

A photograph of the Alaska State Capitol building at dusk. The building is a large, multi-story structure with a classical facade, featuring numerous windows and a prominent portico with columns. The sky is a deep blue, and the building's lights are on. In the background, a snow-capped mountain is visible. An American flag and an Alaska state flag are flying on poles to the right of the building.

SJR 302: Sustainable Dividend Account

Office of Senator Tom Begich
Senate Judiciary Committee
September 8, 2021

What are the goals?

Remove Risk

Remove the risk of unstructured draws from the Earnings Reserve Account

Resolve Tensions

Resolve the tension of choosing between spending on services versus dividends

Protect

Constitutionally protect the Permanent Fund Dividend and Power Cost Equalization Endowment

Invest

Invest our state savings with the Permanent Fund to generate more earnings

Budget

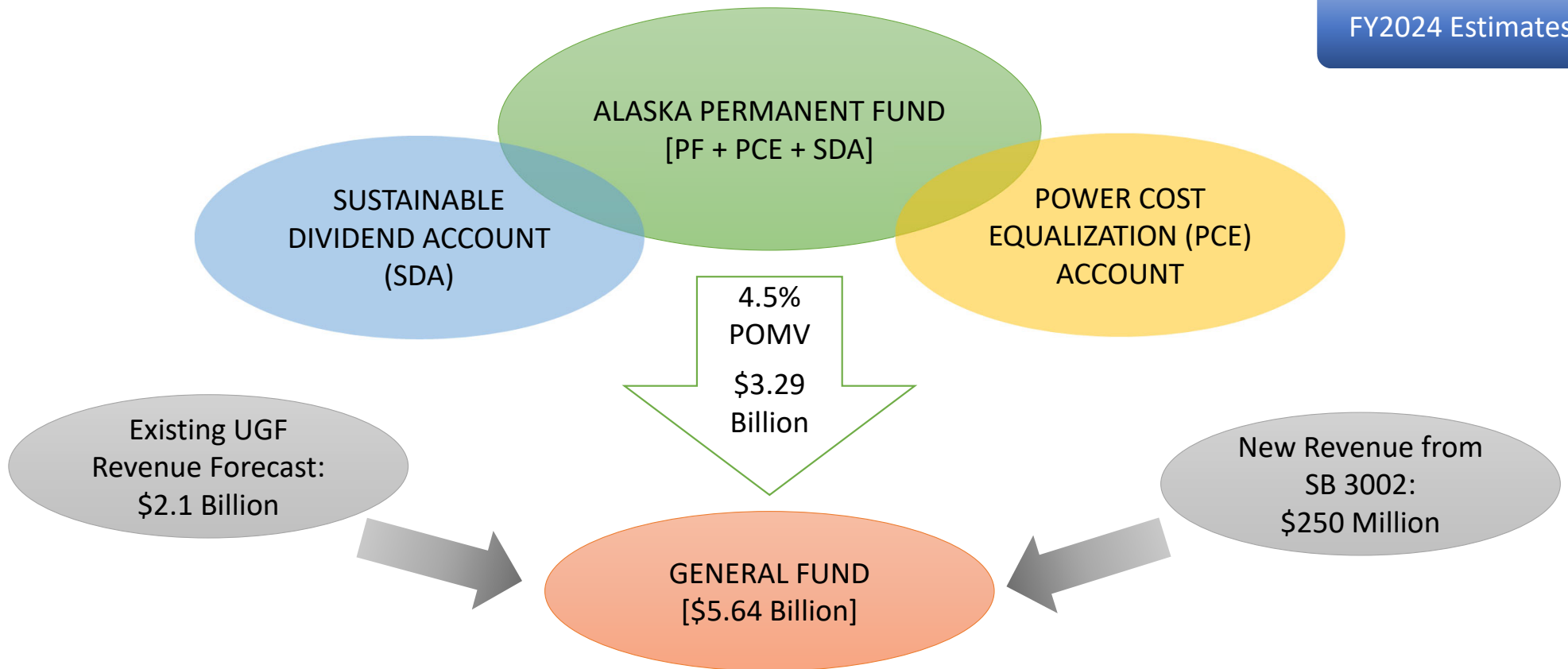
Help Alaska households and state lawmakers budget for a sustainable PFD amount indefinitely



SJR 302: Sustainable Dividend Account Sectional Analysis

How does the Sustainable Dividend Account start at \$10.9 Billion?

