

House Bill 224 - Fiscal Framework  
Simplified Ten Year Fiscal Model  
in Millions

Revised Feb. 6, 2016

		Fiscal Year Ended										
		<u>6/30/17</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/20</u>	<u>6/30/21</u>	<u>6/30/22</u>	<u>6/30/23</u>	<u>6/30/24</u>	<u>6/30/25</u>	<u>6/30/26</u>	
1	<b>General Funds Budgets -</b>											
2	Unrestricted revenues d)	1,796	2,021	2,130	2,111	2,173	2,131	2,076	2,060	2,046	2,046	
3	Cumulative new revenues		200	200	200	200	200	200	200	200	200	
4	Designated GF revenue - baseline i)	894	900	900	900	900	900	900	900	900	900	
5	Total revenue	<u>2,690</u>	<u>3,121</u>	<u>3,230</u>	<u>3,211</u>	<u>3,273</u>	<u>3,231</u>	<u>3,176</u>	<u>3,160</u>	<u>3,146</u>	<u>3,146</u>	
6												
7	Operating budget - baseline i)	(5,408)	(5,408)	(5,408)	(5,408)	(5,408)	(5,408)	(5,408)	(5,408)	(5,408)	(5,408)	
8	Capital budget - baseline i)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	
9	Refundable tax credits adjustment f)	(550)	(375)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	
10	Cumulative spending cuts c)		750	750	750	750	750	750	750	750	750	
11	Cumulative inflationary spending c)			(121)	(243)	(367)	(495)	(626)	(760)	(897)	(1,037)	
12	Total spend	<u>(6,159)</u>	<u>(5,234)</u>	<u>(5,230)</u>	<u>(5,352)</u>	<u>(5,476)</u>	<u>(5,604)</u>	<u>(5,735)</u>	<u>(5,869)</u>	<u>(6,006)</u>	<u>(6,146)</u>	
13												
14	Surplus (deficit)	<u>(3,469)</u>	<u>(2,113)</u>	<u>(2,000)</u>	<u>(2,141)</u>	<u>(2,203)</u>	<u>(2,373)</u>	<u>(2,559)</u>	<u>(2,709)</u>	<u>(2,860)</u>	<u>(3,000)</u>	
15												
16	Policy calls											
17	Spending cuts	750										
18	New revenues	200										
19	Inflationary spend growth j)		(121)	(121)	(125)	(128)	(131)	(134)	(137)	(140)	(144)	
20	Borrowings											
21		<u>950</u>	<u>(121)</u>	<u>(121)</u>	<u>(125)</u>	<u>(128)</u>	<u>(131)</u>	<u>(134)</u>	<u>(137)</u>	<u>(140)</u>	<u>(144)</u>	
22												
23	Adjusted surplus (deficit)	<u>(2,519)</u>	<u>(2,234)</u>	<u>(2,122)</u>	<u>(2,265)</u>	<u>(2,331)</u>	<u>(2,504)</u>	<u>(2,693)</u>	<u>(2,846)</u>	<u>(3,000)</u>	<u>(3,144)</u>	
24												
25	Transfer from Permanent Fund Earnings - assuming 4.5% endowment											
26	Available for fiscal year a)	2,064	2,172	2,419	2,419	2,506	2,608	2,747	2,894	3,048	3,208	
27												
28	Surplus (deficit) after PF earnings draw	<u>(455)</u>	<u>(62)</u>	<u>297</u>	<u>154</u>	<u>175</u>	<u>104</u>	<u>54</u>	<u>48</u>	<u>48</u>	<u>64</u>	
29												
30	Draw from CBR	455	62	0	0	0	0	0	0	0	0	
31	Appropriated to PFD fund c)	0	0	(297)	(154)	(175)	(104)	(54)	(48)	(48)	(64)	
32	Transfer to CBR	0	0	0	0	0	0	0	0	0	0	
33												
34	Final surplus (deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
35												
36	Estimated individual PFD (actual \$) e)	<u>1,000</u>	<u>1,000</u>	<u>424</u>	<u>219</u>	<u>250</u>	<u>149</u>	<u>78</u>	<u>69</u>	<u>68</u>	<u>91</u>	
37												
38	CBR balance h)	<u>6,895</u>	<u>7,177</u>	<u>7,536</u>	<u>7,913</u>	<u>8,309</u>	<u>8,724</u>	<u>9,160</u>	<u>9,618</u>	<u>10,099</u>	<u>10,604</u>	

