



ALASKA · STATE · CAPITOL

Fiscal Modeling: Senate Bill 199 and Senate Bill 200

Senate Finance Committee
February 21, 2022
Legislative Finance Division

Outline

- Review of Senate Finance Committee modeling assumptions
- Review of stress tests
- Summary of SB 199 and SB 200
- Fiscal models of SB 199 and SB 200

Review of SFIN Modeling Baseline

Revenue Assumptions

- LFD's baseline revenue assumptions are the Department of Revenue's Fall Revenue Forecast.
 - This assumes \$71 oil in FY23, following futures market thereafter.
 - DNR oil production forecast projects that Alaska North Slope production will increase from 500.2 thousand barrels per day in FY23 to 586.2 thousand barrels per day in FY31.
- For the Permanent Fund, we use Callan's return assumption of 5.86% total return in FY22 and 6.20% thereafter.

Review of SFIN Modeling Baseline (cont.)

Spending Assumptions

- For **agency operations**, these scenarios assume the Governor's amended FY23 budget grows by 2.5% per year. In addition, federal funds being used in place of general funds in the current budget are replaced with general funds when those federal funds expire. Note that amendments change these scenarios slightly from the ones presented on February 10.
- For **statewide items**, these scenarios assume that all items are funded to their statutory levels beyond FY23.
 - This includes School Debt Reimbursement, the REAA Fund, Community Assistance, oil and gas tax credits.
- For the **capital budget**, these scenarios assume a \$250 million capital budget growing by 2.5% per year.
- For **supplementals** these scenarios assume \$50.0 million per year. This is based on the average amount of supplemental appropriations minus lapsing funds each year.

Review of SFIN Modeling Baseline (cont.)

- LFD's modeling baseline assumes budgets grow with inflation (2.0%) but the Senate Finance models use 2.5% growth.
- The Governor's 10-year plan does not grow the capital budget at all, grows agency operations other than Medicaid by 1.5%, and Medicaid by 1.0%.
 - Evergreen Economics projects that the State's Medicaid share will grow by 4.2% without policy changes.
 - By FY30, the difference in Medicaid growth between 1.0% and 4.2% is \$200 million per year – a \$700 million UGF budget versus a \$900 million UGF budget.
- Several ongoing items in the Governor's budget are funded with short-term federal funds. In the Senate Finance baseline, these are replaced with UGF when the federal funds expire:
 - DOC's DNA Tracking program: \$1.1 million CSLFRF (need to be replaced in FY24)
 - AMHS: ~\$82.0 million in place of UGF from federal infrastructure bill (need to be replaced in FY27)
 - DOTPF: \$24.3 million of FHWA and FAA funds (need to be replaced in FY24)

Obligations and Funding Needs of the State of Alaska

- This is not an exhaustive list. The total for these items is about **\$10.6 billion**
- PERS/TRS Unfunded Liability: **\$4.0 billion**
 - Payment plan: annual payments through FY39. FY23 payment is \$129.6 million
- General Obligation Bonds and State Supported Debt: **\$1.2 billion**
 - Payment plan: annual payments through FY41. FY23 Governor's Budget includes \$92.4 million
- State Share of Municipal School Debt Service: **\$694.3 million**
 - Payment plan: annual payments through FY39. FY23 Governor's Budget includes \$63.9 million UGF
- Oil and Gas Tax Credits: **\$565.0 million**
 - Payment plan: statutory deposits to Oil and Gas Tax Credit Fund. FY23 Governor's Budget includes \$199.0 million
- Deferred Maintenance: **\$2.0 billion**
 - Payment plan: annual appropriations using Alaska Capital Income Fund. FY23 Governor's Budget includes \$25.2 million, plus additional projects in the General Obligation Bond proposal
- State Share of School Major Maintenance and Construction Lists: **\$389.4 million**
 - Payment plan: REAA fund can be used for some projects; no plan for remaining projects
- Rural Alaska Sanitation Funding Need (per DEC FY21 list): **\$1.8 billion**
 - Payment plan: Village Safe Water capital program. FY23 Governor's Budget includes \$19.5 million of state funds, \$72.3 million total funds

Summary of SB 199

- Amends PFD formula to pay:
 - \$1,100 per recipient in FY23
 - \$1,200 per recipient in FY24
 - \$1,300 per recipient in FY25
 - \$1,300 per recipient growing with inflation for FY26 and beyond
- Includes a “trigger” provision: If the legislature enacts revenue measures generating at least \$700 million per year by the end of 2025, the formula changes to 50% of the Percent of Market Value draw beginning in FY26.

PFD/Person	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Trigger Succeeds	\$1,100	\$1,200	\$1,300	\$2,996	\$3,140	\$3,188	\$3,235	\$3,277	\$3,317
Trigger Fails	\$1,100	\$1,200	\$1,300	\$1,326	\$1,353	\$1,380	\$1,407	\$1,435	\$1,464

Summary of SB 200

- Amends PFD formula to 25% of the Percent of Market Value draw in FY23 and beyond.
- In FY23, this would pay a PFD of about \$1,250 per person.
- This PFD split matches the version of Senate Bill 26 passed by the Senate in March of 2017.

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
PFD/Person	\$1,243	\$1,325	\$1,395	\$1,466	\$1,547	\$1,571	\$1,594	\$1,615	\$1,634

Stress Tests

- Two types of stress tests performed:
 - Budget stress test: grow agency operations and capital budget by 3.5% per year instead of 2.5%
 - Revenue stress test: use probabilistic modeling to simulate a range of possible oil prices and investment returns
- For each PFD scenario, we will show the non-stressed model output and the two stress tests

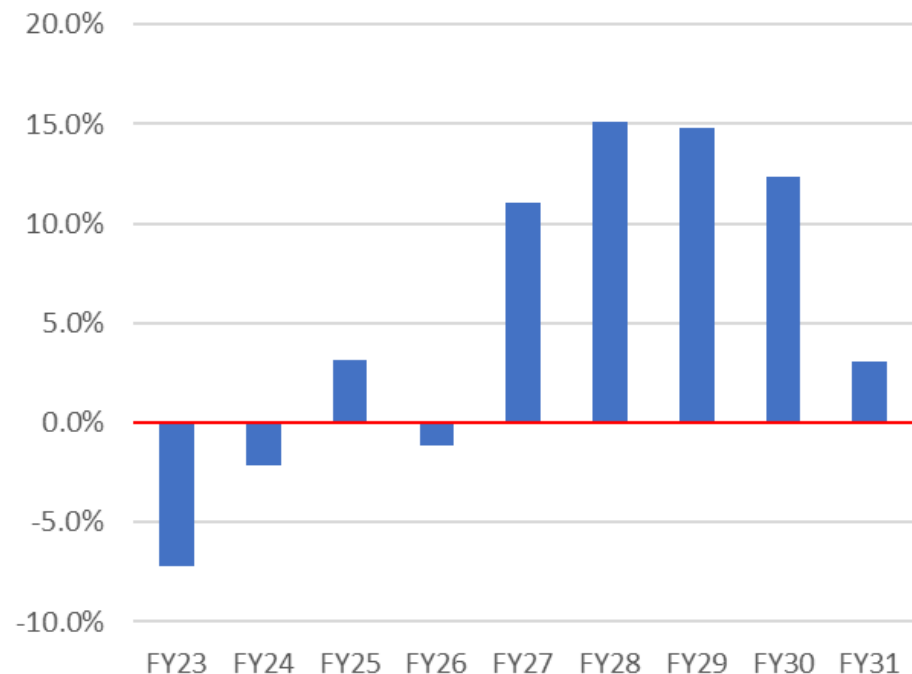
Stress Test: 25th Percentile Example

- Example of a single case, for which 25% of total cases see greater overall deficits.
- Example case has average oil price of \$58 and average Permanent Fund return of 5.4%.

Average Oil Price (\$/barrel)



Permanent Fund Total Return



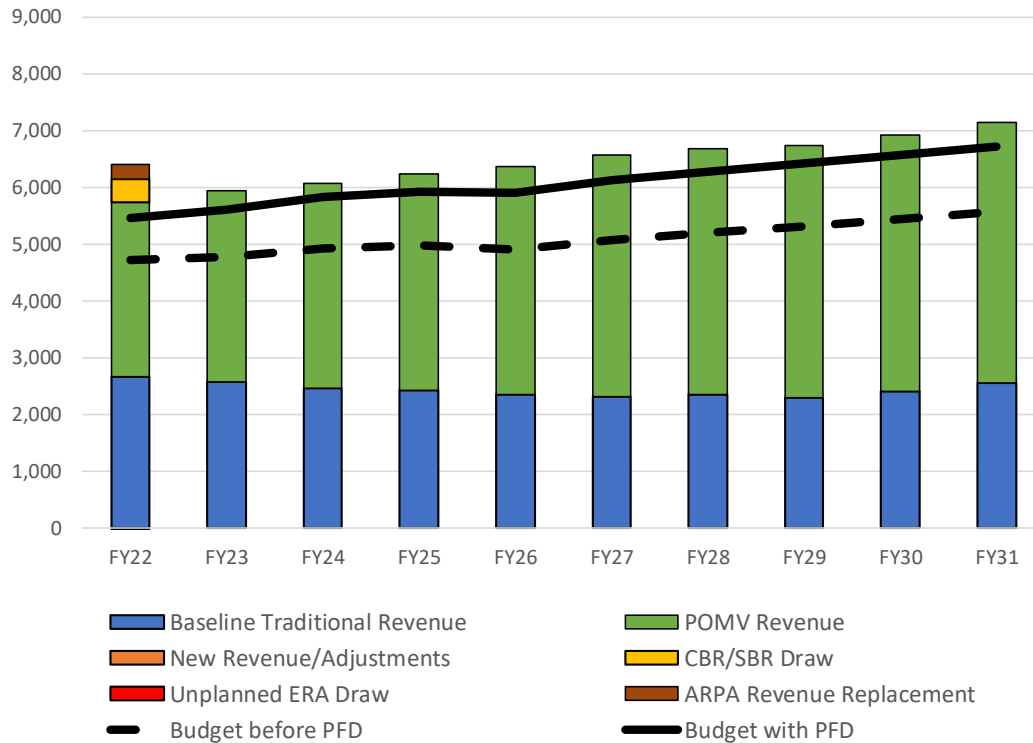
SB 200 (75/25 PFD)

SFIN Baseline (2.5% Growth)

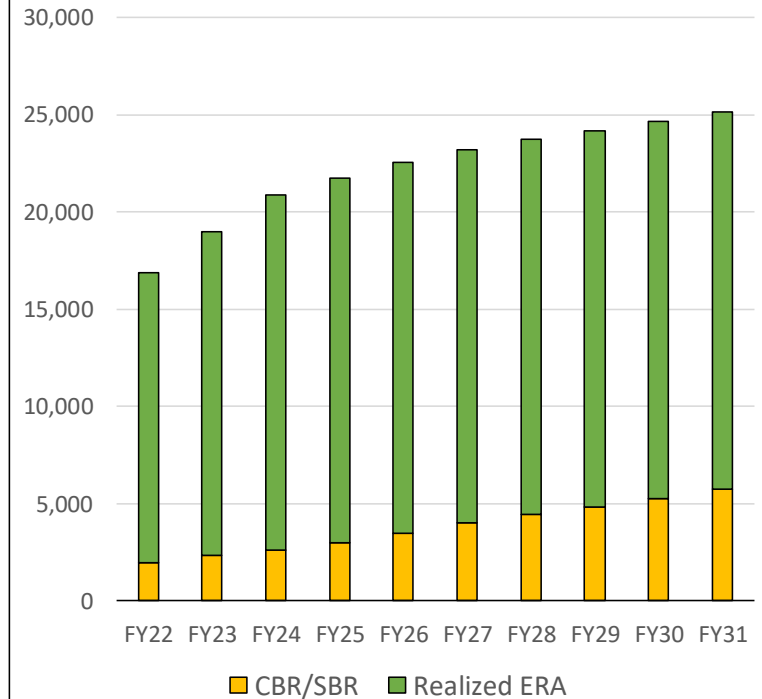
APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

Surplus/(Deficit) (\$millions)	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	279	332	244	314	460	441	408	306	343	413

UGF Budget/Revenue (\$millions)



Budget Reserves
FY-Ending Balance (\$millions)



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PFD Draw (\$millions)	739	840	900	952	1,005	1,064	1,086	1,107	1,127	1,146
PFD/Person	\$1,114	\$1,243	\$1,325	\$1,395	\$1,466	\$1,547	\$1,571	\$1,594	\$1,615	\$1,634

SB 200 (75/25 PFD)

