

SB

84

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date RETURNED to Committee: January 16, 1996

FURTHER REFERRALS:

Date of Committee Action: 1/23/96

The FINANCE Committee considered:

CSSB 84(FIN)

CS FOR SENATE BILL NO. 84(FIN)

APPROP: TO PERMANENT FUND PRINCIPAL

"An Act making a special appropriation to the principal of the permanent fund; and providing for an effective date."

recommends it be replaced

with the following committee substitute

HCS CS SB 84 (FIN)

the same title

a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) HFC

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Mark Hanley</i>	Hanley	X			
<i>John Mulder</i>	Mulder	X			
<i>Vin Kohring</i>	Kohring	X			
<i>John Martin</i>	Martin	X			
<i>John Kelly</i>	Kelly	X			
<i>Eric Theriault</i>	Theriault	X			
<i>Mike Naugre</i>	NAUGRE			X	
<i>Richard Foster</i>	GRUSSINLOFF FOSTER	X		X	

CO-CHAIR'S SIGNATURE

Mark Hanley
Hanley

Richard Foster
FOSTER

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 84

Title: An Act making a special appropriations
to the principal of the permanent fund: efd.

Sponsor: Senator Halford

Requestor: _____

Dept. Affected Revenue
BRU: APFC

Components: APFC
Serial # 109

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	0.0	0.0	0.0	0.0	0.0	0.0
Federal Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS :

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by: House Finance Committee

Rep. Mark Hanley, Co-Chair *MH*

Rep. Richard Foster, Co-Chair *RF*

Date: 1/23/96

Phone: 465-4939

Phone: 465-3789

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 1
Bill Version: SB 84
BILL (S) Publish Date: 3/9/95

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act making a special appropriation to the BRU: APFC
principal of the permanent fund; and providing for an effective date. Component: APFC
 Sponsor: Senator Hallford
 Requester: Senate Finance COMPONENT SERIAL NO. 109

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: Martin R. Pihl, Acting Executive Director Phone: 465-2047
 Division: Alaska Permanent Fund Corporation Date: 2/22/95
 Approved by: _____
 Commissioner: Dorah Voigt Date: 2/22/95
 Agency: Revenue

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*Draft of April 26, 1995**Draft of April 26, 1995*

**AGREEMENT BETWEEN THE
COMMISSIONER OF REVENUE OF THE STATE OF ALASKA
AND THE ALASKA HOUSING FINANCE CORPORATION**

THIS AGREEMENT, made this 27th day of April, 1995, between the Commissioner of Revenue of the State of Alaska and the Alaska Housing Finance Corporation, a public corporation organized and existing under AS 18.55 and AS 18.56.

RECITALS

1. Legislation has been, or is soon expected to be, enacted by the 19th Legislature, First Session, with respect to amounts to be paid by the Alaska Housing Finance Corporation to the State of Alaska in accordance with the terms of an agreement between the Commissioner of Revenue and the Corporation. This is the Agreement to which said legislation refers.

2. The Corporation and the Commissioner of Revenue have determined that payments by the Corporation to the general fund of the State of Alaska are fixed at a prudent level in accordance with the terms of this agreement.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. On or before January 1 of each of the next succeeding five fiscal years of the State of Alaska, the Corporation shall transfer to the State the following amounts:

- (i) \$70,000,000 - FY 1996;
- (ii) \$50,000,000 - FY 1997;
- (iii) \$50,000,000 - FY 1998;
- (iv) \$50,000,000 - FY 1999; and
- (v) \$50,000,000 - FY 2000.

Section 2. It is anticipated that such amounts will be available for transfer from the net liquid assets of the general account of the revolving fund of the Corporation and that such amounts will be reduced as the board of directors determine necessary to maintain compliance with existing financing agreements and to meet the following payment conditions. The payment conditions are positive determinations made by the corporation board of directors, prior to each transfer, that:

*Draft of April 26, 1995**Draft of April 26, 1995*

- (i) The Corporation is not in default as to payments of any required amounts;
- (ii) The transfer to the state of the payment (a) is not expected to impair the Corporation's ability to meet financial requirements including debt service and program costs associated with debt; (b) will not cause the Corporation to be in default under the terms of financial agreements or disable the Corporation from meeting any financial covenant;
- (iii) The amount of the transfer does not exceed the Corporation's net income as reflected in its audited financial statements for the immediately preceding fiscal year; and
- (iv) The Corporation's fund equity subsequent to the transfer will remain at a level which the board of directors reasonably believes adequate to prevent existing debt ratings from being reduced, withdrawn or suspended.

