

Budget Brief – School and Institutional Trust Lands Administration

NUMBER: NRAS-BB-07-20

SUMMARY

School and Institutional Trust Land Administration (SITLA) was established as a quasi-governmental independent state agency in 1994 to manage all school and institutional trust lands and associated assets. A part of the generated revenue is used for SITLA’s capital and operating expenses and the rest is deposited into the Permanent School Fund. For detailed information on this line item, please see Compendium of Budget Information for the 2007 General Session, pages 189-206.

ISSUES AND RECOMMENDATIONS

Creation of Capital Line Item

Due to SITLA’s emphasis on capital development on state trust lands, the agency’s capital budget has increased from \$1.7 million in FY 2001 to \$8.8 million in FY 2007. There are also immediate plans for this part of the budget to grow even further. For better oversight and accountability of the usage of the capital funding, the Analyst recommends the Legislature authorize the creation of a Capital Line Item in SITLA’s budget.

Solid Minerals Coordinator

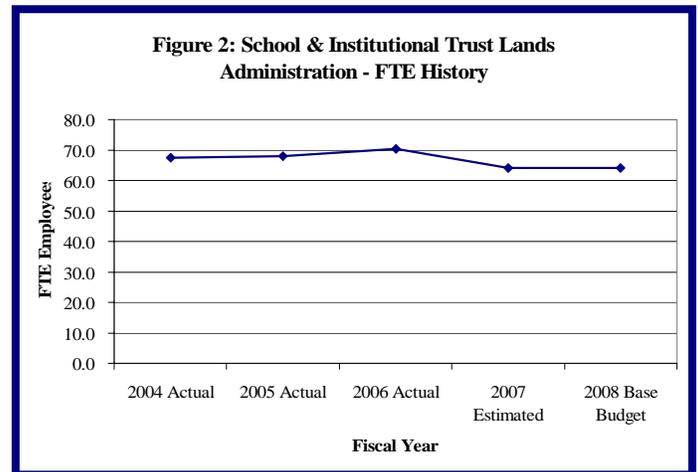
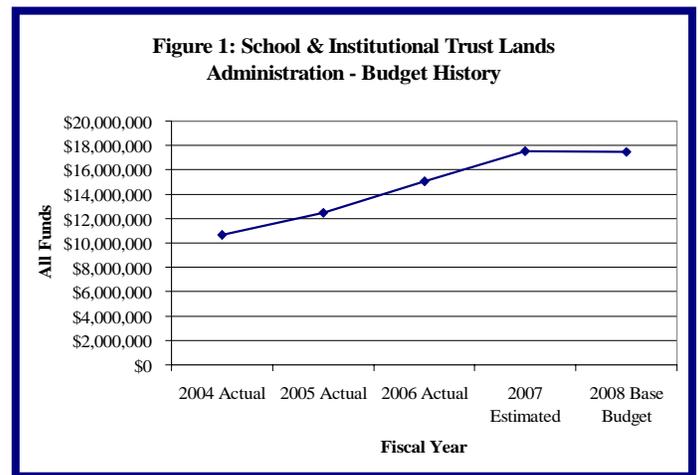
SITLA is requesting for FY 2008 an ongoing appropriation of \$78,000 to hire a Solid Minerals Coordinator. The Analyst recommends the Committee fund this request.

Investigator

To contract with the Attorney General’s office for an attorney who can provide support to local law enforcement officials, county attorneys general, and assist in the prosecution of crimes committed against trust land assets, SITLA is requesting for FY 2008 one-time appropriation of \$85,000. The same amount was funded in the last two years. The Analyst recommends the Committee fund the request.

Range Improvements

SITLA intends to spend 10% of the fees collected from grazing permits to make rangeland improvements, such as reseeding, water development, brush control, etc. The agency is requesting for FY 2008 ongoing appropriation of \$70,000. The Analyst recommends the Committee fund the request.



