

SENATE FINANCE COMMITTEE
January 18, 2024
9:02 a.m.

[9:02:55 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Jesse Kiehl
Senator Kelly Merrick
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Adam Crum, Commissioner, Department of Revenue; Dan Stickel, Chief Economist, Department of Revenue.

SUMMARY

PRESENTATION: REVENUE FORECAST

Co-Chair Stedman commented that the committee would have a discussion and consider a presentation on the revenue forecast by the Department of Revenue. He remarked that the presentation would consider economics and expenditures that had changed.

^PRESENTATION: REVENUE FORECAST

[9:04:02 AM](#)

ADAM CRUM, COMMISSIONER, DEPARTMENT OF REVENUE, relayed that he would share the fall forecast presentation of

revenues coming into the state. He noted that Mr. Dan Stickel, the Chief Economist for the department would be presenting the forecast. He introduced Acting Tax Director Brandon Spanos, who had extensive experience with the tax division as well as the Internal Revenue Service.

Co-Chair Stedman asked Mr. Stickel to include discussion on the per-barrel credit and the Willow Project.

[9:05:15 AM](#)

DAN STICKEL, CHIEF ECONOMIST, DEPARTMENT OF REVENUE, explained that the department had a white paper and presentation pertaining to the Willow Project, created the previous year and based on the spring forecast and was available on the department's website. He relayed that he department was in the process of updating the paper with the fall forecast information, and would be happy to return for a more in-depth discussion at a later date.

Mr. Stickel discussed a presentation entitled "Fall 2023 Forecast Presentation - Senate Finance Committee" (copy on file). He reviewed slide 2, "Agenda":

1. Forecast Background and Key Assumptions
2. Fall 2023 Revenue Forecast
 - Total State Revenue
 - Unrestricted Revenue
3. Petroleum Forecast Assumptions Detail
 - Oil Price
 - Oil Production
 - Oil and Gas Lease Expenditures
 - Oil and Gas Transportation Costs
 - Oil and Gas Credits

Mr. Stickel showed slide 3, "Forecast Background and Key Assumptions."

Mr. Stickel referenced slide 4, "Background: Fall Revenue Forecast":

1. Historical, current, and estimated future state revenue
2. Updates key data from Fall Revenue Sources Book
3. Official revenue forecast used for final budget process
4. Located at tax.alaska.gov

Mr. Stickel noted that the fall revenue forecast was published in mid-December in the Revenue Sources Book (RSB), which was the forecast that formed the basis for the governor's budget proposal. The department also completed a spring update to the forecast that typically came out in March or early April, which would contain a updated set of revenue forecast assumptions to aid in final budget decisions. He noted that the RSB did fill a statutory requirement that the governor provide a revenue forecast as well as a forecast to underline the ten-year plan, which came out of the Office of Management and Budget (OMB). He noted that all the revenue forecast going back for decades could be found on the website tax.alaska.gov.

Mr. Stickel turned to slide 5, "Fall Forecast Assumptions":

- The economic impacts of financial and geopolitical events are uncertain; DOR has developed a plausible scenario to forecast these impacts.
- Key Assumptions:
 - o Investments: Stable growth in investment markets, 7.45 percent for FY 2024 and 7.20 percent for FY 2025+.
 - o Federal: The forecast incorporates stimulus funding as of December 1, 2023, includes updated estimates of potential IIJA funding.
 - o Petroleum: Alaska North Slope oil price of \$82.39 per barrel for FY 2024 and \$76.00 per barrel for FY 2025.
 - o Non-Petroleum: Continued economic growth. 100 percent of capacity assumption for 2024 cruise season, three-year recovery for fishing industry, minerals prices based on futures markets.

Mr. Stickel reminded the committee that the forecast was one discreet scenario within a range of potential outcomes, and always subject to potential uncertainty. The slide outlined the key assumptions that were included in the fall revenue forecast. He explained that the 2024 forecast of investments used actual data through the end of October, plus the 7.45 percent for the remainder of the fiscal year. He noted that returns through the end of October had been very poor but returns in the months of November and December had been very strong. If the investment forecast was done currently there would be a more robust investment revenue for 2024 in particular.

Mr. Stickel noted that the forecast had followed the futures market projections for the oil price forecast, with prices decreasing over the next few years then stabilizing around \$70/bbl by the end of the forecast period. He noted that the cruise ships and tourism forecast was based on 1.64 million annual visitors, similar to the previous year's record levels. He commented that 2023 was a poor year for the fisheries values and prices, and there was an assumption of a three-year recovery period for the industry. For the mining industry, the forecasts price outlook was based on futures market projections.

