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Responses to Questions Posed in May 5th Hearing

Senate Finance Committee

May 7, 2021

Legislative Finance Division

Permanent Fund Performance in FY21

- Callan median forecast for FY21 was for 6.48% total return (\$4,010 million) and 5.45% realized return (\$3,328 million)
- Actual total income through March 31 was \$13,903 million and statutory net income was \$5,272 million
- Even assuming no total income from April 1-June 30, APFC would likely realize at least an additional \$350 million due to interest and rental income
- LFD will compare three scenarios: the Callan median forecast, actual returns through 3/31, and actual returns plus the \$350 million baseline for the remainder of the year

Realized ERA Balance by FY21 Return Assumption (\$millions)

FY21 Return Assumption	FY21-End Realized ERA Balance	Minus \$2 Billion FY22 Inflation Proofing	FY22-End Realized ERA Balance
APFC Projections	11,707	9,707	10,631
March 31 FY-to-Date	13,649	11,649	13,013
FY-to-Date + Imputed Q4	13,999	11,999	13,361

Statutory PFD Calculation by FY21 Return Assumption

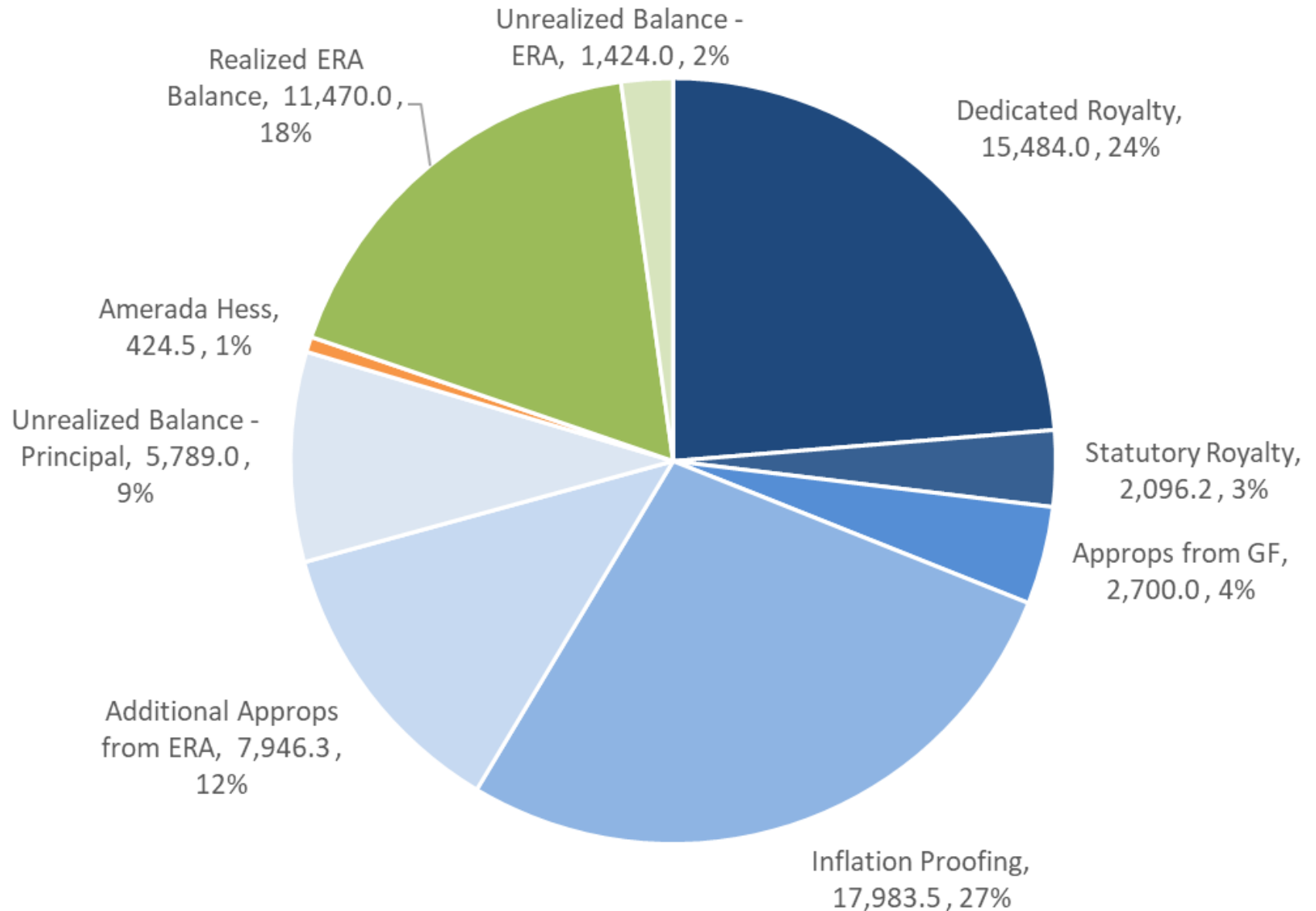
FY21 Return Assumption	FY22 Statutory PFD Transfer (\$millions)	FY22 Statutory PFD/Person (\$)
APFC Projections	2,024	\$3,109
March 31 FY-to-Date	2,228	\$3,427
FY-to-Date + Imputed Q4	2,265	\$3,485

Special Appropriations to Permanent Fund Beyond Statutory Inflation Proofing (\$millions)

Special Appropriations from General Fund	
1981	900.0
1982	800.0
1983	400.0
1984	300.0
1985	300.0
<i>Total</i>	<i>2,700.0</i>

Special Appropriations from ERA	
1987	1,264.4
1988	16.0
1996	1,844.1
1997	806.5
2000	0.6
2003	354.2
2004	(339.5)
2020	4,000.0
<i>Total</i>	<i>7,946.3</i>

Permanent Fund Balance by Source as of 6/30/20



Fiscal Summary Assuming \$70 per Barrel

ANS Price

(\$ Millions) (Non-duplicated Funds)	DOR Spring FC	\$70/bbl ANS Price
	UGF	UGF
Revenue	4,731.6	5,031.6
UGF Revenue	1,662.3	1,962.3
POMV Draw	3,069.3	3,069.3
Misc/Adjust/Non-UGF Revenue	-	-
Appropriations	4,725.3	4,725.3
Operating Budget	4,559.1	4,559.1
Agency Operations	3,906.0	3,906.0
Statewide Items	653.1	653.1
Supplemental Appropriations	-	-
Capital Budget	166.2	166.2
Current Year Appropriations	166.2	166.2
Supplemental Appropriations	-	-
Permanent Fund	?	?
Permanent Fund Dividends	-	-
Inflation Proofing/Other Deposits	-	-
Pre-Transfer Surplus/(Deficit)	6.2	306.3
Permanent Fund Earnings Reserve Account	-	-
Other Fund Transfers	14.6	14.6
Post-Transfer Surplus/(Deficit)	(8.4)	291.7

DOR's Spring Forecast was based on \$61 per barrel. Increasing the price by \$9 to \$70 would increase revenue by \$300 million over the Spring Forecast.

Questions?

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