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39											
40	<b>Inflation</b>										
41	Cumulative spend inflation factor	<u>2.5%</u> <---Input variable									
42											
43											
44	<b>Dividend (PFD) fund -</b>										
45	Balance forward	1,400	700	0	0	0	0	0	0	0	0
46	Appropriation from fiscal year	0	0	297	154	175	104	54	48	48	64
47	Paid in Fall after FYE	(700)	(700)	(297)	(154)	(175)	(104)	(54)	(48)	(48)	(64)
48	Balance for following fall	<u>700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49											
50	Estimated individual PFD (actual \$)	<u>1,000</u>	<u>1,000</u>	<u>424</u>	<u>219</u>	<u>250</u>	<u>149</u>	<u>78</u>	<u>69</u>	<u>68</u>	<u>91</u>
51											
52											
53	<b>Constitutional Budget Reserve -</b>										
54	Balance forward	7,000	6,895	7,177	7,536	7,913	8,309	8,724	9,160	9,618	10,099
55	Estimate earnings at 5%	350	345	359	377	396	415	436	458	481	505
56	This line for direct deposits										
57											
58	CBR balance before EOY calculations	<u>7,350</u>	<u>7,240</u>	<u>7,536</u>	<u>7,913</u>	<u>8,309</u>	<u>8,724</u>	<u>9,160</u>	<u>9,618</u>	<u>10,099</u>	<u>10,604</u>
59	Draw	(455)	(62)	0	0	0	0	0	0	0	0
60	Deposit	0	0	0	0	0	0	0	0	0	0
61	Ending Balance	<u>6,895</u>	<u>7,177</u>	<u>7,536</u>	<u>7,913</u>	<u>8,309</u>	<u>8,724</u>	<u>9,160</u>	<u>9,618</u>	<u>10,099</u>	<u>10,604</u>
62											
63											
64	<b>Maximum individual PFD allowed -</b>										
65	Actual dollars per PFD	<u>750</u>	<u>750</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,250</u>	<u>1,250</u>
66	Total dollars, in millions	<u>525</u>	<u>525</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>875</u>	<u>875</u>
67											

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68										
69	Notes:									
70	a) Endowment money available per analysis provided by APFC									
71	b) Beginning (June 30, 2016) estimate of \$7 billion per David Teal									
72	c) This is the cumulative total of previous years' cuts and income items shown in the "Policy calls" section of this schedule									
73	d) Fall 2015 Revenue Sources Book, Page 9 - However, FY26 extrapolated from FY25									
74	e) Hardwire first two years at \$700 million, = approximately \$1,000 per person - remaining years calculated using the amount available after balancing budget									
75	f) Adjustment per Fall 2015 Revenue Sources Book, page 76 - FY17 obligation, less \$73 million included in regular budget numbers									
76	g) Individual PFD cap in actual dollars - Savings balance and total payout in millions - cap determined on CBR balance before end of year (EOY) calculations and transfers									
77	maximum allowable total payout dollars estimated using 700,000 recipients									
78	<u>Savings</u>	<u>Individual PFD</u>	<u>Total PFD \$</u>							
79	0	250	175							
80	2,500	500	350							
81	5,000	750	525							
82	7,500	1,000	700							
83	10,000	1,250	875							
84	12,500	1,500	1,050							
85	15,000	2,000	1,400							
86	h) Money from CBR balance could be used to augment dividends in out years									
87	i) Baseline budgets extracted from FY17 budgets introduced by the Governor by removing "replumbing" components requiring statutory changes									
88	j) Calculated using input variable shown on top of Page 2									