

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

School and Institutional Trust Lands Administration
All Programs

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1.0 Summary: School and Institutional Trust Lands Administration (SITLA)

The state is divided into townships that are six miles square. Each of these township squares is divided into 36 sections, each being one mile square. Under the terms of the Enabling Act, as part of Congress' granting Utah statehood, the federal government awarded sections 2, 16, 32, and 36 in each thirty-six section township of Utah for the support of the common schools. The state was also given 1.6 million acres to fund higher and special education needs within the state. It is important to understand that these lands are not like other lands owned by the state but are granted to the state in trust for the benefit of the various beneficiaries (primarily public education). An opinion by the Attorney General states, "Trust resources, even those with marginal revenue potential, may not be administered to benefit public purposes for which there is no compensation to the trust and where the trust resource may be depleted...The interest of the school and institutional trust beneficiary is paramount and must always prevail over any conflicting public use or purpose."

SITLA was established under UCA 53C-1-201 as an independent agency to manage all school and institutional trust lands and associated assets. A seven-member Board of Trustees establishes the agency's policies.

Funding for SITLA operations is provided through the Land Grant Management Fund. The fund consists of:

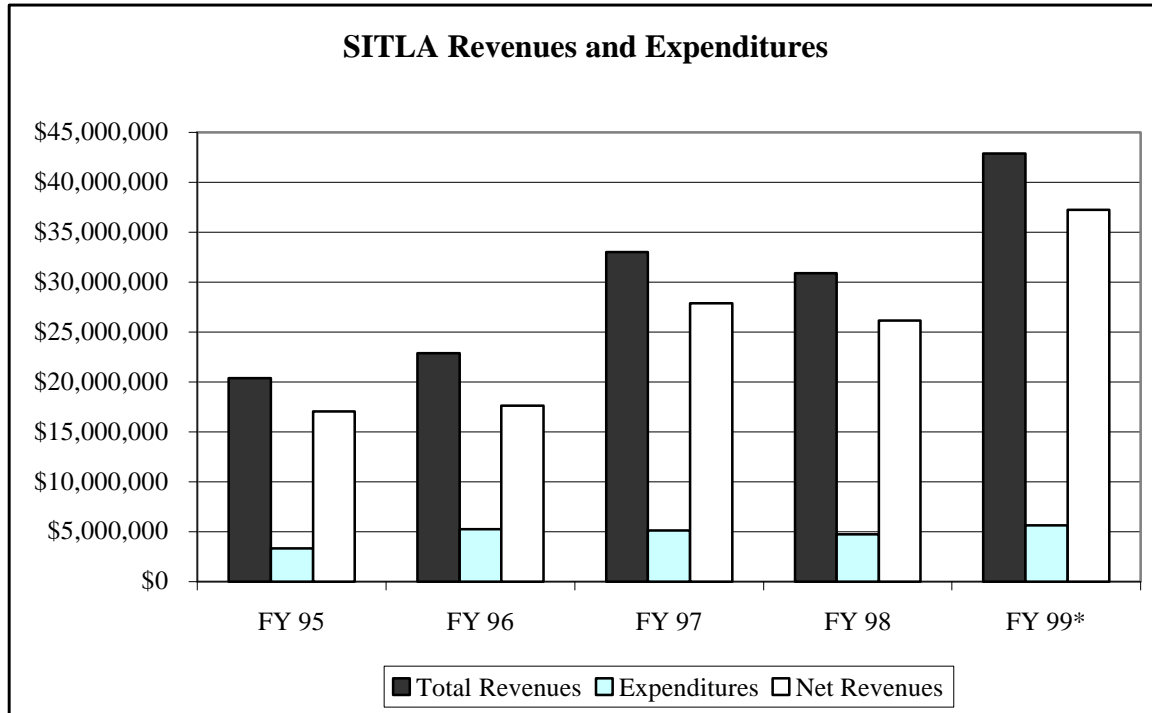
- All revenues derived from trust lands except sales of lands. (Revenue from land sales goes to the Permanent State School Fund.)
- Interest.
- Revenues from other activities of the Administration.

