

HB 300 and HB 306 Modeling Overview

House Finance Committee
March 11, 2020



Legislative Finance Division

www.legfin.akleg.gov

Assumption: Oil Price

- The Department of Revenue's (DOR) Spring Forecast will likely be released later this month
- DOR's Fall Forecast assumes \$59 per barrel of oil in FY21. This is no longer a reasonable assumption based on current oil prices
- This presentation uses \$40 as the base price in FY21. This reflects the futures market as of Monday
- If prices average \$40 for the rest of FY20, the final average for the year would be \$8 below forecast, a reduction in revenue of about \$300 million. That is built into all scenarios

Assumption: Oil Production

- We are still using the Fall production forecast. To date, production has been slightly below that forecast, but not significantly compared to the price difference.
- Fall forecast shows production just under 500,000 barrels declining to 430,000 then rebounding back to 500,000 barrels
- The fiscal model also has DNR's "low" and "high" production forecasts
- The "low" forecast represents few or no new developments succeeding and shows production declining to 320,700 barrels in FY29
- The "high" forecast represents most or all potential new developments succeeding and shows production increasing to 697,100 in FY29

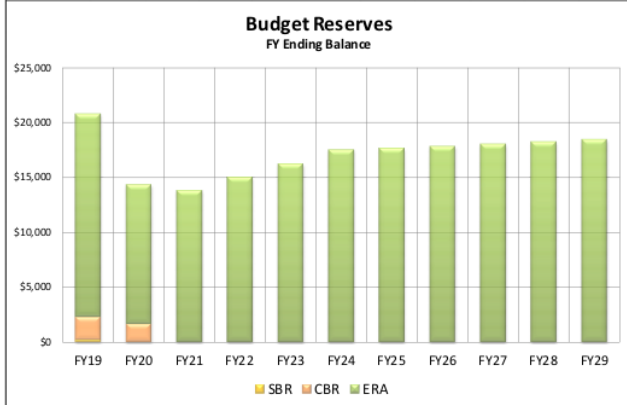
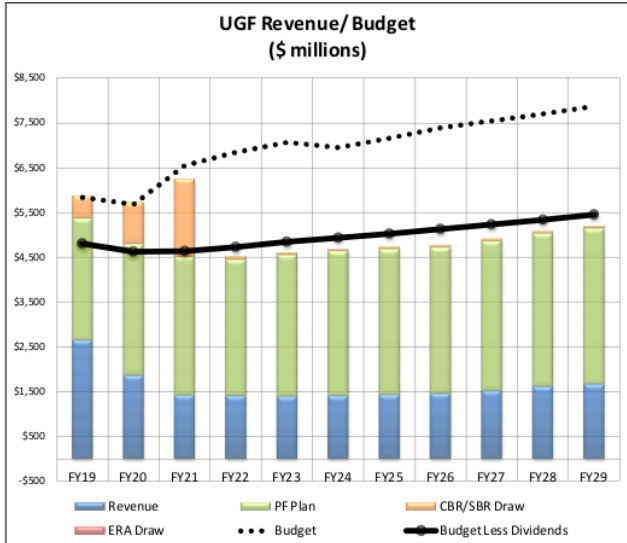
Assumption: Permanent Fund Earnings

- Based on market performance, we are using the Alaska Permanent Fund Corporation's (APFC) low return scenario for FY20, which is a -0.52% total return
- The low return still assumes a 5.27% realized return (statutory net income) in FY20
- For FY21 and beyond, we are using APFC's mid-point forecast of a 7.00% total return

Other Assumptions

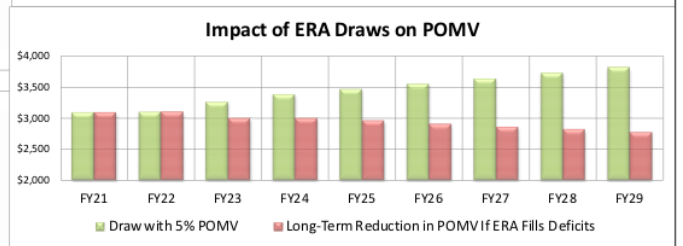
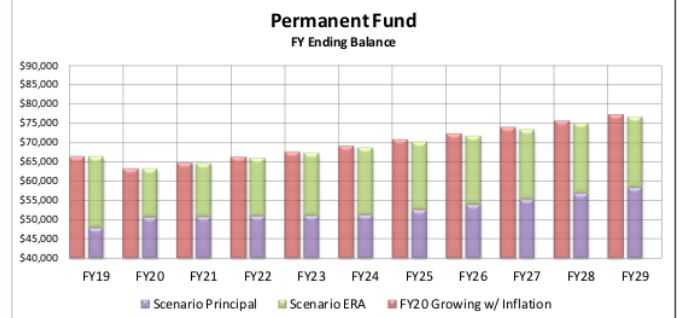
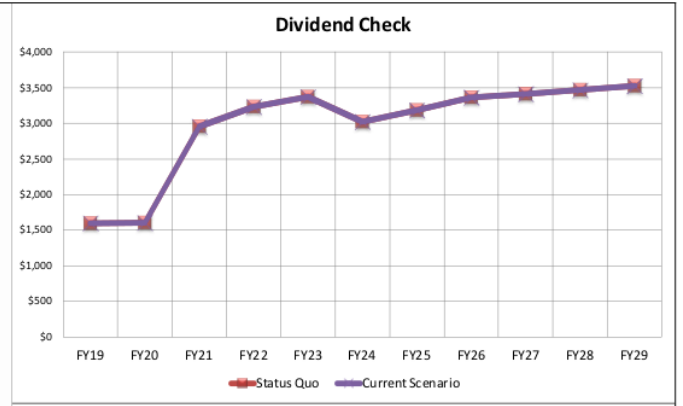
- Default budget assumption is the Governor's amended operating, capital, and supplemental budgets growing with inflation
- Supplemental budgets in future years are assumed to be \$50 million
- The CBR earnings assumption is from the fall Revenue Sources Book. The CBR deposit assumption is modified from DOR's assumption due to higher deposits received so far in FY20
- No inflation-proofing for four years due to intent language included with the \$4 billion transfer in FY20

