

A black and white photograph of the Alaska State Capitol building entrance. The building features a grand portico with four large, fluted columns. Above the columns, the words "ALASKA · STATE · CAPITOL" are inscribed in a stone frieze. The entrance consists of three sets of double glass doors, each with a set of stone steps leading up to it. The steps are flanked by black metal handrails. The entire scene is overlaid with a semi-transparent white box containing text.

ALASKA · STATE · CAPITOL

# Overview of Alaska Permanent Fund

August 15, 2024

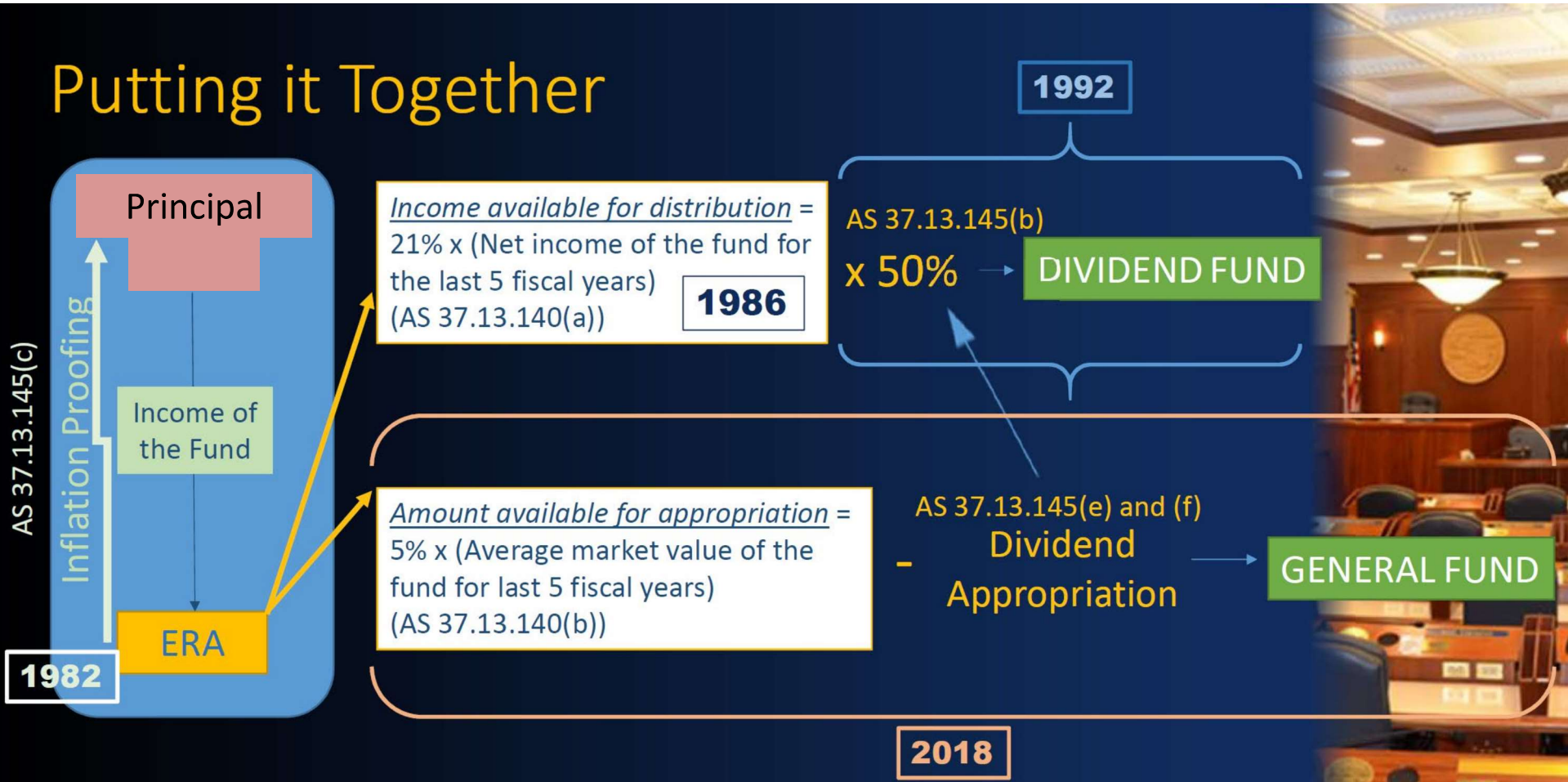
Legislative Finance Division

# Constitution vs. Statute

- Alaska's Constitution:
  - Requires at least 25% of mineral rents/royalties go to Permanent Fund
  - Forbids appropriation from the “Principal” of the fund.
- Alaska statutes have limited ability to restrict the legislature's power of appropriation. Alaska's statutes include these provisions, though the legislature is NOT required to follow them:
