

Governor Dunleavy’s Fiscal Plan: Comparative Modeling Scenarios

These fiscal modeling scenarios provide a comparative look at the State’s long-range budget outlook under different sets of assumptions. They demonstrate how the policies in Governor Dunleavy’s fiscal plan, once implemented, could affect revenues, spending, and the use of savings over the planning period. The results are estimates based on stated assumptions and available forecasts and should be interpreted accordingly.

Both scenarios model baseline revenue assumptions from the Department of Revenue’s Fall 2025 Forecast. Additionally, both scenarios include estimated revenue from the Alaska LNG Project.

Scenario 1: “Status Quo”

This scenario models the Office of Management and Budget’s (OMB) 10-Year Plan published in December 2025 and provides a baseline illustration of the State’s budgetary outlook without implementation of Governor Dunleavy’s plan. To avoid projected deficits, the Permanent Fund Dividend (PFD) is reduced to a percentage of the Percent of Market Value (POMV) transfer.

Scenario 2: “Governor Dunleavy’s Fiscal Plan”

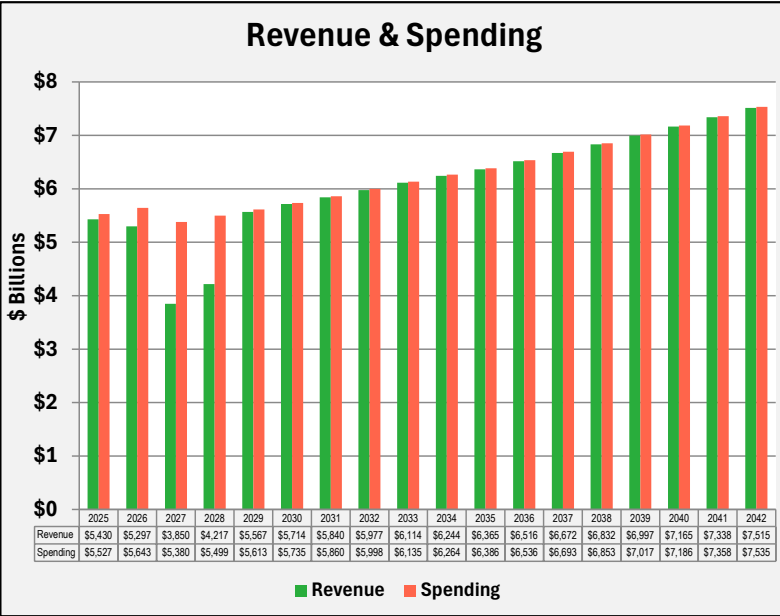
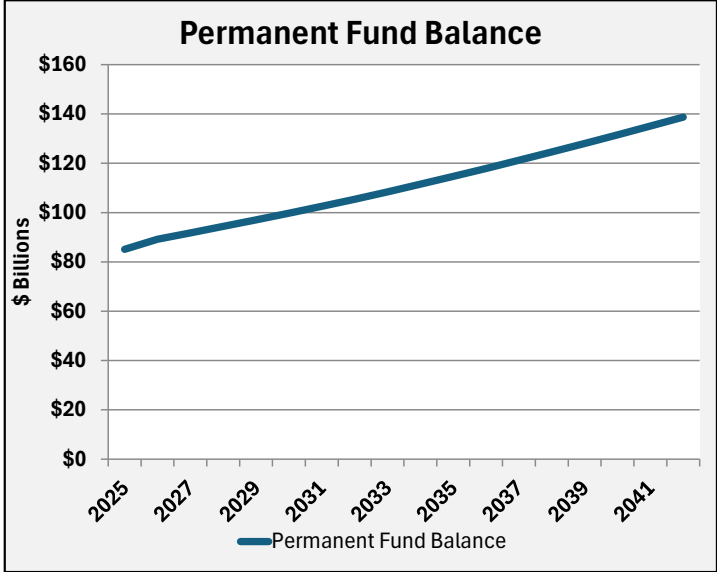
