

FISCAL NOTE

Bill #: SB0497

Title: Fund educational state park near Fort Peck

Primary

Sponsor: Sam Kitzenberg

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

FY2002
Difference

FY2003
Difference

Expenditures:

General Fund	0	3,119,093
State Special Revenue	5,500,000	300,000

Revenue:

State Special Revenue	(396,000)	(96,000)
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Net Impact on General Fund Balance:	\$0	(\$3,119,093)
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<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. The IMAX theatre is considered one unit and the museum, interpretive center, and cultural learning center as another. The word "museum" refers to the museum, interpretive center, and cultural center together.
2. The IMAX Theatre can be built for \$4,000,000 and the cultural learning center can be built as wing on the museum for \$1,500,000, as specified in the bill.
3. Fish Wildlife & Parks will be responsible for staffing and maintaining the entire facility.
4. The entire facility will be open for operation in FY 2003.
5. Annual revenue is estimated to be \$100,000 for the museum and \$200,000 for the IMAX.
6. The IMAX theatre will be approximately the same size as the Kramer IMAX located in Regina, Saskatchewan with similar staff and annual budget (West Yellowstone IMAX was also consulted). Total

annual costs for the theatre are estimated to be \$734,593. (1.00 Grade 14 FTE and 14.00 Grade 7 FTE at \$334,593 and \$400,000 operations)

7. The initial investment for the IMAX projector is \$1,850,000 with an annual lease fee of \$85,000 thereafter. This is not considered part of the \$4,000,000 construction costs.
8. The museum will be similar to the Lewis and Clark Interpretive Center in Great Falls. According to Mike Oliver of Senator Burns' office, that museum has a budget of \$750,000. (An estimated 10.00 Grade 8 FTE at \$229,030 and \$520,970 operations)
9. One-time startup costs for the entire facility of \$84,500 will provide three vehicles (\$50,000), a small tractor with bucket and mower (\$20,000), a copy machine (\$5,000), three computers (\$4,500) and other associated items (\$5,000).
10. General fund will be used to pay for operations and maintenance of the entire facility in excess of the anticipated revenue. FY 2003 general fund impact is estimated at \$3,119,093. ($\$3,419,093 - \$300,000 = \$3,119,093$) Future general fund impact will be \$1,269,593 annually. (A reduction from FY 2003 of \$1,849,500 ($\$1,850,000 + \$84,500 - \$85,000 = \$1,849,500$))
11. This bill will reduce the principal in the parks coal tax trust by \$5,500,000. The Parks Coal Tax trust interest rate on March 1, 2001, is 7.20 percent as reported by Board of Investments. Therefore, reduced interest earnings from the trust will be approximately \$396,000 annually. ($\$5,500,000 \times 7.2 \text{ percent} = \$396,000$)
12. Interest from the Parks Coal Tax trust account is used to operate and maintain heritage parks within the State Park System. Lost coal tax trust interest revenue from this bill will result in cutbacks requiring the closure of approximately six parks such as: Ulm Pishkun (budget \$101,000/yr.), Chief Plenty Coups (97,000/yr.), Makoshika State Park (98,000/yr.), Lone Pine (56,000/yr.), and Pictograph Caves (44,000/yr.). If parks with lesser budgets are closed, a greater number will be affected.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
FTE		
IMAX Theatre	0.00	15.00
Museum	<u>0.00</u>	<u>10.00</u>
TOTAL	0.00	25.00

Expenditures:

Personal Services		
IMAX Theatre	0	334,593
Museum	0	229,030
Operating Expenses		
IMAX Theatre	0	400,000
Museum	0	520,970
Equipment		
One-time Startup Costs	0	84,500
One-time IMAX Projector Cost	0	1,850,000
Capital Construction		
IMAX Theatre	4,000,000	0
Museum	<u>1,500,000</u>	<u>0</u>
TOTAL	\$5,500,000	\$3,419,093

Funding:

General Fund (01)	0	3,119,093
State Special Revenue (02)	<u>5,500,000</u>	<u>300,000</u>
TOTAL	\$5,500,000	\$3,419,093

Revenues:

General Fund (01)	\$0	\$0
State Special Revenue (02)		
Coal Tax	(\$396,000)	(\$396,000)
IMAX and Museum	\$0	\$300,000

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	\$0	(\$3,119,093)
State Special Revenue (02)	(\$396,000)	(\$96,000)

LONG-RANGE IMPACTS:

1. This bill will reduce a key funding source for State Parks by \$396,000 per year at current interest rates while adding new responsibilities to the state park program. This facilities will need significant general fund support estimated at approximately \$1.3 million annually.

TECHNICAL NOTES:

1. The bill designates \$5.5 million from the coal tax trust fund be deposited into an expendable trust fund. As of July 1, 2002, expendable trust funds will be eliminated from the governmental accounting fund structure per Governmental Accounting Standards Board Statement No. 34. A state special revenue fund should be designated as the fund used