

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: HB 130
 (H) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: University of Alaska
 Title University Lands RDU Statewide Programs & Services
 Component Statewide Services
 Sponsor House Rules Committee
 Requester Governor Murkowski Component No. 730

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	500.0	250.0	250.0	250.0	250.0	250.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
TOTAL OPERATING	500.0	250.0	250.0	250.0	250.0	250.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)	500.0	250.0	250.0	250.0	250.0	250.0
TOTAL	500.0	250.0	250.0	250.0	250.0	250.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

In the short term (6 years) this bill would provide very little operating revenue, due to the fact that the funding resulting from this bill is deposited into UA's Land Grant Trust Fund (LGTF, an endowment that has a payout policy similar to the POMV principles i.e., 5% of the prior five year endowment average), however in the long term, after substantial additions to the LGTF endowment UA can see modest operating revenue i.e., in approximately 20 years UA anticipates annual investment earnings on new land sales to reach 1% of state general fund support or \$2.6M.

UA Land Management will add minimal staff to accomplish management of the new lands as this land transfer would roughly replace land inventory available for sale. Land Management operating costs are already considered in the net revenue projections.

Prepared by: Pat Pitney, Associate Vice President Phone _____
 Division: Planning and Budget Development Date/Time 2/4/05 2:18 PM
 Approved by: Pat Pitney, Associate Vice President Date 2/4/2005
 Agency: Planning and Budget Development

**Annual Land Sales Investment Endowment
(All Figures x\$1,000)**

<u>Fiscal Year</u>	<u>UA LGTF Endowment Annual Additional Principle</u>	<u>UA LGTF Endowment Cumulative Increment</u>	<u>UA Annual Operating Revenue (Based on UA LGTF endowment using POMV principles 5% of prior 5 year endowment average)</u>
FY2006	2,000.0	2,000.0	0.0
FY2007	3,000.0	5,000.0	0.0
FY2008	4,000.0	9,000.0	30.0
FY2009	5,000.0	14,000.0	100.0
FY2010	5,000.0	19,000.0	220.0
FY2011	5,000.0	24,000.0	390.0
FY2012	5,000.0	29,000.0	610.0
FY2013	5,000.0	34,000.0	850.0
FY2014	5,000.0	39,000.0	1,100.0
FY2015	5,000.0	44,000.0	1,350.0
FY2016	5,000.0	49,000.0	1,600.0
FY2017	5,000.0	54,000.0	1,850.0
FY2018	5,000.0	59,000.0	2,100.0
FY2019	5,000.0	64,000.0	2,350.0
FY2020	5,000.0	69,000.0	2,600.0