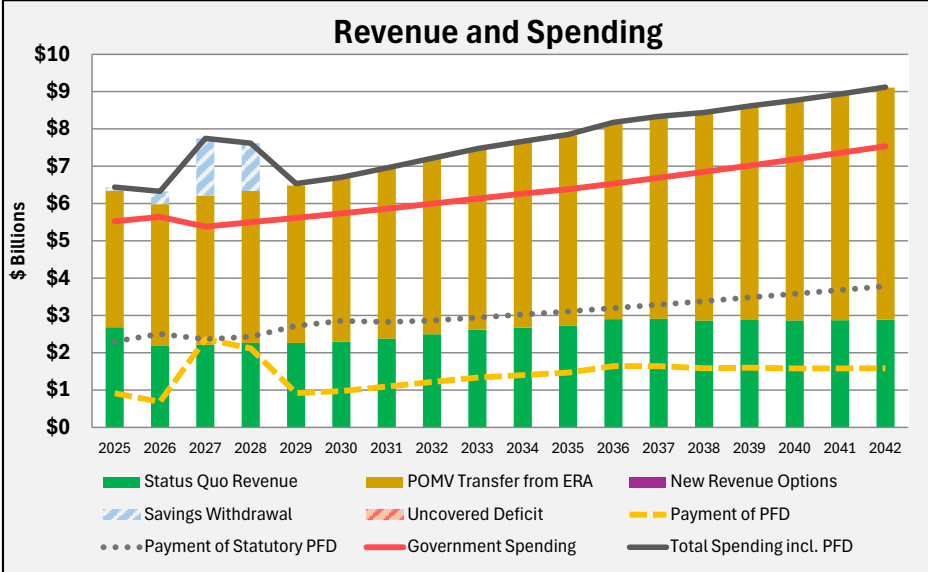
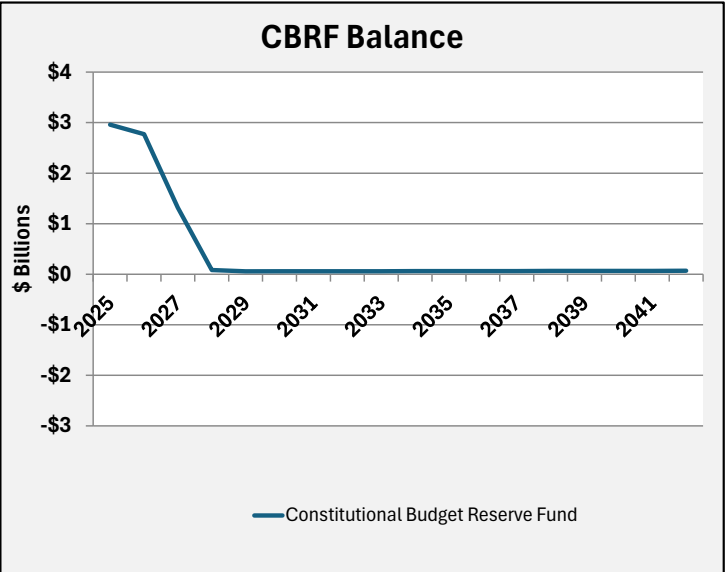
This scenario models implementation of Governor Dunleavy’s fiscal plan. It starts with the 10-Year Plan baseline and incorporates the following measures:

Measure	Description
Permanent Fund Dividend	A statutory PFD is projected for FY2027. Starting in FY2028, the model projects the PFD at 50% of the annual POMV transfer.
Constitutional Budget Reserve Fund	Withdrawals are made in years that would otherwise see budgetary deficits.
Temporary Seasonal Sales Tax	Effective July 1, 2027. Summer rate is 4% (April-Sept). Winter rate is 2% (Oct-March). Effective January 1, 2034, rate is set to 0%.
Corporate Income Tax	Effective January 1, 2031, the corporate income tax rate is set to 0%. While tax is active includes market-based sourcing.
Production Tax Floor Policy	The minimum production tax floor is raised to 6% effective January 1, 2027 and lowered back to 4% effective January 1, 2032.
Spending Growth	A 1% cap is applied starting with FY2028. Additionally, FY2027-FY2042 include a \$25 million annual reduction to agency operations representing a Trans-Alaska Pipeline fee.

