

The background of the entire image is a dense field of three-dimensional numbers (0-9) in various shades of blue and white, creating a sense of depth and movement. The numbers are of different sizes and are scattered across the frame, with some appearing more prominent than others.

HB 4009

A New Vision for Alaska
Dividends

A New Vision for Alaska Dividends



Diversified Revenues

Diversity is Strength
Blended PFD Formula –
Earnings and Mineral Revenues
Shield Dividends from Market
Downturns



Grow the Dividend

5-Year Phased Step Up
Alaskans Benefit from New &
Continuing Investments
Strengthen Ties between
Citizens and Public Resources



Maximum Benefit

Alaskans Benefit from Alaska's
Resources
Funding for Services &
Dividends
Save and Share

A New Vision for Alaska Dividends

- ◆ New Formula for Dividend Calculation:
 - ◆ FY23: 10% POMV Draw + 35% of Oil & Gas Royalties/Rents/Bonuses (OGRRB)
 - ◆ FY24: 15% POMV Draw + 40% OGRRB
 - ◆ FY25: 20% POMV Draw + 45% OGRRB
 - ◆ FY26: 25% POMV Draw + 50% OGRRB
 - ◆ 25%+50% Formula in Effect from FY26 Onward

A New Vision for Alaska Dividends

- ◆ What Wouldn't Change:

- ◆ Permanent Fund Corporation

- ◆ Percent of Market Value Statute

- ◆ Dividends Tied to Performance of Permanent Fund

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- ◆ What Would Change:
 - ◆ Alaskans Receive Direct Share of Oil and Gas Revenue
 - ◆ Federal and State Resources
 - ◆ Dividend Funds Diversified under New Formula
 - ◆ Dividends Calculated on Fund Returns & Resource Development

A New Vision for Alaska Dividends

Funds Available for Paying Dividends Under Proposed Plan
(Spring Revenue Forecast, Callan Forecast for PF Returns, FY22 Budget growing with Inflation)
Numbers in Millions

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
<i>POMV Draw to Div</i>	336	540	760	1,000	1,055	1,072	1,087	1,101
<i>Royalties to Div</i>	403	511	628	724	758	795	837	859
Total to Div	739	1,051	1,388	1,724	1,813	1,867	1,924	1,960

↑
10%
POMV +
35%
OGRRB

↑
15%
POMV +
40%
OGRRB

↑
20%
POMV +
45%
OGRRB

↑
25%
POMV +
50%
OGRRB

↑
25% POMV + 50% OGRRB
New Formula in Effect from FY26 Onward

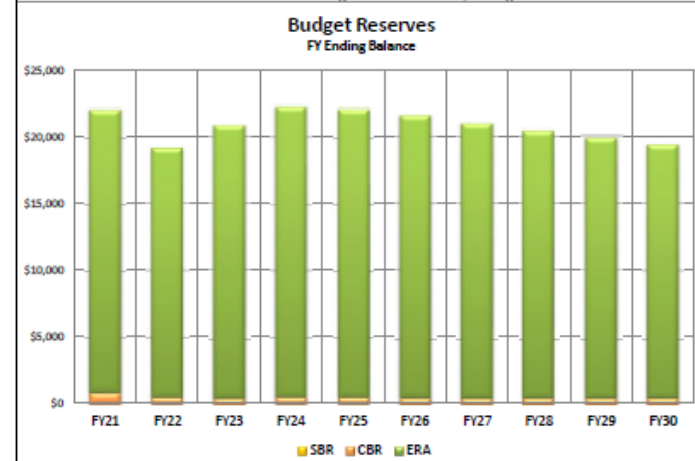
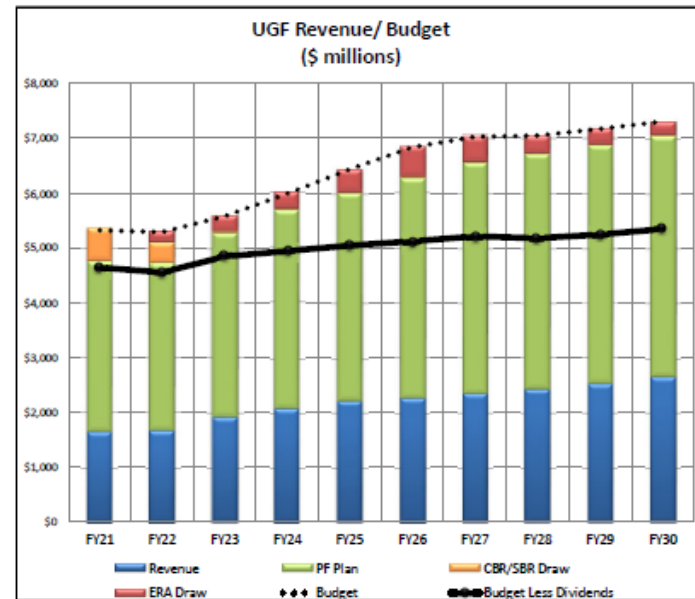
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Dividends Under Proposed Plan

(Spring Revenue Forecast, Callan Forecast for PF Returns, FY22 Budget growing with Inflation)