Section 3. The Corporation does not anticipate that any of the payments provided in Section 1 will not be made because of any failure to meet the provisions of Section 2, provided however, that it is understood and agreed that such conditions must be met by the Corporation before payments are made in any year above.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed this 27th day of April, 1995.

**STATE OF ALASKA
COMMISSIONER OF REVENUE**

Wilson Condon

ALASKA HOUSING FINANCE CORPORATION

Jewel Jones, Chair

Alaska Housing Finance Corporation
 Financial Operating Plan as of September 30, 1994
 Summary of Changes in Net Unrestricted Assets
 September 30, 1994 THROUGH FY 2004

(\$ in thousands)

	Fiscal Year Ended June 30,										Total Ten Fiscal Years Activity	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
Current Unrestricted Assets	615,546	568,344	578,546	575,859	512,976	448,058	388,049	342,541	297,453	242,260		
Due to/from other funds	131,271	106,946	94,792	79,989	77,253	67,885	64,217	63,625	58,551	58,412		
Non-Current Unrestricted Assets	107,249	97,524	88,465	80,689	74,732	69,610	65,686	62,194	59,086	56,321		
Beginning Net Unrestricted Assets	<u>854,066</u>	<u>772,814</u>	<u>761,803</u>	<u>736,537</u>	<u>664,961</u>	<u>585,553</u>	<u>517,952</u>	<u>468,360</u>	<u>415,090</u>	<u>356,993</u>	854,066	
Actively Affecting Net Unrestricted Assets:												
Adjustment to Beginning Balance	50,000											50,000
Transfer to State of Alaska	(220,043)	(70,000)	(50,000)	(50,000)	(50,000)	(50,000)	0	0	0	0		(490,043)
Operating Budgets	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)		(13,620)
Family Housing Programs	(52,943)	(56,724)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)		(541,459)
Collateral Transfers												
For Bonds Issued	(37,976)	(14,259)	(19,398)	(21,632)	(21,373)	(23,360)	(23,841)	(27,649)	(26,086)	(29,448)		(245,022)
From Paid Off Bonds Issues	132,681	26,692	55,973	13,715	9,459	27,577	0	3,871	0	0		269,968
Return of HEBL Escrow	0	54,000	0	0	0	0	0	0	0	0		54,000
Interest earnings on loans & investments	50,129	63,186	43,646	41,827	37,992	33,668	29,736	25,994	23,474	18,943		368,595
Interest paid on short-term borrowing	(19,588)	(12,394)	0	0	0	0	0	0	0	0		(31,982)
REO Unreimbursed Expenses	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)		(1,500)
Adjustments	18,000	0	0	0	0	0	0	0	0	0		18,000
Rounding	(0)	0	(1)	0	(0)	(0)	(1)	0	1	(0)		(1)
Net Change	<u>(81,252)</u>	<u>(11,011)</u>	<u>(25,266)</u>	<u>(71,576)</u>	<u>(79,408)</u>	<u>(67,601)</u>	<u>(49,592)</u>	<u>(53,270)</u>	<u>(58,097)</u>	<u>(65,991)</u>		<u>(563,064)</u>
Ending Net Unrestricted Assets	<u>772,814</u>	<u>761,803</u>	<u>736,537</u>	<u>664,961</u>	<u>585,553</u>	<u>517,952</u>	<u>468,360</u>	<u>415,090</u>	<u>356,993</u>	<u>291,002</u>		<u>291,002</u>
Beginning Net Restricted Assets	897,869	857,036	842,025	855,972	915,247	982,076	1,036,784	1,122,832	1,213,979	1,312,904		897,869
Return on Investment @ 6.00%	53,872	51,422	50,522	51,358	54,915	58,925	62,207	67,370	72,839	78,774		602,203
Net Collateral Transfers	(94,705)	(66,433)	(36,575)	7,917	11,914	(4,217)	23,841	23,778	26,086	29,448		(78,946)
Ending Net Restricted Assets	<u>857,036</u>	<u>842,025</u>	<u>855,972</u>	<u>915,247</u>	<u>982,076</u>	<u>1,036,784</u>	<u>1,122,832</u>	<u>1,213,979</u>	<u>1,312,904</u>	<u>1,421,126</u>		<u>1,421,126</u>
Total Corporate Net Assets	<u>1,629,850</u>	<u>1,603,828</u>	<u>1,592,509</u>	<u>1,580,208</u>	<u>1,567,629</u>	<u>1,554,736</u>	<u>1,591,192</u>	<u>1,629,069</u>	<u>1,669,897</u>	<u>1,712,128</u>		<u>1,712,128</u>

