

Fiscal Note

State of Alaska
2017 Legislative Session

| | |
|---------------------|-------------------|
| Bill Version: | HCS CSSB 26 (FIN) |
| Fiscal Note Number: | 13 |
| (H) Publish Date: | 4/12/2017 |

Identifier: SB26HCS(FIN)-DOR-PFP-04-10-17
 Title: APPROP LIMIT & PER
 FUND:DIVIDEND;EARNINGS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: HOUSE FINANCE

Department: Fund Transfers
 Appropriation: PF ERA
 Allocation: To Deposits to Permanent Fund Principal
 OMB Component Number: 2726

Expenditures/Revenues

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

| | FY2018 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|------------------|------------------|------------------|------------------|
| | Appropriation Requested | Governor's FY2018 Request | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
| OPERATING EXPENDITURES | FY 2018 | FY 2018 | | | | | |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | 120,272.0 | | 127,110.0 | 132,505.0 | 135,510.0 | 138,303.0 | 141,580.0 |
| Total Operating | 120,272.0 | 0.0 | 127,110.0 | 132,505.0 | 135,510.0 | 138,303.0 | 141,580.0 |

Fund Source (Operating Only)

| | | | | | | | |
|-------------------|------------------|------------|------------------|------------------|------------------|------------------|------------------|
| 1041 PF ERA (UGF) | 120,272.0 | | 127,110.0 | 132,505.0 | 135,510.0 | 138,303.0 | 141,580.0 |
| Total | 120,272.0 | 0.0 | 127,110.0 | 132,505.0 | 135,510.0 | 138,303.0 | 141,580.0 |

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 (FY2017) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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? n/a

Why this fiscal note differs from previous version:

Initial fiscal - reflects inflation proofing included in HFIN CS.

Prepared By: Jerry Burnett, Deputy Commissioner
 Division: Department of Revenue
 Approved By: Randall Hoffbeck, Commissioner
 Agency: Department of Revenue

Phone: (907)465-3669
 Date: 04/10/2017 11:30 AM
 Date: 04/10/17

**REPORTED OUT OF
HFC 04/11/2017**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

The committee substitute was adopted in House Finance which provides that 0.25% percent of the average market value of the fund for the first five of the preceeding six years be appropriated from the Earnings Reserve Account to the Principal of the Permanent Fund for the purpose of inflation-proofing the principal of the fund.

Based on .25% of market value, inflation proofing would be calculated as follows:

| SB26 Inflation Proofing (\$ millions) | | | |
|--|---|----------------------------|-------------------------------|
| FY | Market Value (first 5 of previous 6 years average) | Percentage Used | Inflation Proofing |
| 2018 | 48,109 | 0.25% | 120.273 |
| 2019 | 50,844 | 0.25% | 127.110 |
| 2020 | 53,002 | 0.25% | 132.505 |
| 2021 | 54,204 | 0.25% | 135.510 |
| 2022 | 55,321 | 0.25% | 138.303 |
| 2023 | 56,632 | 0.25% | 141.580 |