

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: HB 4010
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB4003-PF-PFD-10-11-21
Title: PERMANENT FUND DIVIDEND; POMV SPLIT
Sponsor: MCCARTY
Requester: (H)W&M

Department: Permanent Fund
Appropriation: Permanent Fund Dividends
Allocation: Permanent Fund Dividend Fund
OMB Component Number: 2616

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous			1,176,000.0	1,260,000.0	1,332,000.0	1,405,000.0	1,487,000.0
Total Operating	0.0	0.0	1,176,000.0	1,260,000.0	1,332,000.0	1,405,000.0	1,487,000.0

Fund Source (Operating Only)

1041 PF ERA (UGF)			1,176,000.0	1,260,000.0	1,332,000.0	1,405,000.0	1,487,000.0
Total	0.0	0.0	1,176,000.0	1,260,000.0	1,332,000.0	1,405,000.0	1,487,000.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Initial version.

Prepared By: Caroline Schultz, Policy Analyst
Division: Office of Management and Budget
Approved By: Neil Steininger, Director
Agency: Office of Management and Budget

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. HB4010

Analysis

This legislation changes the amount calculated for the appropriation for the payment of permanent fund dividends to 35% of the 5% percent of market value (POMV) draw from the Permanent Fund under AS 37.13.140(b). Additionally, this legislation directs the legislature to appropriate at least 20 percent of the remaining 65 percent of the POMV draw for capital projects (equating to 13 percent of the POMV draw).

Under the calculation proposed by this legislation, the fiscal year 2023 appropriation for permanent fund dividends is estimated to be \$1,176 million, equating to an estimated dividend of \$1,772 for eligible recipients. It also directs the legislature to appropriate \$437 million for capital projects. The table below shows estimated permanent fund dividends and capital project reserve under the proposed statutory calculation based on current Alaska Permanent Fund Corporation projections.

<i>Dollars in millions</i>	FY23	FY24	FY25	FY26	FY27
POMV Draw	3,361	3,599	3,805	4,014	4,249
35% for PFD	1,176	1,260	1,332	1,405	1,487
PFD/Recipient (<i>dollars</i>)	\$1,772	\$1,882	\$1,982	\$2,083	\$2,196
13% Capital Project Reserve	437	468	495	522	552