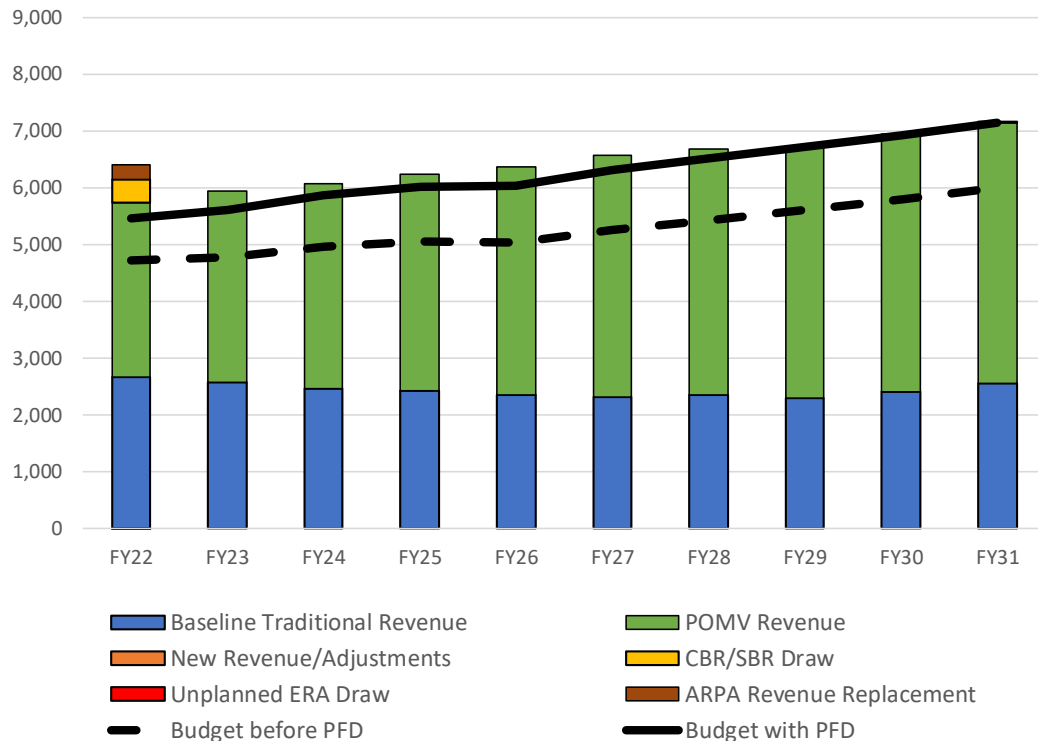
Budget Stress Test (3.5% Growth)

APFC Returns: 6.2% FY23+
 Oil Price: DOR Fall FC
 Agency Ops: 3.5% Ann. Growth
 Capital: \$250m FY23, 3.5% Growth

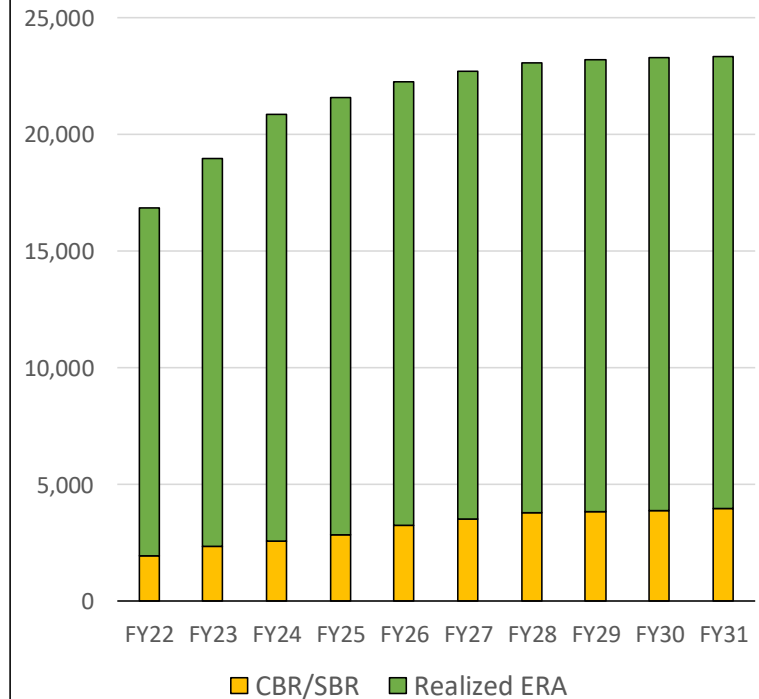
**Surplus/(Deficit)
(\$millions)**

FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
279	332	202	228	326	258	172	14	(8)	(0)

UGF Budget/Revenue (\$millions)



**Budget Reserves
FY-Ending Balance (\$millions)**



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PFD Draw (\$millions)	739	840	900	952	1,005	1,064	1,086	1,107	1,127	1,146
PFD/Person	\$1,114	\$1,243	\$1,325	\$1,395	\$1,466	\$1,547	\$1,571	\$1,594	\$1,615	\$1,634

SB 200 (75/25 PFD)

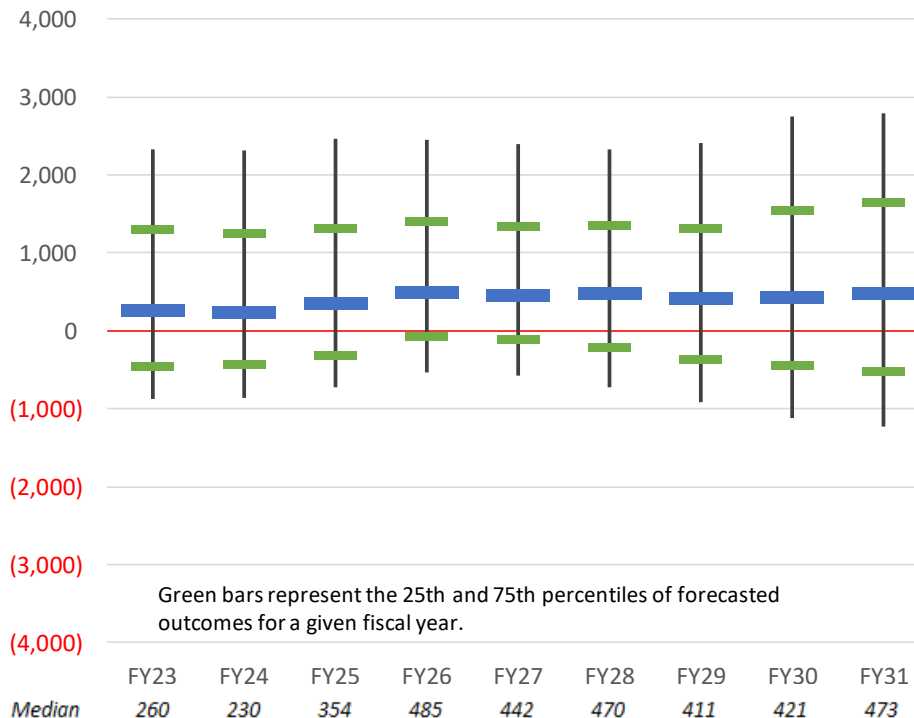
Revenue Stress Test

Median APFC Returns: 6.2% FY23+
Median Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

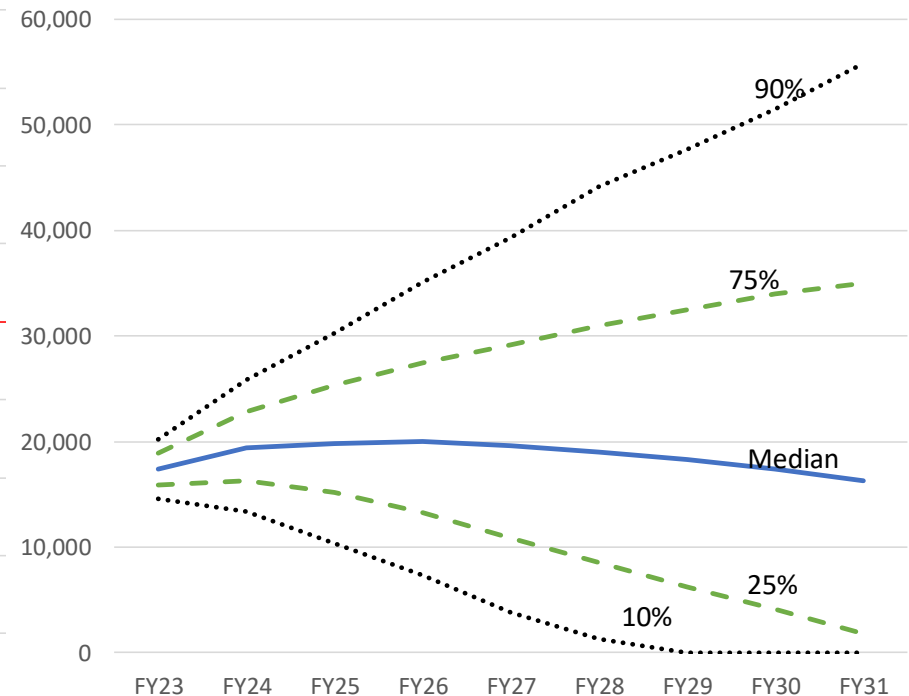
**Median Surplus/Deficit
(\$millions)**

FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
260	230	354	485	442	470	411	421	473

Surplus/(Deficit) by Fiscal Year (\$millions)



**Range of FY-End Realized ERA Balances
(\$millions)**



CBR Balance Probabilities

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
CBR below \$2.5 billion	69%	54%	41%	30%	23%	20%	19%	19%	20%
CBR at/below \$500 million	8%	12%	9%	5%	4%	4%	6%	8%	9%

SB 199, Trigger Succeeds

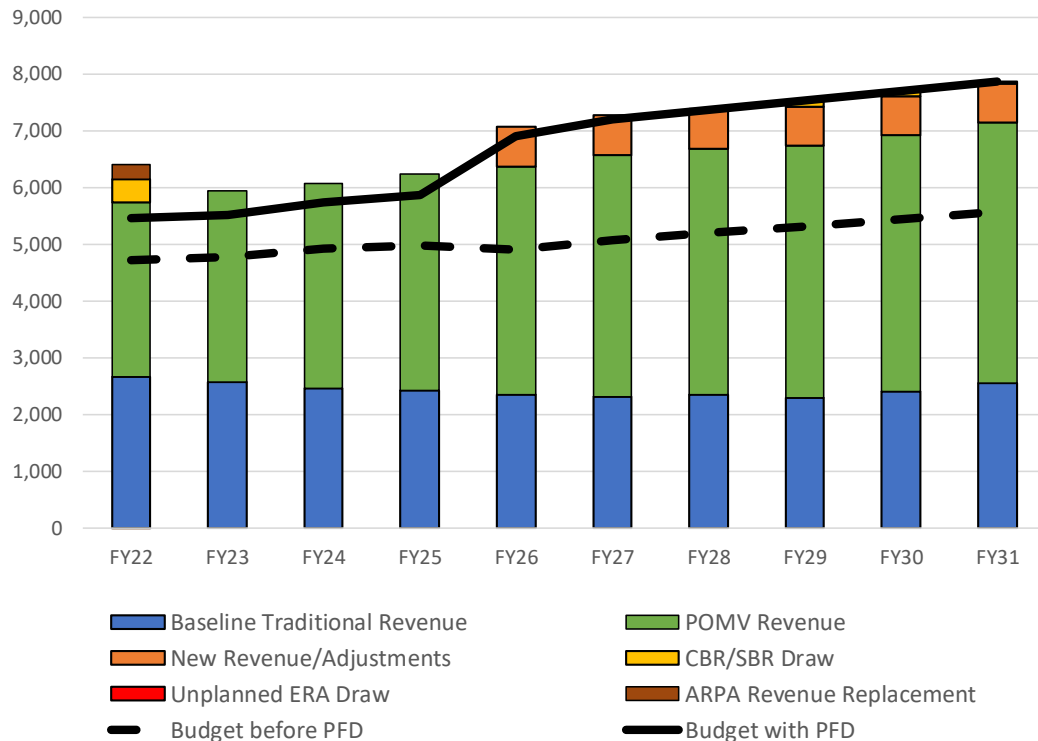
SFIN Baseline (2.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth
\$700m/yr New Revenue FY26+

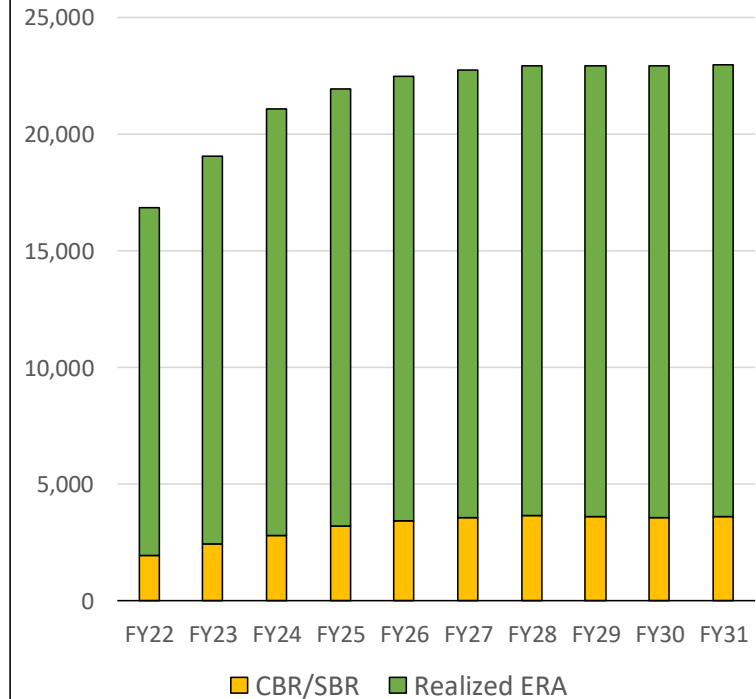
Surplus/(Deficit)
(\$millions)

FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
279	424	327	377	155	77	22	(101)	(84)	(33)

UGF Budget/Revenue (\$millions)



Budget Reserves
FY-Ending Balance (\$millions)



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PFD Draw (\$millions)	739	748	818	889	2,009	2,129	2,173	2,214	2,254	2,292
PFD/Person	\$1,114	\$1,100	\$1,200	\$1,300	\$2,996	\$3,140	\$3,188	\$3,235	\$3,277	\$3,317

SB 199, Trigger Succeeds

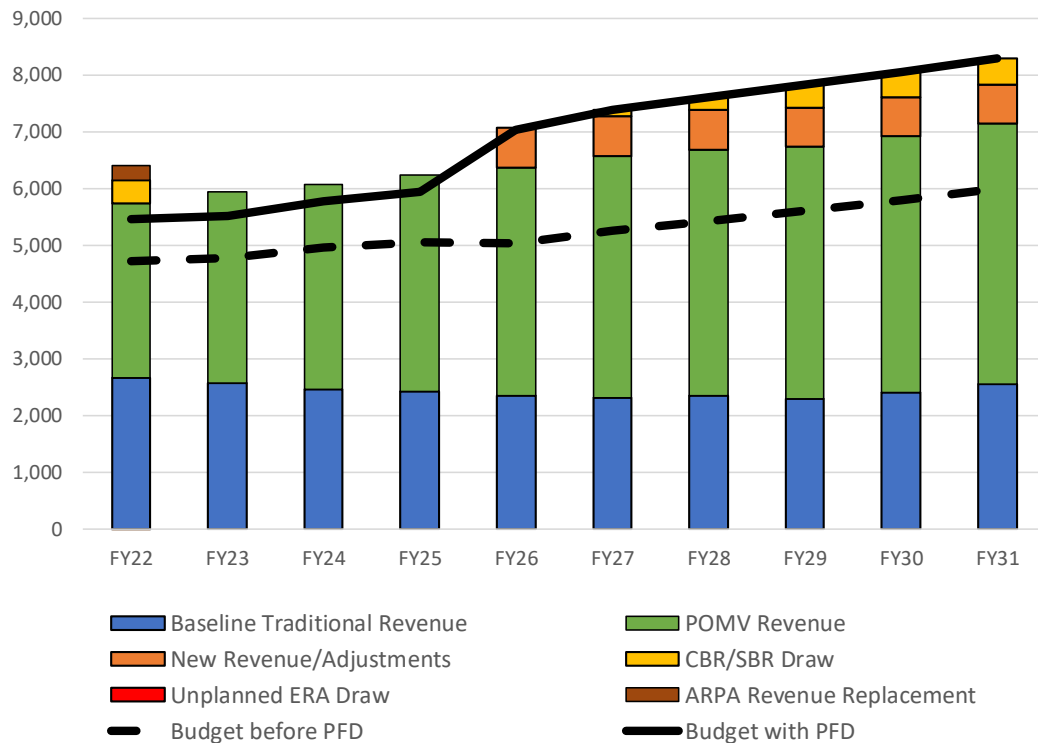
Budget Stress Test (3.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 3.5% Ann. Growth
Capital: \$250m FY23, 3.5% Growth
\$700m/yr New Revenue FY26+

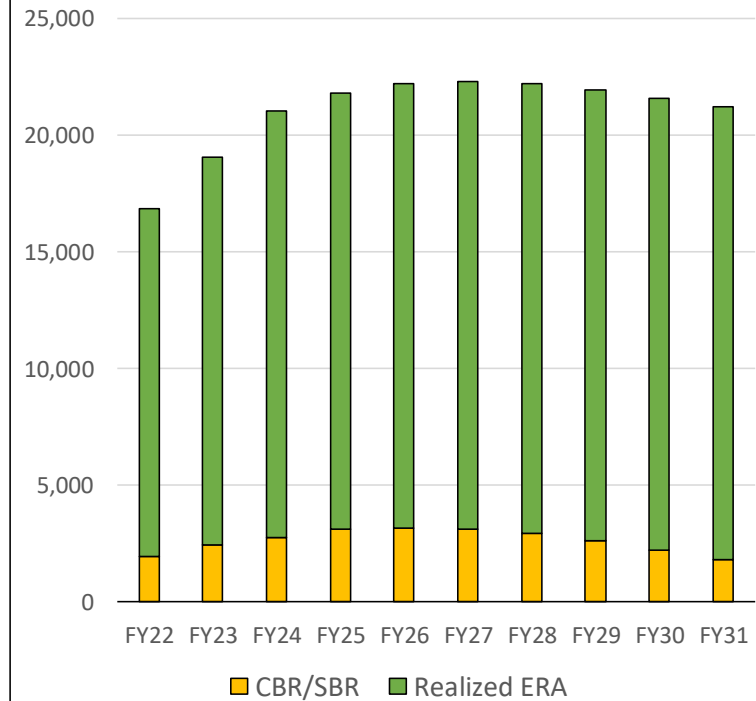
Surplus/(Deficit)
(\$millions)

FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
279	424	285	291	21	(106)	(214)	(393)	(435)	(446)

UGF Budget/Revenue (\$millions)



Budget Reserves
FY-Ending Balance (\$millions)



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PFD Draw (\$millions)	739	748	818	889	2,009	2,129	2,173	2,214	2,254	2,292
PFD/Person	\$1,114	\$1,100	\$1,200	\$1,300	\$2,996	\$3,140	\$3,188	\$3,235	\$3,277	\$3,317

SB 199, Trigger Succeeds

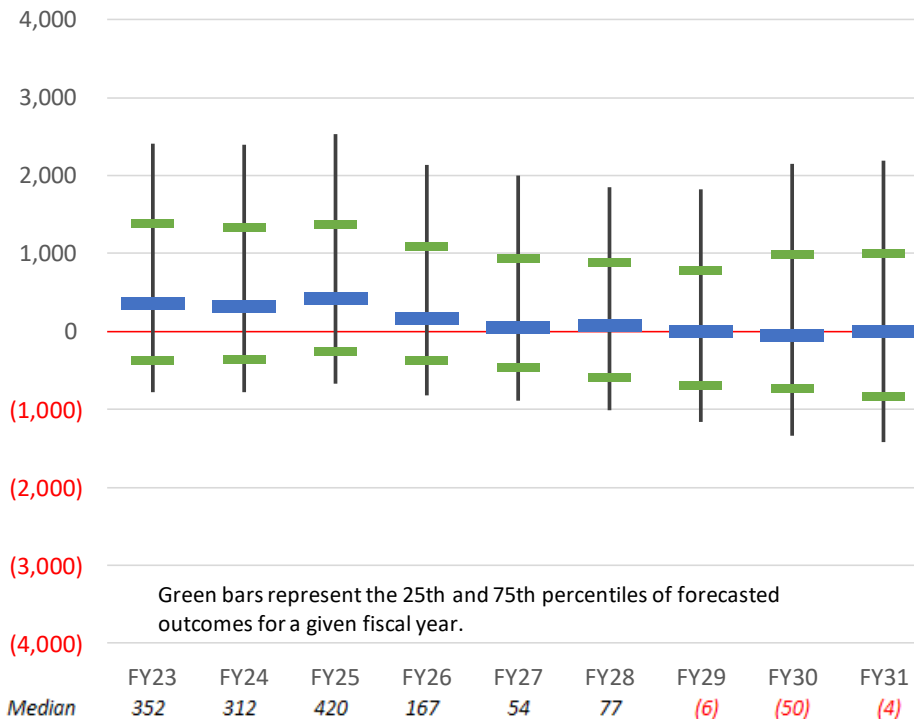
Revenue Stress Test

Median APFC Returns: 6.2% FY23+
Median Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth
\$700m/yr New Revenue FY26+

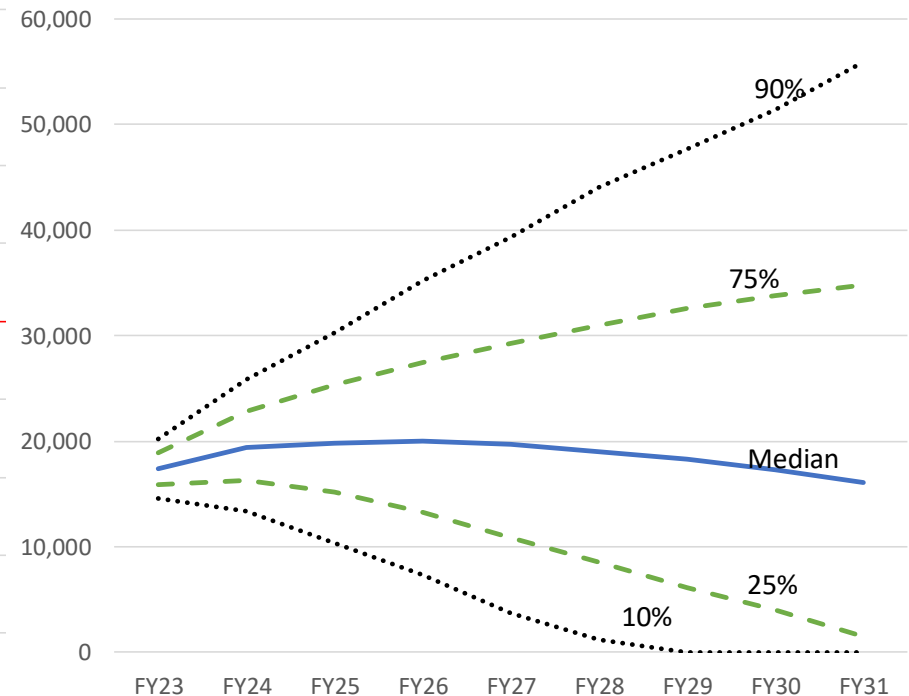
Median Surplus/Deficit (\$millions)

FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
352	312	420	167	54	77	(6)	(50)	(4)

Surplus/(Deficit) by Fiscal Year (\$millions)



Range of FY-End Realized ERA Balances (\$millions)



CBR Balance Probabilities

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
CBR below \$2.5 billion	67%	51%	37%	32%	30%	29%	30%	31%	31%
CBR at/below \$500 million	6%	9%	7%	6%	7%	8%	11%	13%	15%

SB 199, Trigger Fails

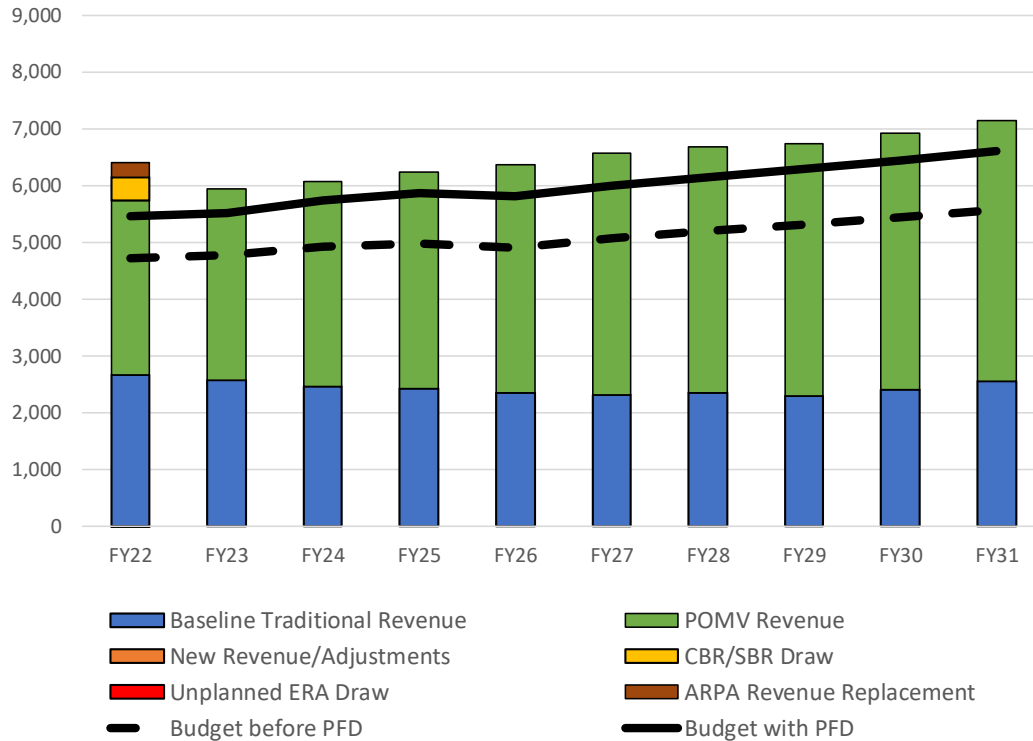
SFIN Baseline (2.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

