

State of Alaska
Department of Revenue

Commissioner Bryan Butcher



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

February 24, 2012

Dear Senators Stedman and Hoffman:

Attached you will find an update to previous analyses we have provided regarding the Senate Finance Committee Substitute to HB 104. The purpose of this update is to respond to the Committee's request as to how much of an additional appropriation is necessary in order to cover costs of the AlaskAdvantage Education Grant program.

Assuming an asset allocation which achieves 5% earnings, we project an additional appropriation of \$160 million in FY2013 will be needed. This appropriation is a result of the House amendments. Governor Parnell's Alaska Performance Scholarship Fund, as proposed, does not require the additional appropriation.

Please contact me if you would like more detail or any additional information. We appreciate the opportunity to provide this to the Committee.

Sincerely,

Angela Rodell
Deputy Commissioner

cc: Darwin Peterson, Senate Finance Committee Aide

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