

House Special Committee on Ways and Means

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Sectional Analysis

CS HB4003 (W&M), v. B

Section 1: Amends AS 14.17.300 adding new language allowing the foundation formula for public education to be funded through a percentage of the POMV draw. Clarifies that in the case that the percentage of the POMV is not sufficient, foundation funding may be provided by the general fund.

Section 2: Amends AS 37.13.140, clarifying that the amount available for appropriation may not exceed the balance of the earnings reserve account.

Repeals the old formula for calculating PFDs.

Section 3: Amends AS 37.13.145(b) to allow appropriations from the earnings reserve account in accordance with AS 37.13.140(b), (the POMV statute), as follows: 25% to the dividend fund under AS 43.23.045 and 75% to the general fund.

Of the 75% distributed to the general fund, no less than 50% may go to the public education fund for state aid to school districts to satisfy the foundation formula.

Section 4: Amends AS 37.13.145(c) to clarify that an appropriation is required to move funds from the earnings reserve account to the principal of the permanent fund for purposes of inflation proofing.

Section 5: Amends AS 37.13.145(d) to stipulate funds associated with the *Amerada Hess* settlement are not included in the calculation of the percent of market value under AS 37.13.140(b).

Section 6: Adds a new subsection that states, of the 75% distributed to the general fund, no less than 50% may go to the public education fund for state aid to school districts to satisfy the foundation formula.

Additionally, this section provides that if this percentage of the POMV draw does not satisfy the foundation formula, the remaining funds may come from the general fund. And, if it exceeds the formula, the excess may be distributed according to the foundation formula.

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Section 7: Amends AS 37.13.300(c) to specify that income from the mental health trust fund is not included in the calculation of the percent of market value under AS 37.13.140(b).

Section 8: Amends AS 37.14.031(c) to require the Alaska Permanent Fund Corporation calculate the net income of the mental health trust fund annually on the last day of the fiscal year, excluding any unrealized gains or losses.

Section 9: Amends AS 43.23.025(a) to clarify that funds must be appropriated to the dividend fund, rather than transferred as current statute provides.

Section 10: Repeals AS 37.13.145(e) and (f). These sections restricted to appropriations from the earnings reserve account to the general fund to not more than was available for appropriation. Similar language is now found in Section 2 of this bill.

Section 11: Provides an effective date of July 1, 2022.