1. Governor's Amended Budget



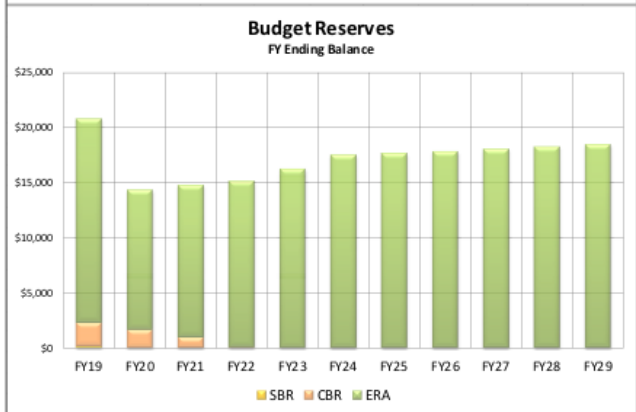
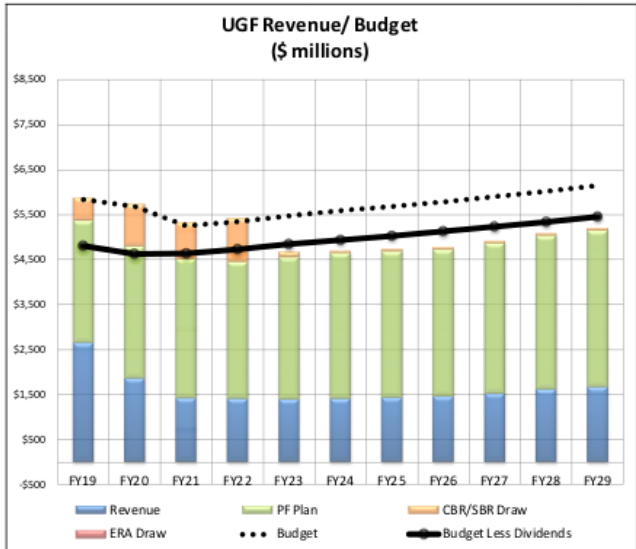
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/ (Deficit)	-938	-2,110	-2,472	-2,585	-2,392	-2,552	-2,738	-2,753	-2,743	-2,787
CBR/SBR Bal.	1,656	25	0	0	0	0	0	0	0	0
%Budget fr. Savings	16%	32%	36%	36%	34%	35%	37%	36%	35%	35%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.25%
Budget Change (FY21+)	\$ -
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	50%
% of POMV Draw to Div	0%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



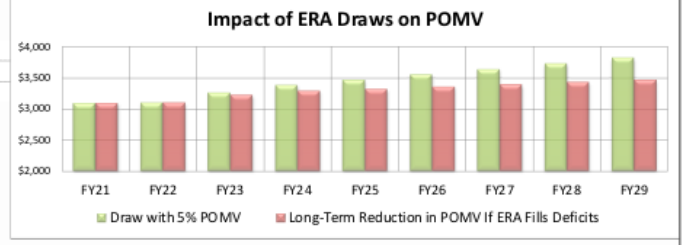
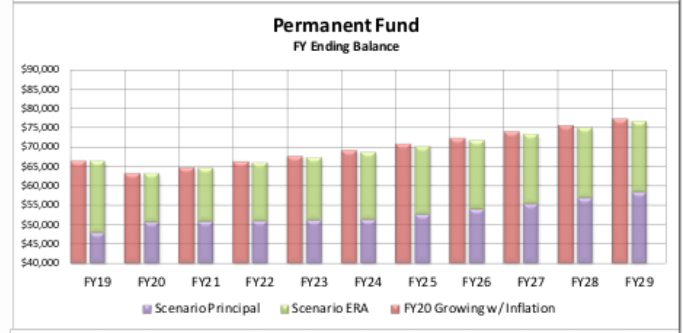
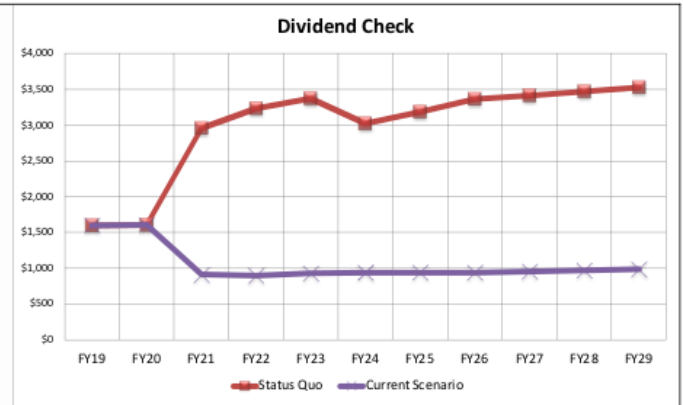
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

2. HB 306 (80/20 dividend)



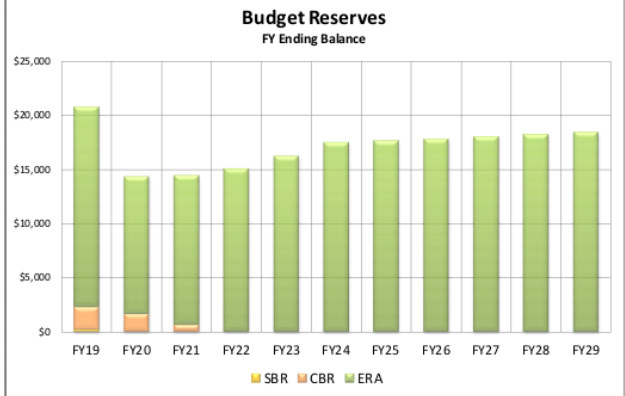
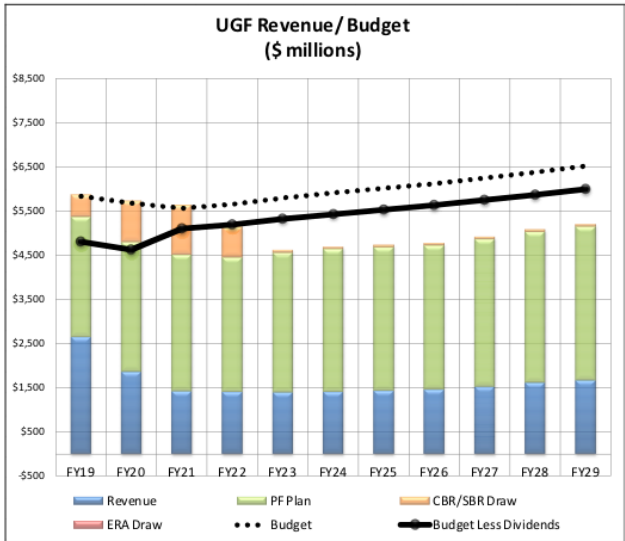
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/ (Deficit)	-938	-810	-960	-991	-1,021	-1,071	-1,129	-1,112	-1,066	-1,074
CBR/SBR Bal.	1,656	960	65	1	0	0	0	0	0	0
%Budget fr. Savings	16%	15%	18%	18%	18%	19%	19%	19%	18%	17%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.250%
Budget Change (FY21+)	\$ -
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21 Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	0%
% of POMV Draw to Div	20%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