The Director may expend monies from the fund in accordance with the approved budget for the support of SITLA, after which all the excess is to be distributed among the beneficiaries.

Last year SITLA traded 377,000 acres of trust lands located within national parks and forests for \$50 million cash, \$13 million in future coal revenue, coal and coalbed methane, and 139,000 acres of land or surface/mineral rights with readily developable commercial and mineral value. While the trade decreased federal mineral lease revenues to other state agencies (such as the Utah Geological Survey), it increased revenues for the Permanent School Fund.

	FY 95	FY 96	FY 97	FY 98	FY 99*
Total Revenues	\$20,366,100	\$22,889,300	\$32,989,700	\$30,856,600	\$42,845,000
Expenditures	\$3,341,000	\$5,253,900	\$5,127,300	\$4,748,400	\$5,628,100
Net Revenues	\$17,025,100	\$17,635,400	\$27,862,400	\$26,108,200	\$37,216,900

*FY 1999 figures do not include the \$63M acquired from the federal government



At the time of statehood, Congress designated twelve beneficiaries of Utah trust lands. The following chart shows the beneficiaries, original surface grant, surface land sold since statehood, and current surface holdings.

TRUST LAND HOLDINGS

Beneficiary	Original Grant	Sold Since Statehood	Current Holding
Public Schools	5,855,217	2,497,954	3,357,263
Reservoir Fund	500,000	452,824	47,176
Utah State University	200,000	171,807	28,193
University of Utah	156,080	139,444	16,636
School of Mines	100,000	92,451	7,549
Miners Hospital	100,000	92,764	7,236
Normal School	100,000	93,273	6,727
School for Deaf	100,000	94,107	5,893
Public Buildings	64,000	60,444	3,556
Utah State Hospital	100,000	96,803	3,197
School for Blind	100,000	99,360	640
Youth Development Center	100,000	100,000	0
Total	7,475,297	3,991,231	3,484,066

Over 96% of the current holding is for public schools.

Interest revenue from the Reservoir Fund is deposited in the Water Resources Construction Fund. The FY 1999 amount deposited was \$151,000.

	Analyst FY 2001 Base	Analyst FY 2001 Changes	Analyst FY 2001 Total
Financing			
Land Grant Mgt Fund	\$6,997,700	\$1,303,000	\$8,300,700
Total	\$6,997,700	\$1,303,000	\$8,300,700
Programs			
Board	\$160,900		\$160,900
Director	360,200		360,200
<i>Donations Coordinator</i>		\$52,100	52,100
<i>Travel Expenses</i>		6,900	6,900
<i>Current Expense Increases</i>		83,100	83,100
<i>College Interns</i>		43,000	43,000
Administration	503,700		503,700
Accounting	275,000		275,000
Royalty	132,000		132,000
Minerals	533,100		533,100
<i>Minerals Analysis</i>		555,000	555,000
<i>Minerals Specialist</i>		79,500	79,500
Surface	749,400		749,400
<i>Sales and Exchange Expenses</i>		281,300	281,300
Development - Operating	734,500		734,500
<i>Additional Staff</i>		182,100	182,100
Legal/Contracts	363,400		363,400
Data Processing	650,000		650,000
<i>Current Expense Increases</i>		20,000	20,000
Forestry and Grazing	535,500		535,500
Development - Capital	2,000,000		2,000,000
Total	\$6,997,700	\$1,303,000	\$8,300,700
FTE	53.0	5.0	58.0

2.0 Issues: School and Institutional Trust Lands Administration

2.1 Donations Coordinator

Statute allows SITLA to accept donations to the permanent school fund. It is felt there is potential in this area to receive liquid assets as well as land. The Analyst recommends funding for one FTE to coordinate and seek donations for this program. See Item 3.3.

