

Fiscal Note Request HB0537, As Introduced

(continued)

8. Updated forested stand level inventory data currently estimates total state forested acres at 711,600 acres, which is roughly 110,000 acres more than was estimated in 1996.
9. The State Forest Land Management Plan analyzed the impacts associated with harvesting up to 55 MMBF from forested state lands on an annual basis.
10. Given assumptions # 7, 8, and 9, the recalculation of the sustainable yield would likely result in a new yield of 44.2 to 55 MMBF beginning in FY 2005.
11. Total timber volume assumed to be sold in FY 2005 would average 49.5 MMBF, for an additional 7.3 MMBF over the current sustainable yield.
12. Twenty percent of the additional volume sold in FY 2005 would likely be harvested in FY 2005 for an additional \$292,000 in FY 2005.
13. Approximately 70 percent of the increased timber revenue would be distributable and 30 percent non-distributable based on FY 2002 actual figures, which equates to \$218,400 distributable and \$93,600 nondistributable for FY 2004. The distributable revenue in FY 2005 would be \$641,200 and non-distributable \$274,800. Of the distributable revenue, 82 percent was Common School and 18 percent Public Building Trusts for FY 2002. This ratio would equate to gross revenues of \$179,088 for FY 2004 for the Common School and \$39,312 for Public Buildings Trusts. For FY 2005, the gross revenues would be \$525,784 for Common Schools and \$115,416 for Public Buildings.
14. Ninety-five percent of the distributable revenue for Common School goes to the Guarantee Account and 5 percent to the Common School non-distributable permanent fund, which equates to \$132,134 and \$6,954 for FY 2004. For FY 2005, the Common School distributable revenue would be \$499,495 and \$26,289 for non-distributable which under current law would be statutorily appropriated for school technology.
15. There would be a small increase in distributable trust fund interest revenues, not listed in this note.

	<u>Gross Revenue</u>	<u>Distributable</u> <u>70%</u>	<u>Non-distributable</u> <u>30%</u>		<u>Guarantee</u> <u>95%</u>	<u>Permanent Fund</u> <u>5%</u>
FY 2004 Revenue	\$312,000	\$218,400	\$93,600			
	<u>Distributable</u>	<u>Gross Rev</u>	<u>Costs</u>	<u>Total</u>		
Common School	\$218,400 82%	\$179,088	(\$40,000)	\$139,088	\$132,134	\$6,954
Public Buildings	18%	\$39,312		\$39,312		
Total		\$218,400		\$178,400		

	<u>Gross Revenue</u>	<u>Distributable</u> <u>70%</u>	<u>Non-distributable</u> <u>30%</u>		<u>Guarantee</u> <u>95%</u>	<u>Permanent Fund</u> <u>5%</u>
FY 2005 Revenue	\$916,000	\$641,200	\$274,800			
	<u>Distributable</u>	<u>Gross Rev</u>	<u>Costs</u>	<u>Total</u>		
Common School	\$916,000 82%	\$525,784	\$0	\$525,784	\$499,495	\$26,289
Public Buildings	18%	\$115,416		\$115,416		
Total		\$641,200		\$641,200		

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FISCAL IMPACT:

	<u>FY 2004</u>	<u>FY 2005</u>
Dept. of Natural Resources Trust Lands	<u>Difference</u>	<u>Difference</u>

<u>Expenditures:</u>		
Operating Expenses: Timber Sale Account	\$40,000	0

<u>Funding of Expenditures:</u>		
State Special Revenue (02) Timber Sale Account	\$40,000	0

Office of Public Instruction

<u>Expenditures:</u>		
Local Assistance – School Technology	\$132,134	\$499,495

<u>Funding of Expenditures:</u>		
State Special (02) – Guarantee Account	\$132,134	\$499,495

Revenues:

State Special Revenue (02)		
Timber Sale Account	\$40,000	0
Guarantee Account	132,134	499,495
Capital Projects (05) Public Buildings	39,312	115,416
Trust Fund (09)		
Common School	6,954	26,289
Permanent Fund (remaining 7 grants)	<u>93,600</u>	<u>274,800</u>
TOTAL	312,000	916,000

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)		
Timber Sale Account	\$0	\$0
Guarantee Account	0	0
Capital Projects (05) Public Buildings	39,312	115,416
Trust Fund (09)		
Common School	6,954	26,289
Permanent Fund (remaining 7 grants)	93,600	274,800

LONG-RANGE IMPACTS:

1. Sustained increases in trust revenue beyond FY 2005 could be anticipated ranging from \$400,000 (44.2 MMBF) to \$2,600,000 (55 MMBF). Funds for school technology and public buildings would increase.
2. Continuing deposits to the various trust and legacy trust funds would generate growing interest revenues to the trust fund beneficiaries.