

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number 1
 Bill Version HB 104
 (H) Publish Date 1/18/11

Identifier (file name) LL1893-DOR-TRS-1-14-11 Dept. Affected Revenue
 Title The Alaska Performance Scholarship Fund Appropriation Treasury and Taxation
 Allocation Treasury
 Sponsor Rules Committee
 Requester By Request of the Governor OMB Component Number 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services	60.0		60.0	60.0	60.0	60.0	60.0	60.0
Travel								
Contractual	55.0		55.0	55.0	55.0	55.0	55.0	55.0
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	115.0	0.0	115.0	115.0	115.0	115.0	115.0	115.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts	115.0		115.0	115.0	115.0	115.0	115.0	115.0
TOTAL	115.0	0.0	115.0	115.0	115.0	115.0	115.0	115.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version

first version of fiscal note

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Phone (907) 465-2350
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Analysis

The bill provides for a separate fund designated for performance scholarships. In order to generate enough revenue to fund the performance scholarships, the Department anticipates the need for a \$400 million capitalization.

It is anticipated the fund will be managed with asset allocation of 60% fixed income and 40% domestic equity in order to yield a real annual rate of return of 5%. These costs include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.