



Official Business

Alaska State Legislature

Senate Finance Committee

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Sponsor Statement

Senate Joint Resolution 14

Constitutional Amendment: Permanent Fund; POMV; Earnings

Senate Joint Resolution 14 (SJR 14) seeks to provide financial stability by consolidating the Permanent Fund's two-account structure into one and constitutionally limit the draw to five percent of market value (POMV) of the Fund for the first five of the preceding six fiscal years.

Consolidating the two accounts follows globally recognized best practices for endowments and trusts. A single-fund model ensures all earnings are retained and reinvested within the Fund, eliminating the need for inflation-proofing, and the endowment model structure guarantees an annual, sustainable POMV transfer. Additionally, constitutionalizing the draw protects the Permanent Fund by preventing the legislature from making ad hoc draws on the Fund.

Since Fiscal Year 2019, the use of a POMV draw from the Permanent Fund provides revenue stability and yields the largest source of Unrestricted General Fund dollars to the state budget. This constitutional amendment offers the necessary framework for continuing predictability and security of this revenue source.