

2023 Update of Fiscal Plan Working Group Model

Prepared for House Ways and Means Committee

This model is a simplified version of the Legislative Finance Division's fiscal model that allows users to explore potential fiscal plans. The Legislative Finance Division cannot verify whether user-generated scenarios are accurate.

Instructions

The "Summary" tab contains tables and graphs that summarize the scenario generated by the user. Users should list any policy changes made in the "Revenue" and "Budget" tabs in the "Scenario Summary" field.

The "Revenue" tab contains revenue policy options. To select a revenue option, click the appropriate box, adjusting the tax rate if applicable.

Note that this sheet does not include any oil and gas tax options. Revenue changes from those items vary depending on oil prices so we do not have revenue estimates for potential policy changes updated to the current forecast. Estimated amounts can be added in the "custom" revenue field.

In the budget tab, the default agency operations and capital budget is the Governor's FY24 request, per the request of the Ways and Means committee chair. By default, all statewide items are assumed to be funded to statutory levels and the default growth rate is Callan's inflation projection of 2.5%. To change the operating budget starting point, enter the change from the Governor's budget in the "Increase/(Reduction)" field. To change the growth rate, change the default 2.5% to the desired number.

Data Sources

The revenue figures are from the Department of Revenue's Fall 2022 Revenue Sources Book. For simplicity, this model assumes that the 5% Percent of Market Value (POMV) draw from the Permanent Fund is followed. LFD's full fiscal model can generate scenarios with alternative Permanent Fund draw structures. This model also uses DOR's 2022 Fall Revenue Forecast and does not allow varied oil prices or production. LFD's full fiscal model does allow for variations on these items.

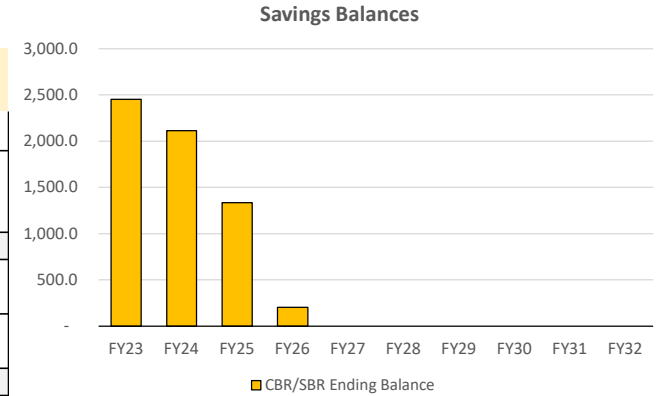
Most revenue estimates in this sheet were provided by the Department of Revenue in 2021 and may not be up-to-date with subsequent changes in the Alaska economy since then. See DOR's August 2021 presentation to the Fiscal Plan Working Group for details regarding those revenue options:
https://www.akleg.gov/basis/get_documents.asp?session=32&docid=57326. Income tax figures are a combination of 2020 DOR estimates and LFD estimates.

Budget data is from the Legislative Finance Division's fiscal summaries of the Governor's budget.

