

ALASKA LEGISLATURE

House State Affairs Committee

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HJR 41 — CONST AM: PERMANENT FUND; POMV; EARNINGS

Sponsor Statement

Currently, income from the permanent fund is deposited in the earnings reserve account, which is subject to appropriation at will by the legislature. HJR 41 would place an amendment before the voters to move the earnings reserve account into the permanent fund and limit spending to a sustainable, responsible level.

HJR 41 limits appropriations from the earnings reserve account to 4.75% of the market value of the permanent fund. The market value would be calculated as an average of the past five fiscal years. This sustainable draw rate protects the fund for future generations.

This approach to appropriations from the permanent fund would provide predictable and stable draws from the fund, allow the Alaska Permanent Fund Corporation to manage the fund for maximum return, and prevent unsustainable spending that threatens the future value of the fund.