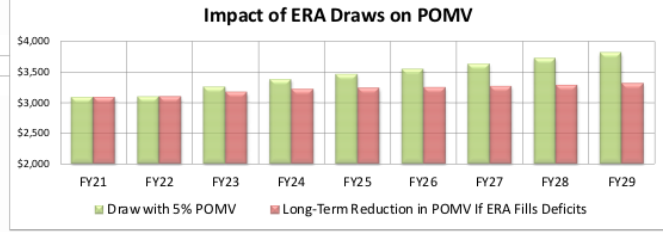
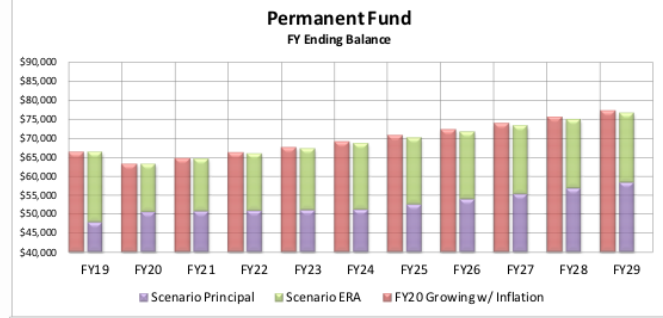
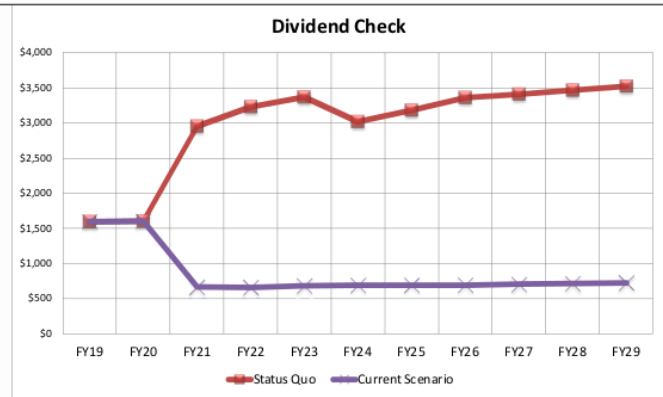
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POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

3. HB 300 (85/15 dividend, Community Dividend, 10% of POMV to capital)



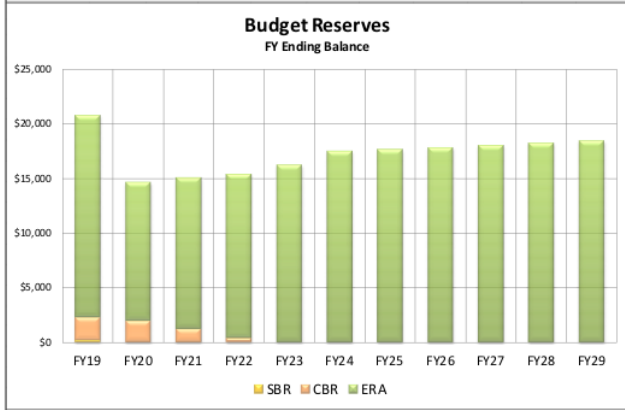
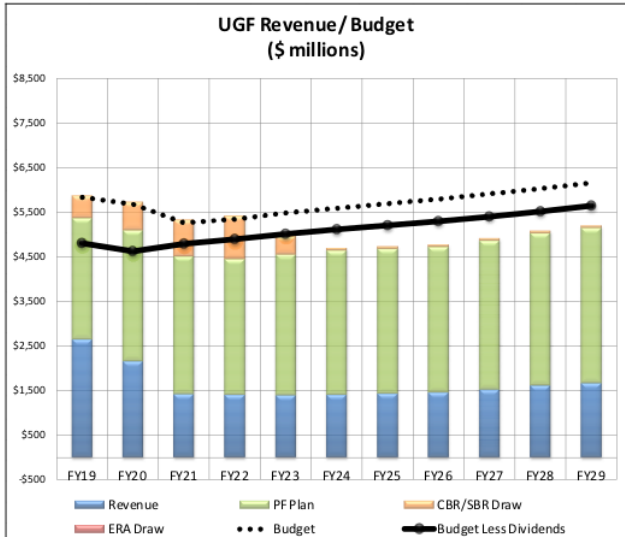
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/(Deficit)	-938	-1,125	-1,276	-1,316	-1,353	-1,408	-1,471	-1,461	-1,423	-1,440
CBR/SBR Bal.	1,656	641	10	0	0	0	0	0	0	0
% Budget fr. Savings	16%	20%	22%	22%	23%	23%	24%	23%	22%	22%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.250%
Budget Change (FY21+)	\$ 300.0
School Debt Reimbursement	50%
Capital Budget (FY21-29)	10% of POMV Draw
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	
	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	0%
% of POMV Draw to Div	15%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



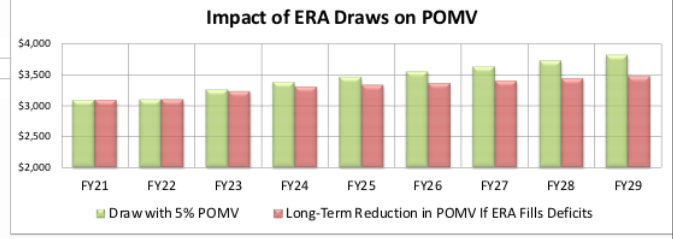
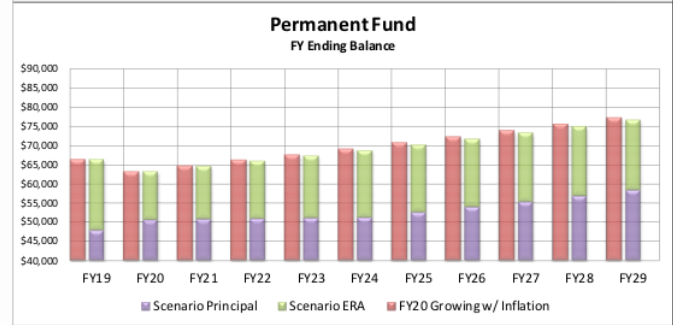
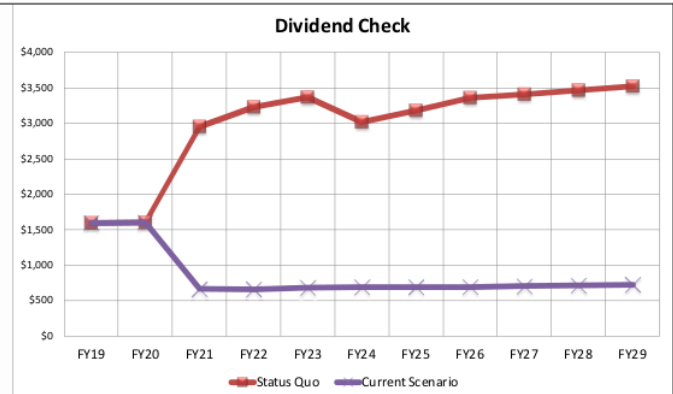
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

