

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 349
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB349-DOR-TRS-04-09-14
Title: AK RETIREMENT RESERVE FUND
Sponsor: SEATON
Requester: H Finance

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services	2,490.0		4,512.0	4,871.0	5,256.0	5,670.0	6,114.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	2,490.0	0.0	4,512.0	4,871.0	5,256.0	5,670.0	6,114.0

Fund Source (Operating Only)

1004 Gen Fund	2,490.0		4,512.0	4,871.0	5,256.0	5,670.0	6,114.0
Total	2,490.0	0.0	4,512.0	4,871.0	5,256.0	5,670.0	6,114.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial note.

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Agency: Department of Revenue

Phone: (907)465-3751
Date: 04/09/2014 11:32 AM
Date: 04/09/14

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB349

Analysis

This bill establishes the Alaska Retirement Reserve Subaccount in the Constitutional Budget Reserve Fund (CBRF) to be managed by the Alaska Retirement Management Board (ARMB) in accordance with AS 37.10.210(a), transferring the fiduciary responsibility from the Commissioner of Revenue to the ARMB. It is assumed that the \$3 billion will be invested to earn a rate of return as close to the target rate of return of the ARMB pension assets while maintaining sufficient liquidity in case the reserve fund is called upon for deficit funding. The fiscal note reflects the additional anticipated investment management fees for managing the Retirement Reserve Subaccount. Assets will be transferred to the new asset allocation in a controlled manner throughout FY 2015.