

POMV (Percent of Market Value)

Year	Corpus	ERA	Total Permanent Fund Value	Total PF (less Am. Hess)	5 Year Average (less Am. Hess)	Draw Percent 5.25% (FY19-FY21) 5% (FY2022+)	Draw Amount (\$smillions)
2010	32,045	1,210	33,255	32,831			
2011	37,832	2,308	40,140	39,716			
2012	38,253	2,080	40,333	39,909			
2013	40,800	4,053	44,853	44,429			
2014	45,002	6,212	51,214	50,790			
2015	45,638	7,162	52,800	52,376			
2016	44,199	8,570	52,769	52,345	41,535		
2017	46,969	12,816	59,785	59,361	45,444		
2018	46,030	18,864	64,894	64,470	47,969		
2019	47,215	18,904	66,119	65,695	51,860	5.25%	2,723
2020	48,675	18,950	67,625	67,201	55,868	5.25%	2,933
2021	50,155	18,888	69,043	68,619	58,849	5.25%	3,090
2022	51,654	18,885	70,539	70,115	61,814	5.0%	3,091
2023	53,199	18,763	71,962	71,538	65,069	5.0%	3,253

Source: Alaska Permanent Fund Corporation Financial History & Projections, 2/28/19

Statutory PFD Calculation: FY2020 example

Part 1: AS 37.13.140(a) - Income

Net income of the fund includes income of the earnings reserve account established under AS 37.13.145. Net income of the fund shall be computed annually as of the last day of the fiscal year in accordance with generally accepted accounting principles, excluding any unrealized gains or losses. Income available for distribution equals 21 percent of the net income of the fund for the last five fiscal years, including the fiscal year just ended, but may not exceed net income of the fund for the fiscal year just ended plus the balance in the earnings reserve account described in AS 37.13.145.

Sum previous 5-years Statutory Net Income: *(Source: APFC.org)*

FY2015	\$2,907m
FY2016	\$2,198m
FY2017	\$3,214m
FY2018	\$6,324m
FY2019*	\$3,872m <i>(projected –value known 7/1/19)</i>
SUM	\$18,515 million

Multiply by 21% **\$3,888 million**

Part 2: AS 37.13.145(b) – Disposition of Income

At the end of each fiscal year, the corporation shall transfer from the earnings reserve account to the dividend fund established under AS 43.23.045, 50 percent of the income available for distribution under AS 37.13.140