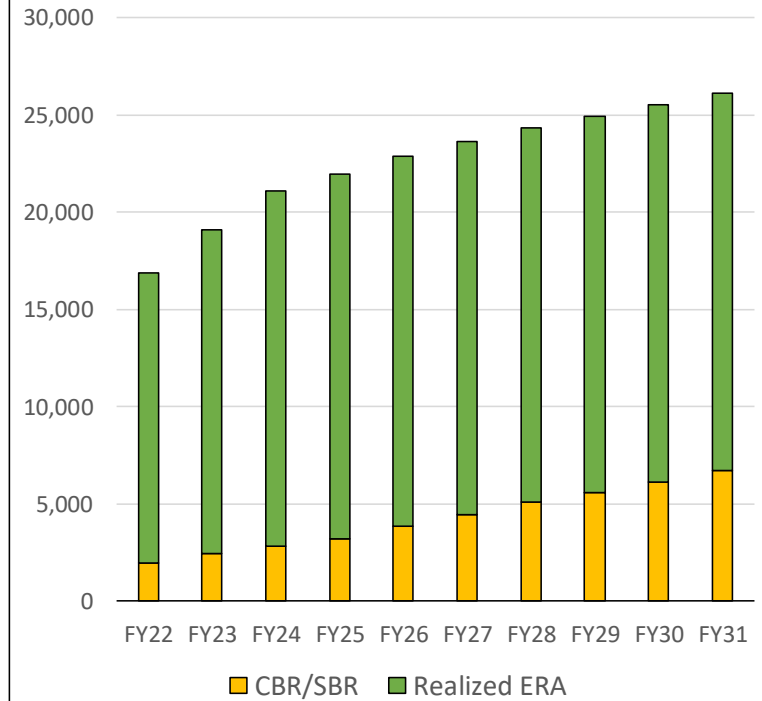
**Surplus/(Deficit)
(\$millions)**

FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
279	424	327	377	553	571	537	432	464	529

UGF Budget/Revenue (\$millions)



**Budget Reserves
FY-Ending Balance (\$millions)**



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PFD Draw (\$millions)	739	748	818	889	912	934	958	981	1,005	1,030
PFD/Person	\$1,114	\$1,100	\$1,200	\$1,300	\$1,326	\$1,353	\$1,380	\$1,407	\$1,435	\$1,464

SB 199, Trigger Fails

Budget Stress Test (3.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 3.5% Ann. Growth
Capital: \$250m FY23, 3.5% Growth

**Surplus/(Deficit)
(\$millions)**

FY22
279

FY23
424

FY24
285

FY25
291

FY26
419

FY27
388

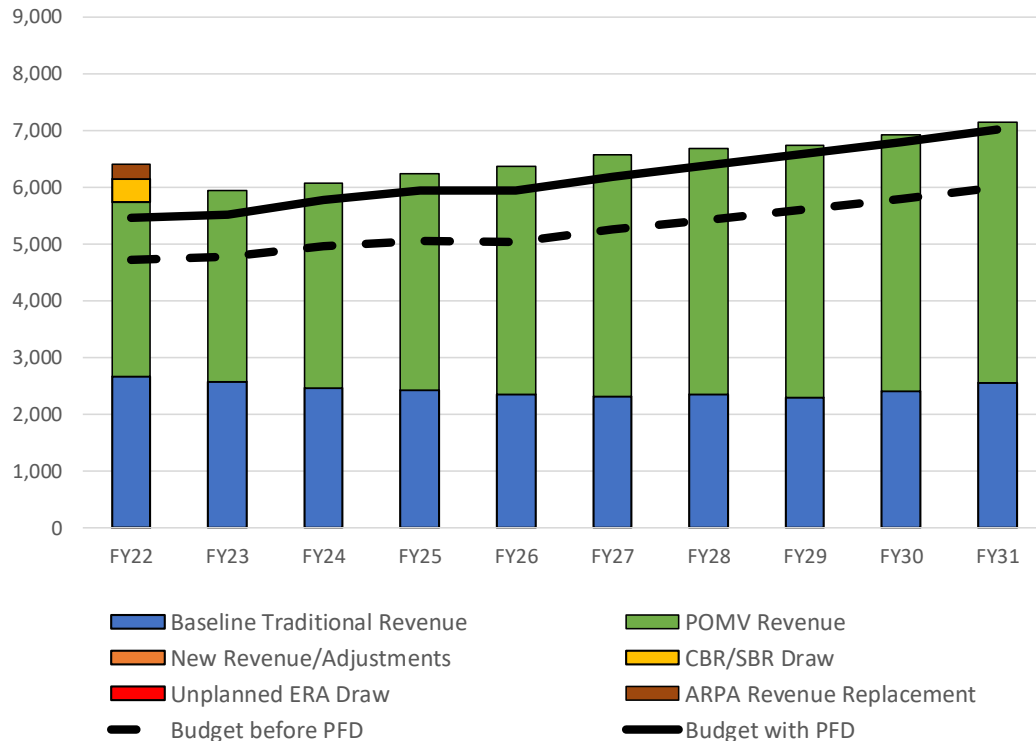
FY28
301

FY29
140

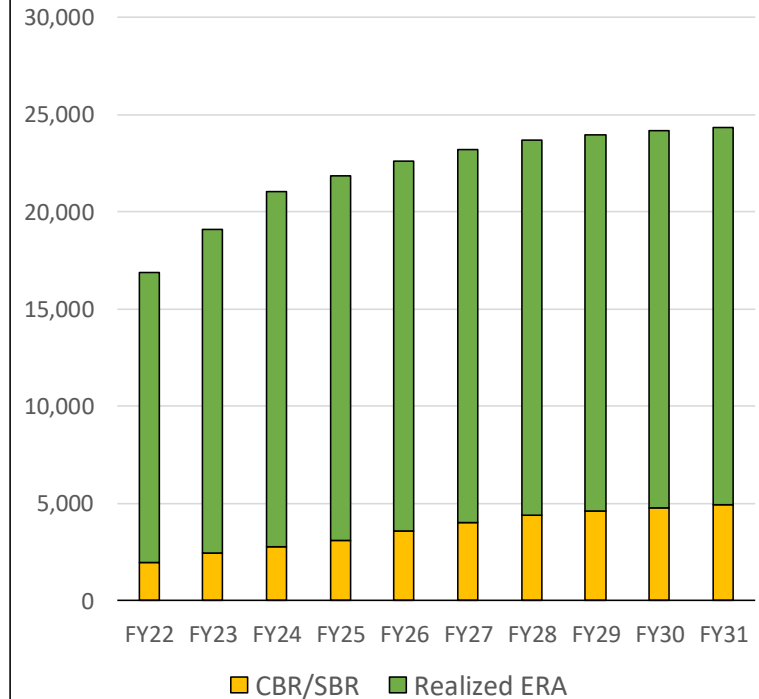
FY30
113

FY31
116

UGF Budget/Revenue (\$millions)



**Budget Reserves
FY-Ending Balance (\$millions)**



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PFD Draw (\$millions)	739	748	818	889	912	934	958	981	1,005	1,030
PFD/Person	\$1,114	\$1,100	\$1,200	\$1,300	\$1,326	\$1,353	\$1,380	\$1,407	\$1,435	\$1,464

SB 199, Trigger Fails

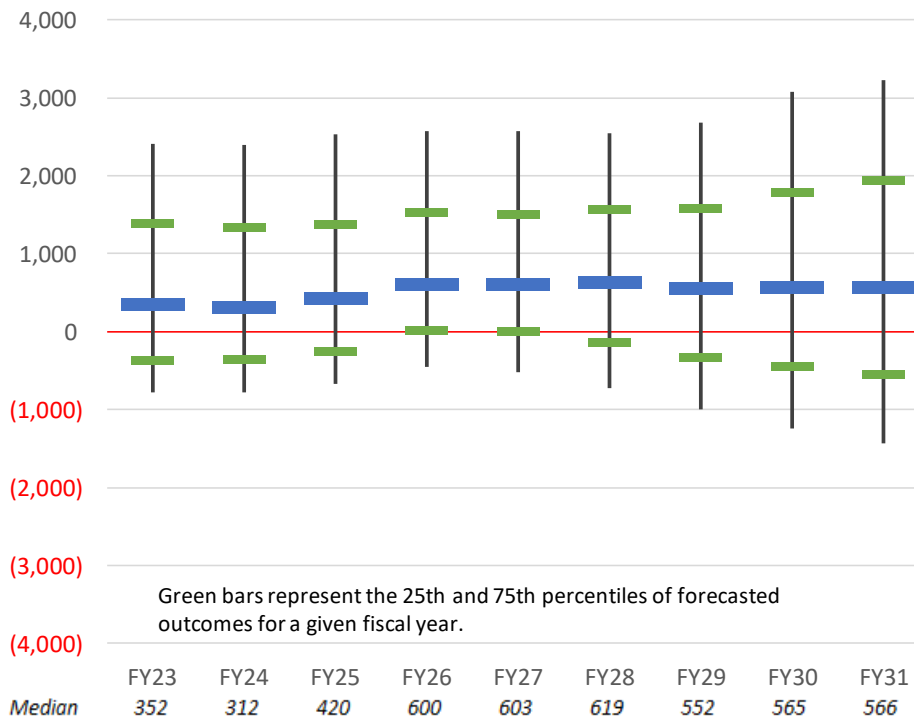
Revenue Stress Test

Median APFC Returns: 6.2% FY23+
Median Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

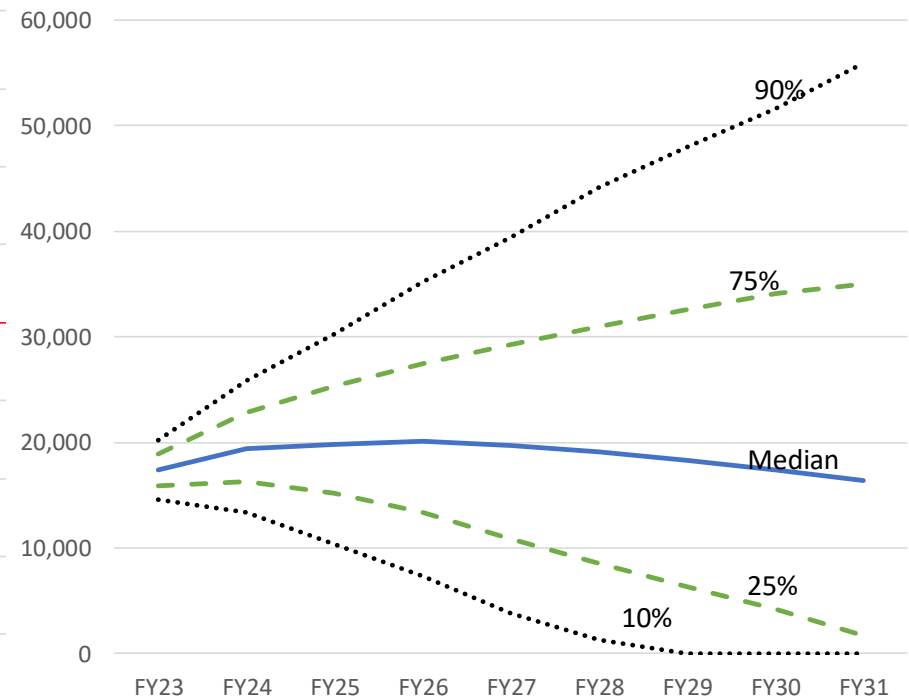
**Median Surplus/Deficit
(\$millions)**

FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
352	312	420	600	603	619	552	565	566

Surplus/(Deficit) by Fiscal Year (\$millions)



**Range of FY-End Realized ERA Balances
(\$millions)**



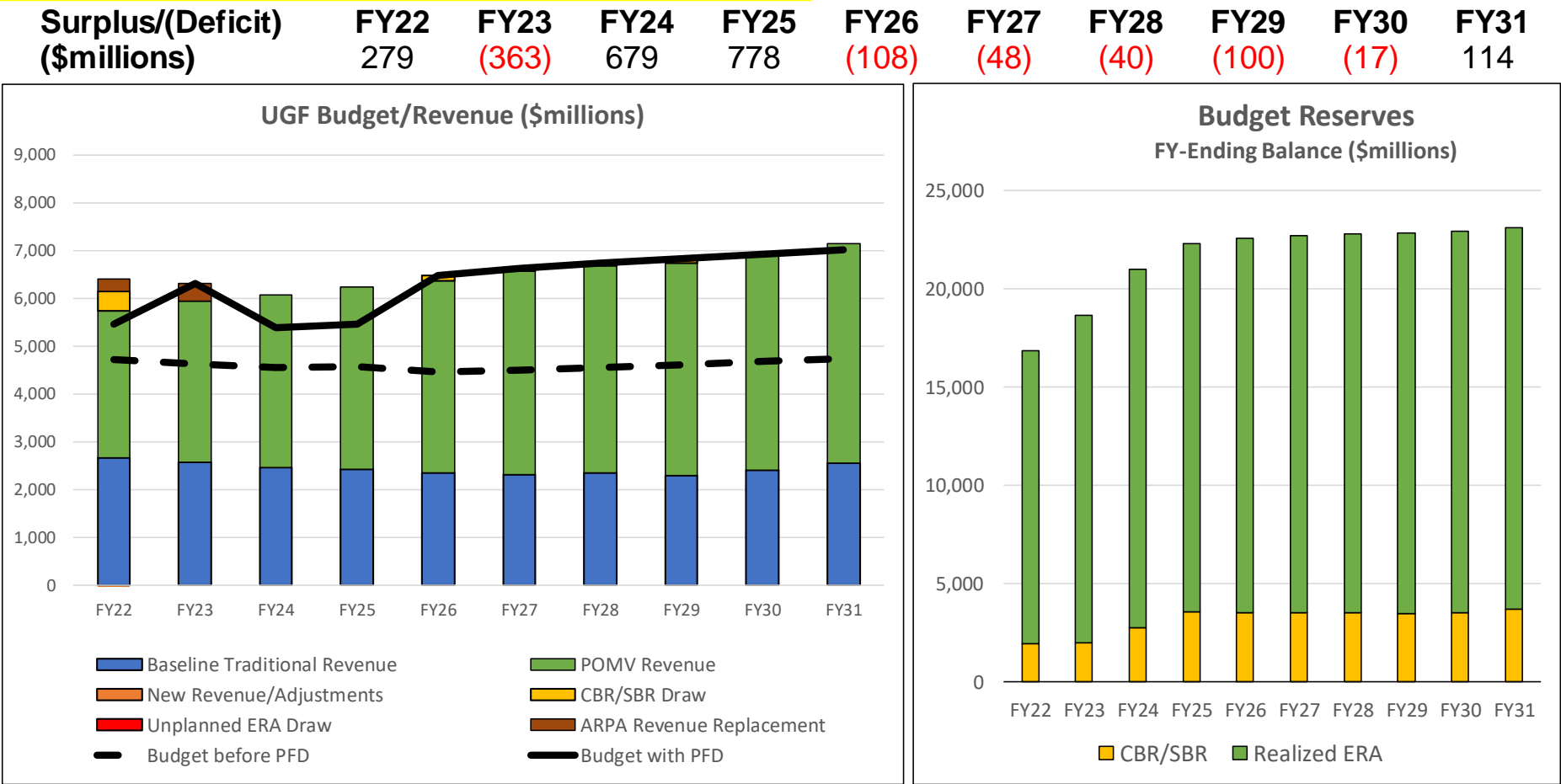
CBR Balance Probabilities

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
CBR below \$2.5 billion	67%	51%	37%	26%	19%	16%	17%	18%	19%
CBR at/below \$500 million	6%	9%	7%	4%	3%	3%	6%	8%	9%

