

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	SCS CSHB 213(FIN)
Fiscal Note Number:	4
(S) Publish Date:	4/23/2018

Identifier: HB213CS(FIN)-EED-PEF-4-6-18  
 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 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**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 If yes, by what date are the regulations to be adopted, amended or repealed?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 change from the prior version is to include an additional reduction of \$125.5 to the Public School Trust Funds and corresponding increase in the UGF is to account for the Department of Revenues fund management services.

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Division:	Finance and Support Services	Date:	04/06/2018
Approved By:	Dr. Michael Johnson, Commissioner	Date:	04/06/18
Agency:	Department of Education & Early Development		

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SFC 04/23/2018

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
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## 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 esitimated to go up by \$1,072.5, while the draw on the Public School Trust Fund will go down; resulting in a net \$0 change to the Founation Program.