

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary							
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	2019-21 Legislature	2019-21 Act 9	Act 9 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$0	\$0	\$3,447,100	\$3,447,100	\$3,447,100	\$3,447,100	N.A.
FED	105,400	105,400	105,400	105,400	105,400	0	0.0%
PR	<u>3,320,400</u>	<u>3,447,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>- 3,320,400</u>	- 100.0
TOTAL	\$3,425,800	\$3,552,500	\$3,552,500	\$3,552,500	\$3,552,500	\$126,700	3.7%

FTE Position Summary						
Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	2020-21 Legislature	2020-21 Act 9	Act 9 Change
						Over 2018-19 Base
GPR	0.00	0.00	9.50	9.50	9.50	9.50
PR	<u>9.50</u>	<u>9.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>- 9.50</u>
TOTAL	9.50	9.50	9.50	9.50	9.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	\$126,700
----	-----------

Governor/Legislature: Provide an increase of \$62,200 in 2019-20 and \$64,500 in 2020-21 for adjustments to the base budget as follows: (a) \$59,900 annually for full funding of continuing salaries and fringe benefits; and (b) \$2,300 in 2019-20 and \$4,600 in 2020-21 for full funding of lease costs and directed moves.

2. CONVERT OPERATIONS FUNDING FROM PR TO GPR

	Funding	Positions
GPR	\$3,447,100	9.50
PR	<u>- 3,447,100</u>	<u>- 9.50</u>
Total	\$0	0.00

Joint Finance/Legislature: Convert the program revenue appropriation for Board of Commissioners of Public Lands (BCPL) general operations to instead be supported by general purpose revenues. Convert bill general operations funding of \$1,722,400 PR in 2019-20 and \$1,724,700 PR in 2020-21 with 9.5 positions to GPR. Repeal BCPL's ability to deduct operations expenses from the gross receipts of

BCPL-managed trust funds, but retain the existing PR operations appropriation.

BCPL manages the Common School Fund, Normal School Fund, University Fund, and the Agricultural College Fund and distributes the interest earnings of the trust funds to each fund's beneficiary. For instance, BCPL distributes interest income from the Common School Fund to public school libraries. BCPL may deduct its own expenses related to the administration of the trust funds from the gross receipts of the trust funds. These amounts are budgeted under BCPL as program revenue for general agency operations. The provision would remove BCPL's ability to fund its operations from the interest proceeds of the trust funds, replacing it with a GPR appropriation at the same level of funding.

The provision would also reestimate school library aids by \$1,500,000 in each year of the biennium from the Common School Fund, as the elimination of operations expense deductions would be expected to increase income distributions to beneficiaries. [See "Public Instruction -- Categorical Aids."]

Veto by Governor [C-35]: Retain BCPL's statutory authority to deduct its expenses from the gross receipts of the funds managed by the Board. However, legislative approval would be required to restore PR funding. Therefore, program operations will be funded by the GPR appropriation in the 2019-21 biennium.

[Act 9 Sections: 282g, 282j, and 335o]

[Act 9 Vetoed Sections: 282j (as it relates to deductions from gross receipts), 335g thru 335n, and 335p thru 335t]