Scenario 1 - Status Quo

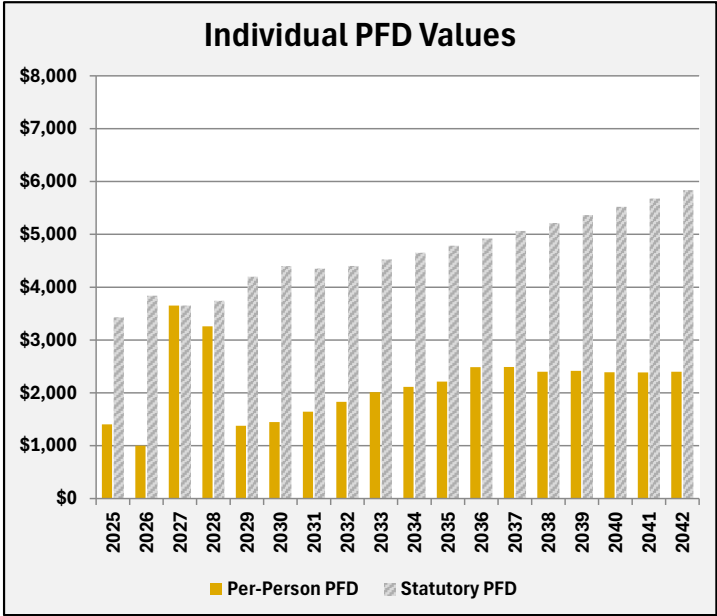
Fiscal Planning Model

January 24, 2026



Notes:
This is a "status quo" model for comparison to Governor Dunleavy's fiscal plan. It models spending and revenue assumptions that match the Office of Management and Budget's (OMB) 10-Year Plan published in December 2025. To avoid budgetary deficits, withdrawals from the Constitutional Budget Reserve (CBR) Fund and reductions to Permanent Fund Dividend (PFD) as a percentage of the Percent of Market Value (POMV) transfer are modeled.

List of Fiscal Options Enabled	
Base Revenue Scenario: Fall 2025 Revenue Forecast	
Revenue	Permanent Fund
No options changed.	PFD Calculation Modify
	Spending
	No options changed.
	Savings
	No options changed.

