

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	HB 222
Fiscal Note Number:	2
(H) Publish Date:	3/4/2024

Identifier: HB222-DOR-APFC-01-26-24
 Title: PERMANENT FUND
 APPROPRIATIONS/INVESTMENTS
 Sponsor: SUMNER
 Requester: (H) RESOURCES

Department: Department of Revenue
 Appropriation: Alaska Permanent Fund Corporation
 Allocation: APFC Operations
 OMB Component Number: 109

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	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	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

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

Estimated CAPITAL (FY2025) 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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Initial version, not applicable.

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Division: Alaska Permanent Fund Corporation	Date: 01/26/2024 04:30 PM
Approved By: Deven Mitchell	Date: 01/26/24
Agency: Alaska Permanent Fund Corporation	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION**Analysis**

APFC invests the permanent fund as directed by constitutional and statutory mandates. The constitution requires every permanent fund investment to be: (1) incoming producing; and (2) consistent with the investment criteria designated by law. Current law requires APFC to invest the permanent fund consistent with the diversification standards and prudent investor rule that other large institutional investors follow.

This legislation would direct APFC to invest a portion of the permanent fund into a specific in-state investment project. In directing APFC to make this specific investment, this legislation would suspend APFC's obligation to apply the prudent investor rule and diversification standards that are applied to the remaining permanent fund investments.

What is unclear from the face of this legislation is just how large of an investment this in-state project would be and what the expected investment return is for this investment. Once the size and return projections for this investment are known, APFC can provide additional details on how this statutorily directed investment would impact the annual five percent POMV transfer, which is currently relied upon to fund essential government services and the annual permanent fund dividend.

At this time, without further clarification on project size, scope, and funding schedule, this fiscal note is indeterminate.