4. HB 300 (85/15 dividend, 5% Community Dividend, 5% of POMV to capital)



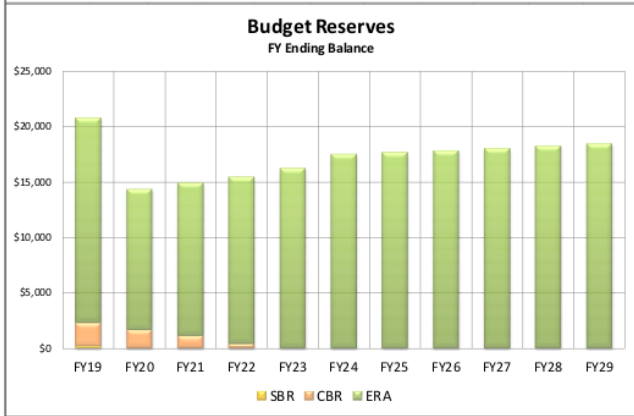
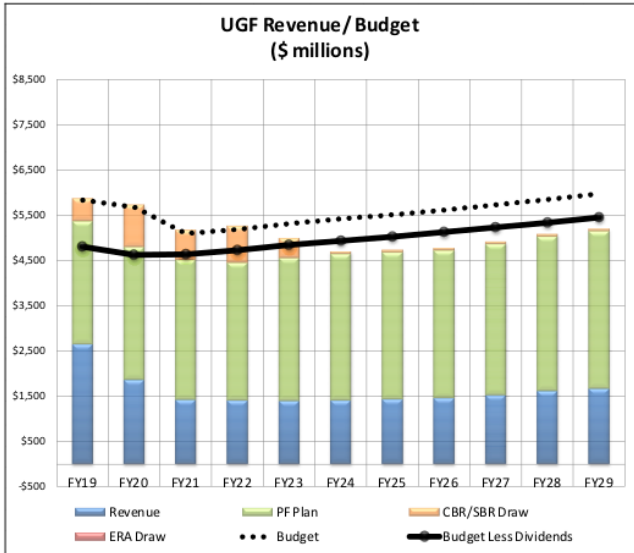
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/(Deficit)	-638	-820	-970	-1,001	-1,031	-1,082	-1,140	-1,123	-1,078	-1,086
CBR/SBR Bal.	1,956	1,259	363	5	0	0	0	0	0	0
%Budget fr. Savings	11%	15%	18%	18%	18%	19%	19%	19%	18%	17%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.250%
Budget Change (FY21+)	\$ 150.0
School Debt Reimbursement	50%
Capital Budget (FY21-29)	5% of POMV Draw
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	0%
% of POMV Draw to Div	15%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



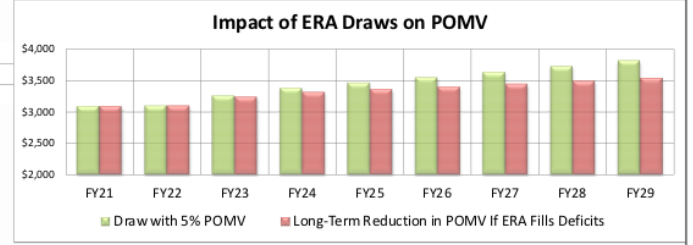
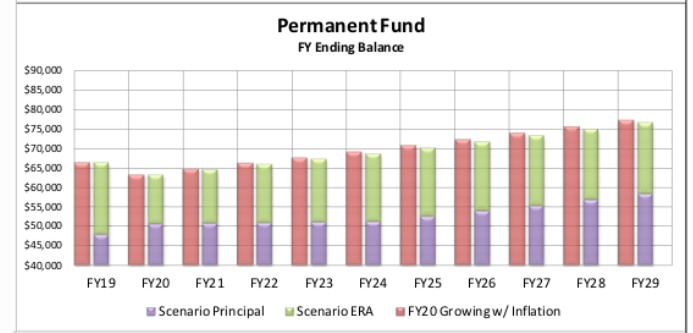
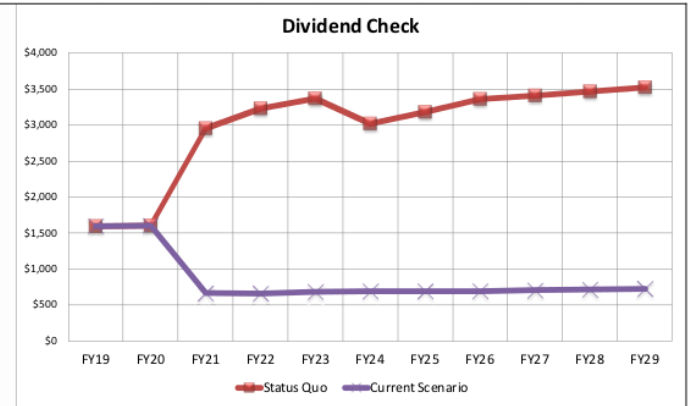
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

