



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Office of the Governor**

OFFICE OF MANAGEMENT AND BUDGET  
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April 2, 2021

The Honorable Senator Bishop  
Co-Chair, Senate Finance Committee  
Alaska State Capitol Room 516  
Juneau, AK 99801

The Honorable Senator Stedman  
Co-Chair, Senate Finance Committee  
Alaska State Capitol Room 518  
Juneau, AK 99801

Dear Co-Chairs Bishop and Stedman,

Thank you for inviting the Office of Management and Budget to present on Senate Bill 55, Employer Contributions to PERS, to the Senate Finance Committee on Thursday, March 11<sup>th</sup>. Responses to questions and requests for follow-up information from the committee hearing are included below:

**Senator Wilson asked how many federal grant awards state agencies receive.** The Office of Management and Budget (OMB) has identified more than 700 distinct federal grants awarded to state agencies. These grants range significantly in size, duration and flexibility. OMB is working closely with agencies to ensure that budgetary impacts of SB55 will not violate existing grant agreements, threaten future awards or inadvertently create "hollow" budget authority of unrealizable fund sources.

**Senator Hoffman asked how SB55 would impact Permanent Fund receipts in the budget.** Permanent Fund receipts are used by the Department of Law, the Department of Natural Resources and the Alaska Permanent Fund Corporation for uses relating to Permanent Fund management and protection of state oil and gas royalty rights. Increasing employer payroll contributions from 22% to 30.11% would result in an increment of \$1,096.3 in Permanent Fund receipts in the fiscal year 2022 operating budget across the three agencies. Attachment 1 shows detailed impact by department.

**Chair Stedman asked for a department breakdown of the fiscal impact of Senate Bill 55.** Please see Attachment 2 for further detail by fund group across all allocations.

Don't hesitate to reach out to my office if you have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Steininger".

Neil Steininger  
Director