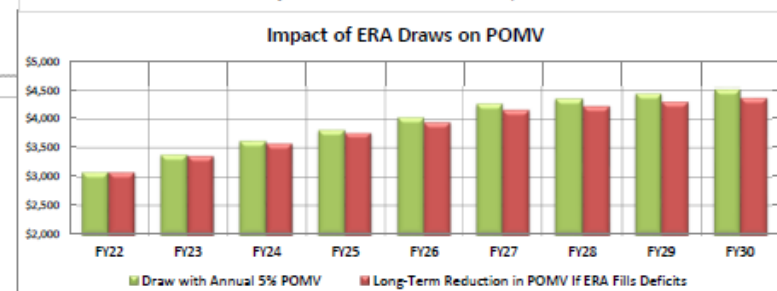
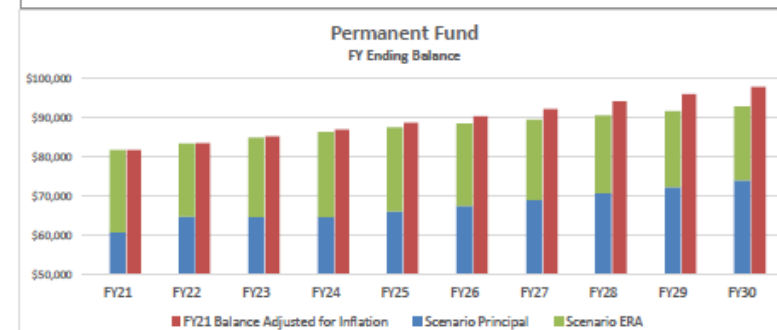
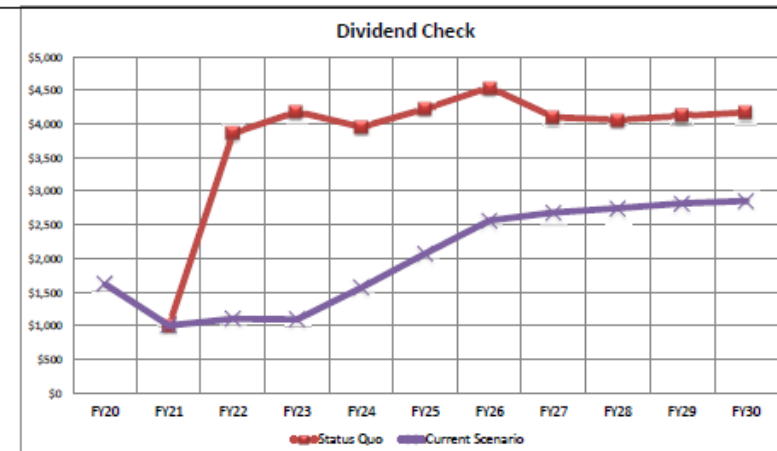
	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
PFD/Person	\$ 1,092	\$ 1,567	\$ 2,069	\$ 2,563	\$ 2,679	\$ 2,745	\$ 2,816	\$ 2,856

Fiscal Model: FY22 Enacted budget growing with inflation; \$1,100/person PFD FY22; POMV draw to PFD of 10% FY23, 15% FY24, 20% FY25, 25% FY26+; total oil and gas royalties/rents/bonuses to PFD of 35% FY23, 40% FY24, 45% FY25, 50% FY26+



	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
ERA Bal.	21,148	18,582	20,231	21,860	21,508	20,992	20,364	19,844	19,327	18,842
Surplus/ (Deficit)	-596	-575	-312	-323	-423	-572	-467	-332	-302	-254
CBR/SBR Bal.	846	513	510	510	510	510	510	510	510	510
%Budget fr. Savings	11%	11%	6%	5%	7%	8%	7%	5%	4%	3%
Unplanned ERA Draw	0	204	284	298	403	552	447	312	282	234

Price Scenario	Spring Forecast
Production	Spring Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY22)	22 Enacted
Growth Rate	2.00%
Budget Change (FY23+)	\$ -
Tax Credit Payments	Statutory
School Debt Reimbursement	100%
Capital Budget (FY22-30)	FY22 Enacted
Supp Budget (FY22+)	50.0
CBR Vote	Fail
REVENUE VARIABLES	
New Revenue Begins (FYXX)	FY23
Sales Tax Type	N
Sales Tax Rate	0%
Income Tax	N
Motor Fuel Tax	N
Undefined New Tax (\$m/yr)	\$0.0
Assumptions	
Inflation Rate	2.00%
PF Investment Return	Callan (5.86% FY22, 6.2% FY23+)
% Realized	7.30%
CBR Earnings	2.00%
Reserve Priority	CBR
Minimum CBR Balance	\$ 500
Unplanned ERA Draws	Y
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
Dividend	
FY22 PFD	\$1,100
FY23-FY25 Override	Sliding
% POMV Draw to Div, FY26+	25%
Dividend Floor	0%
Floor Ends	0%
% Petro Roy etc. to Div, FY26+	50%
Fixed Dividend	\$ -
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
POMV Draw	2,933	3,091	3,069	3,361	3,597	3,798	3,998	4,221	4,288	4,349	4,405
Inflation Proofing	4,758	-	4,000	-	-	1,049	1,080	1,111	1,144	1,179	1,214
Plan %	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.4%	4.7%	4.0%	4.4%	4.6%	4.9%	5.2%	5.3%	5.1%	5.1%	5.1%