DOLLAR FISCAL NOTES REPORTED OUT OF FINANCE COMMITTEES -- 1995 SESSION

BILL NO.	TITLE	*****HOUSE FINANCE*****			*****SENATE FINANCE*****			DEPT
		GEN FUNDS	OTHER FUNDS	TOT FUNDS	GEN FUNDS	OTH FUNDS	TOT FUNDS	
CAPITAL:								
	Notes							
	CAPITAL SUBTOTAL	0.0	0.0	0.0	0.0	0.0	0.0	
OPERATING:								
	Notes							
HB 9	1 Damage to Property by Minors	0.0	0.0	0.0	0.0	0.0	0.0	COURT
HB 20	Convey Tide/Submerged Land to Municipality	6.0	0.0	6.0				DNR-Information Resource
HB 20	Convey Tide/Submerged Land to Municipality	34.3	0.0	34.3				F&G
HB 26	Depositions in Criminal Cases	1.0	0.0	1.0	0.0	0.0	0.0	COURT
HB 27	DNA Testing of Convicted Sex Offenders	20.0	0.0	20.0	20.0	0.0	20.0	DPS-Ak Pub Safety Info Net
HB 27	DNA Testing of Convicted Sex Offenders	25.0	0.0	25.0	25.8	0.0	25.8	DPS-Laboratory Service
HB 27	DNA Testing of Convicted Sex Offenders	11.0	0.0	11.0	11.0	0.0	11.0	DPS-Ak Crim Records & ID
HB 27	DNA Testing of Convicted Sex Offenders				0.0	0.3	0.3	DH&SS-Fairbanks Youth Fac.
HB 27	DNA Testing of Convicted Sex Offenders				0.0	1.6	1.6	DH&SS-McLaughlin Youth Ctr
HB 27	DNA Testing of Convicted Sex Offenders				0.0	0.1	0.1	DH&SS-Bethel Youth Center
HB 27	2 DNA Testing of Convicted Sex Offenders	0.0	0.0	0.0	0.0	1.2	1.2	AK JUDICIAL COUNCIL
HB 38	Sentencing; 3rd Serious Felony Offender	160.6	0.0	160.6				ADM-Office of Public Advocacy
HB 38	Sentencing; 3rd Serious Felony Offender	382.9	0.0	382.9				ADM-Public Defender Agency
HB 38	Sentencing; 3rd Serious Felony Offender	211.9	0.0	211.9				LAW
HB 38	Sentencing; 3rd Serious Felony Offender	168.7	0.0	168.7				COURT
HB 57	Licensing Requirements for Drivers	49.5	77.1	126.6				DPS
HB 65	Assistive Technology Loan Guarantees	0.0	100.0	100.0				DOE
HB 78	Public Assist. Demo Project & Decrease	68.4	68.4	136.8				DH&SS-Eligibility Determin.
HB 78	Public Assist. Demo Project & Decrease	106.8	106.7	213.5				DH&SS-P A Administration
HB 78	Public Assist. Demo Project & Decrease	486.2	486.2	972.4				DH&SS-PA Data Processing

