

HOUSE FINANCE COMMITTEE  
SECOND SPECIAL SESSION  
July 8, 2019  
2:02 p.m.

2:02:36 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 2:02 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Jennifer Johnston, Vice-Chair  
Representative Dan Ortiz, Vice-Chair  
Representative Andy Josephson  
Representative Gary Knopp  
Representative Bart LeBon

MEMBERS ABSENT

Representative Tammie Wilson, Co-Chair  
Representative Ben Carpenter  
Representative Kelly Merrick  
Representative Colleen Sullivan-Leonard  
Representative Cathy Tilton

ALSO PRESENT

Brodie Anderson, Staff, Representative Neal Foster;  
Representative Grier Hopkins; Representative Louise Stutes;  
Representative Sarah Hannan; Representative Andi Story;  
Representative Harriet Drummond; Representative Ivy Spohnholz;  
Representative Adam Wool.

SUMMARY

HB 2001        APPROP: ERA FOR PERMANENT FUND DIVIDENDS

HB 2001 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the meeting agenda. He acknowledged Representatives Louise Stutes and Grier Hopkins in the audience.

#hb2001

HOUSE BILL NO. 2001

"An Act making a special appropriation from the earnings reserve account for the payment of permanent fund dividends; and providing for an effective date."

[2:03:32 PM](#)

Co-Chair Foster asked his staff to provide an overview of the bill.

Representative Knopp asked if a roll call should be taken to establish a quorum to do business.

Co-Chair Foster noted that a quorum present.

BRODIE ANDERSON, STAFF, REPRESENTATIVE NEAL FOSTER, explained that the bill would appropriate \$1,028,509,500 from the Permanent Fund Earnings Reserve Account (ERA) to pay a \$1,600 Permanent Fund Dividend (PFD). Section 2 designated that the funds would not lapse because it was a capitalization of a fund. Section 3 included an immediate effective date clause.

[2:06:03 PM](#)

Representative Knopp asked how the numbers had been determined. He asked if the total \$1.028 billion was based on the number of individuals who had applied for the PFD the previous year.

Mr. Anderson replied that the \$1.028 billion came from a calculation made by Legislative Legal Services at the time of the bill's drafting. The number had fluctuated slightly based off of calculations from the Office of Management and Budget (OMB). He shared that there had been discussion that it may be necessary to amend the amount to \$1.071 billion based off of information received from OMB late in the special session.

Co-Chair Foster asked for verification that the proposed \$1,600 PFD was the same amount as the one paid in 2018.

Mr. Anderson replied affirmatively.

Representative Josephson stated that before the governor's recent vetoes, the surplus had been around \$600 million, which would have resulted in a PFD of approximately \$900. He observed that a \$1,600 PFD would have exceeded the 5.25 percent set in SB 26 [legislation passed in 2018 pertaining to the PFD].

Mr. Anderson replied in the affirmative. He confirmed that \$1,600 exceeded the percent of market value (POMV) draw [from the ERA].

Co-Chair Foster recognized Representatives Sarah Hannan and Andi Story in the audience.

[2:08:13 PM](#)

Representative Knopp asked for more information about the statement that the \$1,600 PFD would exceed the POMV draw established under SB 26. He noted that the governor had vetoed a portion of the draw.

Mr. Anderson thought the question may be better suited for the Legislative Finance Division. He detailed that in the governor's veto process, \$1 billion had been left in the ERA for the payment of the PFD. He elaborated that anything above the surplus was an additional ad hoc draw. The bill would exceed the POMV by \$28 million.

Co-Chair Foster recognized Representative Harriet Drummond in the audience.

Vice-Chair Ortiz considered resources to pay a \$1,600 PFD. He referred to Representative Josephson's reference to roughly \$600 million left over based on the budget the legislature sent to the governor. He wondered if another \$550 million would be needed to cover the \$1.028 billion in the bill if the budget remained the same.

Mr. Anderson replied that he would follow up on the question.

Co-Chair Foster agreed that his office would follow up.

Representative LeBon calculated that a draw of slightly below 6.25 percent would be needed.

Co-Chair Foster recognized Representatives Ivy Spohnholz and Adam Wool in the audience.

HB 2001 was HEARD and HELD in committee for further consideration.

Co-Chair Foster noted that HB 2001 had been introduced on the House floor earlier in the day. The intent for the following day was to address some of the governor's vetoes and determine how they interplayed with the PFD level. He reviewed the agenda for the following meeting.

#  
ADJOURNMENT

2:13:01 PM

The meeting was adjourned at 2:12 p.m.