5. HB 300 (85/15 dividend) without budget increase



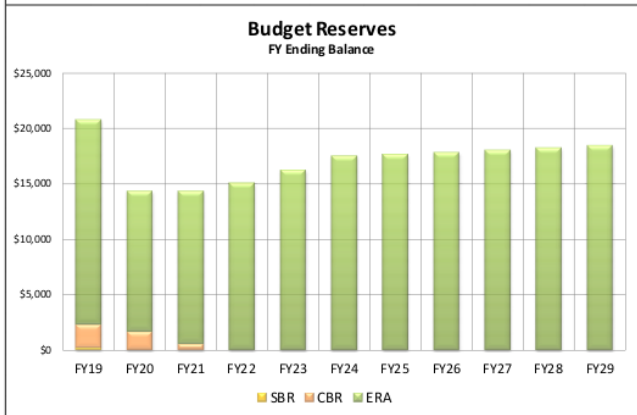
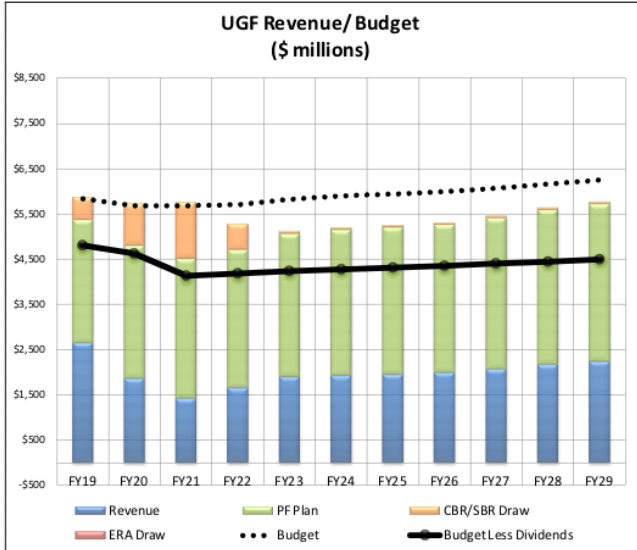
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/(Deficit)	-938	-656	-808	-833	-860	-909	-966	-945	-896	-900
CBR/SBR Bal.	1,656	1,117	381	6	0	0	0	0	0	0
%Budget fr. Savings	16%	13%	15%	15%	16%	16%	17%	16%	15%	15%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.250%
Budget Change (FY21+)	\$ -
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	
	SB 26
PLAN SPECIFICATIONS	
	Payout to GF
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	0%
% of POMV Draw to Div	15%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



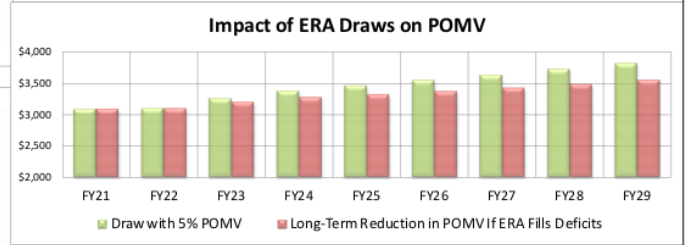
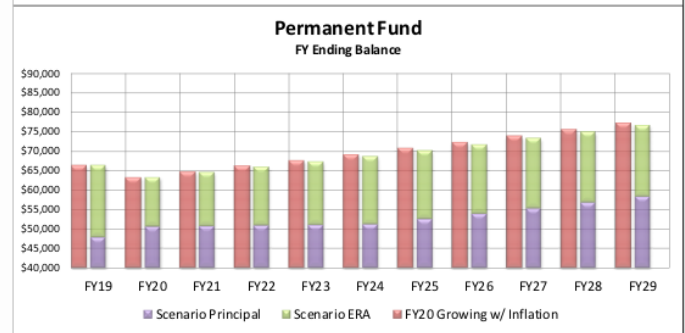
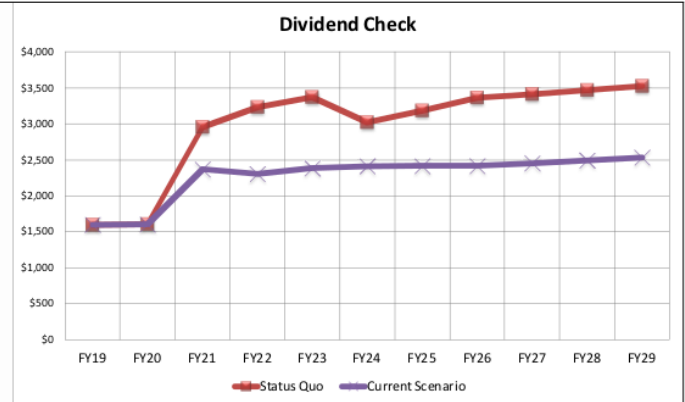
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

6. Governor Scenario 5 (Balanced)



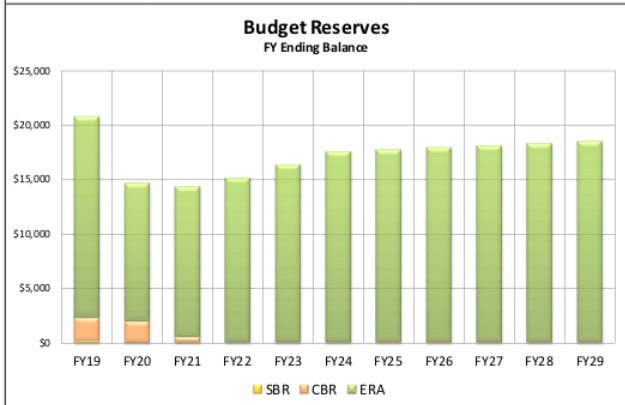
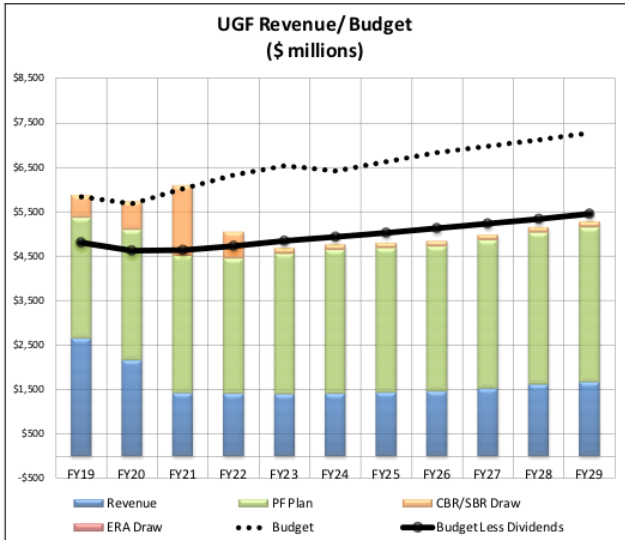
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ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/(Deficit)	-938	-1,238	-1,074	-837	-820	-810	-805	-737	-639	-594
CBR/SBR Bal.	1,656	526	8	0	0	0	0	0	0	0
%Budget fr. Savings	16%	22%	19%	14%	14%	13%	13%	12%	10%	9%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	GovAmend
Starting Point (FY21)	GovAmend
Growth Rate	1.125%
Budget Change (FY21+)	\$ (500.0)
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	3%
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	0%
% of POMV Draw to Div	50%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