Land Grant Management..... \$52,100

2.2 Travel Expenses

In an effort to pursue business opportunities with federal, state and county officials, as well as private land owners, it is necessary for employees to travel and meet personally with these individuals. Employees will also be working more in the field to complete the analysis of the proposed wilderness reinventory. See Item 3.3.

Land Grant Management..... \$6,900

2.3 Current Expenses

Increased activities within SITLA, such as the Monument exchange, along with the need to remain proactive and competitive with the outside market, have led to an increase in current expenses. See Item 3.3.

Land Grant Management..... \$83,100

2.4 College Interns

The agency proposes to contract with college interns to complete a variety of projects. See Item 3.3.

Land Grant Management..... \$43,000

2.5 Professional and Technical Contracts for Minerals Program

Funds are recommended to provide contract services to complete analysis and inventories of trust lands as well as provide the necessary analysis to place lands acquired in the Monument exchange into production. Some services will be completed by MOU with Utah Geological Survey and Division of Oil, Gas and Mining. See Item 3.6.

Land Grant Management..... \$555,000

2.6 Minerals Specialist

An increase in workload due to the acquisition of producing properties through the Monument exchange has necessitated the need for an additional specialist. See Item 3.6.

Land Grant Management..... \$79,500

2.7 Sales and Exchange Program

The agency plans to continue with the land sale and exchange program. Costs for brokerage fees, appraisal fees, and other current expenses are necessary to effectively market and execute the program. See Item 3.8.

Land Grant Management..... \$281,300

2.8 Development Staff

This appropriation will create an assistant director position, Salt Lake City realty specialist, and St. George realty specialist. See Item 3.10.

Land Grant Management..... \$182,100

2.9 Data Processing Expenses

In order to meet the ongoing needs as the agency, as well as the anticipated increases in FTEs, it will be necessary to fund additional data processing equipment. See Item 3.13.

Land Grant Management..... \$20,000

3.0 Programs: School and Institutional Trust Lands Administration

3.1 Administration

Recommendation

The Analyst recommends a budget of \$503,700. Personal Services comprise 41% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Mgt Fund	\$500,700	\$509,100	\$503,700	(\$5,400)
Lapsing Balance	(62,500)			
Total	\$438,200	\$509,100	\$503,700	(\$5,400)
Expenditures				
Personal Services	\$111,200	\$117,900	\$204,600	\$86,700
In-State Travel	100	3,100	3,100	
Out of State Travel		1,900	1,900	
Current Expense	323,400	364,000	271,900	(92,100)
DP Current Expense	3,500	22,200	22,200	
Total	\$438,200	\$509,100	\$503,700	(\$5,400)
FTE	4.0	4.0	4.0	

Purpose

This program includes the department administrative assistant and the office staff that provide support for the rest of the agency. Staff in this program also support the Board of Trustees.

Performance Measures

1. Administrative expenditures as a percentage of the agency budget.

3.2 Board

Recommendation

The Analyst recommends a budget of \$160,900. Personal Services comprise 21% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Mgt Fund	\$160,200	\$161,000	\$160,900	(\$100)
Lapsing Balance	51,100			
Total	\$211,300	\$161,000	\$160,900	(\$100)
Expenditures				
Personal Services	\$201,100	\$120,500	\$34,100	(\$86,400)
In-State Travel	4,000	13,000	13,000	
Out of State Travel	2,200	2,800	2,800	
Current Expense	4,000	24,700	111,000	86,300
Total	\$211,300	\$161,000	\$160,900	(\$100)
FTE	0.5	0.5	0.5	

Purpose

The seven-member Board of Trustees is created in Utah Code 53C-1-202. Their purpose as stated in section 53C-1-204 of the code is to "...establish policies for the management of the School and Institutional Trust Lands Administration."