Multiply \$3,888m by 50% **\$1,944 million**
➔ *Transfer \$ to Dividend Fund*

Part 3: AS 43.23.025(a) – Amount of Dividend

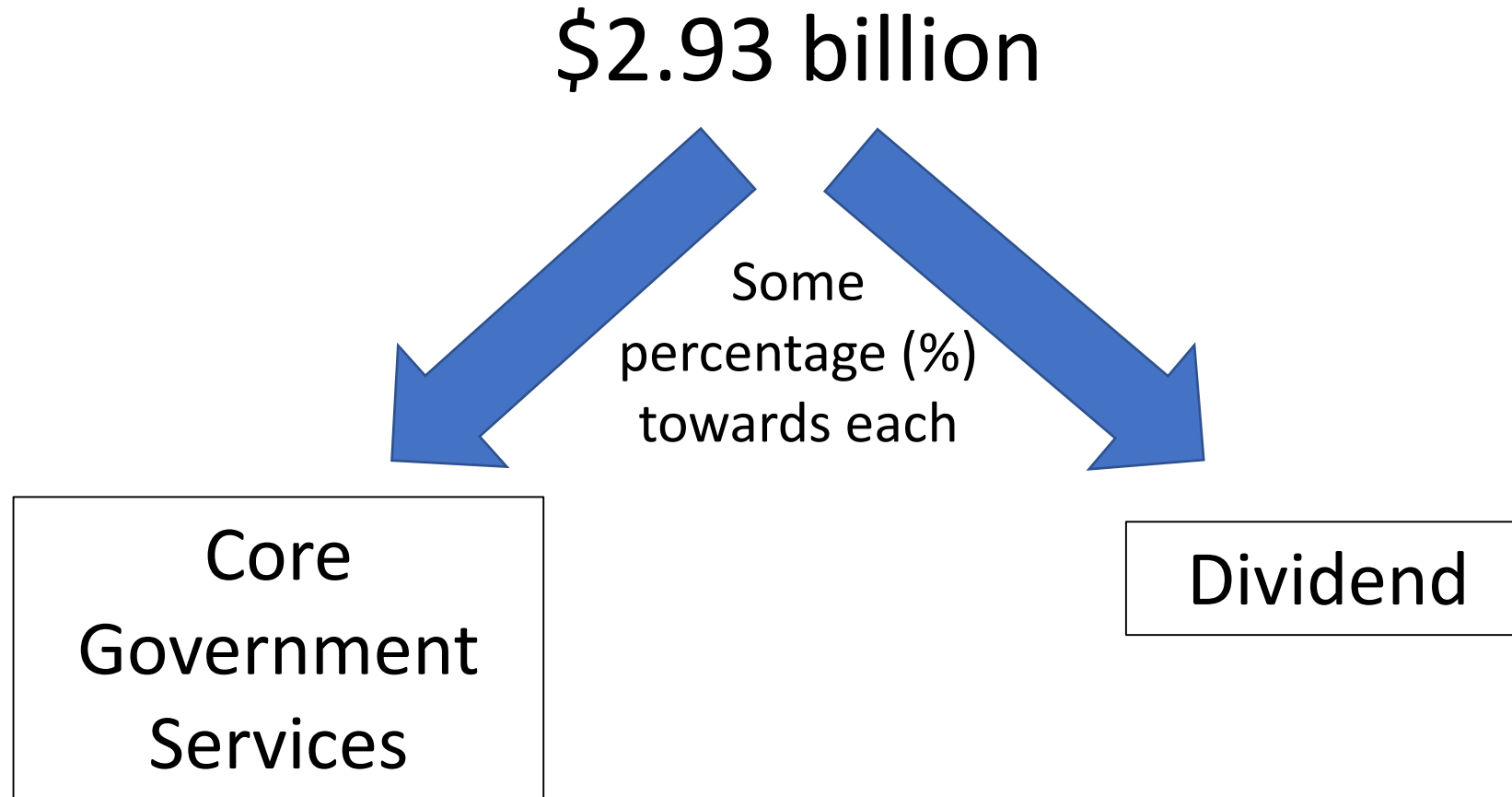
- (a) By October 1 of each year, the commissioner shall determine the value of each permanent fund dividend for that year by
- (1) determining the total amount available for dividend payments, which equals
 - (A) the amount of income of the Alaska permanent fund transferred to the dividend fund under AS 37.13.145(b) during the current year;
 - (B) plus the unexpended and unobligated balances of prior fiscal year appropriations that lapse into the dividend fund under AS 43.23.045(d);
 - (C) less the amount necessary to pay prior year dividends from the dividend fund in the current year under AS 43.23.005(h), 43.23.021, and 43.23.055(3) and (7);
 - (D) less the amount necessary to pay dividends from the dividend fund due to eligible applicants who, as determined by the department, filed for a previous year’s dividend by the filing deadline but who were not included in a previous year’s dividend computation;
 - (E) less appropriations from the dividend fund during the current year, including amounts to pay costs of administering the dividend program and the hold harmless provisions of AS 43.23.240;
 - (2) determining the number of individuals eligible to receive a dividend payment for the current year and the number of estates and successors eligible to receive a dividend payment for the current year under AS 43.23.005(h); and
 - (3) dividing the amount determined under (1) of this subsection by the amount determined under (2) of this subsection.