BILL NO.	TITLE	*****HOUSE FINANCE*****			*****SENATE FINANCE*****			DEPT
		GEN FUNDS	OTHER FUNDS	TOT FUNDS	GEN FUNDS	OTH FUNDS	TOT FUNDS	
HB 78	Public Assist. Demo Project & Decrease	(706.5)	(904.2)	(1,610.7)				DH&SS-AFDC Ratable Reduct.
HB 78	Public Assist. Demo Project & Decrease	0.0	(210.4)	(210.4)				DH&SS-PFD Hold Harmless
HB 78	Public Assist. Demo Project & Decrease	113.9	0.0	113.9				DH&SS-DFYS Central Office
HB 78	Public Assist. Demo Project & Decrease	20.0	20.0	40.0				DH&SS-Claims Processing
HB 78	Public Assist. Demo Project & Decrease	0.0	83.5	83.5				C&ED-Occupational Licensing
HB 78	Public Assist. Demo Project & Decrease	0.0	26.0	26.0				C&ED-Insurance
HB 78	Public Assist. Demo Project & Decrease	0.0	29.1	29.1				C&ED-Banking, Secs. & Corps.
HB 78	Public Assist. Demo Project & Decrease	0.0	1.5	1.5				DH&SS-EMS Training & Lics.
HB 78	Public Assist. Demo Project & Decrease	(152.6)	(165.3)	(317.9)				DH&SS-AFDC
HB 78	Public Assist. Demo Project & Decrease	222.8	0.0	222.8				DPS
HB 78	Public Assist. Demo Project & Decrease	0.0	20.8	20.8				DOE
HB 78	Public Assist. Demo Project & Decrease	0.0	519.4	519.4				REV
HB 78	Public Assist. Demo Project & Decrease	(53.8)	(53.9)	(107.7)				DH&SS-Medicaid Non-Facility
HB 78	Public Assist. Demo Project & Decrease	(58.3)	(58.4)	(116.7)				DH&SS-Medicaid Facilities
HB 78	Public Assist. Demo Project & Decrease	0.0	36.1	36.1				LABOR-Occ. Safety & Health
HB 78	Public Assist. Demo Project & Decrease	0.0	53.7	53.7				LABOR-Mechanical Inspection
HB 80	DNR Approval of Plats in Unorg Borough	64.0	0.0	64.0				DNR
HB 92	Extend Foster Care Review Panel	0.0	0.0	0.0	170.6	0.0	170.6	ADM
HB 99	3 APUC Extension & Regulatory Cost Charge	3,729.0	0.0	3,729.0				C&ED
HB 102	Extend Big Game Commercial Services Board	249.2	0.0	249.2				C&ED
HB 122	Marine Motor Fuel Tax	4,975.2	0.0	4,975.2				REV
HB 124	Board of Nursing Home Administrators	8.2	0.0	8.2	8.2	0.0	8.2	C&ED
HB 124	4 Board of Nursing Home Administrators				15.0	15.0	30.0	DH&SS
HB 127	120-Day Jail: Assault on Officers	64.2	0.0	64.2				CORR
HB 130	Regulation Adoption Procedures & Review	6.5	0.0	6.5	6.5	0.0	6.5	DEC-Seafood
HB 130	Regulation Adoption Procedures & Review	3.2	0.0	3.2	3.2	0.0	3.2	DEC-Palmer Lab
HB 130	Regulation Adoption Procedures & Review	1.5	4.5	6.0	1.5	4.5	6.0	DEC-Drinking Water
HB 130	Regulation Adoption Procedures & Review	4.5	0.0	4.5	4.5	0.0	4.5	DEC-Wastewater
HB 130	Regulation Adoption Procedures & Review	10.0	0.0	10.0	10.0	0.0	10.0	DEC-Solid Waste
HB 130	Regulation Adoption Procedures & Review	20.0	0.0	20.0	20.0	0.0	20.0	REV
HB 130	Regulation Adoption Procedures & Review	73.7	0.0	73.7	73.7	0.0	73.7	GOV
HB 130	Regulation Adoption Procedures & Review	5.0	0.0	5.0	5.0	0.0	5.0	DPS
HB 146	Sled Dog Race Classic				25.0	0.0	25.0	REV
HB 158	Civil Liability	11.0	0.0	11.0				COURT