Utah law requires the policies to:

- be consistent with the Utah Enabling Act, the Utah Constitution, and state law;
- reflect undivided loyalty to the beneficiaries consistent with fiduciary duties;
- require the return of not less than fair market value for the use, sale, or exchange of school and institutional trust assets;
- seek to optimize trust land revenues and increase the value of trust land holdings consistent with the balancing of short and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains;
- maintain the integrity of the trust and prevent the misapplication of its lands and its revenues; and
- have regard for and seek General Fund appropriation compensation for the general public's use of natural and cultural resources consistent with the duties of the administration as trustee for the beneficiaries.

Performance Measures

1. Administrative expenditures as a percentage of the agency budget.
2. Yearly revenues collected.
3. Yearly ratio of agency expenditures to revenues.

3.3 Director

Recommendation

The Analyst recommends a budget of \$545,300. Personal Services comprise 48% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Mgt Fund	\$304,400	\$362,100	\$545,300	\$183,200
Lapsing Balance	21,200			
Total	\$325,600	\$362,100	\$545,300	\$183,200
Expenditures				
Personal Services	\$230,900	\$210,400	\$262,900	\$52,500
In-State Travel	15,200	13,100	19,600	6,500
Out of State Travel	10,500	12,300	12,700	400
Current Expense	68,900	125,400	239,200	113,800
DP Current Expense	100	900	900	
Capital Outlay			10,000	10,000
Total	\$325,600	\$362,100	\$545,300	\$183,200
FTE	2.5	2.5	3.5	1.0

*Building Block:
Donations
Coordinator*

Statute allows SITLA to accept donations to the permanent school fund. It is felt there is potential in this area to receive liquid assets as well as land. The Analyst recommends funding for one FTE to coordinate and seek donations for this program.

Land Grant Management..... \$52,100

*Building Block:
Travel Expenses*

In an effort to pursue business opportunities with federal, state and county officials, as well as private land owners, it is necessary for employees to travel and meet personally with these individuals. Employees will also be working more in the field to complete the analysis of the proposed wilderness reinventory.

Land Grant Management..... \$6,900

*Building Block:
Current Expenses*

Increased activities within SITLA, such as the Monument exchange, along with the need to remain proactive and competitive with the outside market, have led to an increase in current expenses.

Land Grant Management..... \$83,100

*Building Block:
College Interns*

The agency proposes to contract with college interns to complete a variety of projects.

Land Grant Management..... \$43,000

Purpose

The Director of the School and Institutional Trust Lands Administration is required by statute to "...manage the School and Institutional Trust Lands Administration in fulfillment of its purpose." That purpose has been identified in UCA 53C-1-102 to "...manage the lands and revenues generated from the lands in the most prudent and profitable manner possible, and not for any purpose inconsistent with the best interest of the trust beneficiaries."

The office consists of the Director, the public affairs officer, and an office technician.

Performance Measures

1. Yearly distributions to Permanent Funds.
2. Yearly revenues collected.
3. Yearly ratio of agency expenditures to revenues.

3.4 Accounting

Recommendation

The Analyst recommends a budget of \$275,000. Personal Services comprise 88% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Land Grant Mgt Fund	\$224,200	\$277,700	\$275,000	(\$2,700)
Lapsing Balance	15,400			
Total	\$239,600	\$277,700	\$275,000	(\$2,700)
Expenditures				
Personal Services	\$227,000	\$252,900	\$249,200	(\$3,700)
In-State Travel	100	1,500	1,500	
Out of State Travel		900	900	
Current Expense	6,800	17,000	18,000	1,000
DP Current Expense	5,700	5,400	5,400	
Total	\$239,600	\$277,700	\$275,000	(\$2,700)
FTE	6.0	6.0	6.0	

Purpose

This program accounts for all revenue and expenditures of the agency from trust lands. It is responsible for developing and coordinating the budget and the review process before the Board of Trustees and other committees. Additional responsibilities include setting up, creating and maintaining financial data, payroll, coordinating investments with the State Treasurer, and managing the business system for the agency.