  - Deposit additional 25% of royalties from leases issued after 1979
  - Inflation proofing from spendable portion to Principal
  - Structured draw of 5% of 5-year average fund value
  - Separate language for structured draw of 21% of 5-year realized return
    - 50% for divided (PFD) to Alaska residents
    - Other 50% for government services (this provision has never been used)

# Flow of Funds

## Putting it Together



Source: Alaska Legislative Legal Services, Modified by Legislative Finance Division

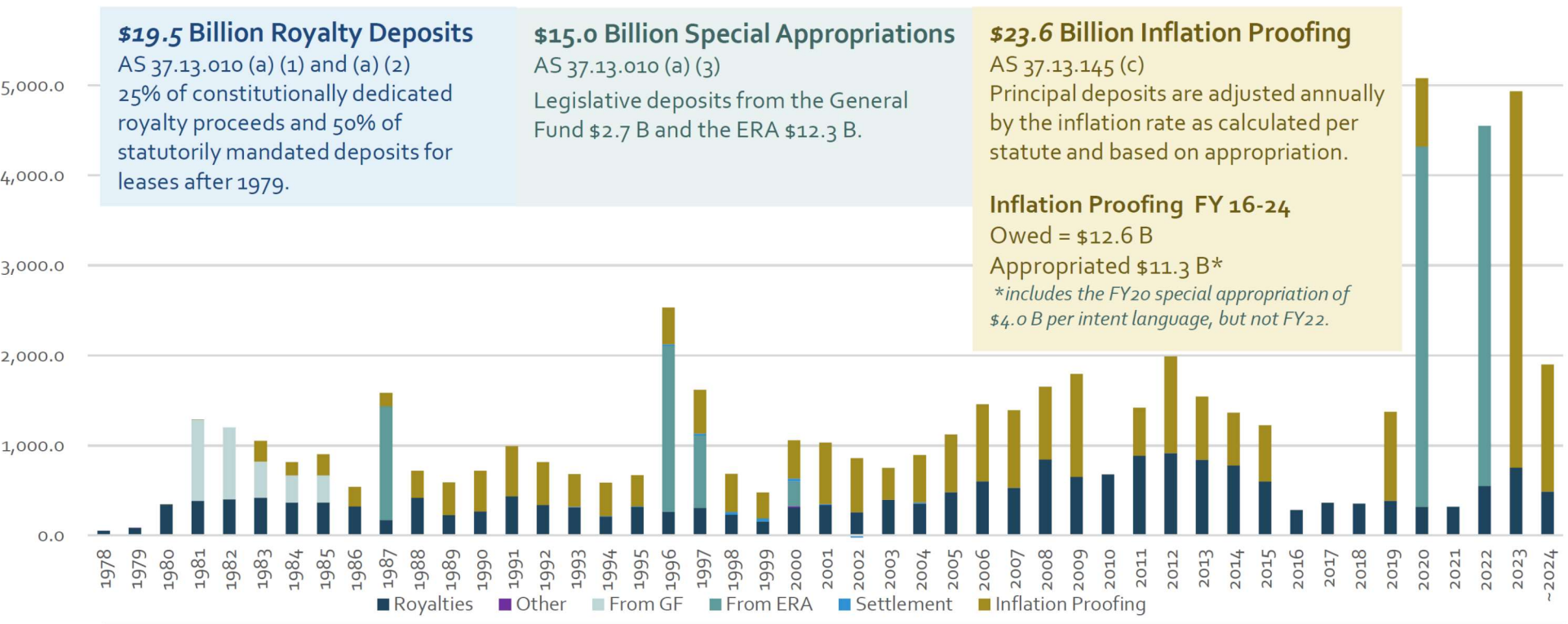
Legislative Finance Division

# Percent of Market Value (POMV) Draw

	Year-End Permanent Fund Balance for POMV	
FY24 POMV (5% Times Average of FY18-22 Balances): <b>\$3,526.0</b>	FY18	64,469.1
	FY19	65,876.0
	FY20	64,876.5
	FY21	81,471.5
	FY22	75,911.5
	FY23	77,586.8
		FY25 POMV (5% Times Average of FY19-23 Balances): <b>\$3,657.2</b>