BILL NO.	TITLE	*****HOUSE FINANCE*****			*****SENATE FINANCE*****			DEPT
		GEN FUNDS	OTHER FUNDS	TOT FUNDS	GEN FUNDS	OTH FUNDS	TOT FUNDS	
HB 159	DWI Laws/Minor in Possession Laws	294.1	0.0	294.1				LAW
HB 159	DWI Laws/Minor in Possession Laws	1,080.7	0.0	1,080.7				CORR
HB 159	DWI Laws/Minor in Possession Laws	131.6	0.0	131.6				COURT
HB 159	DWI Laws/Minor in Possession Laws	59.4	0.0	59.4				DPS
HB 159	DWI Laws/Minor in Possession Laws	297.5	0.0	297.5				ADM
HB 197	Mineral Exploration Incentive Credits	62.0	0.0	62.0	62.0	0.0	62.0	DNR
HB 202	Juvenile Delinquency Proceedings	5.0	0.0	5.0				COURT
HB 207	Adjustments to Oil and Gas Royalties	105.6	0.0	105.6				DNR
HB 207	5 Adjustments to Oil and Gas Royalties	*	*	0.0				REV-Oil & Gas Audit
HB 233	Extension of Misc. Boards & Commissions	1,462.0	0.0	1,462.0				C&ED
HB 233	Extension of Misc. Boards & Commissions	1,966.8	0.0	1,966.8				DOE
HCR 1	Long Range Financial Planning Commission	51.3	0.0	51.3	51.3	0.0	51.3	LAA
HCR 19	Task Force on Corrections Department	200.0	0.0	200.0				CORR
HJR 20	Conference of the States	11.0	0.0	11.0				LAA
SB 1	Review of Federally Manua- d Programs	150.0	0.0	150.0				LAW
SB 6	Licensing/Registration Suspension/Denial				7.2	0.0	7.2	COURT
SB 6	Licensing/Registration Suspension/Denial				114.6	0.0	114.6	DPS-Driver Srvc & Field Srvc
SB 6	Licensing/Registration Suspension/Denial				38.0	0.0	38.0	CORR
SB 14	Increased Penalties for Joyriding	96.4	0.0	96.4	96.4	0.0	96.4	DPS-Driver Services
SB 14	Increased Penalties for Joyriding	55.0	0.0	55.0	55.0	0.0	55.0	COURT
SB 14	Increased Penalties for Joyriding	81.7	0.0	81.7	81.7	0.0	81.7	LAW
SB 14	Increased Penalties for Joyriding	104.6	0.0	104.6	104.6	0.0	104.6	ADM
SB 16	Increase Land Grant To Univ of ALaska				0.0	100.0	100.0	UNIV
SB 16	Increase Land Grant To Univ of ALaska				24.0	0.0	24.0	DNR - Info Resource Mgmt
SB 16	Increase Land Grant To Univ of ALaska				0.0	71.0	71.0	DNR - Land Development
SB 16	Increase Land Grant To Univ of ALaska				34.3	0.0	34.3	F&G
SB 18	REAA Advisory Votes				0.7	0.0	0.7	GOV
SB 28	Motor Vehicle Reg Fee/Emiss'n Inspections	250.0	0.0	250.0	250.0	0.0	250.0	DEC
SB 28	Motor Vehicle Reg Fee/Emiss'n Inspections	58.8	0.0	58.8	58.8	0.0	58.8	DPS
SB 46	Prosecute Juvenile as Adult in Dist. Ct.	66.9	0.0	66.9	66.9	0.0	66.9	COURT
SB 47	6 APUC Extension and Regulatory Cost Charge	3,789.7	0.0	3,789.7	3,789.7	0.0	3,789.7	C&ED
SB 77	Intensive Management of Game				0.0	10.0	10.0	F&G