50/50 PFD FY23, \$1,200 PFD FY24, \$1,300 PFD FY25, 50/50 PFD FY26+

Governor's 10-Year Plan Budget Assumptions

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 0% Growth FY24, 1.4% FY25+
Capital: Flat \$154.7m FY23



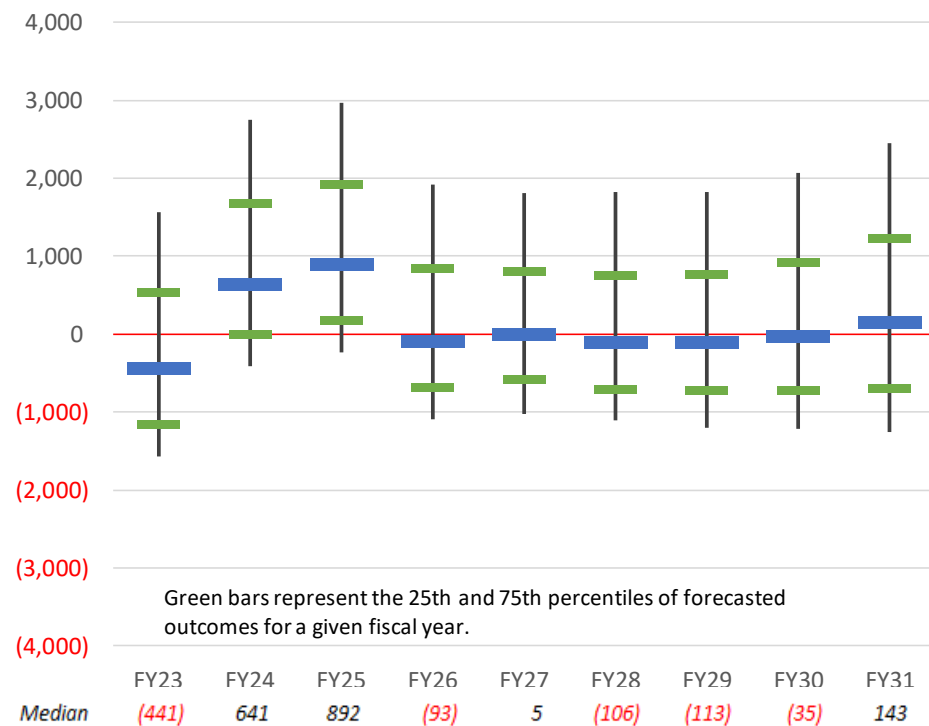
	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PFD Draw (\$millions)	739	1,680	829	889	2,009	2,129	2,173	2,214	2,254	2,292
PFD/Person	\$1,114	\$2,542	\$1,200	\$1,300	\$2,996	\$3,140	\$3,188	\$3,235	\$3,277	\$3,317

50/50 PFD FY23, \$1,200 PFD FY24, \$1,300 PFD FY25, 50/50 PFD FY26+
Governor's 10-Year Plan Budget Assumptions

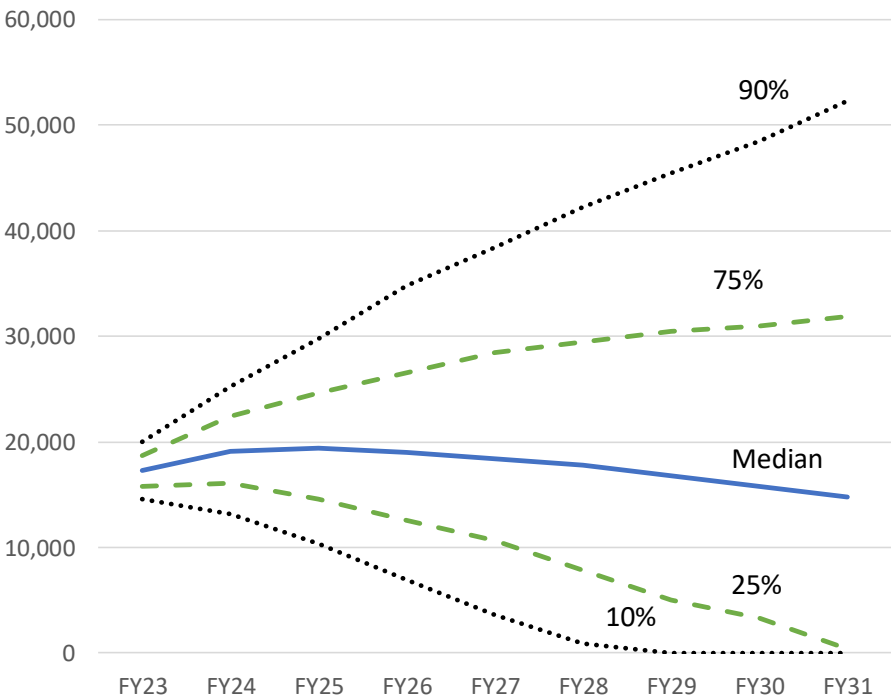
Revenue Stress Test

Median Surplus/Deficit (\$millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	(441)	641	892	(93)	5	(106)	(113)	(35)	143

Surplus/(Deficit) by Fiscal Year (\$millions)



Range of FY-End Realized ERA Balances (\$millions)

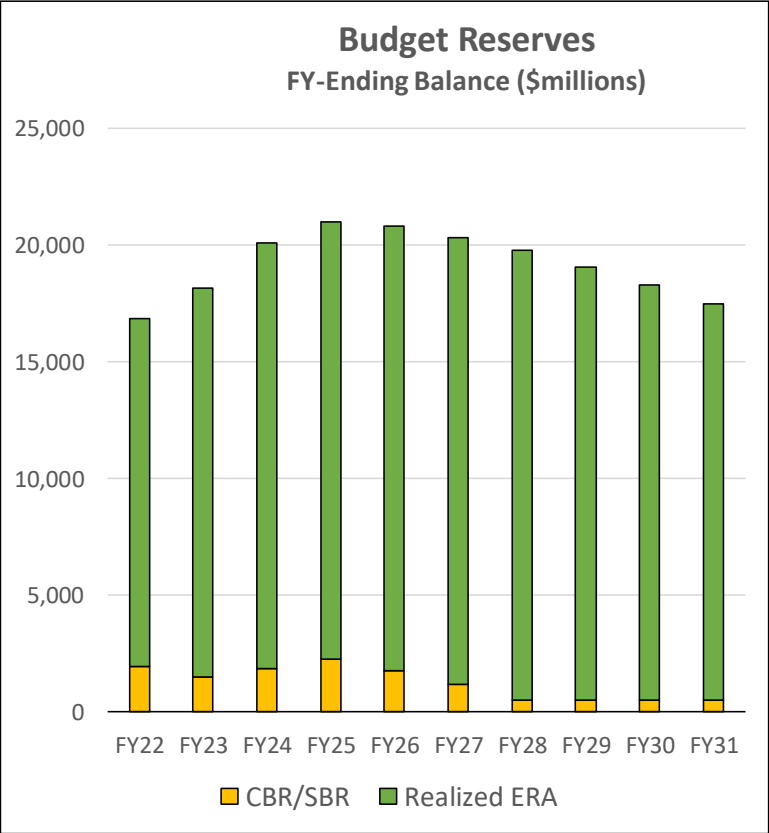
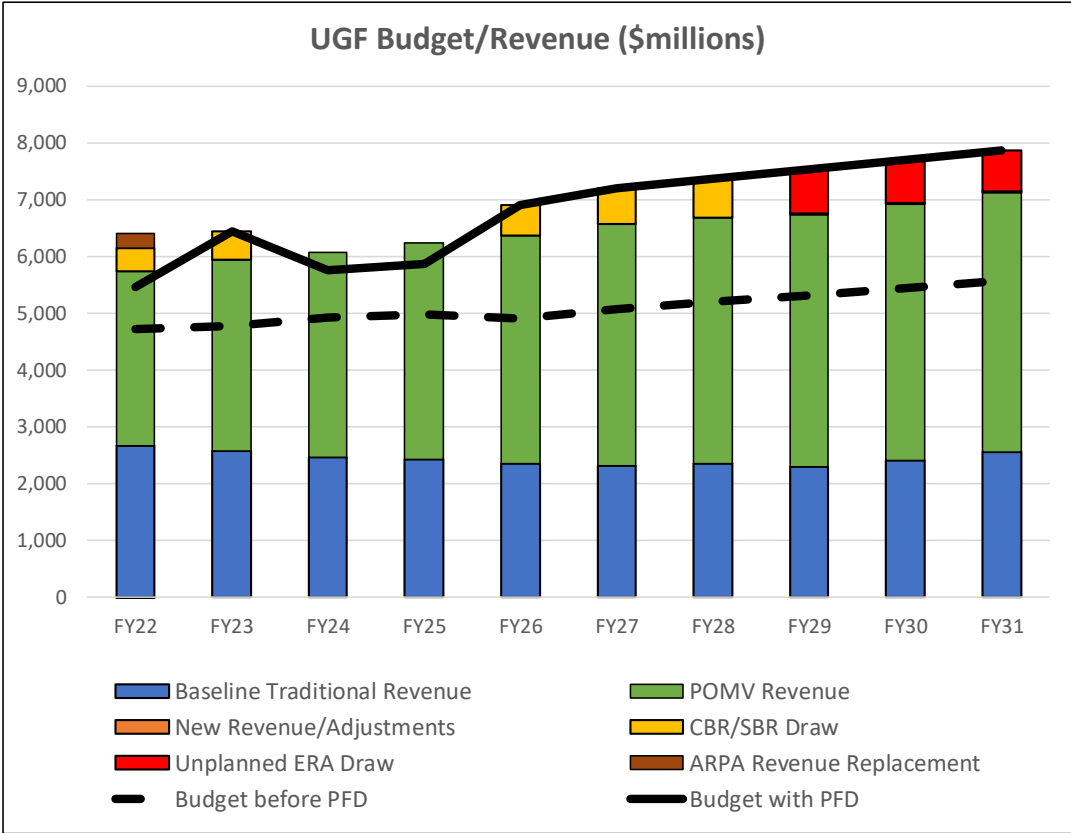


CBR Balance Probabilities	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
CBR below \$2.5 billion	77%	50%	28%	29%	28%	28%	30%	29%	28%
CBR at/below \$500 million	18%	8%	3%	5%	8%	10%	11%	12%	14%

50/50 PFD FY23, \$1,200 PFD FY24, \$1,300 PFD FY25, 50/50 PFD FY26+ SFIN Baseline (2.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

Surplus/(Deficit) (\$millions)	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	279	(509)	314	375	(547)	(625)	(680)	(803)	(786)	(739)