	Beginning Balance	Unpaid Stat PFDs	Total Return	Earnings	End Balance
FY17	0	683	12.6%	43	726
FY18	726	826	10.7%	122	1,674
FY19	1,674	884	6.3%	134	2,692
FY20	2,692	816	2.0%	62	3,570
FY21	3,570	1,226	29.4%	1,230	6,026
FY22	6,026	1,836	5.9%	407	8,269
FY23	8,269	2,085	6.2%	577	10,931
*Assumes \$1k/person PFDs in FY22-FY23					



This 4.5% draw from the Permanent Fund to the General Fund is based on the total value of the Permanent Fund, SDA, and the PCE Account together. The POMV is calculated on June 30 by the Permanent Fund Corporation from the average market value of the preceding 5 fiscal years, excluding the fiscal year that just ended.

ALASKA PERMANENT FUND
[PF + PCE + SDA]

SUSTAINABLE
DIVIDEND ACCOUNT
(SDA)

5.0%
Draw

\$545
Million

\$1,200 Annual Permanent Fund
Dividend to eligible Alaska
residents

POWER COST
EQUALIZATION (PCE)
ACCOUNT

5.0%
Draw

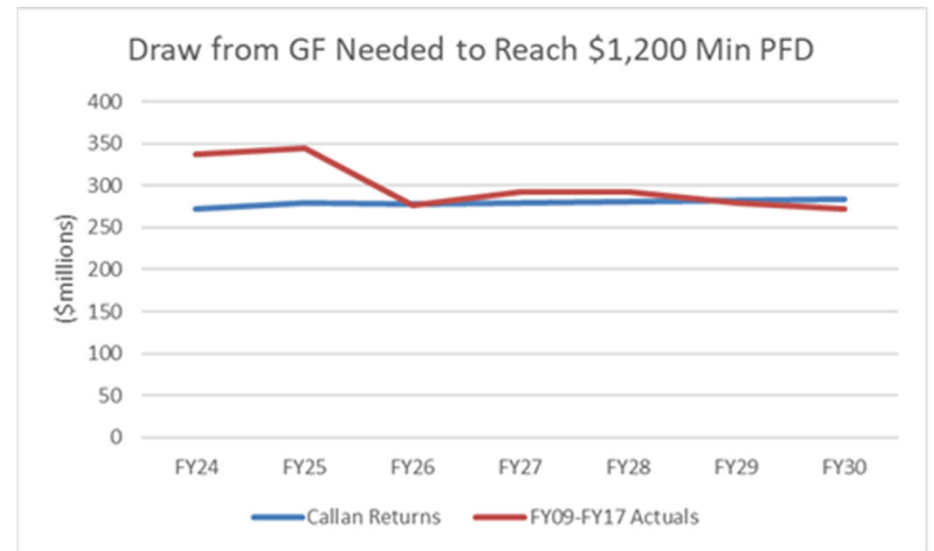
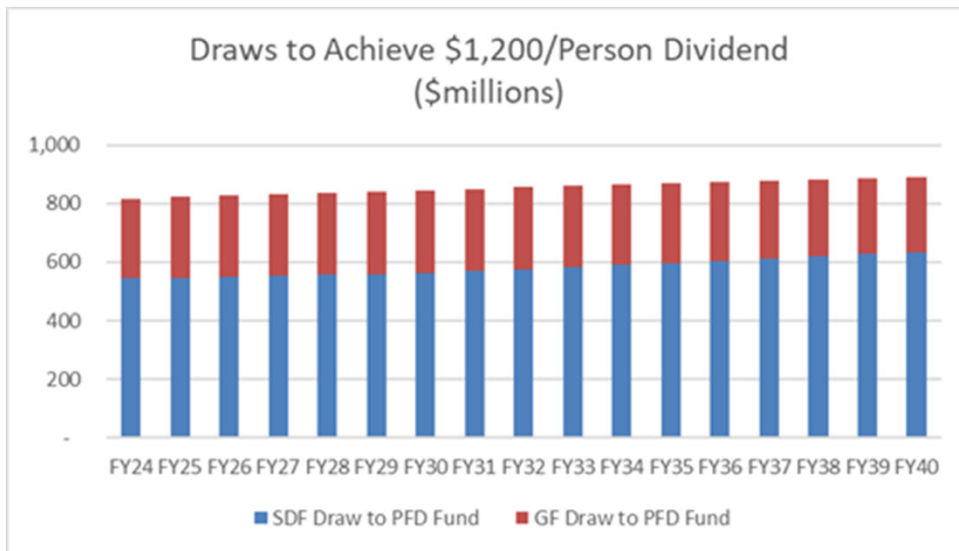
\$60
Million