Performance Measures

1. Administrative expenditures as a percentage of the agency budget.

3.5 Auditing

Recommendation

The Analyst recommends a budget of \$132,000. Personal Services comprise 89% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Land Grant Mgt Fund	\$111,300	\$133,100	\$132,000	(\$1,100)
Lapsing Balance	13,100			
Total	\$124,400	\$133,100	\$132,000	(\$1,100)
Expenditures				
Personal Services	\$117,000	\$119,400	\$118,000	(\$1,400)
In-State Travel	400	1,200	1,200	
Out of State Travel	2,300	4,900	4,900	
Current Expense	2,800	5,100	5,400	300
DP Current Expense	1,900	2,500	2,500	
Total	\$124,400	\$133,100	\$132,000	(\$1,100)
FTE	2.0	2.0	2.0	

Purpose

This program consists of two auditors who ensure compliance with lease terms, contracts, rules, and statutes. As inconsistencies are found, the program issues assessments, recommends solutions to the Director and board, and works with the agency attorneys in collection of the assessments.

Performance Measures

1. Administrative expenditures as a percentage of the agency budget.

3.6 Minerals

Recommendation

The Analyst recommends a budget of \$1,167,600. Personal Services comprise 35% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Mgt Fund	\$436,000	\$536,800	\$1,167,600	\$630,800
Lapsing Balance	16,500			
Total	\$452,500	\$536,800	\$1,167,600	\$630,800
Expenditures				
Personal Services	\$351,000	\$424,600	\$412,900	(\$11,700)
In-State Travel	3,700	9,000	9,000	
Out of State Travel	(2,000)	7,700	7,700	
Current Expense	97,000	92,000	734,500	642,500
DP Current Expense	2,800	3,500	3,500	
Total	\$452,500	\$536,800	\$1,167,600	\$630,800
FTE	6.0	6.0	7.0	1.0

*Building Block:
Professional and
Technical Contracts*

Funds are recommended to provide contract services to complete analysis and inventories of trust lands as well as provide the necessary analysis to place lands acquired in the Monument exchange into production. Some services will be completed by MOU with Utah Geological Survey and Division of Oil, Gas and Mining.

Land Grant Management..... \$555,000

*Building Block:
Minerals Specialist*

An increase in workload due to the acquisition of producing properties through the Monument exchange has necessitated the need for an additional specialist.

Land Grant Management..... \$79,500

Purpose

This program manages and administers approximately 4.6 million acres of subsurface mineral rights held in trust lands. Mineral assets must be managed under strict fiduciary guidelines with focus on generating revenue today and protecting long term assets for the future. The program engages in marketing its mineral assets, enforcing existing contractual rights, leasing, and attracting industry to trust lands for exploration and development. This program generates approximately 55 percent of the non-interest revenue for the trust.

**Performance
Measures**

1. Yearly revenues collected.
2. Yearly ratio of program expenditures to revenues.

3.7 Surface

Recommendation

The Analyst recommends a budget of \$1,030,700. Personal Services comprise 57% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Mgt Fund	\$769,600	\$755,400	\$1,030,700	\$275,300
Lapsing Balance	44,700			
Total	\$814,300	\$755,400	\$1,030,700	\$275,300
Expenditures				
Personal Services	\$659,800	\$598,100	\$590,100	(\$8,000)
In-State Travel	15,500	15,700	15,700	
Out of State Travel	6,000	9,800	9,800	
Current Expense	123,800	128,400	405,400	277,000
DP Current Expense	9,100	3,400	3,400	
Capital Outlay	100		6,300	6,300
Total	\$814,300	\$755,400	\$1,030,700	\$275,300
FTE	13.0	12.0	12.0	

Building Block: Sales and Exchange Program

The agency plans to continue with the land sale and exchange program. Costs for brokerage fees, appraisal fees, and other current expenses are necessary to effectively market and execute the program.