Fiscal Plan Working Group Spreadsheet - 2023 Update

Scenario Summary

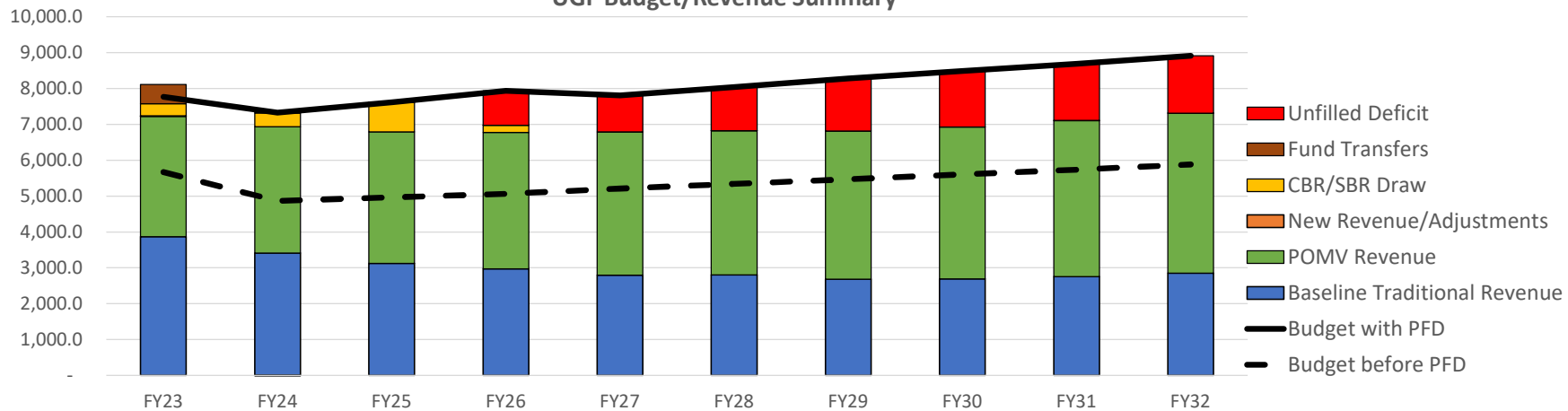
Revenue Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Baseline Traditional Revenue	3,865.2	3,410.1	3,124.4	2,965.3	2,797.7	2,806.1	2,679.9	2,688.9	2,757.1	2,850.5
POMV Revenue	3,360.6	3,526.1	3,664.6	3,810.8	3,988.5	4,021.6	4,131.3	4,239.9	4,349.9	4,462.1
New Revenue/Adjustments	13.7	(0.9)	-	-	-	-	-	-	-	-
Total Revenue	7,239.5	6,935.3	6,789.0	6,776.1	6,786.2	6,827.7	6,811.2	6,928.8	7,107.0	7,312.5
Budget Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Budget Baseline	5,666.8	4,866.9	4,966.9	5,063.8	5,211.6	5,343.2	5,470.3	5,606.6	5,737.1	5,881.5
Scenario Changes	-	-	-	-	-	-	-	-	-	-
Total Budget before PFD	5,666.8	4,866.9	4,966.9	5,063.8	5,211.6	5,343.2	5,470.3	5,606.6	5,737.1	5,881.5
Surplus/(Deficit) before PFD	1,035.5	2,057.5	1,821.8	1,712.0	1,574.3	1,484.1	1,340.6	1,321.9	1,369.5	1,431.0
PFD Appropriation	2,100.4	2,463.7	2,649.5	2,870.6	2,596.2	2,694.8	2,807.8	2,880.8	2,954.9	3,030.7
Per Person	\$ 3,284	\$ 3,790	\$ 4,062	\$ 4,392	\$ 3,948	\$ 4,096	\$ 4,260	\$ 4,361	\$ 4,466	\$ 4,573
Pre-Transfer Surplus/(Deficit)	(527.7)	(395.4)	(827.4)	(1,158.3)	(1,021.6)	(1,210.4)	(1,466.9)	(1,558.6)	(1,585.1)	(1,599.7)
Fund Transfers	537.2	10.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net Savings Deposit/(Draw)	(340.8)	(384.5)	(827.1)	(1,158.0)	(1,021.3)	(1,210.1)	(1,466.6)	(1,558.3)	(1,584.8)	(1,599.4)
CBR/SBR Ending Balance	2,452.4	2,112.9	1,336.5	202.8	-	-	-	-	-	-
Remaining Gap after CBR/SBR	-	-	-	(955.3)	(1,021.3)	(1,210.1)	(1,466.6)	(1,558.3)	(1,584.8)	(1,599.4)



Average Surplus/(Deficit)
(1,202.6)

Cumulative Gap
(9,395.7)

UGF Budget/Revenue Summary



Non-Permanent Fund Revenue Detail

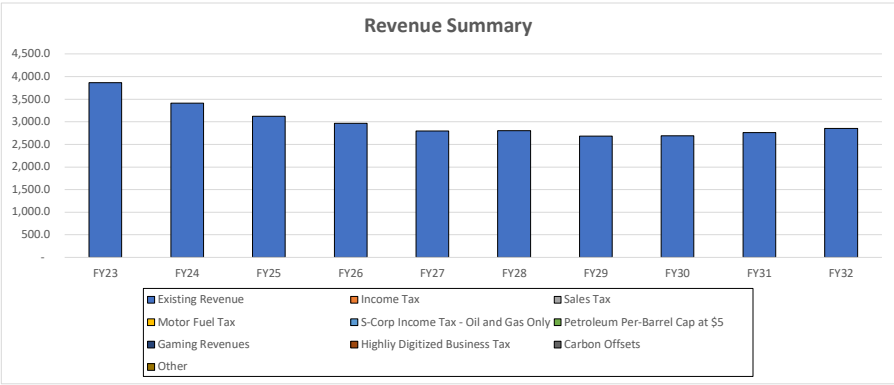
Revenue Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Existing Revenue	3,865.2	3,410.1	3,124.4	2,965.3	2,797.7	2,806.1	2,679.9	2,688.9	2,757.1	2,850.5
Adjustments	13.7	(0.9)	-	-	-	-	-	-	-	-
New Revenue										
Total Revenue (Pre-POMV)	3,878.9	3,409.2	3,124.4	2,965.3	2,797.7	2,806.1	2,679.9	2,688.9	2,757.1	2,850.5
Oil Price Per Barrel	\$ 88.45	\$ 81.00	\$ 77.00	\$ 75.00	\$ 73.00	\$ 72.00	\$ 70.00	\$ 72.00	\$ 74.00	\$ 75.00
Oil Production (mmbbl/day)	491.7	503.7	503.3	498.8	513.6	549.2	536.1	514.3	513.2	543.3