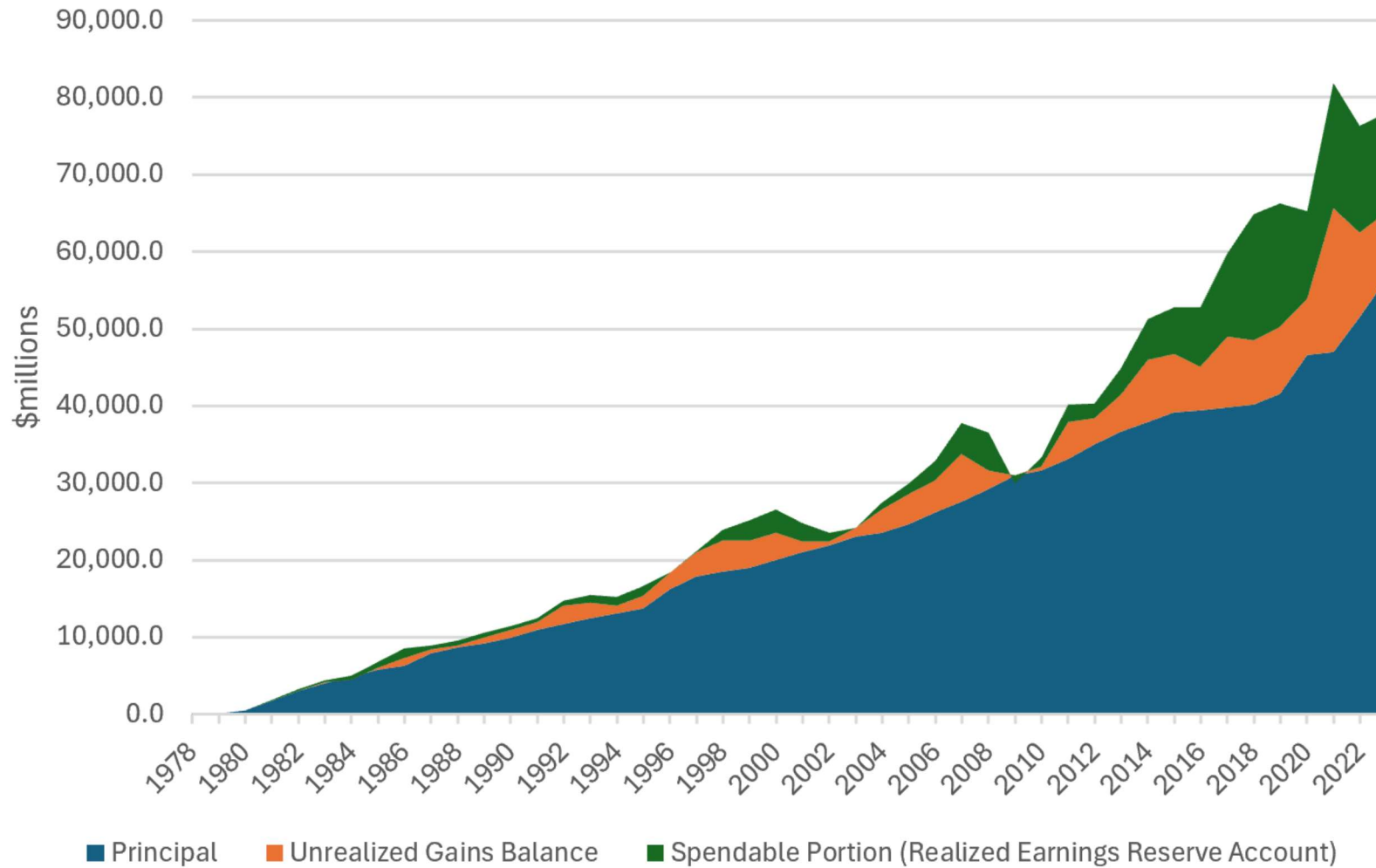


# Historical Contributions to Constitutionally Protected “Principal” Portion

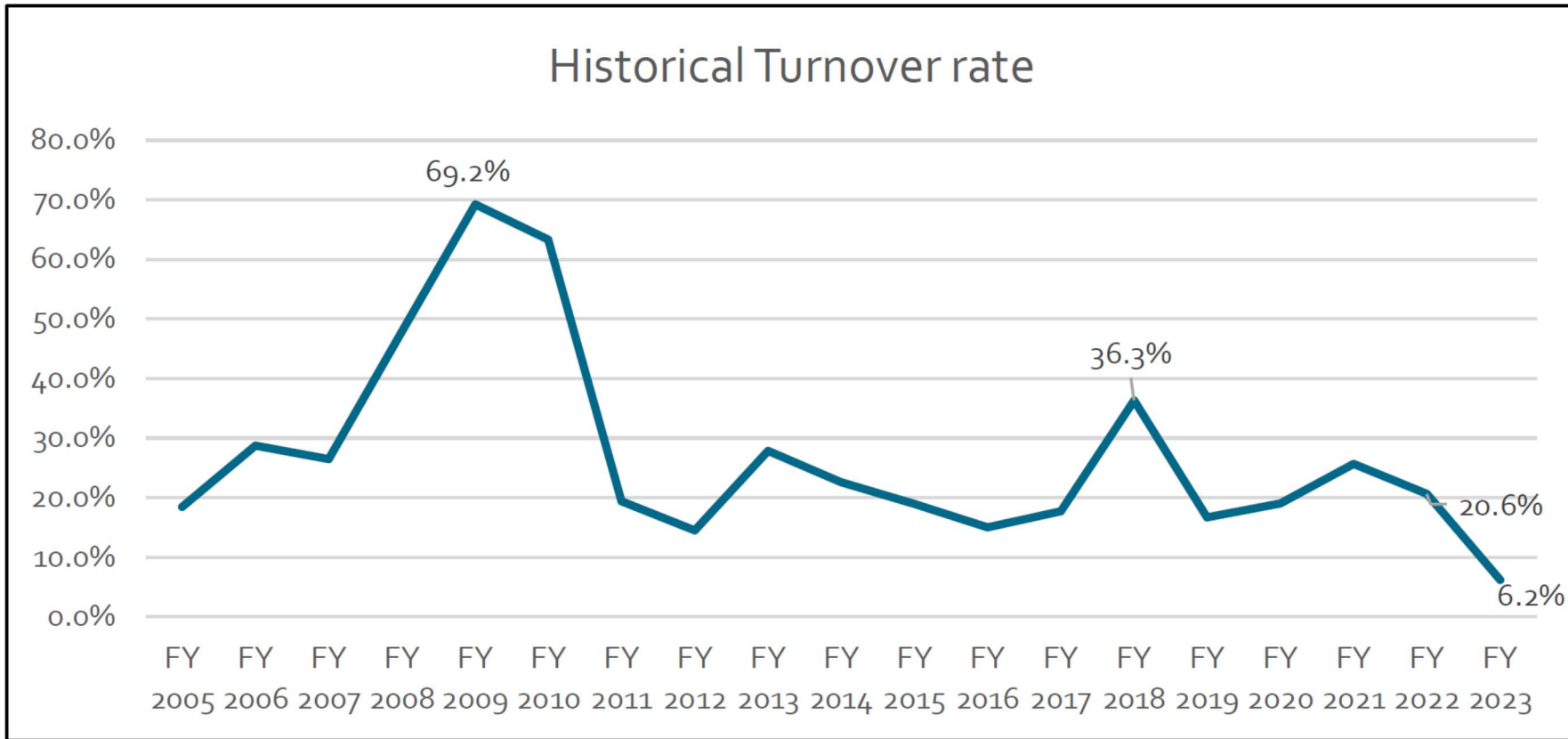


Source: Alaska Permanent Fund Corporation

# Protected vs Spendable Portion



# Percentage of Unrealized Balance Realized by Year-End



# Questions?

## Contact Information

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