Land Grant Management..... \$281,300

Purpose

This program administers the surface uses of the trust lands. Surface activities include leasing for such uses as telecommunications sites, industrial and commercial enterprises and residential purposes, as well as easements, permits, rights-of-way, and sales.

Performance Measures

1. Yearly revenues collected.
2. Yearly ratio of program expenditures to revenues.

3.8 Grazing and Forestry

Recommendation The Analyst recommends a budget of \$535,500. Personal Services comprise 24% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Management F	\$215,800	\$540,600	\$535,500	(\$5,100)
Lapsing Balance	(33,200)			
Total	\$182,600	\$540,600	\$535,500	(\$5,100)
Expenditures				
Personal Services	\$66,900	\$130,800	\$128,900	(\$1,900)
In-State Travel	2,000	13,400	13,400	
Out of State Travel		1,000	1,000	
Current Expense	109,600	394,700	391,500	(3,200)
DP Current Expense	400	700	700	
Capital Outlay	3,700			
Total	\$182,600	\$540,600	\$535,500	(\$5,100)
FTE	0.5	0.5	0.5	

Purpose This program administers the renewable resources of approximately 3.5 million acres of trust land. Activities include issuing permits for grazing, harvesting small forest products, holding timber sales, and special use leases for agricultural products. This need is met by staff and contract labor who receive and process applications, inventory vegetation production for grazing, and inventory and mark timber for sales.

- Performance Measures**
1. Yearly revenues collected.
 2. Yearly ratio of program expenditures to revenues.

3.9 Development (Operating)

Recommendation The Analyst recommends a budget of \$916,600. Personal Services comprise 64% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Land Grant Mgt Fund	\$754,900	\$736,800	\$916,600	\$179,800
Lapsing Balance	(341,800)			
Total	\$413,100	\$736,800	\$916,600	\$179,800
Expenditures				
Personal Services	\$339,800	\$366,700	\$588,400	\$221,700
In-State Travel	16,400	20,900	20,900	
Out of State Travel	700	5,000	5,000	
Current Expense	50,700	342,600	300,700	(41,900)
DP Current Expense	5,500	1,600	1,600	
Total	\$413,100	\$736,800	\$916,600	\$179,800
FTE	2.5	2.5	3.5	1.0

*Building Block:
Development Staff*

This appropriation will create an assistant director position, Salt Lake City realty specialist, and St. George realty specialist.

Land Grant Management..... \$182,100

Purpose

The objective of this program is to identify and facilitate real estate development opportunities on trust land parcels. Development activities add value to the lands, maximizing the trust assets. The agency found that by developing land before sale it was able to significantly increase revenue to the beneficiaries.

The budget reflected here represents the cost of operating the Development program.

Performance Measures

1. Yearly revenues collected.
2. Yearly ratio of program expenditures to revenues.

3.10 Development (Capital)

Recommendation The Analyst recommends a budget of \$2,000,000. There are no personnel costs in this program.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Mgt Fund	\$2,000,000	\$2,000,000	\$2,000,000	
Lapsing Balance	(573,400)			
Total	\$1,426,600	\$2,000,000	\$2,000,000	\$0
Expenditures				
In-State Travel	\$1,000			
Out of State Travel	700			
Current Expense	138,300			
Capital Outlay	1,286,600	\$2,000,000	\$2,000,000	
Total	\$1,426,600	\$2,000,000	\$2,000,000	\$0
FTE	2.5	2.5	3.5	1.0

Purpose The objective of this program is to identify and facilitate real estate development opportunities on trust land parcels. Development activities add value to the lands, maximizing the trust assets. The agency found that by developing land before sale it was able to significantly increase revenue to the beneficiaries.

The budget reflected here represents the capital costs in the Development program.

- Performance Measures**
1. Yearly revenues collected.
 2. Yearly ratio of program expenditures to revenues.

