

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	CSHB 154(FIN)
Fiscal Note Number:	8
(H) Publish Date:	4/29/2024

Identifier: HB154-DOR-AHFC-04-06-24
 Title: AK HOUSING FINANCE CORP: SUSTAIN ENERGY
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: House Finance

Department: Department of Revenue
 Appropriation: Alaska Housing Finance Corporation
 Allocation: AHFC Operations
 OMB Component Number: 110

Expenditures/Revenues

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

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services	300.0		300.0	300.0	300.0	300.0	300.0
Travel	25.0		25.0	25.0	25.0	25.0	25.0
Services	75.0		75.0	75.0	75.0	75.0	75.0
Commodities	50.0		50.0	50.0	50.0	50.0	50.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	450.0	0.0	450.0	450.0	450.0	450.0	450.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	450.0		450.0	450.0	450.0	450.0	450.0
Total	450.0	0.0	450.0	450.0	450.0	450.0	450.0

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 40,000.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? Yes
(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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/24

Why this fiscal note differs from previous version/comments:

Updated for FY2025 Legislative Session. This version reflects changes adopted in the committee substitute in 2024, including an immediate effective date. This update also places the \$40 million capital amount in the estimated capital line.

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 Agency: Department of Revenue

Phone: (907)330-8359
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REPORTED OUT OF
HFC 04/26/2024

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION**Analysis**

The proposed legislation amends existing AHFC statutes to authorize creation of a nonprofit subsidiary corporation for the purpose of sustainable energy development through a sustainable energy fund, identified as the "Alaska Energy Independence Fund." The subsidiary will use federal grants, AHFC deposits, unrestricted loan payments, interest, or other income earned on loans, investments, or assets of the fund to make loans, secure bonds, loan guarantees, credit enhancements, equity capital, indirect funding, and other financial products.

This fiscal note identifies the initial capital investment and budget authority necessary for the subsidiary to achieve its stated purpose. Based on analysis of prior bills introduced in the Alaska Legislature, (SB123, HB 170), the Alaska Energy Independence Fund would require a total of \$40 million in FY2024 Capital funding, with \$20 million in federal receipt authority and \$20 million in unrestricted general funds. The unrestricted general funds are required for the initial capital of the program and fund initial program start-up costs.

Additionally, this fiscal note requests the required operating funds as Unrestricted General Funds (UGF). There would be annual operating costs, estimated to be approximately \$450.0. Operating costs would include two PCNs for a Program Manager (Range 22) and a Program Assistant (Range 17) at an annual cost of \$300.0. As well as, anticipated travel, contractual services, and supply expenses in the operating budget for a total of \$150.0.

Revenues generated from the fund are expected to sustain operating expenses starting in FY2025. Operating budget authority will be necessary for these operating expenses.

Additional federal and statutory designated program receipt authority may be necessary in subsequent fiscal years as related funding opportunities are identified.

This fiscal note includes an immediate effective date of 7/1 2024.