

Title: Current-Year Revenue Subject to Appropriation, for FY 2017-2018, at \$70-100 ANS

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Purpose: To show estimates of all current year revenue subject to appropriation at oil prices ranging from \$70 to \$100 ANS, to aid in analysis of oil price "trigger" in motor fuel tax legislation.

Data Source: Fall 2015 forecast and modeling.

Key Assumptions: Fall 2015 production, lease expenditures, and non-petroleum revenue are held constant in this analysis. The only variable changed is ANS price. Additional or decreased production would likely increase / decrease revenue from amounts shown here. No iterative impact of higher oil prices on investment revenues have been modeled for this analysis.

History: A version of this analysis at the forecast price for FY 2015-2017 was included as table 2-5 in the Fall 2015 Revenue Sources Book. This analysis adds an additional year and also adds price scenarios ranging from \$70-100 ANS.

Disclaimer: The Department of Revenue is in the process of reviewing and updating the data on which this analysis is based. As a result, future analysis could have different results.

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This analysis presents revenue estimates at a range of ANS prices, holding all other variables constant. Analysis assumes that the given price is in place for the current year (FY 2016) and for all years shown. Only production tax, royalties, and corporate income tax are adjusted for purposes of this analysis. Users should be cautioned that changes in any number of variables may cause revenue to vary significantly from amounts shown. These variables include but are not limited to production, lease expenditures, and netback costs. In addition, revenues may vary from amount shown due to changes in company decision making, company specific tax calculation issues, month to month variation in price or production, and changes in non-oil revenue.

Current-Year Revenue Subject to Appropriation, FY 2015 actual and FY 2016-2018 forecast, at forecast price ⁽¹⁾

Prepared 2/11/16 by Dan Stickel

	(\$ millions)			
	History	Forecast		
	FY 2015	FY 2016	FY 2017	FY 2018
<u>Petroleum Revenue</u>				
Unrestricted General Fund	1,687.9	1,061.5	1,237.3	1,443.0
Royalties to Alaska Permanent Fund beyond 25% dedication ⁽²⁾	111.3	48.4	53.9	60.1
Tax and Royalty Settlements to CBRF	149.0	20.0	20.0	20.0
Subtotal Petroleum Revenues	1,948.2	1,130.0	1,311.2	1,523.1
<u>Non-Petroleum Revenue</u>				
Unrestricted General Fund	521.5	510.1	521.0	525.2
Designated General Fund	313.3	348.2	338.7	338.3
Royalties to Alaska Permanent Fund beyond 25% dedication ⁽²⁾	0.2	1.1	1.1	0.9
Tax and Royalty Settlements to CBRF	0.1	0.1	0.1	0.1
Subtotal Non-Petroleum Revenues	835.1	859.5	860.9	864.5
<u>Investment Revenue</u>				
Unrestricted General Fund	47.9	21.3	38.1	52.8
Designated General Fund	17.7	6.8	37.8	37.8
Constitutional Budget Reserve Fund	197.7	65.5	95.8	53.6
Alaska Permanent Fund - Realized Earnings ⁽³⁾	2,931.4	3,354.4	3,403.5	3,403.5
Subtotal Investment Revenues	3,194.7	3,448.0	3,575.2	3,547.7
Total Revenue Subject to Appropriation	5,977.9	5,437.5	5,747.3	5,935.3

- (1) This figure presents only the largest known categories of current year funds subject to appropriation. A comprehensive review of all accounts in the state accounting system would likely reveal additional revenues subject to appropriation beyond those identified here.
- (2) Estimated based on deposit to Permanent Fund minus 25% of total royalties.
- (3) Investment revenue from the Permanent Fund available for appropriation is based on realized gains, a portion of which has been used to inflation-proof the fund historically. In order to inflation-proof the fund in FY 2016, the appropriation is projected at \$892 million.