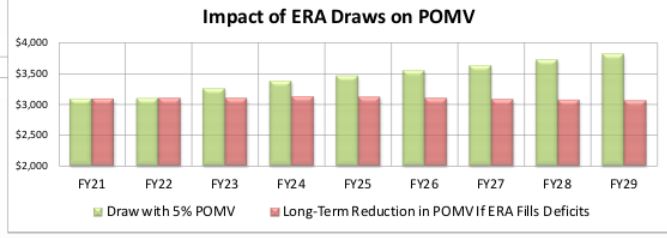
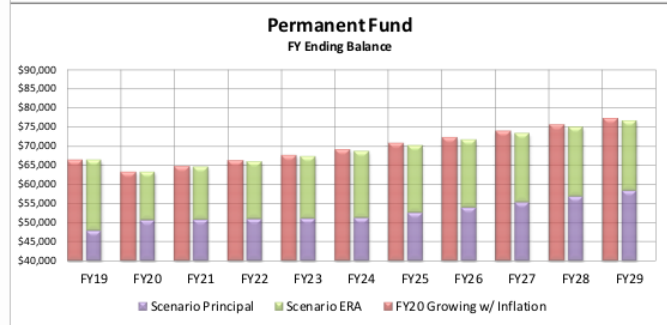
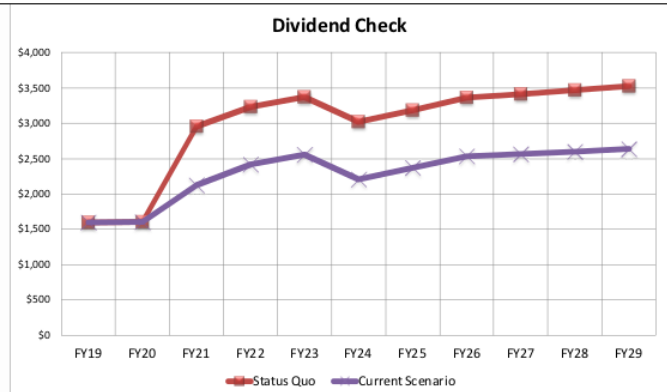
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

7. 50/50 of Statutory Net Income After Inflation-Proofing



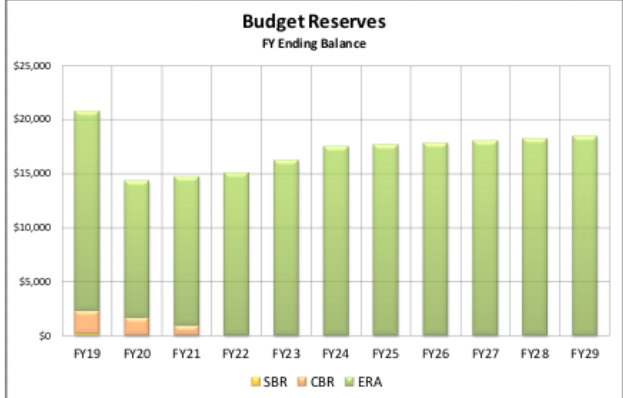
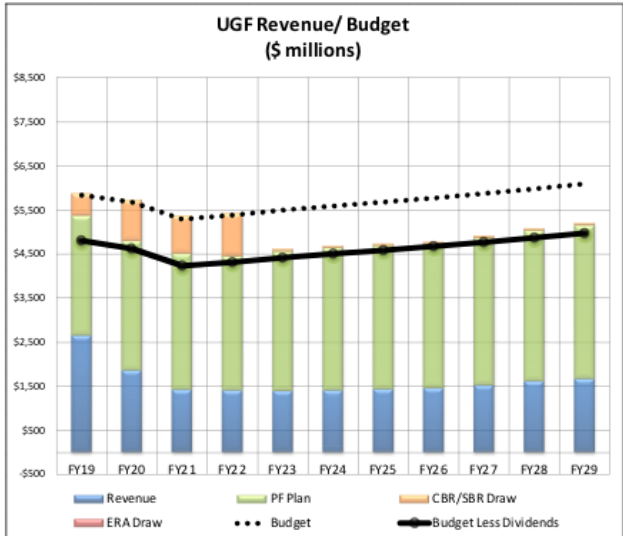
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/ (Deficit)	-638	-1,584	-1,943	-2,054	-1,858	-2,016	-2,187	-2,187	-2,161	-2,188
CBR/SBR Bal.	1,956	545	72	67	66	68	70	71	73	74
%Budget fr. Savings	11%	26%	30%	31%	29%	30%	32%	31%	30%	30%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.250%
Budget Change (FY21+)	\$ -
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	50%
% of POMV Draw to Div	0%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



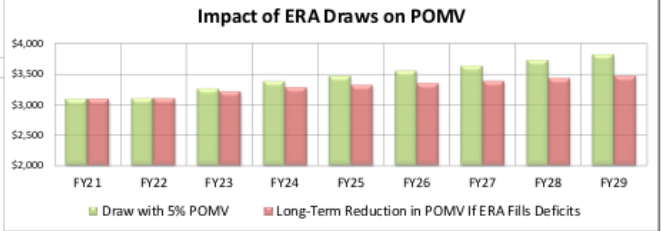
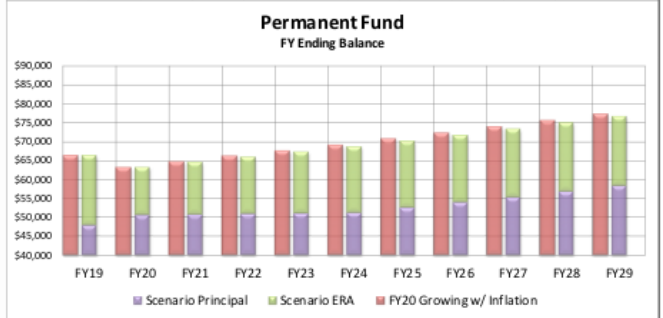
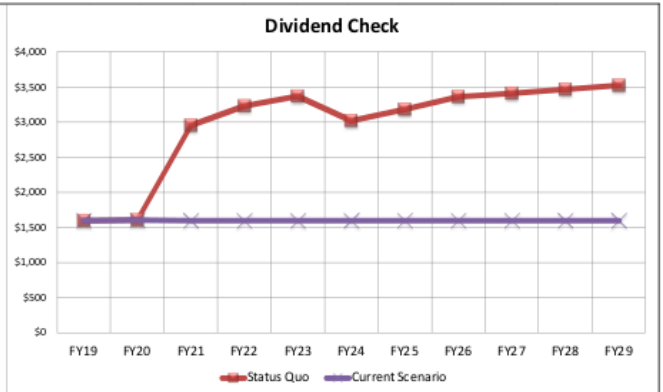
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