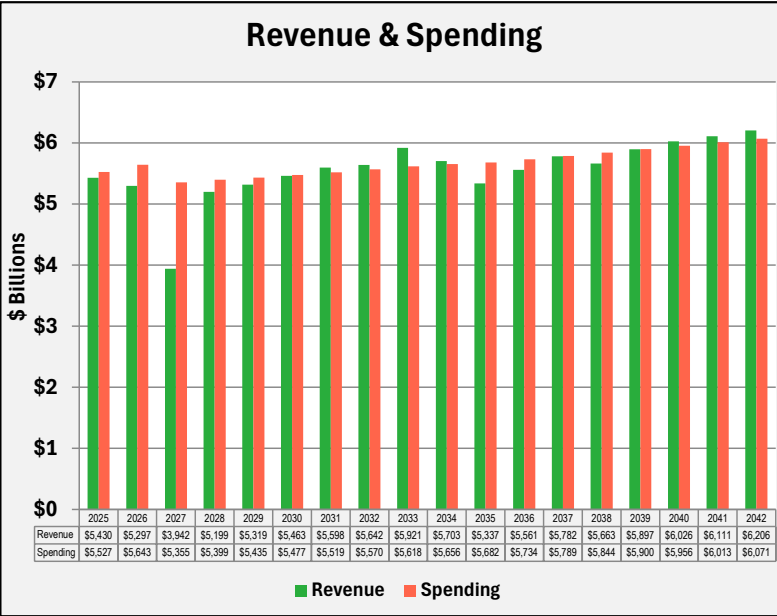
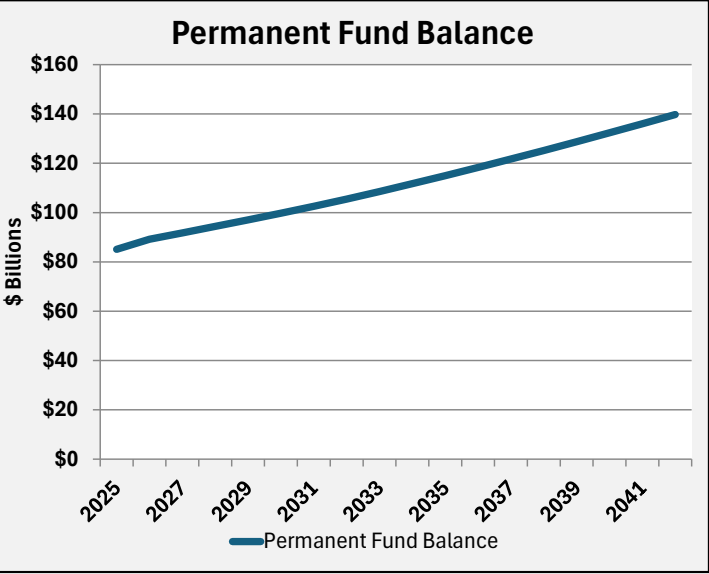
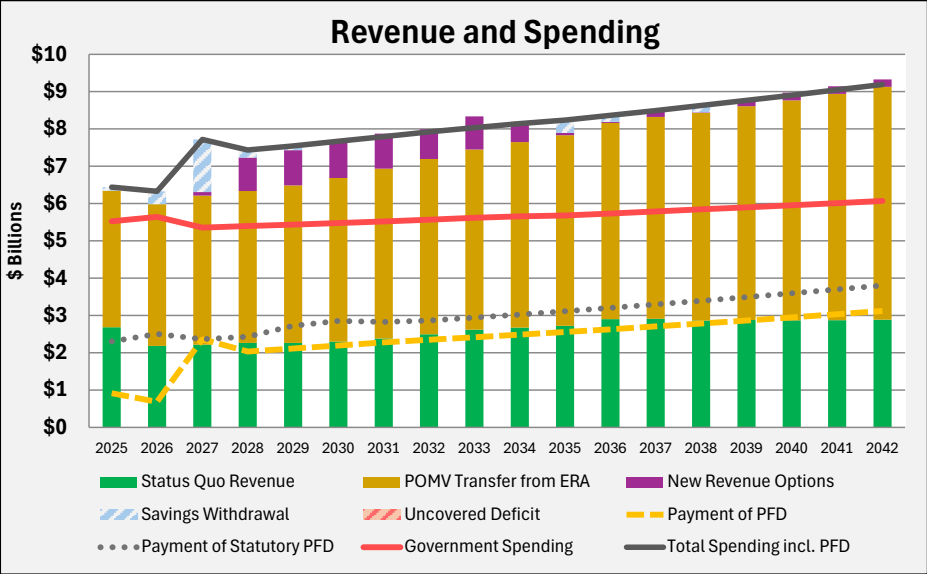
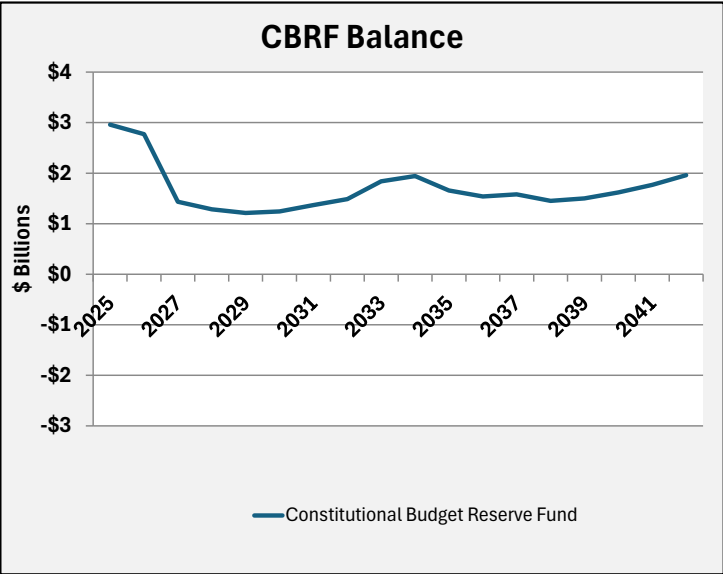