Current-Year Revenue Subject to Appropriation, FY 2017-2018 forecast, at \$70-100 ANS prices ⁽¹⁾

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	\$70 ANS price (\$ millions) Forecast		\$75 ANS price (\$ millions) Forecast		\$80 ANS price (\$ millions) Forecast	
	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018
<u>Petroleum Revenue</u>						
Unrestricted General Fund	1,679.0	1,627.0	1,813.0	1,778.0	2,038.0	1,967.0
Royalties to Alaska Permanent Fund beyond 25% dedication ⁽²⁾	70.0	68.0	76.0	74.0	82.0	80.0
Tax and Royalty Settlements to CBRF	20.0	20.0	20.0	20.0	20.0	20.0
Subtotal Petroleum Revenues	1,769.0	1,715.0	1,909.0	1,872.0	2,140.0	2,067.0
<u>Non-Petroleum Revenue</u>						
Unrestricted General Fund	521.0	525.2	521.0	525.2	521.0	525.2
Designated General Fund	338.7	338.3	338.7	338.3	338.7	338.3
Royalties to Alaska Permanent Fund beyond 25% dedication ⁽²⁾	1.1	0.9	1.1	0.9	1.1	0.9
Tax and Royalty Settlements to CBRF	0.1	0.1	0.1	0.1	0.1	0.1
Subtotal Non-Petroleum Revenues	860.9	864.5	860.9	864.5	860.9	864.5
<u>Investment Revenue</u>						
Unrestricted General Fund	38.1	52.8	38.1	52.8	38.1	52.8
Designated General Fund	37.8	37.8	37.8	37.8	37.8	37.8
Constitutional Budget Reserve Fund	95.8	53.6	95.8	53.6	95.8	53.6
Alaska Permanent Fund - Realized Earnings ⁽³⁾	3,403.5	3,403.5	3,403.5	3,403.5	3,403.5	3,403.5
Subtotal Investment Revenues	3,575.2	3,547.7	3,575.2	3,547.7	3,575.2	3,547.7
Total Revenue Subject to Appropriation	6,205.1	6,127.2	6,345.1	6,284.2	6,576.1	6,479.2

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Current-Year Revenue Subject to Appropriation, FY 2017-2018 forecast, at \$70-100 ANS prices ⁽¹⁾

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	\$85 ANS price (\$ millions) Forecast		\$90 ANS price (\$ millions) Forecast		\$95 ANS price (\$ millions) Forecast		\$100 ANS price (\$ millions) Forecast	
	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018
<u>Petroleum Revenue</u>								
Unrestricted General Fund	2,384.0	2,213.0	2,739.0	2,551.0	3,235.0	3,035.0	3,590.0	3,381.0
Royalties to Alaska Permanent Fund beyond 25% dedication ⁽²⁾	87.0	86.0	93.0	91.0	99.0	97.0	105.0	103.0
Tax and Royalty Settlements to CBRF	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Subtotal Petroleum Revenues	2,491.0	2,319.0	2,852.0	2,662.0	3,354.0	3,152.0	3,715.0	3,504.0
<u>Non-Petroleum Revenue</u>								
Unrestricted General Fund	521.0	525.2	521.0	525.2	521.0	525.2	521.0	525.2
Designated General Fund	338.7	338.3	338.7	338.3	338.7	338.3	338.7	338.3
Royalties to Alaska Permanent Fund beyond 25% dedication ⁽²⁾	1.1	0.9	1.1	0.9	1.1	0.9	1.1	0.9
Tax and Royalty Settlements to CBRF	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Subtotal Non-Petroleum Revenues	860.9	864.5	860.9	864.5	860.9	864.5	860.9	864.5
<u>Investment Revenue</u>								
Unrestricted General Fund	38.1	52.8	38.1	52.8	38.1	52.8	38.1	52.8
Designated General Fund	37.8	37.8	37.8	37.8	37.8	37.8	37.8	37.8
Constitutional Budget Reserve Fund	95.8	53.6	95.8	53.6	95.8	53.6	95.8	53.6
Alaska Permanent Fund - Realized Earnings ⁽³⁾	3,403.5	3,403.5	3,403.5	3,403.5	3,403.5	3,403.5	3,403.5	3,403.5
Subtotal Investment Revenues	3,575.2	3,547.7	3,575.2	3,547.7	3,575.2	3,547.7	3,575.2	3,547.7
Total Revenue Subject to Appropriation	6,927.1	6,731.2	7,288.1	7,074.2	7,790.1	7,564.2	8,151.1	7,916.2

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ANS Price \$/bbl	FY 2017 \$ millions	FY 2018 \$ millions
Fall 15 FC	\$ 5,747	\$ 5,935
\$ 70	\$ 6,205	\$ 6,127
\$ 75	\$ 6,345	\$ 6,284
\$ 80	\$ 6,576	\$ 6,479
\$ 85	\$ 6,927	\$ 6,731
\$ 90	\$ 7,288	\$ 7,074
\$ 95	\$ 7,790	\$ 7,564
\$ 100	\$ 8,151	\$ 7,916