3.11 Legal

Recommendation

The Analyst recommends a budget of \$363,400. Personal Services comprise 76% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Land Grant Mgt Fund	\$313,400	\$366,100	\$363,400	(\$2,700)
Lapsing Balance	32,700			
Total	\$346,100	\$366,100	\$363,400	(\$2,700)
Expenditures				
Personal Services	\$272,800	\$280,200	\$275,400	(\$4,800)
In-State Travel	3,100	4,200	4,200	
Out of State Travel	1,300	5,300	5,300	
Current Expense	66,900	74,800	76,900	2,100
DP Current Expense	2,000	1,600	1,600	
Total	\$346,100	\$366,100	\$363,400	(\$2,700)
FTE	4.0	4.0	4.0	

Purpose

This program defends and prosecutes lawsuits and pursues administrative adjudication involving the agency, drafts and/or reviews regulations, and provides general legal advice to the agency. Although statute requires the agency to use representation from the Attorney General's office, the agency maintains a separate legal staff because of occasional conflicts of interest that arise with the Attorney General's office.

Performance Measures

1. Administrative expenditures as a percentage of the agency budget.

3.12 Data Processing

Recommendation

The Analyst recommends a budget of \$670,000. Personal Services comprise 49% of the recommended budget.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Land Grant Mgt Fund	\$562,400	\$654,400	\$670,000	\$15,600
Lapsing Balance	63,900			
Total	\$626,300	\$654,400	\$670,000	\$15,600
Expenditures				
Personal Services	\$356,100	\$463,300	\$325,600	(\$137,700)
In-State Travel	1,000	1,500	1,500	
Out of State Travel	100	8,500	8,500	
Current Expense	21,300	20,200	153,500	133,300
DP Current Expense	148,800	105,900	125,900	20,000
DP Capital Outlay	99,000	55,000	55,000	
Total	\$626,300	\$654,400	\$670,000	\$15,600
FTE	6.0	5.0	5.0	

Building Block: Data Processing Expenses

In order to meet the ongoing needs as the agency, as well as the anticipated increases in FTEs, it will be necessary to fund additional data processing equipment.

Land Grant Management..... \$20,000

Purpose

This program is a support function. The agency depends heavily on the use of data processing to support its ability to maximize revenues. The program operates the agency's fiscal, budget, and Geographic Information System software.

Performance Measures

1. Administrative expenditures as a percentage of the agency budget.

4.0 Additional Information: School and Institutional Trust Lands Administration

Consolidated Balance Sheet as of June 30, 1999 and June 30, 1998

Assets	<u>FY 1999</u>	<u>FY 1998</u>
Cash	5,530,598	(468,562)
LGM Fund	1,732,324	3,514,779
Accounts Receivable	24,775,980	6,335,243
Fixed Income Investments with State Treasurer	106,911,590	66,313,307
Equity Investments with State Treasurer	184,850,265	136,238,605
Land (booked at \$1 per acre)	3,358,417	3,732,259
Purchased Land (at Cost)	1,095,003	283,973
Donated Land	11	
Water Rights	162,810	
Equipment	682,509	785,879
Capitalized Improvements	2,203,234	5,273,434
Total Assets	331,302,741	222,008,917
Liabilities		
Vouchers Payable	517,645	298,401
Total Suspense Fund	1,529,517	614,166
Funds Held for Distribution or Transfer	2,542,579	9,208,428
Total Liabilities	4,589,741	10,120,995
Retained Earnings	5,048,556	5,625,450
Fund Balances		
Beginning Fund Balance	206,262,469	132,833,083
Current Year Increase in Permanent Fund Balances	93,573,465	21,586,356
Current Year Increase in Market Value of Investments	21,828,501	51,843,030
Total Fund Balances	321,664,435	206,262,469
Total Liabilities and Fund Balances	331,302,732	222,008,914
All investments are reflected at market value.		

