

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 2  
 Bill Version **SB 37**  
 (S) Publish Date 3/9/11

Identifier (file name) SB37-DOR-TRS-02-28-11 Dept. Affected Revenue  
 Title Transportation and Infrastructure Fund Appropriation Treasury and Taxation  
 Allocation Treasury Division  
 Sponsor Senator Thomas  
 Requester Senate Transportation Committee OMB Component Number 121

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>							
Personal Services			227.2	246.2	265.8	286.1	307.4
Travel							
Services			209.8	227.2	245.4	264.1	283.7
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>437.0</b>	<b>473.4</b>	<b>511.2</b>	<b>550.2</b>	<b>591.1</b>

<b>CAPITAL EXPENDITURES</b>							
-----------------------------	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES</b>							
---------------------------	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1178 Temporary Code			437.0	473.4	511.2	550.2	591.1
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>437.0</b>	<b>473.4</b>	<b>511.2</b>	<b>550.2</b>	<b>591.1</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This is the first version of the fiscal note.

Prepared by Pamela Leary, Comptroller  
 Division Treasury Division  
 Approved by Ginger Blaisdell, Director Administrative Services Division  
Department of Revenue

Phone 465-2350  
 Date/Time 2/28/11; 10:30am  
 Date 2/28/11; 10:42am

**Analysis**

This draft bill provides for a Transportation and Infrastructure Fund to be established in the amount of \$1billion with additional recurring funding from the Motor Fuel taxes as well as Vehicle Registration, Drivers license, and ID card fees. It is anticipated the fund will be managed with an asset allocation of 38% fixed income, 10% international equity, and 52% domestic equity. However, in order to yield a real annual rate of return of 6% it may be necessary to adopt a more aggressive asset allocation which would incur higher management fees. Costs of the fund include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.