8. \$1,600 dividend with progressive PILT



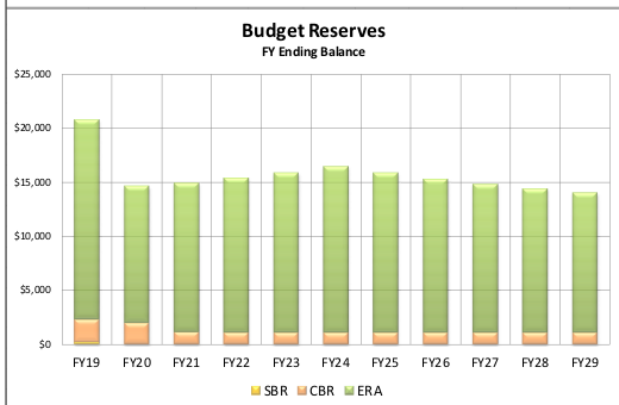
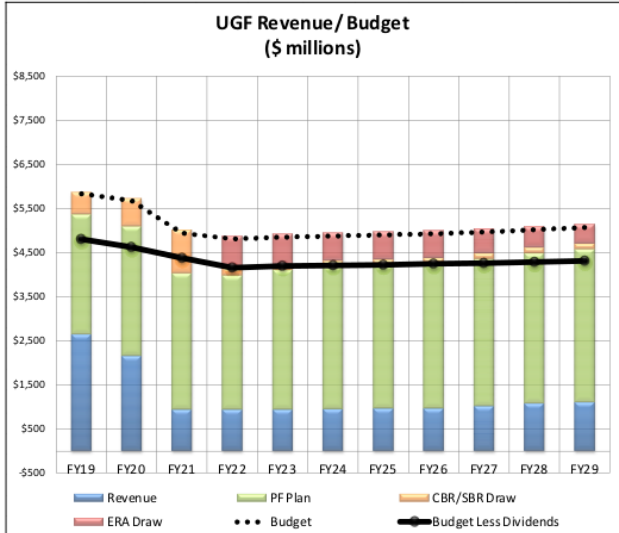
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/ (Deficit)	-938	-849	-1,006	-1,011	-1,027	-1,069	-1,120	-1,085	-1,021	-1,011
CBR/SBR Bal.	1,656	921	14	0	0	0	0	0	0	0
%Budget fr. Savings	16%	16%	18%	18%	18%	19%	19%	18%	17%	16%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.250%
Budget Change (FY21+)	\$ (400.0)
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	0%
% of POMV Draw to Div	0%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



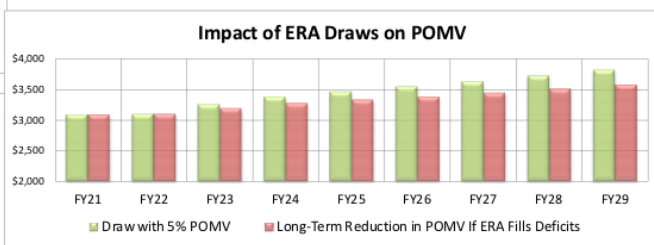
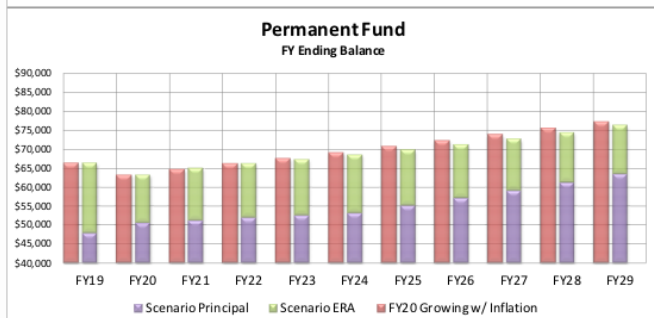
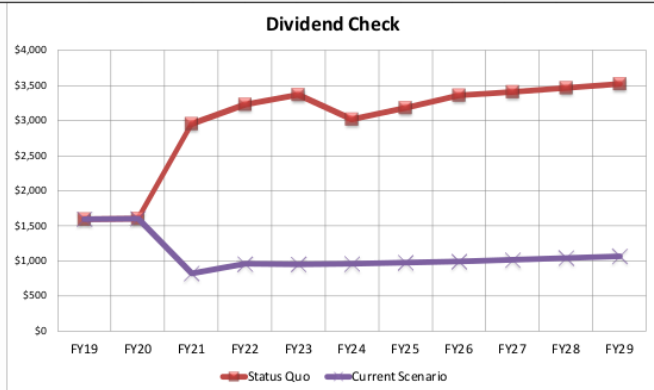
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%

