

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	HB 202
Fiscal Note Number:	1
(H) Publish Date:	5/15/2021

Identifier: HB202-PF-PFD-5-9-21
Title: PERMANENT FUND DIVIDEND; ROYALTIES
Sponsor: MERRICK
Requester: (H)W&M

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

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous	(1,690,947.0)	2,023,947.0	345,700.0	418,900.0	434,400.0	454,700.0	477,100.0
Total Operating	(1,690,947.0)	2,023,947.0	345,700.0	418,900.0	434,400.0	454,700.0	477,100.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	333,000.0		345,700.0	418,900.0	434,400.0	454,700.0	477,100.0
1041 PF ERA (UGF)	(2,023,947.0)	2,023,947.0					
Total	(1,690,947.0)	2,023,947.0	345,700.0	418,900.0	434,400.0	454,700.0	477,100.0

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 (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable; initial version.

Prepared By: Caroline Schultz, Policy Analyst
Division: Office of Management and Budget
Approved By: Neil Steininger, Director
Agency: Office of Management and Budget

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Date: 05/09/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

Analysis

This legislation changes the amount calculated for the appropriation for the payment of permanent fund dividends to 30% of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state during that fiscal year.

The Governor's fiscal year 2022 budget included an appropriation from the permanent fund earnings reserve account (ERA) for the current statutory permanent fund dividend calculation, estimated to be \$2,023,947.0 based on the official Alaska Permanent Fund Corporation projections for fiscal year 2021 returns. These projections will likely be revised significantly based on actual market performance in fiscal year 2021.

The values on page one of the fiscal note are based on official Department of Revenue royalty income projections from the Spring 2021 forecast.

Under the calculation proposed by this legislation, the PFD amount to be paid to eligible applicants in calendar year 2021 is estimated to be \$463.00. The table below shows the estimated PFD calculation under HB202 for fiscal years 2022 through 2028.

	FY22	FY23	FY24	FY25	FY26	FY27	FY28
HB202 Appropriation for Dividends (<i>millions</i>)	333.0	345.7	383.8	418.9	434.4	454.7	477.1
PFD/Person (<i>dollars</i>)	\$463.00	\$486.90	\$541.40	\$590.50	\$609.40	\$635.80	\$665.20