

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	SCS CSHB 213(RLS)
Fiscal Note Number:	6
(S) Publish Date:	5/12/2018

Identifier: HB213-DOR-TRS-05-12-18
 Title: PUBLIC SCHOOL TRUST FUND
 Sponsor: PARISH
 Requester: S Rules

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Treasury Division
 OMB Component Number: 121

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
OPERATING EXPENDITURES	FY 2019	FY 2019					
Personal Services							
Travel							
Services			4.4	8.8	13.1	17.5	21.9
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	4.4	8.8	13.1	17.5	21.9

Fund Source (Operating Only)

1004 Gen Fund (UGF)			4.4	8.8	13.1	17.5	21.9
Total	0.0	0.0	4.4	8.8	13.1	17.5	21.9

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 (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?
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial Version

Prepared By:	Pamela Leary, Director	Phone:	(907)465-3751
Division:	Treasury Division	Date:	03/08/2018
Approved By:	Mike Barnhill, Deputy Commissioner	Date:	05/12/18
Agency:	DOR		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

This bill creates two funds to be managed in the Treasury Division. The Dividend Lottery Fund will be managed alongside other funds in the General Fund and Other Non-segregated Investments (Gefonsi) and so will not require additional costs to manage. The Education Endowment Fund will be a separate fund in the general fund to be invested in a manner likely to achieve at least a four percent nominal return over a five year period. Using similarly targeted funds as a guide, the costs of managing this fund are estimated assuming that each annual dividend is \$1,000, 10% of PFD recipients aged 18 years of age or older invest one-half of their dividend in the lottery each year (approximatley \$25 million per year) and investment costs are 7 basis points (.0007).

	2020	2021	2022	2023	2024
Fund Balance	6,250,000	12,500,000	18,750,000	25,000,000	31,250,000
Costs	4,375	8,750	13,125	17,500	21,875
Costs for fiscal note	4.4	8.8	13.1	17.5	21.9

(Revised 9/26/17 OMB/LFD)