9. All Royalties to Permanent Fund, Dividend from royalties and earnings, spending reductions, deficits from ERA



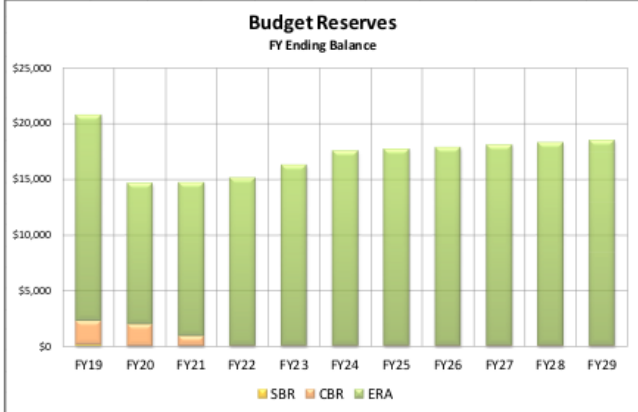
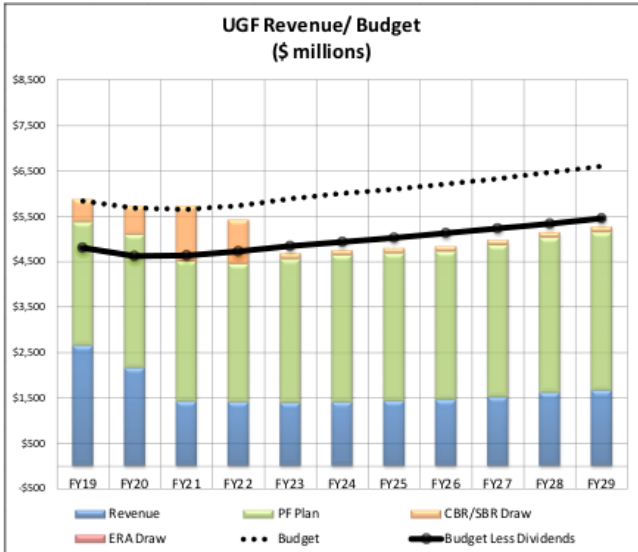
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,800	14,316	14,809	15,369	14,788	14,231	13,732	13,315	12,944
Surplus/(Deficit)	-638	-992	-896	-813	-759	-758	-759	-689	-605	-564
CBR/SBR Bal.	1,956	1,135	1,081	1,081	1,081	1,081	1,081	1,082	1,082	1,083
% Budget fr. Savings	11%	20%	18%	17%	15%	15%	15%	14%	12%	11%
Unplanned ERA Draw	0	0	711	682	628	627	628	557	473	432

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	0.500%
Budget Change (FY21+)	-500 over 2 yrs
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ 1,000
Unplanned ERA Draws	Y
Permanent Fund Plan	
	SB 26
PLAN SPECIFICATIONS	
Payout to GF	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	10%
% of POMV Draw to Div	0%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	50%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	Y



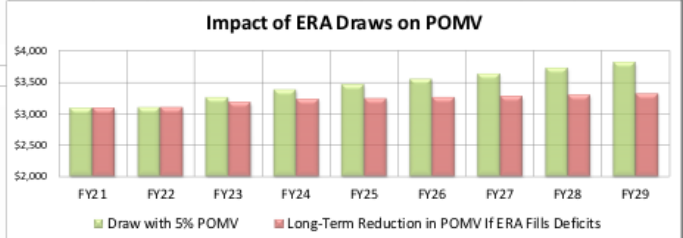
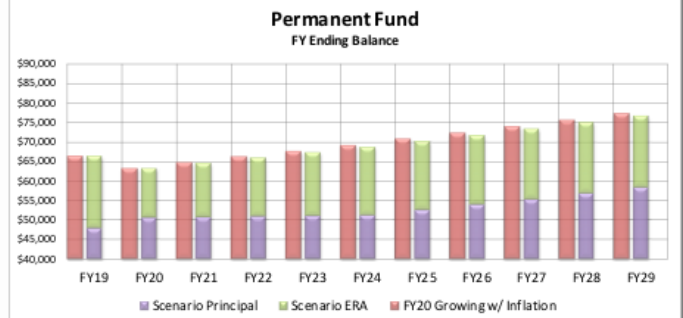
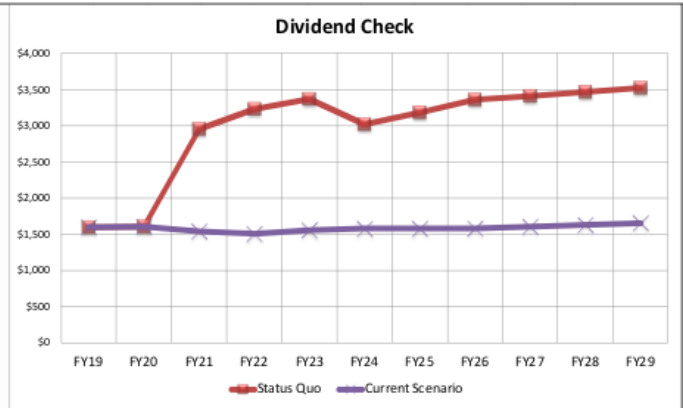
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,170	3,234	3,258	3,279	3,345	3,406	3,472
Inflation Proofing	989	4,642	-	-	-	-	1,113	1,155	1,197	1,243	1,290
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	5.79%	5.83%	5.74%	5.67%	5.60%	5.48%	5.34%	5.25%

10. 33% of POMV Draw to Dividend



	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
ERA Bal.	12,698	13,808	15,052	16,262	17,497	17,648	17,846	18,047	18,250	18,457
Surplus/ (Deficit)	-638	-1,212	-1,357	-1,403	-1,440	-1,494	-1,555	-1,546	-1,510	-1,528
CBR/SBR Bal.	1,956	918	72	61	62	63	64	65	66	68
%Budget fr. Savings	11%	21%	23%	24%	24%	24%	25%	24%	23%	23%
Unplanned ERA Draw	0	0	0	0	0	0	0	0	0	0

Price Scenario	\$40 Real
Production	Fall Forecast
COST VARIABLES	
Operating Budget	
Starting Point (FY21)	GovAmend
Growth Rate	2.250%
Budget Change (FY21+)	\$ -
School Debt Reimbursement	50%
Capital Budget (FY21-29)	FY21Gov w/ Inflation
Supp Budget (FY21+)	50.0
REVENUE VARIABLES	
Sales Tax	N
Income Tax	N
Motor Fuel Tax	N
Other New Revenue	\$ -
Assumptions	
Inflation Rate	2.25%
PF Investment Return	Low FY20 then 7%
Population Growth Rate	Labor Stats
CBR Earnings	3.01%
Minimum CBR Balance	\$ -
Unplanned ERA Draws	N
Permanent Fund Plan	SB 26
PLAN SPECIFICATIONS	
Payout to GF	
POMV Payout	5.00%
POMV Override	5.25%
Override Ends	21
% Statutory Net Income	0.00%
Dividend	
% of Stat Net Income to Div	0%
% of POMV Draw to Div	33%
% of GF Oil Revenue to Div	0%
% of Royalties to Div	0%
Repay Dividends	None
Balanced Budget Dividends	N
POMV Deduction Before Div	None
Inflation Proofing	
Status Quo Inflation Proofing	Y
Other Provisions	
New Royalties to PF	50%
All Royalties to PF	N



	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
POMV Draw	2,723	2,933	3,091	3,048	3,166	3,226	3,249	3,272	3,341	3,412	3,485
Inflation Proofing	989	4,642	-	-	-	-	1,072	1,101	1,132	1,164	1,198
Plan %	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Effective %	4.20%	4.42%	4.89%	4.73%	4.81%	4.80%	4.74%	4.67%	4.67%	4.66%	4.65%