

State of Alaska
Department of Revenue

Commissioner Bryan Butcher



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January 25, 2012

The Honorable Bert Stedman
The Honorable Lyman Hoffman
Co-Chairs, Senate Finance Committee
Alaska State Senate
Juneau, AK 99801

SUBJECT: Response to questions asked of the Department of Revenue at the January 18, 2012 Senate Finance Committee meeting

Dear Senators Stedman and Hoffman:

Thank you for giving us a chance to respond to questions regarding HB 104. I apologize for the delay in getting you this information.

First, the scholarship fund generated approximately \$868,000, equating to approximately 0.6%. In the chart below, we forecasted earnings vs. payouts assuming the historical GeFONSI rate of 3.2% and we assumed draws would be made twice a year.

AK Performance Scholarship Fund

(\$ Thousands)

	2012	2013	2014	2015	2016	2017	2018
Principal Assets							
Beginning Assets	-	402,364.5	399,884.5	393,029.8	381,738.8	367,910.6	352,339.2
Total Investment Return	2,364.5	12,516.7	12,336.9	12,019.0	11,606.8	11,133.9	10,563.8
1st transfer of grants		(3,498.1)	(3,812.6)	(4,155.4)	(4,363.2)	(4,581.2)	(4,809.5)
1st transfer of scholarships		(4,000.3)	(5,783.3)	(7,499.6)	(8,354.4)	(8,771.5)	(10,043.8)
2nd transfer of grants	-	(3,498.1)	(3,812.6)	(4,155.4)	(4,363.2)	(4,581.2)	(4,809.5)
2nd transfer of scholarships	-	(4,000.3)	(5,783.3)	(7,499.6)	(8,354.4)	(8,771.5)	(10,043.8)
Net contribution/withdrawals	400,000.0	-	-	-	-	-	-
Ending Assets	402,364.5	399,884.5	393,029.8	381,738.8	367,910.6	352,339.2	333,196.3
Annual Growth %	N/A	-0.616%	-1.714%	-2.873%	-3.622%	-4.232%	-5.433%

Please let us know if you need any additional information or have any questions.

Sincerely,


Angela Rodell
Deputy Commissioner

cc: Darwin Peterson, Senate Finance Committee Aide