PCE payments, subsidies,
community assistance, etc.

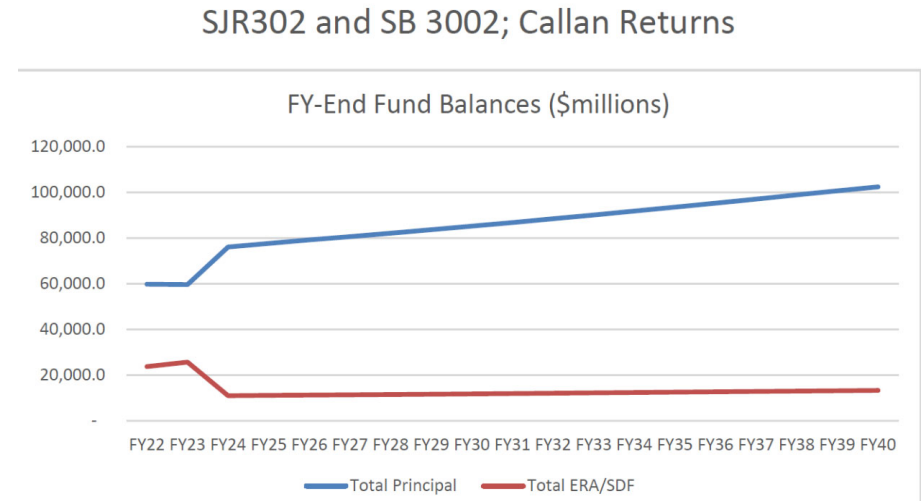
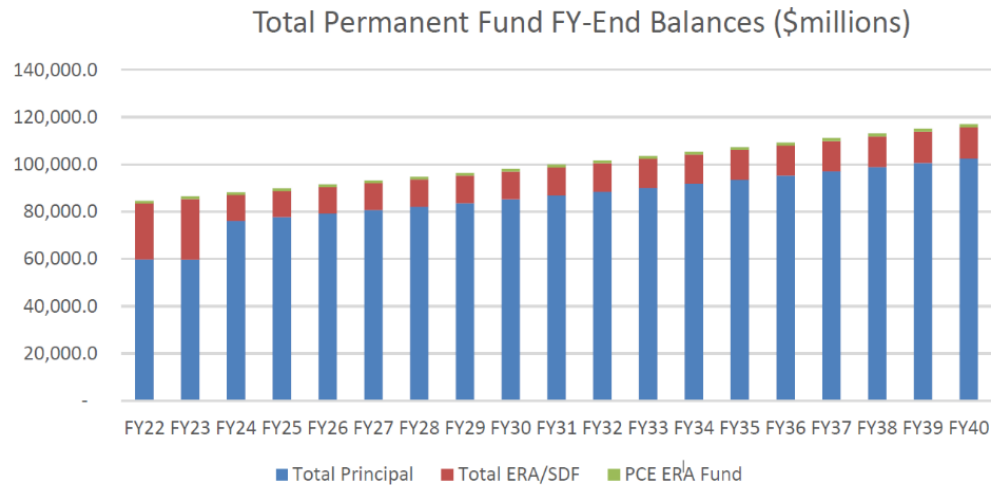
GENERAL FUND
[\$5.64 Billion]

~\$275 Million

\$1,200 PFD: Impact to General Fund



Callan Returns for SJR 302 + SB 3002 Revenues



Thank you!

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