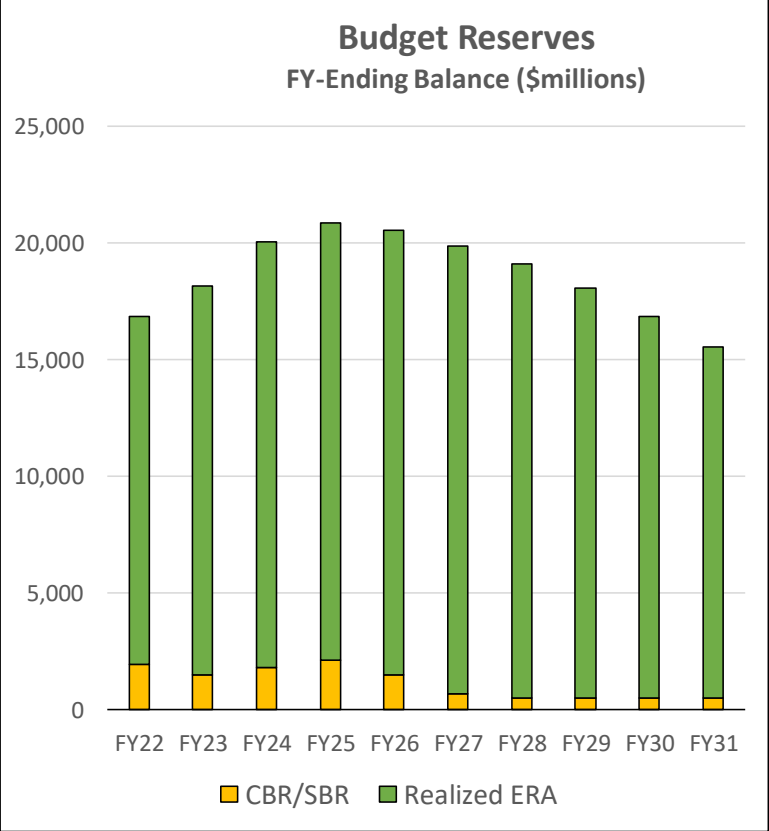
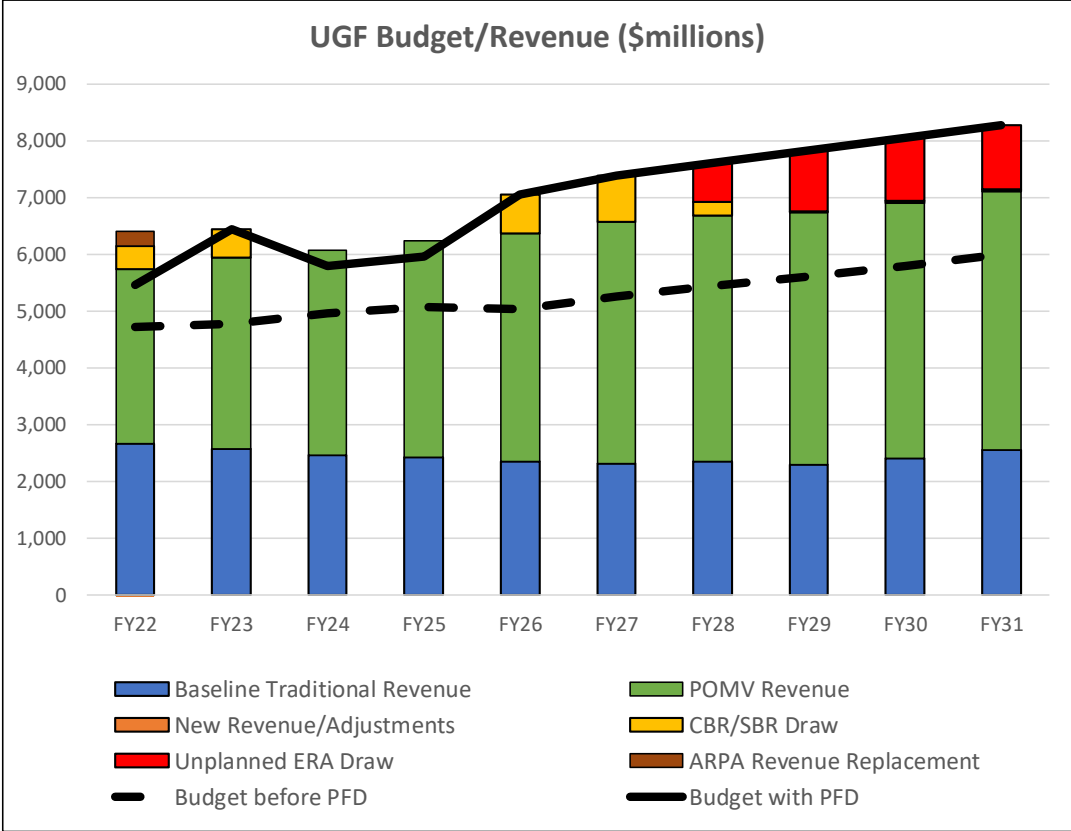


	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.87%	5.84%	5.78%
PFD Draw (\$millions)	739	1,680	829	889	2,009	2,129	2,173	2,214	2,254	2,288
PFD/Person	\$1,114	\$2,542	\$1,200	\$1,300	\$2,996	\$3,140	\$3,188	\$3,235	\$3,277	\$3,312

50/50 PFD FY23, \$1,200 PFD FY24, \$1,300 PFD FY25, 50/50 PFD FY26+ Budget Stress Test (3.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 3.5% Ann. Growth
Capital: \$250m FY23, 3.5% Growth

Surplus/(Deficit) (\$millions)	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	279	(509)	272	289	(680)	(808)	(916)	(1,095)	(1,140)	(1,161)



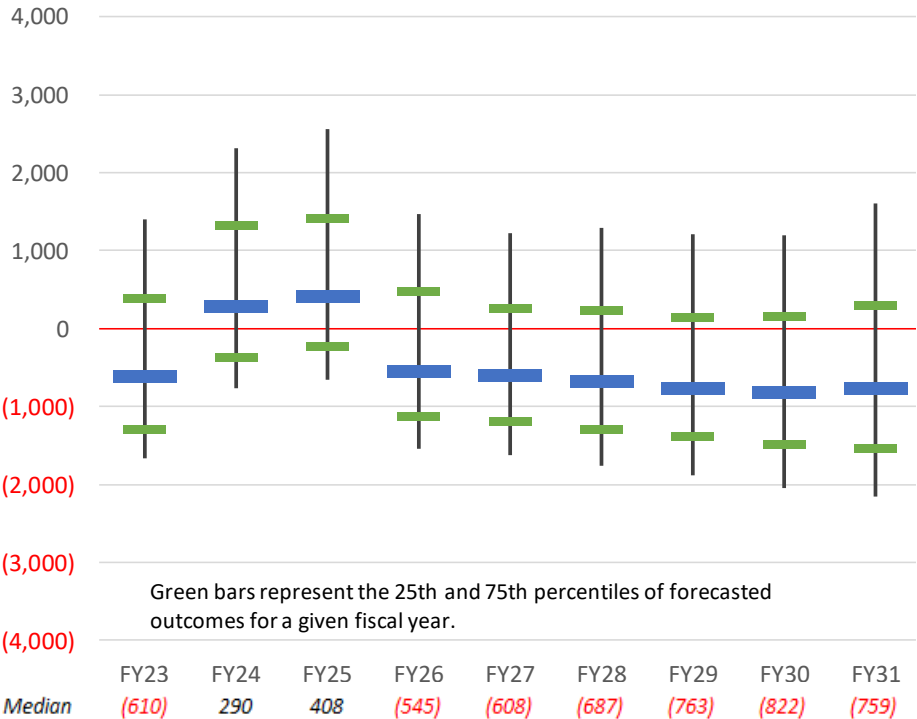
	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.79%	6.21%	6.24%	6.25%
PFD Draw (\$millions)	739	1,680	829	889	2,009	2,129	2,173	2,214	2,251	2,279
PFD/Person	\$1,114	\$2,542	\$1,200	\$1,300	\$2,996	\$3,140	\$3,188	\$3,235	\$3,272	\$3,299

50/50 PFD FY23, \$1,200 PFD FY24, \$1,300 PFD FY25, 50/50 PFD FY26+
SFIN Baseline (2.5% Growth)

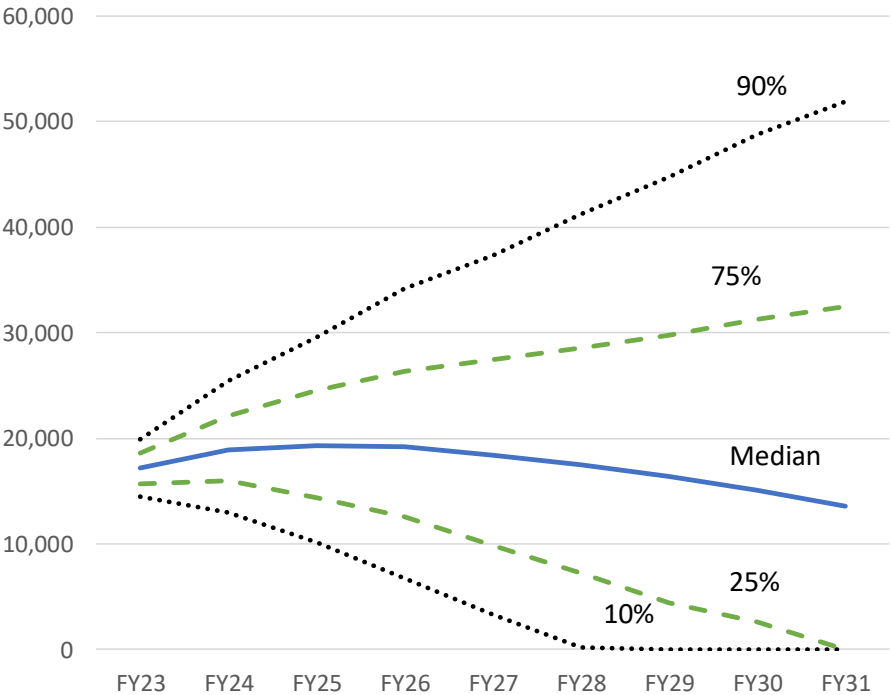
Revenue Stress Test

Median Surplus/Deficit (\$millions)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	(610)	290	408	(545)	(608)	(687)	(763)	(822)	(759)

Surplus/(Deficit) by Fiscal Year (\$millions)



Range of FY-End Realized ERA Balances (\$millions)



CBR Balance Probabilities	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
CBR below \$2.5 billion	85%	69%	51%	54%	58%	61%	62%	65%	65%
CBR at/below \$500 million	39%	22%	11%	21%	28%	34%	40%	43%	45%

Questions?

Contact Information

Alexei Painter
Legislative Fiscal Analyst
(907) 465-5413
Alexei.Painter@akleg.gov

Conor Bell
Fiscal Analyst
(907) 465-3002
Conor.Bell@akleg.gov

Subscribe to email notifications from LFD:
<https://www.legfin.akleg.gov/EmailNotifications/subscribe.php>

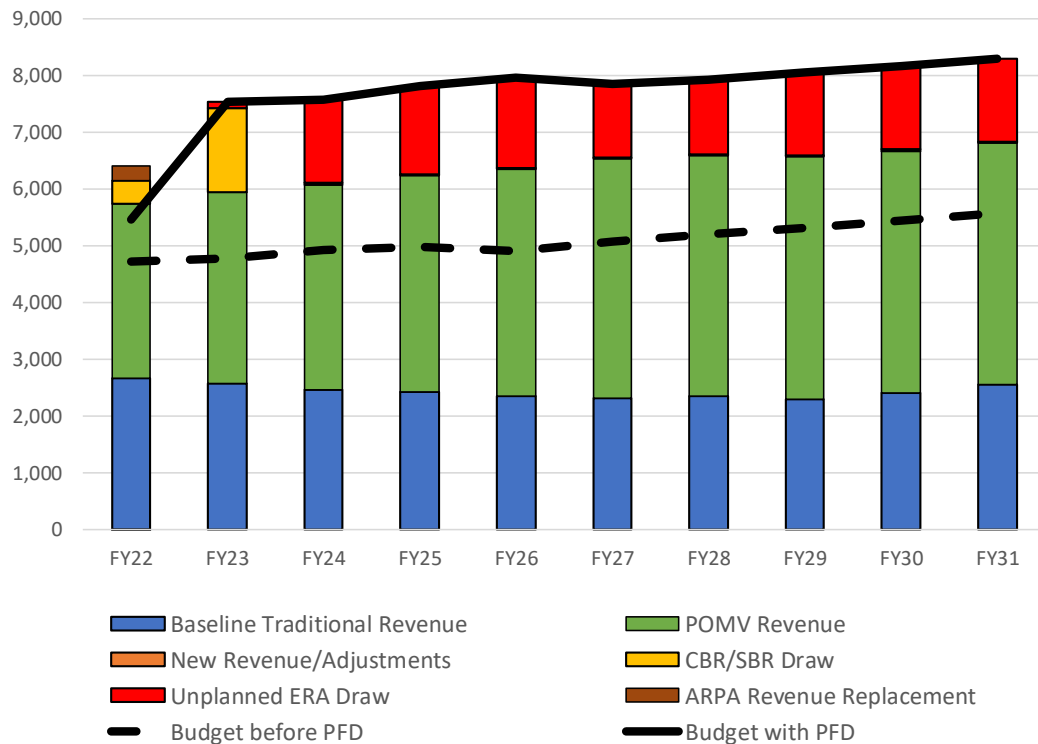
Statutory PFD

SFIN Baseline (2.5% Growth)

