Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	HB 259
Fiscal Note Number:	2
(H) Publish Date:	2/14/2022

Identifier: HB259-PF-PFD-1-31-22
Title: PERMANENT FUND DIVIDEND; 25/75 POMV SPLIT
Sponsor: SPOHNHOLZ
Requester: (H)EDU

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)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2023**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous			900,000.0	952,000.0	1,004,750.0	1,064,250.0	1,086,250.0
Total Operating	**0.0**	**0.0**	**900,000.0**	**952,000.0**	**1,004,750.0**	**1,064,250.0**	**1,086,250.0**

Fund Source (Operating Only)

1041 PF ERA (UGF)			900,000.0	952,000.0	1,004,750.0	1,064,250.0	1,086,250.0
Total	**0.0**	**0.0**	**900,000.0**	**952,000.0**	**1,004,750.0**	**1,064,250.0**	**1,086,250.0**

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 (FY2022) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2023) 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If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial version.

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Division: Office of Management and Budget Date: 10/11/2021 03:00 PM
Approved By: Neil Steininger, Director Date: 10/11/21
Agency: Office of Management and Budget

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

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Analysis

This legislation changes the amount calculated for the appropriation for the payment of permanent fund dividends to 25% of the 5% percent of market value (POMV) draw from the Permanent Fund under AS 37.13.140(b).

This legislation takes effect in fiscal year 2024. Under the calculation proposed by this legislation, the fiscal year 2024 appropriation for permanent fund dividends is estimated to be $900 million, equating to an estimated dividend of $1,338 for eligible recipients. The table below shows estimated permanent fund dividends under the proposed statutory calculation based on current Alaska Permanent Fund Corporation projections for the POMV draw.

Dollars in millions	FY24	FY25	FY26	FY27	FY28
POMV Draw	3,600	3,808	4,019	4,257	4,345
25% for PFD	900	952	1,005	1,064	1,086
PFD/Recipient *(dollars)*	$1,338	$1,409	$1,481	$1,563	$1,587

This legislation also authorizes the legislature to appropriation half of the remaining 75 percent of the POMV draw to the public education fund for the purpose of funding K12 education.