

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	HCS CSSB 78(FIN)
Fiscal Note Number:	9
(H) Publish Date:	4/17/2018

Identifier: SB078-DOR-TRS-03-08-18  
 Title: PERM FUND DIVIDEND  
 CONTRIBUTIONS/LOTTERY  
 Sponsor: BISHOP  
 Requester: Senate Finance

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

## Fund Source (Operating Only)

1004 Gen Fund (UGF)			4.4	8.8	13.1	17.5	21.9
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>4.4</b>	<b>8.8</b>	<b>13.1</b>	<b>17.5</b>	<b>21.9</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?  
 If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Updated for current fiscal year

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 Agency: DOR

Phone: (907)465-3751  
 Date: 03/08/2018 12:00 AM  
 Date: 03/09/18

REPORTED OUT OF  
HFC 04/17/2018

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

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
<b>Fund Balance</b>	6,250,000	12,500,000	18,750,000	25,000,000	31,250,000
<b>Costs</b>	4,375	8,750	13,125	17,500	21,875
<b>Costs for fiscal note</b>	4.4	8.8	13.1	17.5	21.9

(Revised 9/26/17 OMB/LFD)

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