Statement of Revenue, Expenses, and Distributions

Revenue	<u>FY 1999</u>	<u>FY 1998</u>
Investment Revenue	14,018,966	7,037,460
Mineral Revenue	12,884,181	13,172,232
Surface Revenue	2,148,219	1,693,786
Surface Land Sales Revenue	6,864,568	6,282,702
Gain - Monument Exchange	62,535,456	
Grazing & Forestry Revenue	719,501	600,060
Development Revenue	378,137	229,221
Development Land Sales Revenue	5,822,691	1,833,567
Other Revenue	8,783	7,526
Total Revenue	105,380,502	30,856,554
Expenditures for Operations		
Board	211,290	27,593
Director	325,587	424,362
Administration	438,249	447,114
Accounting	239,611	158,449
Royalty	124,446	98,649
Minerals	452,538	413,606
Surface	814,280	698,078
Grazing & Forestry	182,641	151,169
Development	413,107	389,662
Legal	346,121	284,819
Data Processing	626,122	519,412
Total Operating Expenditures	4,173,992	3,612,913
Expenditures for Capital Projects		
Development	1,426,635	586,783
Inholding	27,509	228,839
Computer Projects		319,886
Total Capital Expenditures	1,454,144	1,135,508
Total Expenditures	5,628,136	4,748,421
Net Revenue	99,752,366	26,108,133
Distributions and Transfers		
Transfer to Permanent Funds	(93,573,465)	(21,586,357)
Undistributed from Prior Year	3,514,329	1,939,972
Distributions to Beneficiaries	(7,888,776)	(2,947,419)
Balance to Distribute or Transfer	1,804,454	3,514,329

4.1 Funding History

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Financing	Actual	Actual	Actual	Estimated	Analyst
Land Grant Mgt Fund	\$5,126,400	\$8,263,200	\$7,360,500	\$7,033,100	\$8,300,700
Lapsing Balance		(3,494,900)	(1,732,400)		
Total	\$5,126,400	\$4,768,300	\$5,628,100	\$7,033,100	\$8,300,700
% Change		-7.0%	18.0%	25.0%	18.0%
Programs					
Board	\$26,400	\$27,600	\$211,300	\$161,000	\$160,900
Director	320,800	388,400	325,600	362,100	545,300
Administration	442,900	449,800	438,200	509,100	503,700
Accounting	139,500	158,400	239,600	277,700	275,000
Royalty	84,100	98,600	124,400	133,100	132,000
Minerals	371,200	413,400	452,500	536,800	1,167,600
Surface	640,200	698,000	814,300	755,400	1,030,700
Development - Operating	345,300	392,900	413,100	736,800	916,600
Inholdings	628,600	227,100	27,500		
Legal/Contracts	306,800	284,700	346,100	366,100	363,400
Data Processing	419,100	567,000	626,300	654,400	670,000
Forestry and Grazing	168,000	151,100	182,600	540,600	535,500
Development - Capital	912,600	586,800	1,426,600	2,000,000	2,000,000
Computer Project	320,900	324,500			
Total	\$5,126,400	\$4,768,300	\$5,628,100	\$7,033,100	\$8,300,700
Expenditures					
Personal Services	\$2,091,200	\$2,352,900	\$2,933,600	\$3,084,800	\$3,190,100
In-State Travel	74,000	97,800	97,400	96,600	103,100
Out of State Travel			55,600	60,100	60,500
Current Expense	898,500	1,577,900	972,300	1,588,900	2,708,000
DP Current Expense	103,100	195,300	179,800	147,700	167,700
DP Capital Outlay	348,100	340,300	99,000	55,000	55,000
Capital Outlay	1,611,500	204,100	1,290,400	2,000,000	2,016,300
Total	\$5,126,400	\$4,768,300	\$5,628,100	\$7,033,100	\$8,300,700
FTE	51.0	55.5	52.0	53.0	58.0