BILL NO.	TITLE	*****HOUSE FINANCE*****			*****SENATE FINANCE*****			DEPT
		GEN FUNDS	OTHER FUNDS	TOT FUNDS	GEN FUNDS	OTH FUNDS	TOT FUNDS	
SB 81	Classifying Wolf as Predator				85.0	0.0	85.0	F&G
SB 88	Pilot Program for Charter Schools	2.0	0.0	2.0	2.0	0.0	2.0	EDUC
SB 105	Parental Consent Before Minor's Abortion				9.6	0.0	9.6	COURT
SB 105	Parental Consent Before Minor's Abortion				168.0	0.0	168.0	ADM
SB 117	Statewide Independent Living Council	14.3	128.3	142.6	14.3	128.3	142.6	DOE
SB 130	Marine Pilots				162.1	0.0	162.1	C&ED
SB 135	PFD Notices and Eligibility	0.0	2.4	2.4	0.0	2.4	2.4	REV-PFD Div
SB 135	PFD Notices and Eligibility	5.0	0.0	5.0	5.0	0.0	5.0	DPS
SB 142	Human Resource Investment Council	0.0	309.6	309.6	0.0	309.6	309.6	GOV
SB 148	7 State Emp Defined Contrib Retirement Prog				0.0	2,638.8	2,638.8	ADM-Retirement & Benefits
SB 148	7 State Emp Defined Contrib Retirement Prog				19.1	0.0	19.1	ADM-Finance
SCR 19	Blue Ribbon Commission on Gaming				87.0	0.0	87.0	LAA
OPERATING SUBTOTAL		20,745.2	681.1	21,426.3	5,787.3	3,282.8	9,070.1	
OPERATING AND CAPITAL TOTAL		20,745.2	681.1	21,426.3	5,787.3	3,282.8	9,070.1	

- NOTES:
- 1 HB 9: It is impossible to predict how this legislation will impact the Court System. See FN analysis.
 - 2 HB 27: This Alaska Judicial Council Fiscal Note was received by HFC after they had reported the Bill out with the other 4 fiscal notes.
 - 3 HB 99: This C&ED \$3,729.0 FN represents ongoing costs of operations as proposed in FY96 Operating Budget.
 - 4 HB 124: This DH&SS FN for SCS CSHB 124 (Fin) was received after the bill was reported out of Senate Finance Committee. The understanding per Sen. Halford's office is that this FN will be considered at Conference Committee.
 - 5 HB 207: See FN Analysis.
 - 6 SB 47: This C&ED FN reflects the operating budget request for the Commission in FY96 plus \$60.7 for increased RSA w/Dept. of Law.
 - 7 SB 48: These two Fiscal Notes for the Rules Version of SB 148 more properly apply to CSSB 148(Fin) than the \$1,158.8 originally reported out with the SFC Bill.

BILL NO.	TITLE	HOUSE FINANCE	SENATE FINANCE	DEPT
Notes				
2	SB 25: Sonate Finance Committee waived referral of this bill on 4/20/95.			

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance



P.O. Box 113200
Juneau, AK 99811-3200
(907) 465-3795
FAX (907) 463-4885

MEMORANDUM

DATE: January 12, 1996

TO: Representative Hanley
Representative Foster
Chairmen, House Finance
Committee

Senator Frank
Senator Halford
Chairmen, Senate Finance
Committee

FROM: Michael Deany, Legislative Fiscal Analyst

RE: Update of amount available for withdrawal under section 17(b).

Appended is an updated calculation of the amount available for withdrawal from the constitutional budget reserve with a simple majority vote under section 17(b). This update reflects recent advice from the Legal Services Division to the effect that the amount available for appropriation should also include permanent fund income generated during FY97. Our original assumption was that the amount available for appropriation from the earnings reserve consisted of the projected balance of the reserve as of the end of FY96, including the amounts reserved for dividends and inflation proofing. The Permanent Fund Corporation's November 30, 1995 financial projections anticipate FY97 earnings of \$1,161.0 million.

cc: Representative Martin, Chairman
Legislative Budget and Audit Committee

Preliminary projection of the amount available for withdrawal for FY97 under Article IX, Section 17(b)
(In millions of dollars)