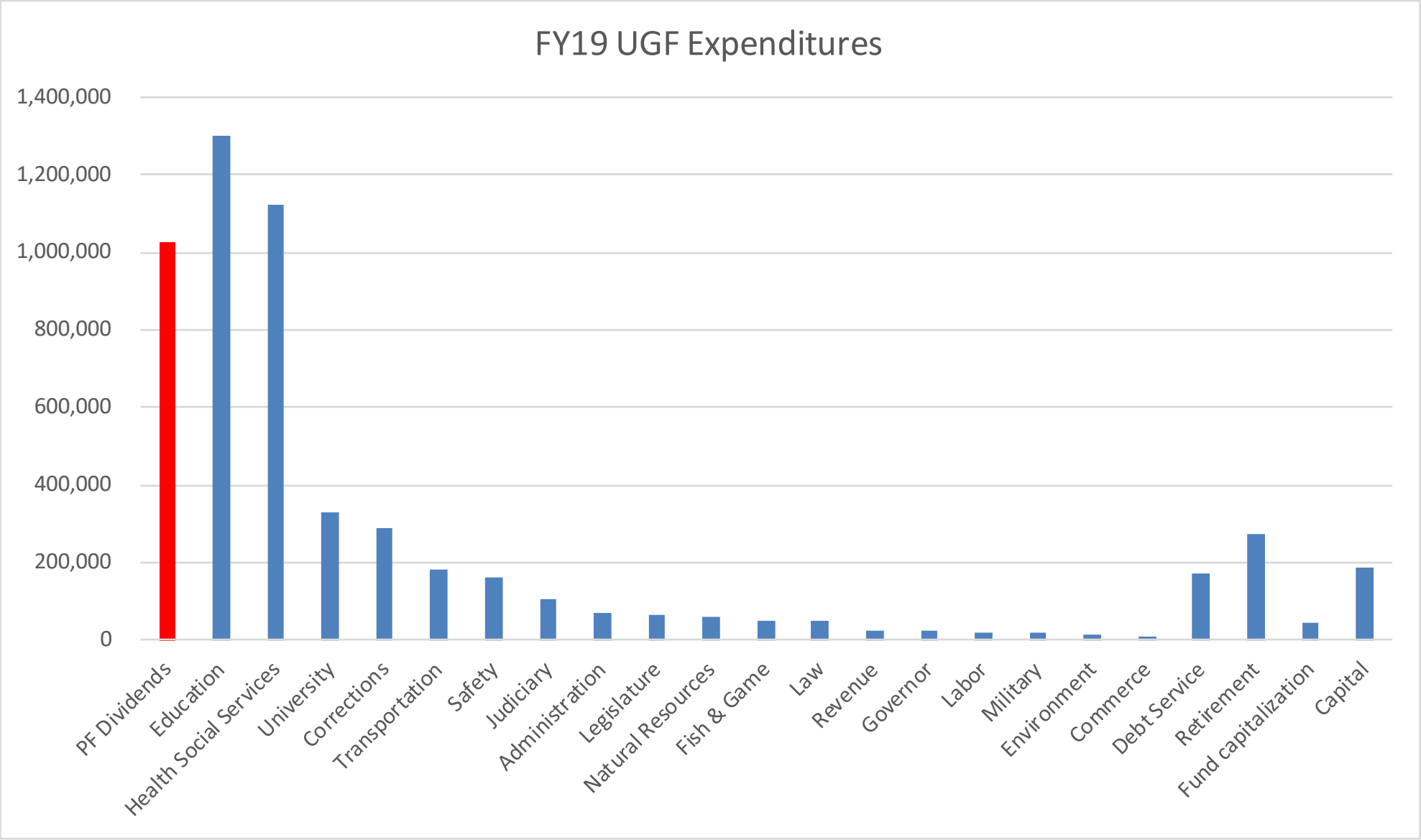
Amount transferred from ERA to Dividend Fund:	\$1,944m
Add Dividend Fund beginning balance	+ \$42m
Subtract admin costs/other appropriations*	- \$39m
Total available for dividends:	\$1,947m

Divide by eligible applicants (85% of pop): /625,900

Estimated 2019 statutory PFD: **~\$3,100**



Split of the POMV draw





What is the PFD and Budget Interplay?

A basic guideline: For every \$500 PFD check, it costs the state \$324 million dollars (roughly)

		More towards the Dividend					More towards the budget				
											
Split %:	0/0	90/10	80/20	70/30	60/40	50/50	60/40	70/30	80/20	90/10	0/0
(Deficit)/ Surplus (billion)	-\$2.32B	-\$2.03B	-\$1.73B	-\$1.45B	-\$1.15B	-\$861	-\$568M	-\$274M	\$19M	\$312M	\$606M
PFD Check Amount	\$4,686	\$4,218	\$3,749	\$3,280	\$2,812	\$2,343	\$1,875	\$1,406	\$937	\$469	\$0

Break even: It appears the state could pay about a \$1000 check with flat funding.

Caution: More cuts may not necessarily mean a bigger dividend because the state should consider past underfunding of capital, eg: leaky school roofs, damaged bridges, aging infrastructure.

PFD Split Analysis		
		UGF FY20
Revenue		
	Unrestricted GF	2,303,600.0 19 Spring Forecast
	POMV Permanent Fund	2,933,100.0 APFC
	Revenue Total	5,236,700.0
Expenses		
	Education	1,301,842.0 FY19
	Health Social Services	1,120,579.3 FY19
	University	327,033.5 FY19
	Transportation	180,110.5 FY19
	*14 other agencies	968,530.2 FY19
	**Other Statewide Expenses	732,945.1 FY20
	Total Spending	4,631,040.6
	PF Dividends	
	All UGF spending	4,631,040.6
	Surplus/ (Deficit)	605,659.4
*14 other agencies: Administration, Commerce, Corrections, Environment, Fish and Game, Governor, Labor, Law, Military, Natural Resources, Safety, Revenue, Judiciary, Legislature		
**retirement, debt, capital		