New Revenue Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Income Tax	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-
Motor Fuel Tax	-	-	-	-	-	-	-	-	-	-
S-Corp Income Tax - Oil and Gas Only	-	-	-	-	-	-	-	-	-	-
Petroleum Per-Barrel Cap at \$5	-	-	-	-	-	-	-	-	-	-
Gaming Revenues	-	-	-	-	-	-	-	-	-	-
Highly Digitized Business Tax	-	-	-	-	-	-	-	-	-	-
Carbon Offsets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Income Tax	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
% of Federal Liability	-	-	175.0	350.0	357.0	364.1	371.4	378.9	386.4	394.2
% Flat Tax on AGI	-	-	290.5	581.0	592.6	604.5	616.6	628.9	641.5	654.3
Progressive (2017 House bill)	-	-	344.0	702.0	707.0	712.0	717.0	722.0	727.0	732.0

Sales Tax	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Wyoming style (narrow base)	-	150.0	300.0	300.0	306.0	312.1	318.4	324.7	331.2	337.8
Broader Base	-	125.0	250.0	255.0	260.1	265.3	270.6	276.0	281.5	287.2
South Dakota style (broadest base)	-	160.0	320.0	326.4	332.9	339.6	346.4	353.3	360.4	367.6

Other Taxes	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Motor Fuel Tax	-	-	16.4	32.3	31.8	31.3	30.9	30.4	30.0	29.5
S-Corp Income Tax - Oil and Gas Only	-	67.1	56.4	48.1	47.3	49.7	52.8	56.1	54.3	52.6
Gaming Revenues	-	-	87.8	87.8	152.3	152.3	152.3	152.3	152.3	152.3
Highly Digitized Business Tax	-	36.0	72.0	73.8	75.6	77.5	79.5	81.5	83.5	85.6
Carbon Offsets	-	-	10.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Custom (enter your own)		300.0	500.0	750.0	900.0	900.0	900.0	900.0	900.0	900.0



Pick rates here

10.0%

2.5%

Check to apply revenue source

☒ No Income Tax

☐ % of Federal Liability

☐ % Flat Tax on AGI

☐ Progressive (2017 House bill)

2.0%

1.0%

1.0%

☒ sales tax

☐ Narrow-based sales tax

☐ Broader-based sales tax

☐ Broadest-based sales tax

\$ 0.16

☐ Motor Fuel Tax

☐ S-Corp Tax

☐ Gaming Revenues

☐ Highly Digitized Business Tax

☐ Carbon Offsets

☐ Custom

Budget Detail

Budget Summary

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Agency Operations	4,220.8	4,151.5	4,255.3	4,361.7	4,470.7	4,582.5	4,697.0	4,814.5	4,934.8	5,058.2
Statwide Items	605.8	389.0	378.3	361.8	393.2	405.6	410.6	421.6	423.8	425.5
Capital	735.1	276.4	283.3	290.4	297.7	305.1	312.7	320.5	328.6	336.8
Supplementals	105.1	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Total Budget	5,666.8	4,866.9	4,966.9	5,063.8	5,211.6	5,343.2	5,470.3	5,606.6	5,737.1	5,870.5
Baseline	5,666.8	4,866.9	4,966.9	5,063.8	5,211.6	5,343.2	5,470.3	5,606.6	5,737.1	5,870.5
Budget versus Baseline	-	-	-	-	-	-	-	-	-	-

Agency Operations

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Agency Operations Base (FY24Gov)	4,220.8	4,151.5	4,151.5	4,151.5	4,151.5	4,151.5	4,151.5	4,151.5	4,151.5	4,151.5
Enter Increase/(Reduction)			-	-	-	-	-	-	-	-
Growth Rate			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Change Due to Growth Rate			103.8	210.2	319.2	431.0	545.5	663.0	783.3	906.7
Agency Ops: Scenario	4,220.8	4,151.5	4,255.3	4,361.7	4,470.7	4,582.5	4,697.0	4,814.5	4,934.8	5,058.2
Baseline	4,220.8	4,151.5	4,255.3	4,361.7	4,470.7	4,582.5	4,697.0	4,814.5	4,934.8	5,058.2
Difference	-	-	-	-	-	-	-	-	-	-