APPROPRIATIONS ENACTED - FY 96		SOURCES/NOTES
Operating	3,818.7	
Capital	580.6	
Debt	146.2	
Specials/Fund Transfers	936.4	
Loans	9.1	
From Permanent Fund Earnings Reserve to Principal	500.0	
FY96 enacted appropriations	5,991.0	LFD All Funds Spending Plan
 FUNDS AVAILABLE FOR APPROPRIATION - FY 97		
FY97 unrestricted general fund revenues	1,837.6	DOR Fall 1995 forecast, base case @ \$16.41
FY97 estimated general fund program receipts and revenue adjustments	81.2	Governor's 12/95 request
Federal and other funds	2,075.7	Estimate based on FY97 governor's 12/15 request
Permanent Fund Earnings Reserve projected balance as of 6/30/96 plus FY97 earnings (Including the reserves for dividends and inflation proofing)	3,296.0	November 95 Permanent Fund monthly statements plus projected FY 97 earnings of \$1,161.0 million
Science and Technology Endowment principal	101.0	November 95 Permanent Fund monthly statements
Estimate of appropriable general fund sub-fund and account balances as of 6/30/96	75.0	
Estimated FY97 funds available	7,466.5	
FY96 appropriations less the estimated amount available for appropriation in FY97	(1,475.5)	
 Estimate of amount available for withdrawal under Article IX, section 17(b) for FY97		
	0.0	
(The amount available for appropriation in FY97 is greater than the amount appropriated for FY96)		

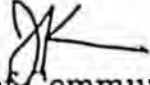


Alaska Permanent Fund Corporation
P.O. Box 25500 Juneau, Alaska 99802-5500
(907) 465-2047

MEMORANDUM

DATE: January 22, 1996

TO: Senator Rick Halford

FROM: Jim Kelly 
Director of Communications

SUBJECT: **Financial Projections for Proposed
HCS SB 84 (FIN)**

Per your request, the Alaska Permanent Fund Corporation has prepared two spreadsheets which provide some perspective on the impacts of passage of proposed HCS SB 84 (FIN).

Financial Projection #1: This is the status quo case as of December 31, 1995. It provides the benchmark against which to compare and contrast any changes to current law.

Financial Projection #2: This is HCS SB 84 (FIN) which would appropriate to Fund principal all but \$100 million of the balance remaining in the earnings reserve account as of June 30, 1996. The amount of the appropriation is projected to total approximately \$1,091 million.

Note: This analysis assumes that the HCS SB 84 appropriation is effective after accounting for fiscal 1996 dividends and inflation-proofing.

**PLEASE NOTE THAT THE CORPORATION NEITHER SUPPORTS
NOR OPPOSES ANY PROPOSED CHANGES TO THE CURRENT USE**

Senator Halford
January 22, 1996
Page 2

OF FUND EARNINGS, EXCEPT AS THEY MAY RELATE TO THE
PROPER EXERCISE OF THE TRUSTEES' FIDUCIARY
RESPONSIBILITIES AS REQUIRED UNDER THE PRUDENT
INVESTOR RULE.

cc: Byron I. Mallott, Executive Director



2

Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1995

GROWTH OF FUND PRINCIPAL						
FY	FY Begin Balance	Appropriations	Dedicated State Revenue ⁽¹⁾	Inflation-Proofing	FY End Balance	Inflation-Proofing Shortfall
78						
to						
85	4,838	2,700	2,424	617	5,741	
86	5,741		323	216	6,281	
87	6,281	1,264 ⁽²⁾	170	148	7,864	
88	7,864		418	303	8,585	
89	8,585		228	360	9,173	
90	9,173		267	454	9,894	
91	9,894		435	559	10,888	
92	10,888		338	477	11,703	
93	11,703	5 ⁽³⁾	315	362	12,385	
94	12,385	6	210	372	12,973	
95	12,973	6	318	348	13,645	
96	13,645	1605 ⁽²⁾	218	398	15,866	
97	15,866	9	216	481	16,572	
98	16,572	10	217	534	17,332	
99	17,332	10	229	559	18,131	
0	18,131	11	231	584	18,957	
1	18,957	12	233	611	19,812	
2	19,812	13	239	638	20,702	
3	20,702	14	238	666	21,621	
4	21,621	15	237	696	22,568	
5	22,568	16	229	725	23,539	
6	23,538	17	218	756	24,528	
7	24,528	18	209	787	25,543	
8	25,543	19	203	819	26,585	
9	26,585	21	202	852	27,660	
10	27,660	22	198	887	28,766	
11	28,766	24	195	922	29,906	
12	29,906	25	191	958	31,081	
13	31,081	27	184	995	32,287	
14	32,287	29	178	1,033	33,527	
15	33,527	31	169	1,073	34,799	
Cumulative Totals Projected						
For FY 1996 - 2015:			4,233	14,975		