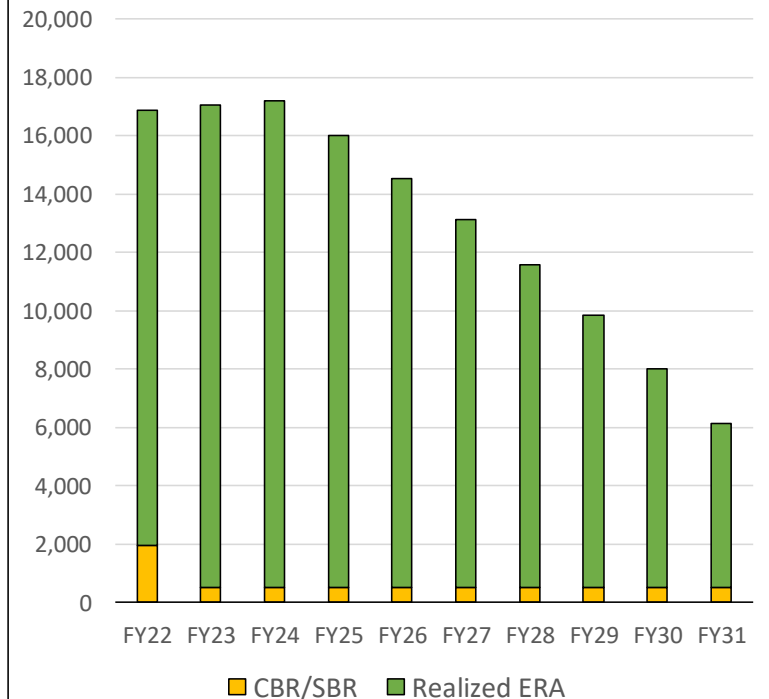
APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

Surplus/(Deficit) (\$millions)	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	279	(1,593)	(1,494)	(1,574)	(1,613)	(1,315)	(1,330)	(1,482)	(1,499)	(1,483)

UGF Budget/Revenue (\$millions)



Budget Reserves
FY-Ending Balance (\$millions)



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.16%	7.03%	7.03%	6.98%	6.53%	6.54%	6.71%	6.73%	6.71%
PFD Draw (\$millions)	739	2,764	2,637	2,837	3,059	2,770	2,723	2,729	2,722	2,712
PFD/Person	\$1,114	\$4,218	\$3,960	\$4,246	\$4,558	\$4,092	\$4,007	\$3,997	\$3,967	\$3,933

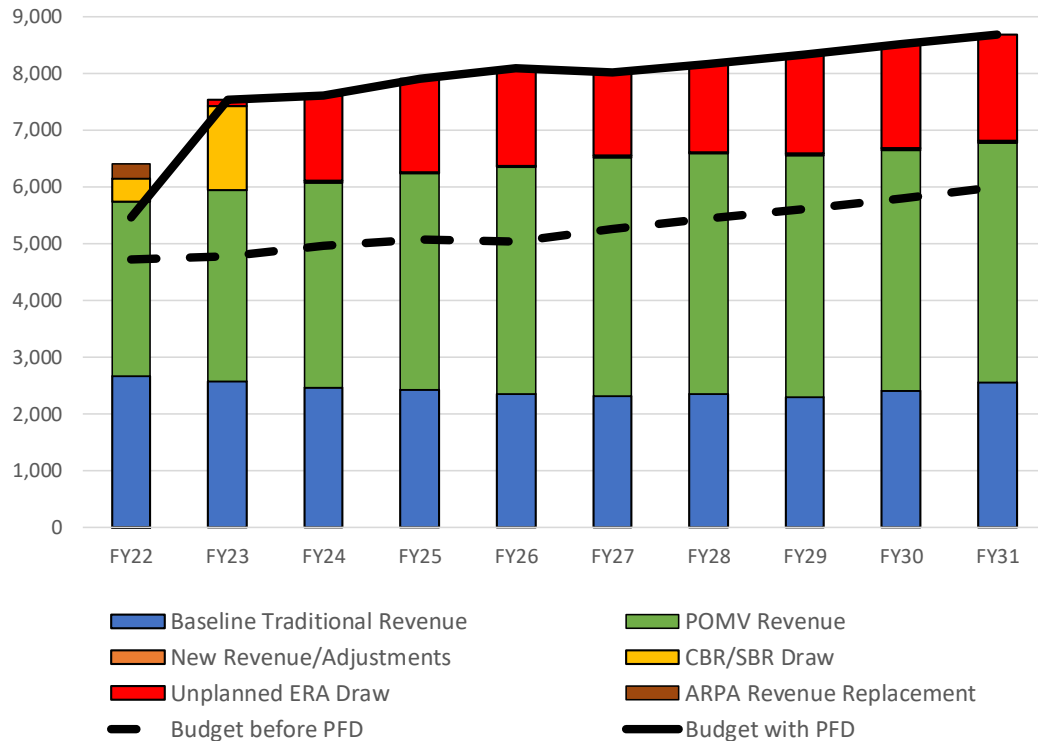
Statutory PFD

Budget Stress Test (3.5% Growth)

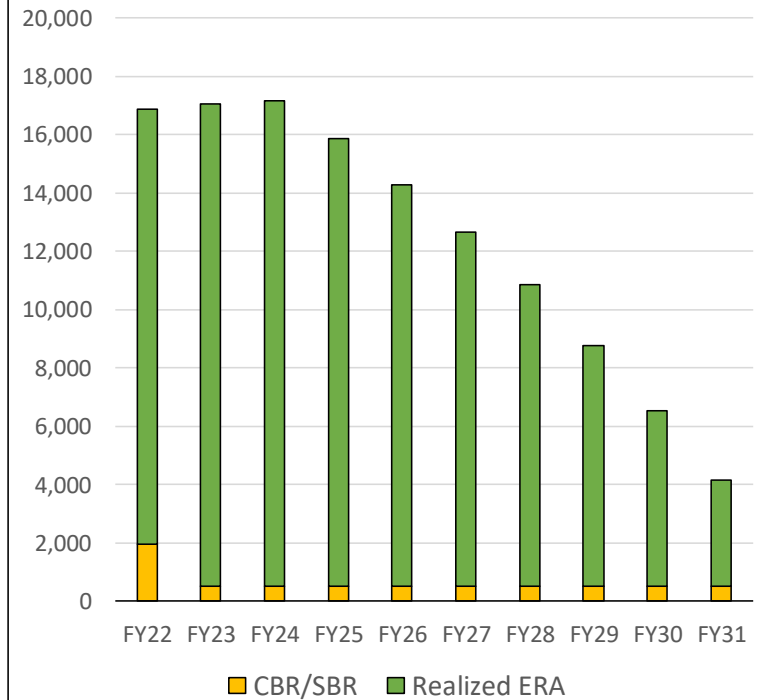
APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 3.5% Ann. Growth
Capital: \$250m FY23, 3.5% Growth

Surplus/(Deficit) (\$millions)	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	279	(1,593)	(1,536)	(1,660)	(1,747)	(1,499)	(1,567)	(1,777)	(1,856)	(1,905)

UGF Budget/Revenue (\$millions)



Budget Reserves
FY-Ending Balance (\$millions)



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.16%	7.09%	7.15%	7.15%	6.75%	6.82%	7.06%	7.16%	7.22%
PFD Draw (\$millions)	739	2,764	2,637	2,837	3,059	2,769	2,720	2,723	2,711	2,693
PFD/Person	\$1,114	\$4,218	\$3,960	\$4,246	\$4,557	\$4,091	\$4,002	\$3,987	\$3,951	\$3,907

Statutory PFD

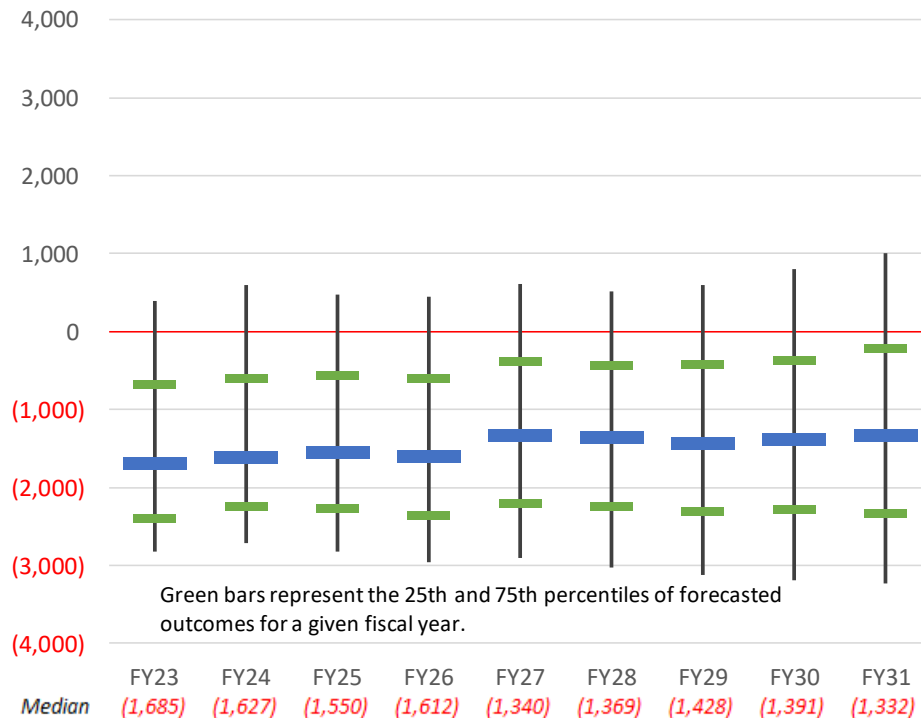
Revenue Stress Test

Median APFC Returns: 6.2% FY23+
Median Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

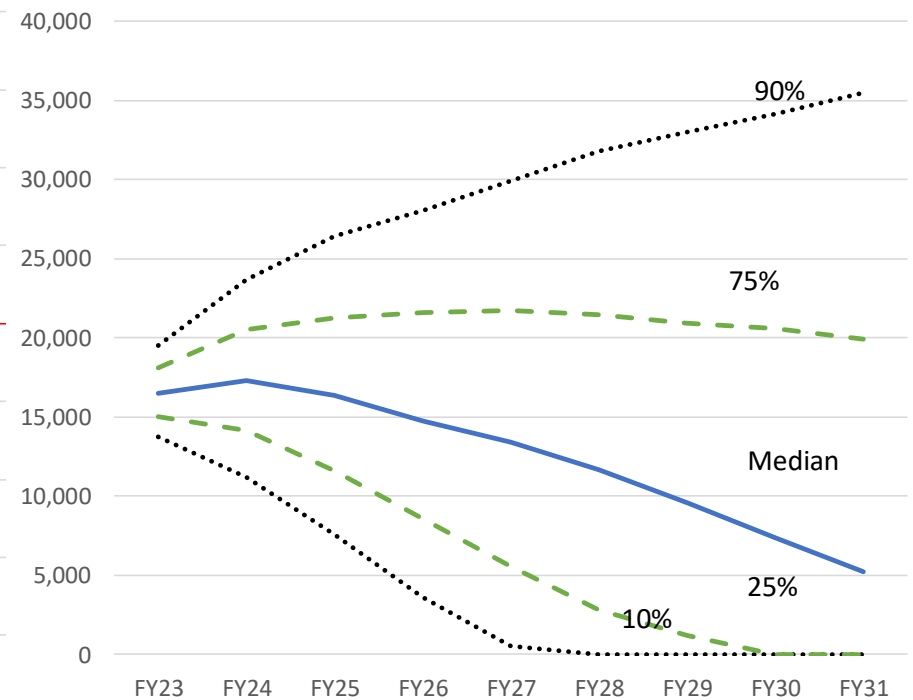
**Median Surplus/Deficit
(\$millions)**

FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
(1,685)	(1,627)	(1,550)	(1,612)	(1,340)	(1,369)	(1,428)	(1,391)	(1,332)

Surplus/(Deficit) by Fiscal Year (\$millions)



**Range of FY-End Realized ERA Balances
(\$millions)**



CBR Balance Probabilities

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
CBR below \$2.5 billion	95%	95%	95%	95%	93%	92%	91%	89%	87%
CBR at/below \$500 million	69%	77%	78%	78%	74%	75%	74%	73%	70%

50/50 PFD

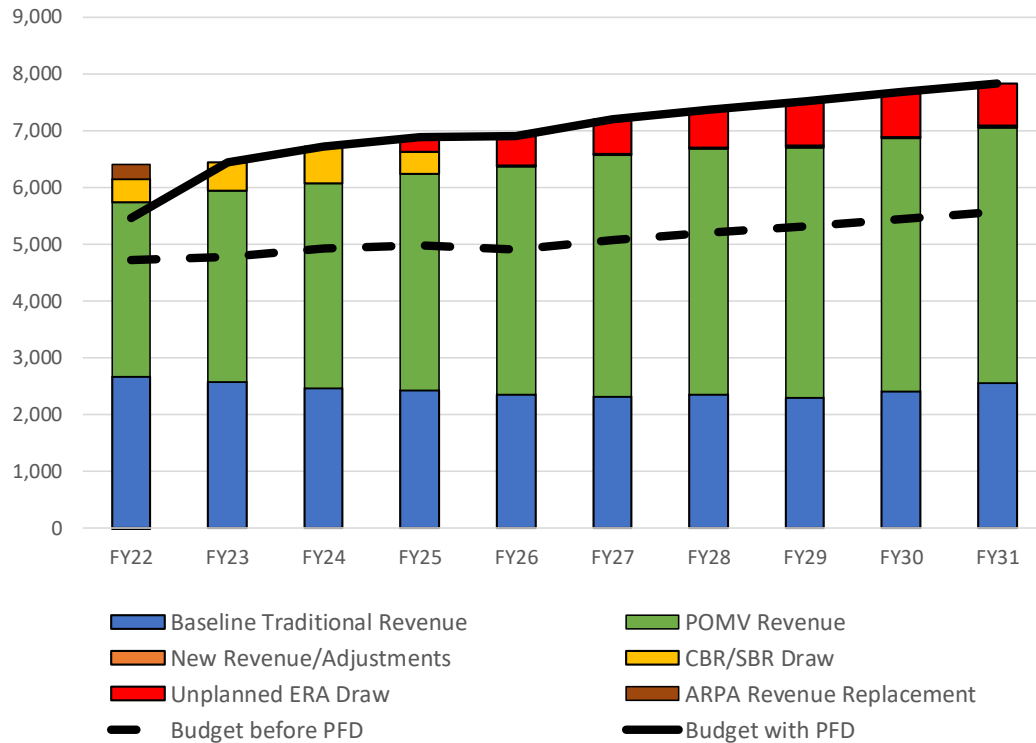
SFIN Baseline (2.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