Fall 2025 Fiscal Planning Model Updated as of January 7, 2026. All year references are to the Alaska Fiscal Year, July 1 of the prior year - June 30 of the specified year.

Scenario 2 - Governor's Dunleavy's Fiscal Plan

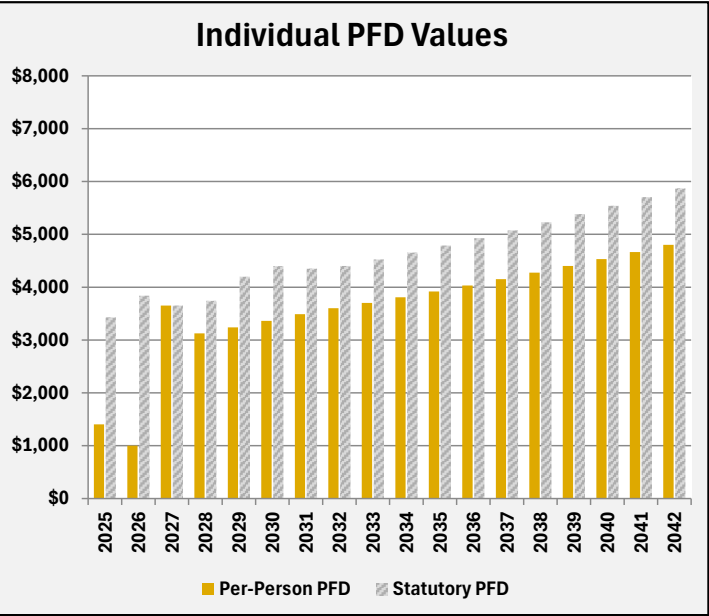
Fiscal Planning Model

January 24, 2026



Notes:
Base: Fall 2025 Forecast
PFD: FY27: Statutory; FY28+: 50% of the POMV draw
AKLNG Revenue: Included
NPR-A Revenue: Included
CBRF Withdrawals: Uncapped withdrawals are made in years with deficits.
Sales Tax: Seasonal. Effective July 1, 2027. April-Sept: 4%; Oct-March: 2%. Rate drops to 0% annually effective January 1, 2034.
Corporate Income Tax: Includes market-based sourcing. Decreases to 0.00% on January 1, 2031.
Production Tax Floor Policy: Minimum production tax floor raised to 6% effective Jan. 1, 2027. Lowered back to 4% effective Jan. 1, 2032
UGF Spending Growth: FY28: 1% with \$25.0 reduction (Alyeska fee)

List of Fiscal Options Enabled	
Base Revenue Scenario: Fall 2025 Revenue Forecast	
Revenue	Permanent Fund
Sales Tax	PFD Calculation Modify
Non-Petroleum CIT Rate Changes	
Market Based Sourcing	
Petroleum CIT Rate Changes	
Prod. Tax Floor of 6% to CY2032	
Alaska LNG Project	
	Spending
	Annual % Growth Adjust
	Agency Ops Adjust
	Savings
	No options changed.



Fall 2025 Fiscal Planning Model Updated as of January 7, 2026. All year references are to the Alaska Fiscal Year, July 1 of the prior year - June 30 of the specified year.