

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSHB 213(FIN)
Fiscal Note Number:	1
(H) Publish Date:	2/12/2018

Identifier: HB213CS-EED-PEF-2-6-18
Title: PUBLIC SCHOOL TRUST FUND
Sponsor: PARISH
Requester: House Finance Committee

Department: Fund Capitalization
Appropriation: Fund Capitalization (no approps out)
Allocation: Public Education Fund (starts FY17)
OMB Component Number: 2804

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2019 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

The committee substitute: changes the POMV to five years with a one year lag; estimated to yield a total of \$27,053.0; results in a reduction of \$947.0 to the Public School Trust Funds and corresponding increase to the UGF.

Prepared By: Heidi Teshner, Director
Division: Finance and Support Services
Approved By: Dr. Michael Johnson, Commissioner
Agency: Department of Education & Early Development

Phone: (907)465-2875
Date: 02/06/2018 11:00 AM
Date: 02/06/18

**REPORTED OUT OF
HFC 02/12/2018**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

CSHB213 proposes changes to the Public School Trust Fund under AS 37.14, with a new percent of market value (POMV) approach. The POMV proposed would identify 4.75% of the monthly average market value of the fund for the previous five fiscal years preceding the previous fiscal year, as determined by the commissioner of revenue, at June 30 as available for use in the state public school program (Foundation Program) and reimbursement of the costs of administration of the fund.

Within the FY2019 Governor's Budget, \$28,000.0 is already appropriated from the Public School Trust Fund of which \$23,337.4 is for the Foundation Program and \$4,662.6 is for Mt. Edgecumbe Boarding School. Based on current statutes, the Department of Revenue only recommended \$10,000.0 from the Public School Trust Fund for FY2019. The POMV proposed would make the additional \$17,053.0 realizable.

It provides for an immediate effective date.

The funding mechanism is a general fund transfer to the Public Education Fund (PEF).

The PEF is estimated to go up by \$947.0, while the draw on the Public School Trust Fund will go down; resulting in a net \$0 change to the Foundation Program.