

**HB**

**317**

**SFIN**

**FILE**

FISCAL NOTE

Bill Version: HB 317  
(H) Publish Date: 3/23/98

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Alaska Permanent Fund Corporation Investments BRU: Alaska Permanent Fund Corporation  
 Component: Alaska Permanent Fund Corporation  
 Sponsor: (H) Rules/LB&A  
 Requestor: (H) FIN COMPONENT SERIAL NO. 109

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )	72,000.0	75,384.0	78,927.0	82,636.6	86,520.5	90,587.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0
TOTAL	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0

Estimate of any current year (FY98) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS: (Attach a separate page if necessary)**  
 HB 317 as proposed amends AS 37.13.120(l) which established the Alaska Permanent Fund Corporation's legal investment classes and their respective level of authorization. HB 317 increases the percentage level of domestic and non-domestic corporate stocks to 60% of the total investments of the Permanent Fund.  
  
 The projected costs above are calculated based on a 60% exposure to domestic and non-domestic stocks with 35% invested in passive manager accounts and the remaining in active portfolios. The projected change in revenues is based upon an assumed increased earnings rate of 30 basis points applied to the asset value of the Permanent Fund. Growth in the asset value is at the long-term Callan projection of 8.7%, less dividend distributions of 4%.

Prepared by: Byron I. Mallott Phone: 465-2047  
 Division: Alaska Permanent Fund Corporation Date: March 24, 1998  
 Approved by Commissioner: Wilson L. Condon Date: March 24, 1998  
 Agency: Revenue

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