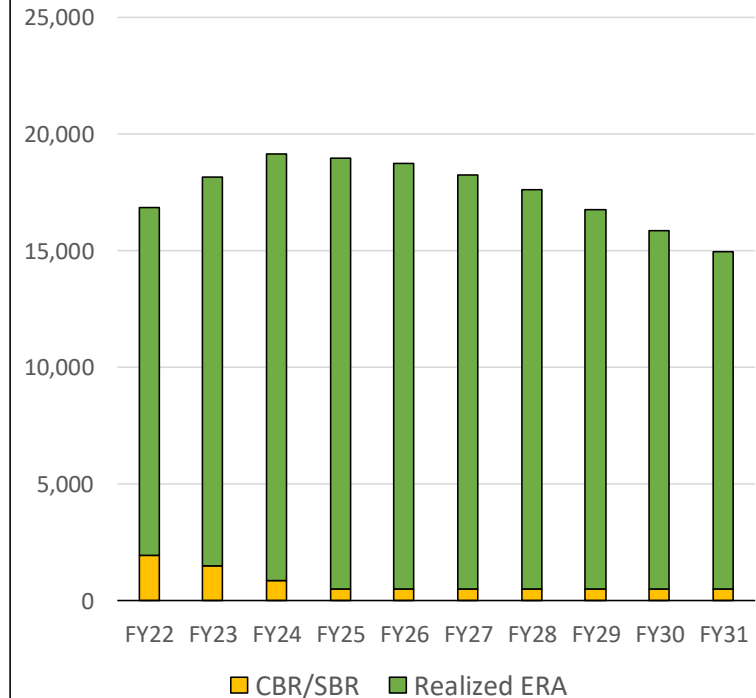
**Surplus/(Deficit)
(\$millions)**

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Surplus/(Deficit) (\$millions)	279	(509)	(658)	(640)	(547)	(626)	(685)	(815)	(809)	(774)

UGF Budget/Revenue (\$millions)



**Budget Reserves
FY-Ending Balance (\$millions)**



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.33%	5.65%	5.71%	5.76%	5.90%	5.88%	5.83%
PFD Draw (\$millions)	739	1,680	1,800	1,904	2,009	2,127	2,167	2,202	2,231	2,253
PFD/Person	\$1,114	\$2,542	\$2,693	\$2,834	\$2,978	\$3,138	\$3,181	\$3,216	\$3,243	\$3,260

50/50 PFD

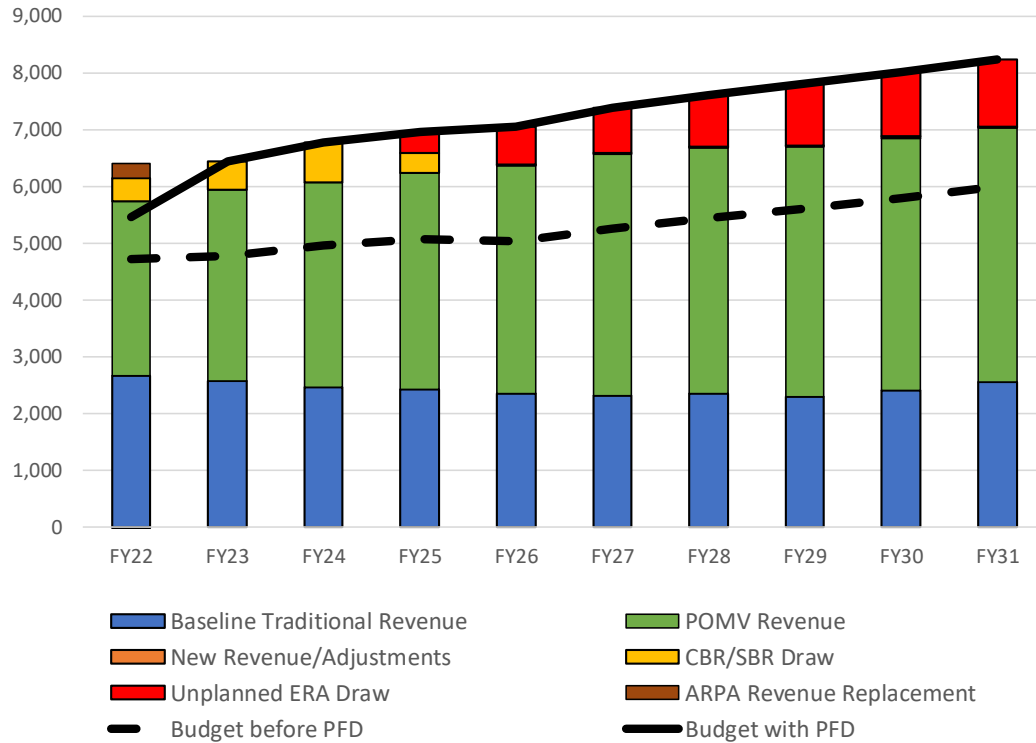
Budget Stress Test (3.5% Growth)

APFC Returns: 6.2% FY23+
Oil Price: DOR Fall FC
Agency Ops: 3.5% Ann. Growth
Capital: \$250m FY23, 3.5% Growth

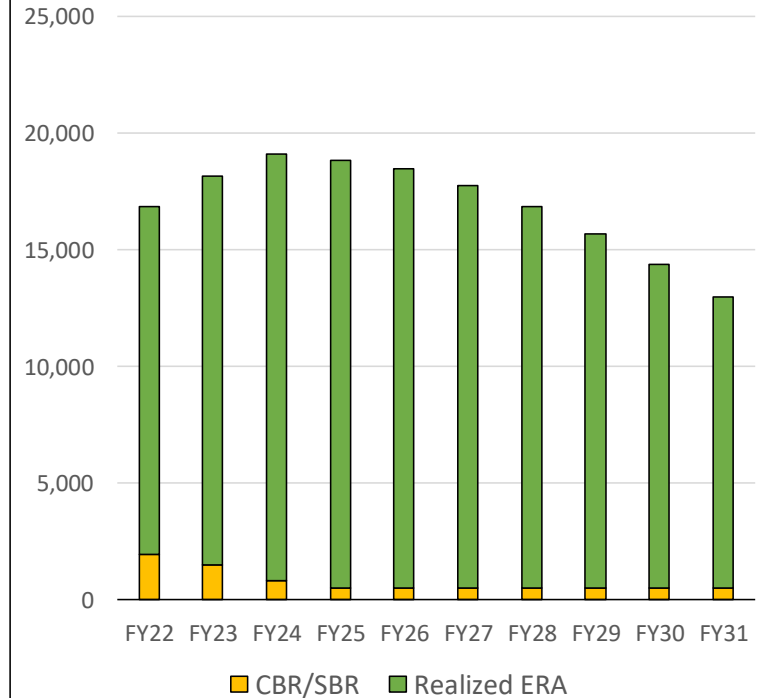
**Surplus/(Deficit)
(\$millions)**

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Surplus/(Deficit)	279	(509)	(700)	(726)	(680)	(810)	(923)	(1,112)	(1,168)	(1,200)

UGF Budget/Revenue (\$millions)



**Budget Reserves
FY-Ending Balance (\$millions)**



	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Effective POMV Rate	5.00%	5.00%	5.00%	5.50%	5.81%	5.92%	6.04%	6.24%	6.29%	6.31%
PFD Draw (\$millions)	739	1,680	1,800	1,904	2,009	2,127	2,165	2,198	2,223	2,240
PFD/Person	\$1,114	\$2,542	\$2,693	\$2,834	\$2,978	\$3,137	\$3,178	\$3,210	\$3,231	\$3,241

50/50 PFD

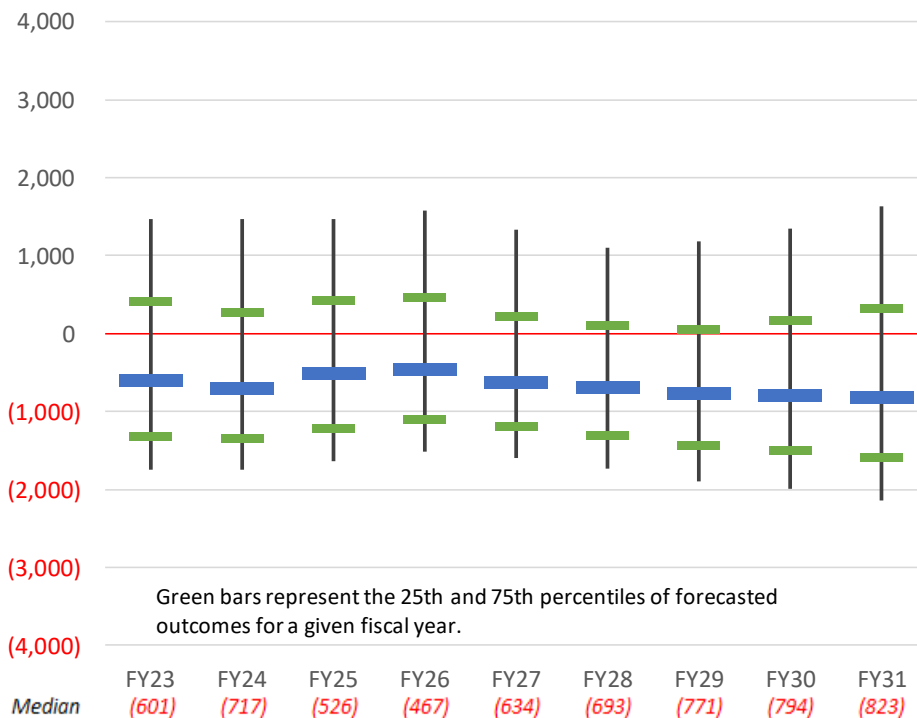
Revenue Stress Test

Median APFC Returns: 6.2% FY23+
Median Oil Price: DOR Fall FC
Agency Ops: 2.5% Ann. Growth
Capital: \$250m FY23, 2.5% Growth

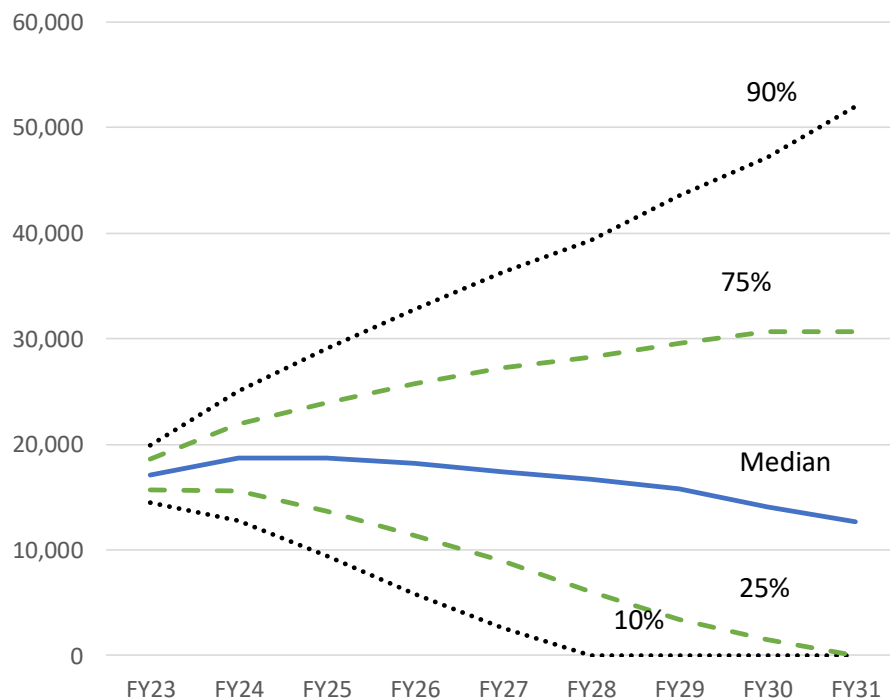
**Median Surplus/Deficit
(\$millions)**

FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
(601)	(717)	(526)	(467)	(634)	(693)	(771)	(794)	(823)

Surplus/(Deficit) by Fiscal Year (\$millions)



**Range of FY-End Realized ERA Balances
(\$millions)**



CBR Balance Probabilities

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
CBR below \$2.5 billion	85%	82%	79%	75%	74%	73%	74%	74%	72%
CBR at/below \$500 million	38%	47%	43%	42%	43%	47%	49%	52%	51%