

SB

157

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/9/87 ^{waived} 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

**FISCAL NOTE(S) ATTACHED
IN ACCORDANCE WITH AS 24.08.035 ^{**} gmr's attached
(see below)

3/3/87

DATE TURNED INTO OFFICE 3/10/87

Mr. President:

FINANCE

Committee considered SB 157

appropriating from the earnings reserve account of the Alaska permanent fund to the general fund; efd.

and recommended:

replace with CS SB 157 (FINANCE) same title
 attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee ^{SFC} attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]
[Signature]

Paul Frisk. NO Rec
John Kelly NO REC.

[Signature] DO PASS
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: CS SB 157 (Fin)
Publish Date: _____

REQUEST: _____

Revision Date: 3/10/87
Title: Appropriating from earnings
reserve acct of AK PF to General Fd
Sponsor: Governor
Requestor: _____

Agency Affected: Permanent Fund Corporatio
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	0-154M	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	0-154M	-	-	-	-	-
TOTAL	0-154M	-	-	-	-	-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Senator John Binkley co-chairman Phone: 465-4985
Division: Senate Finance Committee Date: 3/10/87

Approved by Commissioner: *John Binkley* Date: _____
Agency: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 157 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve
7 account of the Alaska permanent fund to the general
8 fund."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1.: (a) An amount calculated under (b) of this section is
11 appropriated from the earnings reserve account in the permanent fund
12 (AS 37.13.145) to the general fund.

13 (b) The amount that may be appropriated under (a) of this section is
14 the lesser of:

15 (1) \$154,000,000; or

16 (2) \$882,000,000 less the total of

17 (A) the sum transferred from the budget reserve fund
18 (AS 37.05.156) to the general fund by legislation enacted by the First
19 Session of the Fifteenth Legislature;

20 (B) the total of appropriations made from the Railbelt
21 energy fund (AS 37.06.153) by legislation enacted by the First Session
22 of the Fifteenth Legislature that were formerly funded by the general
23 fund; and

24 (C) the amount obtained by subtracting the January 1987
25 ^{Yendley:} revenue forecast ^{for fiscal year 1987} prepared by the Department of Revenue from the March
26 1987 revenue forecast.

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 157

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve
7 account of the Alaska permanent fund to the general
8 fund; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The lesser of the following two amounts is appropriated
11 from the earnings reserve account of the Alaska permanent fund to the
12 general fund: (1) an amount sufficient to offset any negative amount in
13 the "Available Fund Equity/Balance" for the general fund as reported for
14 June 30, 1987 on the "State of Alaska, All Fund Types and Account Groups,
15 Combined Balance Sheet" in the State of Alaska's "Annual Financial Report"
16 for fiscal year 1987, published under AS 37.05.210(2); or (2) the amount in
17 the earnings reserve account of the Alaska permanent fund as of July 1,
18 1987.

19 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: _____
Publish Date: _____

Revision Date: 3/15/87
Title: Appropriation of Earnings Reserve
Account of P.F. to the General Fund
Sponsor: Governor
Requestor: _____

Agency Affected: Permanent Fund Corp.
BRU: Permanent Fund Corporation
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	0-555M	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	0-555M	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

It is estimated, at this time, that approximately 200 million in earnings will be necessary to meet FY 87 budget requirements. See attachment - Financial projections provided by the Alaska Permanent Fund Corporation.

Prepared By: Royce Weller Phone: 455-2300
Division: Revenue/Commissioner's Office Date: 3/2/87
Approved by Commissioner: Hugh Malone Date: 3/2/87
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of January 31, 1987

FY	PRINCIPAL					INCOME				ASSETS			
	FY Begin Balance	Appropriations	Dedicated	Inflation	FY End Balance	Net Income	Distributions		Reserves		FY End Balance	FY	
			State Revenues*	Proofing			Per Capita Dividends	Inflation Proofing	Add (Delete)	FY End Balance			
78			54		54	2					55	78	
79	54		84		139	8					141	79	
80	139		344		483	32	12				503	80	
81	483	900	385		1,769	150	28			59	59	1,875	81
82	1,769	800	401		2,969	368	71	\$1000.00		185	244	3,302	82
83	2,969	400	421	231	4,021	471	108	\$386.15	231	110	354	4,593	83
84	4,021	300	366	151	4,838	530	175	\$331.29	151	204	557	5,531	84
85	4,838	300	368	235	5,741	658	217	\$404.00	235	206	763	6,723	85
86	5,741		323	216	6,281	1,021	303	\$556.26	216	501	1,264	7,866	86
87	6,281	1,264	103	147	7,795	1,097	395	\$734.22	147	555	555	8,745	87
88	7,795		137	317	8,249	793	429	\$799.70	317	47	602	9,280	88
89	8,249		160	505	8,913	842	462	\$857.68	505	(125)	478	9,852	89
90	8,913		167	545	9,624	893	487	\$900.69	545	(139)	339	10,450	90
91	9,624		162	587	10,373	947	480	\$883.43	587	(121)	218	11,071	91
92	10,373		165	632	11,170	1,006	470	\$861.09	632	(97)	122	11,762	92
93	11,170		166	680	12,016	1,072	500	\$911.21	680	(108)	14	12,530	93
94	12,016		158	624	12,798	1,141	531	\$964.78	624	(14)		13,329	94
95	12,798		153	648	13,599	1,213	565	\$1022.06	648			14,163	95
96	13,599		146	688	14,433	1,288	601	\$1082.90	688			15,033	96
97	14,433		144	728	15,305	1,367	639	\$1146.79	728			15,944	97
98	15,305		140	771	16,216	1,449	678	\$1213.16	771			16,894	98
99	16,216		136	815	17,167	1,535	720	\$1282.02	815			17,886	99
0	17,167		130	861	18,158	1,624	763	\$1353.45	861			18,920	0
1	18,158		123	909	19,190	1,717	808	\$1427.62	909			19,998	1
2	19,190		117	960	20,267	1,814	855	\$1504.48	960			21,121	2
3	20,267		112	1,012	21,391	1,915	904	\$1584.40	1,012			22,294	3
4	21,391		110	1,066	22,566	2,021	955	\$1667.28	1,066			23,521	4
5	22,566		104	1,124	23,794	2,132	1,008	\$1753.24	1,124			24,802	5

ASSUMPTIONS

1.92% Inflation Rate FY 87
~~11.02%~~ Rate of Return FY 87
 14.6%
 4.00% Inflation Rate FY 88
 9.00% Rate of Return FY 88

6% Average Inflation Rate FY 89-05
 9% Average Rate of Return FY 89-05

* SOURCE: Alaska Department of Revenue
 30% Case Forecast - December 1986

STATUS QUO WITH AN INCREASE IN FY 87 NET INCOME

** SOURCE: Population Projections From

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

sk 157

March 3, 1987

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill appropriating money from the earnings reserve account (formerly called the "undistributed income account," AS 37.13.145) of the Alaska permanent fund to the general fund. This bill appropriates a sufficient amount of money to cover whatever deficit may exist after the end of fiscal year 1987 from the earnings reserve account of the permanent fund to the general fund. If an insufficient amount is available from the earnings reserve account, then the entire amount is appropriated to the general fund.

The deficit for fiscal year 1987 is identified in the bill by reference to the specific line in the state's annual financial report which reports that figure.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper
Governor