

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	CSSB 103(FIN)
Fiscal Note Number:	1
(S) Publish Date:	4/30/2019

Identifier: SB103-SFIN-4-30-19
 Title: PFD APPROPRIATIONS
 Sponsor: FINANCE
 Requester: SFIN

Department: Permanent Fund
 Appropriation: PF Dividends
 Allocation: To Permanent Fund Dividend Fund
 OMB Component Number: 2616

Expenditures/Revenues

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

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates					
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
OPERATING EXPENDITURES								
Personal Services			***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	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 (FY2019) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2020) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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 If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

Updated for CS which includes an FY2021 effective date and other technical changes.

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Phone: (907)465-2995
 Date: 04/30/2019

REPORTED OUT OF
 SFC 04/30/2019

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

Analysis

Senate Bill 103 changes the Permanent Fund Dividend calculation to reflect a 50 percent "split" of the 5.25% (5% in FY2022 and thereafter) POMV draw from the Permanent Fund Earnings Reserve Account. This bill directs the legislature to appropriate 50 percent of the POMV draw to the General Fund and 50 percent to the Dividend Fund.

This bill has no fiscal impact in FY2020 due to a delayed effective date of July 1, 2020. The fiscal impact in FY2021 through FY2025 is dependent on Permanent Fund returns and is therefore indeterminate.

For informational purposes, the table below shows the difference between the current statutory PFD calculation and the calculation proposed in SB103 based on Alaska Permanent Fund Corporation projections:

<i>(millions)</i>	FY20	FY21	FY22	FY23	FY24	FY25
Current Statute	\$1,944	\$2,053	\$2,245	\$2,339	\$2,116	\$2,159
SB103	\$1,467	\$1,545	\$1,546	\$1,627	\$1,681	\$1,716
Difference	\$477	\$508	\$699	\$712	\$425	\$443

Estimated per capita Permanent Fund Dividends (PFDs) for both scenarios are shown below:

<i>(dollars)</i>	FY20	FY21	FY22	FY23	FY24	FY25
Current Statute	\$3,029	\$3,145	\$3,438	\$3,571	\$3,221	\$3,281
SB103	\$2,282	\$2,283	\$2,357	\$2,460	\$2,506	\$2,545
Difference	\$747	\$788	\$1,086	\$1,110	\$715	\$736

Please note these PFD estimates are based on projections of future Permanent Fund earnings and the number of qualified applicants and may be subject to significant revision.