural Resources
 BRU: Management & Admin.
 Component: Commissioner's Office
 Component Number: 424

Revision Date/Time (Note if correction): _____
 Title: An Act relating to resource development and to
grants for the purpose of promoting resource development...
 Sponsor: Rep. Fate
 Requester: (H) RES

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	115.9	115.9	115.9	115.9	115.9	115.9
Travel	6.0	6.0	6.0	6.0	6.0	6.0
Contractual	19.0	19.0	19.0	19.0	19.0	19.0
Supplies	0.8	0.8	0.8	0.8	0.8	0.8
Equipment	13.3					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	155.0	141.7	141.7	141.7	141.7	141.7

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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
NEW - Res. Dev. Fund	155.0	141.7	141.7	141.7	141.7	141.7
TOTAL	155.0	141.7	141.7	141.7	141.7	141.7

Estimate of any current year (FY2001) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2002 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill allows for establishment of and appropriation to a Resource Development Fund, and creation of a Resource Development Board. The appropriation amount can be equal to 1/4 of 1% of ALL mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state under AS 38.05. DNR estimates this amount to be \$2.6 million annually, calculated on the total amount of ALL those revenue sources BEFORE distributions are made to the Permanent Fund, School Fund, and Constitutional Budget Reserve Fund. DNR assumes those three funds receive their full share of revenues under statute, and the amount appropriated to the Resource Development Fund is made from the general fund.

Prepared by: Carol Carroll, Director Phone 465-4730
 Division: Support Services Date/Time 9-Apr-01
 Approved by: Pat Pourchot Date 9-Apr-01
 Agency: Natural Resources

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* Change in Revenue: The amount the legislature appropriates to the new Resource Development Fund results in an equal amount of reduction to the state general fund.

Fiscal Impact

Factors which will influence the actual cost of this legislation include:

1. The actual annual appropriation amount made to the Resource Development Fund.
2. The number of grants awarded by the Board annually. The cost of administering and processing the grants will be vastly different if the Board awards one grant for \$2.6 million or 260 grants for \$10.0 each.

Costs may be significantly different based on decisions made by the Board which are not quantifiable at this time.

The following assumptions are used in calculating the costs identified on this fiscal note.

1. All costs of operating the Board are paid out of the newly established Resource Development Fund.
2. The Board may hire staff. Assumption is an Executive Director (R21) and an Administrative Assistant (R13) to provide guidance and grant administration support. Annual cost estimated at \$115.9.
3. Travel and perdiem costs assume 4 annual meetings, for 7 board members. Depending on number of board positions actually filled, location of board members, location and duration of meetings, this number will vary. Best estimate is \$6.0 annually.
4. Contractual costs of Board and staff include office space for staff; and operational costs such as telephone/network charges, meeting location rentals, postage/copiers, advertisement costs for grant proposals, indirect administrative costs etc. Estimate is \$19.0 annually.
5. Annual basic operating supplies for the Board staff estimated at \$0.8/year.
6. One-time equipment purchases necessary to set up the Board staff office space are estimated at \$13.3. This includes computers, printer, phones, fax, and furniture.

Additional Potential Costs not included in this fiscal note:

1. Additional contractual costs such as outside consultant contracts the Board may want to enter into are not included in this estimate, and may require additional funding.
2. The bill allows for the department (DNR) as well as Fish & Game and Environmental Conservation to provide technical staffing and information as needed by the board. DNR assumes that the Board will reimburse the departments for technical staffing and support costs when the time spent on Board activities is substantial. There is no reasonable way to estimate this cost. This item is not included in the fiscal note, and may require additional funding.

Personal Services New Position Detail

Department of Natural Resources

Scenario: DNR FY2002 Gov Amended with Fiscal Notes (1842)

Component: Commissioner's Office (423)

BRU Name: Management and Administration (135)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
10-#069	Exec Director Res Dev Board	FT	A	XE	Anchorage	AA	21 A	12.0		51,624	1,253	0	17,960	70,837
Justification:							Funding Detail:							
SB136 - Resource Development Board							1004	General Fund Receipts					100.00%	70,837
												Total Funding:	100.00%	70,837
10-#070	Administrative Assistant	FT	A	GG	Anchorage	1A	13 A	12.0		31,068	377	0	13,659	45,104
Justification:							Funding Detail:							
SB136 - Resource Development Board							1004	General Fund Receipts					100.00%	45,104
												Total Funding:	100.00%	45,104

Component Summary:

Total New Positions: 2

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	115,941
Total Funding:	100.00%	115,941

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.