Statewide Items

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
School Debt Reimbursement	63.9	53.6	43.0	33.0	35.3	41.1	44.1	49.5	55.1	51.8
Other Debt Service	94.7	94.5	89.4	88.4	89.1	88.1	83.4	80.6	68.2	67.7
Oil and Gas Tax Credits	281.0	42.7	-	-	-	-	-	-	-	-
State Assistance to Retirement	129.6	140.3	189.5	186.6	214.1	219.3	224.7	230.9	237.5	244.4
Community Assistance	-	30.0	27.2	28.8	28.8	28.8	28.8	28.8	28.8	28.8
Disaster Relief Fund	-	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
REAA Fund	32.8	27.9	24.1	20.0	20.9	23.3	24.6	26.8	29.1	27.8
Other	3.8	-	-	-	-	-	-	-	-	-
Statewide Items: Scenario	605.8	389.0	378.3	361.8	393.2	405.6	410.6	421.6	423.8	425.5
Baseline	605.8	389.0	378.3	361.8	393.2	405.6	410.6	421.6	423.8	425.5
Difference	-	-	-	-	-	-	-	-	-	-

Note: School Debt Reimbursement is partially funded with non-UGF from the School Fund but only the UGF amount is shown. Pro-rating is done on the entire amount.

Capital Budget

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Capital Budget (FY24 Gov as Base)	735.1	276.4	276.4	276.4	276.4	276.4	276.4	276.4	276.4	276.4
Dollar Change										
Growth Rate		0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Change Due to Growth Rate	-	-	6.9	7.1	7.3	7.4	7.6	7.8	8.0	8.2
Capital Budget: Scenario	735.1	276.4	283.3	290.4	297.7	305.1	312.7	320.5	328.6	336.8
Baseline	735.1	276.4	283.3	290.4	297.7	305.1	312.7	320.5	328.6	336.8
Difference	-	-	-	-	-	-	-	-	-	-

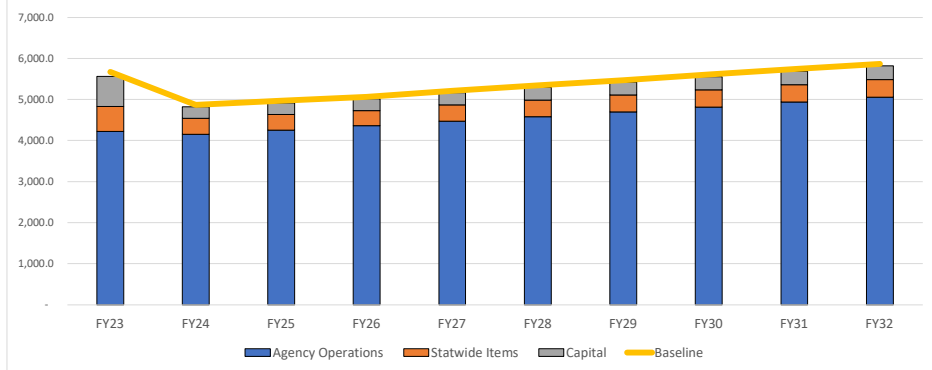
Permanent Fund Dividend

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Enter Rates Here
% of Statutory Net Income	-	2,463.7	2,649.5	2,870.6	2,596.2	2,694.8	2,807.8	2,880.8	2,954.9	3,030.7	50%
% of POMV Draw	1,680.3	-	-	-	-	-	-	-	-	-	0%
Fixed Dollar Amount	-	-	-	-	-	-	-	-	-	-	\$ -
Custom	420.1	-	-	-	-	-	-	-	-	-	-
Total PFD Appropriation	2,100.4	2,463.7	2,649.5	2,870.6	2,596.2	2,694.8	2,807.8	2,880.8	2,954.9	3,030.7	
PFD Per Capita	\$ 3,284	\$ 3,790	\$ 4,062	\$ 4,392	\$ 3,948	\$ 4,096	\$ 4,260	\$ 4,361	\$ 4,466	\$ 4,573	

Fund Transfers

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
ARPA Revenue Replacement	186.6	10.6	-	-	-	-	-	-	-	-
Other Fund Transfers	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3

Budget Summary



Retirement Options

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Normal HC Contrib	140.3	189.5	186.6	214.1	219.3	224.7	230.9	237.5	244.4
No Normal HC Contrib	140.3	145.6	147.7	179.6	189.0	198.3	207.9	217.8	227.7