Auditor

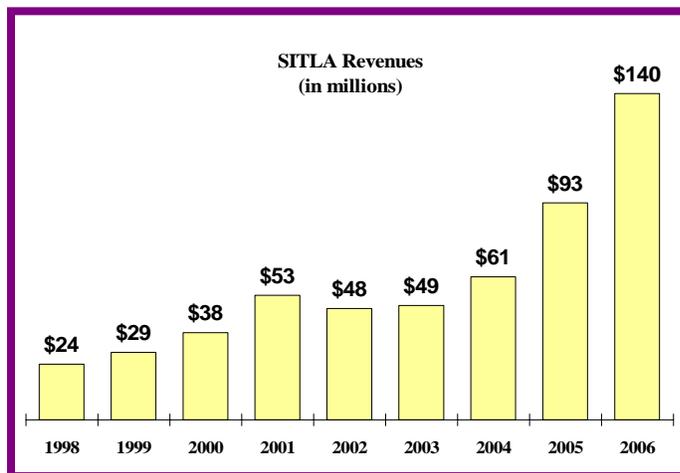
SITLA is requesting an ongoing appropriation of \$50,300 in order to hire an Auditor I to perform oil and gas audits. The Analyst recommends the Committee fund this request.

Legal Contract Provider

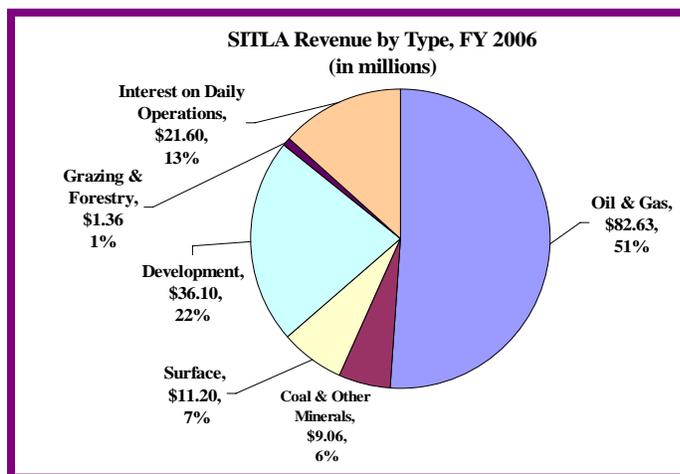
SITLA is requesting funding to contract for professional services in addressing land exchanges. It is anticipated that the need for these additional funds will be for the next two years. The Analyst recommends the Committee provide for FY 2008 a one-time appropriation of \$38,900.

ACCOUNTABILITY DETAIL

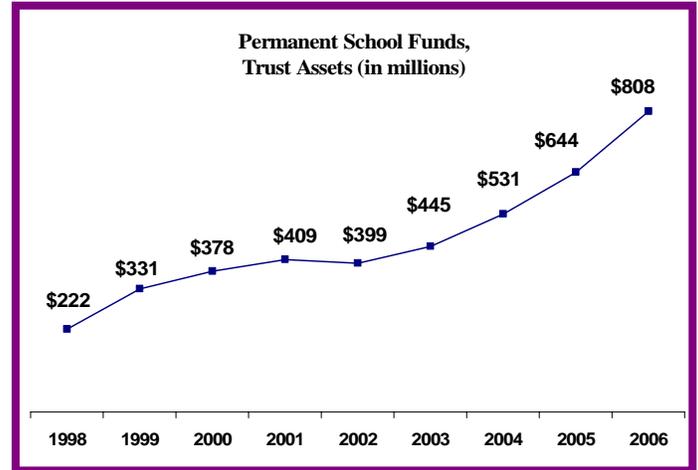
SITLA’s goal is to maximize the revenues from the state trust lands on behalf of the beneficiaries. FY 2006 was a record-setting year for SITLA in terms of generated revenues: \$140 million coming from the operations, exceeding the revenues goal by \$64 million.