USE OF FUND INCOME						
Net Income	Distributions			Reserves		FY
	Dividends	Inflation-Proofing	General Fund	Add (Delete)	FY End Balance	
2,219	653	617	186	763	763	85
1,021	303	216		501	1,264 **	86
1,069	391	148		529	529	87
789	424	303		62	591	88
868	460	360	4	44	635	89
916	487	454	4	(30)	605	90
1,030	489	559	4	(24)	581	91
1,036	488	477	5	64	645	92
1,226	532	362	5	320	965	93
1,098	556	372	11	151	1,117	94
1,013	565	348	8	86	1,203	95
1,512	611	398		488	100	96
1,165	622	481		53	153	97
1,254	625	534		86	239	98
1,318	647	559		102	341	99
1,385	684	584		106	447	0
1,455	681	611		151	598	1
1,530	719	638		161	759	2
1,609	755	666		174	933	3
1,690	793	696		187	1,119	4
1,774	833	725		200	1,319	5
1,861	875	756		214	1,533	6
1,951	918	787		227	1,760	7
2,043	963	819		242	2,002	8
2,139	1,009	852		257	2,259	9
2,238	1,056	887		273	2,533	10
2,341	1,105	922		291	2,823	11
2,448	1,156	958		309	3,132	12
2,558	1,209	995		327	3,459	13
2,673	1,263	1,033		347	3,807	14
2,791	1,319	1,073		368	4,174	15
37,735	17,842	14,975				

REALIZED RATE OF RETURN ASSUMPTIONS:

	Nominal	Inflation	Real
FY 96:	9.80%	2.77%	7.03%
FY 97: ⁽¹⁾	6.98%	2.99%	3.99%
FY 98 - 2015: ⁽⁴⁾	7.17%	3.18%	3.99%

⁽¹⁾ Department of Revenue Fall 1995 Mid-Case Revenue Forecast.

⁽²⁾ Earnings reserve appropriated to principal July 1, 1987 and 1995 and June 30, 1996

⁽³⁾ Transferred to principal from earnings reserve account per AS 37.13.145(d).

⁽⁴⁾ Based on 1995 Callan capital market assumptions.

HOUSE COMMITTEE REPORT

5/6/95
Rules

(11)

Date Referred: March 20, 1995

FURTHER REFERRALS:

Date of Committee Action: 5/5/95

The FINANCE Committee considered:

CSSB 84(FIN)

CS FOR SENATE BILL NO. 84(FIN)

APPROP: TO PERMANENT FUND PRINCIPAL

"An Act making a special appropriation to the principal of the permanent fund; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Richard Foster</i> Foster			X	
<i>Mark Hanley</i> Hanley			X	
<i>Vin Kohring</i> Kohring			X	
<i>Pete Kelly</i> Kelly	✓			
<i>Sean Parnell</i> Parnell			X	
<i>Mike Navarre</i> Navarre			X	
<i>Terry Martin</i> Martin	✓			
<i>Open Mulder</i> Mulder			X	
<i>Ben Goussendorf</i> Goussendorf				X
<i>Ray Brown</i> Brown		✓		
<i>Gene Theriault</i> Theriault			X	

CHAIR'S SIGNATURE

Mark Hanley Hanley *Richard Foster* Foster

9-LS0639Z ✓

Cook

1/23/96

HOUSE CS FOR CS FOR SENATE BILL NO. 84()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsors: SENATORS HALFORD, Phillips, Sharp, Green, Frank, Miller, Pearce, Taylor, Kelly,
Torgerson, Leman

REPRESENTATIVE Martin

A BILL

FOR AN ACT ENTITLED

1 "An Act making a special appropriation to the principal of the permanent fund."

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

3 * Section 1. On June 30, 1996, an amount equal to the balance of the earnings reserve
4 account (AS 37.13.145) less \$100,000,000, less the amount calculated under AS 37.13.145 to
5 offset the effect of inflation on the principal of the permanent fund during fiscal year 1996, and
6 less the amount authorized under AS 37.13.145(b) for transfer to the dividend fund
7 (AS 43.23.045(a)) for the payment of 1996 permanent fund dividends, is appropriated to the
8 principal of the Alaska permanent fund.