

State of Alaska FY2008 Governor's Operating Budget

Dept of Commerce,Community,& Economic Development National Forest Receipts Component Budget Summary

Component: National Forest Receipts

Contribution to Department's Mission

Provide financial assistance to local governments through the federally funded National Forest Receipts program.

Core Services

Distribute federal payments to local governments located in the Tongass and Chugach National Forests. Federal revenues from commercial timber harvesting, mineral lease permits, recreation and campground fees in these national forests are shared with local governments to be used for schools, roads, and special forest-related projects.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$9,463,500

Personnel:

Full time	0
Part time	0
Total	0

Key Component Challenges

Beginning in fiscal year 2002 and continuing through fiscal year 2007, federal legislation (HR 2389) resulted in the State receiving an annual payment based on the average of the three highest federal fiscal years within 1986-1999. In FY06, the amount of federal funding distributed to communities was \$9,687,064.

If the changes to the distribution formula of the Act are not extended, National Forest Receipt payments in FY 2008 will revert back to the original distribution formula. Under that allocation formula, 25% of the annual income derived from the National Forest is returned to the State to be distributed to communities located within the Forest for the benefit of schools and roads.

Recent Forest Service estimates show that under the original distribution formula, National Forest Receipt payments may decrease by roughly 85% in FY 2008. This will place many of Southeast Alaska's school districts in serious financial difficulty as they rely substantially on National Forest Receipts funding for the operation of their schools. It is unclear how and if municipal school districts and REAA's will be able to address these potentially large school funding shortfalls.

Significant Changes in Results to be Delivered in FY2008

The amount of funding to distribute to communities may substantially decrease in FY08 if federal legislation is not approved extending the current distribution formula.

Major Component Accomplishments in 2006

Administered the disbursement of \$9,687,064 of National Forest Receipts to 32 communities located within the Tongass and Chugach National Forests.

Statutory and Regulatory Authority

AS 41.15.180 National Forest Receipts

3 AAC 32.010-.900 National Forest Receipts

Contact Information

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National Forest Receipts Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	9,463.5	9,463.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	9,463.5	9,463.5
Funding Sources:			
1002 Federal Receipts	0.0	9,463.5	9,463.5
Funding Totals	0.0	9,463.5	9,463.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Manageme nt Plan	FY2008 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Federal Receipts	51010	0.0	9,463.5	9,463.5
Restricted Total		0.0	9,463.5	9,463.5
Total Estimated Revenues		0.0	9,463.5	9,463.5

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	9,463.5	0.0	9,463.5
Adjustments which will continue current level of service:				
-Increase for appropriation to the Department of Transportation	0.0	170.0	0.0	170.0
-Decrease for appropriation to the Department of Transportation	0.0	-170.0	0.0	-170.0
FY2008 Governor	0.0	9,463.5	0.0	9,463.5