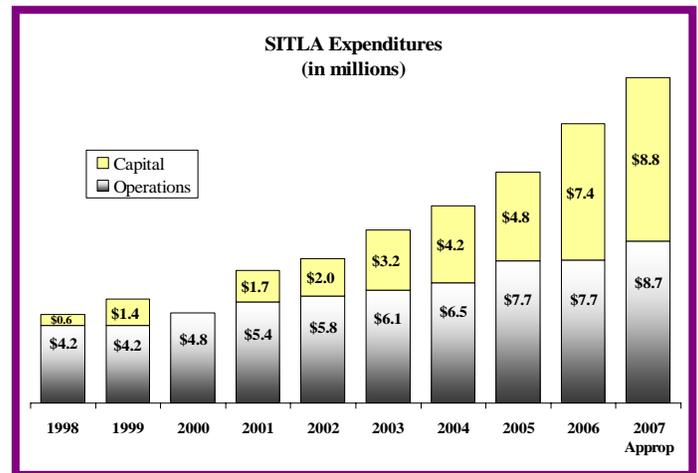
As in the past, more than half of the revenues in FY 2006 were generated from SITLA’s Oil and Gas Program.



The generated revenues are deposited in the Permanent School Fund, less the amount covering SITLA’s operating and capital expenditures. The balance of the Permanent School Fund has grown since 1998 three and half times, from \$222 million in FY 1998 to \$808 million in FY 2006.



SITLA’s total overall expenditures have grown more than three and a half times since 1998, from \$4.8 million in FY 1998 to \$17.5 million in FY 2007. The agency operations have more than doubled, and its capital development expenditures have grown 15 times in the last ten years.



BUDGET DETAIL**Budget Recommendation**

The Analyst recommends for the School and Institutional Trust Land Administration for FY 2008 a base budget appropriation of \$17,447,200 (see Budget Detail Table). None of the requests for funding increase are built in the tables and charts of this Budget Brief.

BUDGET DETAIL TABLE

School & Institutional Trust Lands Administration						
Sources of Finance	FY 2006 Actual	FY 2007 Appropriated	Changes	FY 2007 Revised	Changes	FY 2008* Base Budget
Land Grant Mgt Fund	15,073,800	17,539,600	0	17,539,600	(92,400)	17,447,200
Total	\$15,073,800	\$17,539,600	\$0	\$17,539,600	(\$92,400)	\$17,447,200
Programs						
Board	221,500	205,400	0	205,400	300	205,700
Director	663,900	1,035,500	(208,200)	827,300	(68,900)	758,400
Public Relations	204,900	12,400	208,200	220,600	600	221,200
Administration	806,700	833,200	0	833,200	700	833,900
Accounting	324,600	344,900	0	344,900	1,600	346,500
Auditing	202,200	249,200	10,000	259,200	700	259,900
Minerals	856,000	1,192,700	0	1,192,700	2,500	1,195,200
Surface	1,432,000	1,620,600	(36,800)	1,583,800	4,100	1,587,900
Development - Operating	1,136,800	1,332,300	(10,000)	1,322,300	3,100	1,325,400
Legal/Contracts	572,100	688,800	0	688,800	(109,500)	579,300
Data Processing	875,900	804,200	0	804,200	1,600	805,800
Forestry and Grazing	422,700	420,400	36,800	457,200	70,800	528,000
Development - Capital	7,354,500	8,800,000	0	8,800,000	0	8,800,000
Total	\$15,073,800	\$17,539,600	\$0	\$17,539,600	(\$92,400)	\$17,447,200
Categories of Expenditure						
Personal Services	5,475,300	6,118,400	500	6,118,900	18,800	6,137,700
In-State Travel	106,900	111,700	(2,500)	109,200	0	109,200
Out of State Travel	78,700	47,600	7,700	55,300	0	55,300
Current Expense	4,512,600	2,459,300	(91,200)	2,368,100	(111,200)	2,256,900
DP Current Expense	286,600	168,300	12,300	180,600	0	180,600
DP Capital Outlay	24,700	0	0	0	0	0
Capital Outlay	4,488,400	8,634,300	(1,426,800)	7,207,500	0	7,207,500
Other Charges/Pass Thru	100,600	0	1,500,000	1,500,000	0	1,500,000
Total	\$15,073,800	\$17,539,600	\$0	\$17,539,600	(\$92,400)	\$17,447,200
Other Data						
Budgeted FTE	70.4	64.0	0.0	64.0	0.0	64.0
Vehicles	18	18	0	18	0	18

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.