

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 9
 Bill Version: CSHB 333(FIN)
 (H) Publish Date: 4/19/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Public School Endowment RDU Revenue Programs & Services
 Component Treasury Management
 Sponsor Representative Ogg
 Requester House Finance Committee Component No. 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	93.0	146.0	193.0	241.0	289.0	333.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	93.0	146.0	193.0	241.0	289.0	333.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Public School Trust Fund	93.0	146.0	193.0	241.0	289.0	333.0
TOTAL	93.0	146.0	193.0	241.0	289.0	333.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

For purposes of this fiscal note, additional amounts of forecasted unrestricted revenue (using Fall 2003 *Revenue Sources Book*) would be deposited in the Public School Trust Fund, and 5% of the year-end balance is calculated to be appropriated (spent). The Public School Trust Fund had \$283.8 million on 12/31/03. In this fiscal note the additional amounts would be:

millions of dollars					
2005	2006	2007	2008	2009	2010
40	73	102	132	162	190

Prepared by: Tom Boutin, Deputy Commissioner Phone 465-3669
 Division Treasury Division Date/Time 4/18/04, 2:30 PM

Approved by: Steve Porter, Deputy Commissioner Date 4/18/2004
 Agency Department of Revenue

FISCAL NOTE #9

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSHB 333(FIN)

ANALYSIS CONTINUATION

So, for example, the cost of managing \$190 million in 2010 is \$333.0, or 17.5 basis points. This fiscal note only shows the cost side of the situation. Over time, the investment returns that would be realized from the investments associated with these costs would be equivalent to returns of other balanced funds that have significant equity investments. Therefore looking at only the costs gives an incomplete picture.

The Department of Revenue believes that the sponsor intends this bill to apply only to leases and other land income from future development. Modifying the bill in that way might markedly change the amounts deposited in the Public School Trust Fund from what is estimated in this fiscal note.