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Mr. Stickel considered slide 6, "Relative Contributions to Total State Revenue: FY 2023," which showed a graphic depiction of the relative value of various state revenue sources for FY 23. He pointed out the three primary sources of state revenue as federal, investment, and petroleum. // He noted that Alaska did not have a statewide sales or income tax at the personal level. He noted that while they were relatively small, the industries outside three primary revenue drivers were important to the economy of the state and added up to 7.4 percent of total state revenue for 2023

Mr. Stickel displayed slide 7, "Relative Contributions to Total State Revenue: FY 2024," which showed a similar depiction as the previous slide but for revenues for FY 24. He cited the top three revenue sources, which were collectively estimated to provide a little over 89 percent of total state revenue. He commented that federal revenue was always significant, but was expected to be nearly half of all state revenue in FY 24 with the inclusion of various spending packages. All other revenue sources were at a little over 10 percent.

Mr. Stickel showed slide 8, "Fall 2023 Revenue Forecast."

Mr. Stickel looked at slide 9, "Unrestricted Revenue Forecast: FY 2023 and Changes to Two-Year Outlook," which showed a table that summarized some of the key changes to the unrestricted revenue forecast. He noted that the oil price forecast for Alaska North Slope (ANS) oil had increased by \$9.39/bbl for FY 24 and by \$6/bbl for FY 25. The increases reflected updates to the futures market and the most recent market activity. He noted a small decrease to the Permanent Fund Transfer for the FY 25 forecast based

on the final performance for FY 23. The transfer for FY 25 as a known number for budget purposes. He pointed out an increase of \$228 million for the FY 24 forecast, and an increase of \$87 million for the FY 25 forecast. The higher oil price was the primary reason for the increases, slightly offset by lower oil production and higher company spending.

Mr. Stickel addressed slide 10, "Total Revenue Forecast: FY 2023 to FY 2025 Totals," which showed a table with total state revenue with all sources for FY 23 and revenue forecast for FY 24 and FY 25. He noted that in the forecast in the budget, revenues were broken down into four categories of restriction. Unrestricted General Fund (UGF) revenues could be appropriated by the legislature for any purpose and were often the focus of budget and revenue discussions. He explained that Designated General Funds (DGF) were revenues technically available for appropriation, but were customarily appropriated for a specific purpose. He used the example of Alcohol Tax revenue, which were customarily appropriated for drug and alcohol treatment and prevention programs. He mentioned other restricted revenues, which were dedicated in some way and not available for appropriation. All federal revenues were considered restricted revenues used for specific purposes.

Mr. Stickel pointed out that for FY 23, total state revenue from all sources was \$15.5 billion. There was a forecast \$12 billion for FY 24, and \$15.6 billion for FY 25. The UGF portion was \$7 billion for FY 23, and there was a forecast of \$6.5 billion for FY 24 and \$6.3 billion for FY 25.

Mr. Stickel addressed the investment revenues for FY 24, which showed some fairly large declines, particularly in the DGF and other restricted categories. He noted that the forecasts used actual returns through the end of October, which showed some negative returns. If the forecasts were updated based on the most recent information, there would be a much more robust picture for FY 24.

[9:16:21 AM](#)

Co-Chair Hoffman noted that the legislature had passed legislation limiting the draw of Unrestricted General Funds from the earnings of the Permanent Fund to five percent. He asked how \$3.5 billion related to the legislation.

Mr. Stickel noted that a later slide would address Co-Chair Hoffman's question.

Mr. Stickel advanced to slide 11, "Unrestricted Revenue Forecast: FY 2023 to FY 2025 Totals," which showed a table. He noted that investment revenue was one of the two largest sources of unrestricted revenue, estimated to contribute \$3.6 billion in FY 24 and \$37 in FY 25. Petroleum revenue generated \$3.1 billion of unrestricted revenue in FY 23 and there was a forecast of \$2.4 billion in FY 24 and \$2.1 billion in FY 25. The various non-petroleum revenue sources were expected to contribute about \$455 million in unrestricted revenue in FY 24 and \$485 million in FY 25. He noted that the following few slides would address the three categories in more detail.

Mr. Stickel looked at slide 12, "Unrestricted Investment Revenue: FY 2023 to FY 2025 Totals," which showed a table. He pointed out that the Permanent Fund transfer alone was expected to account for between 49 and 62 percent of the state's unrestricted revenue over the ten-year forecast. It contributed \$3.4 billion in FY 23 and was estimated to contribute \$3.5 billion in FY 24 and \$3.7 billion in FY 25. There was a small amount of other unrestricted general fund revenue, which was primarily earnings on the General Fund cash balances, which contributed about \$98 million in FY 23 and was forecast to contribute slightly lower amounts in FY 24 and FY 25. The UGF revenue on the table represented the trailing market value 5 percent of the Permanent Fund's value, which was a "pretty stable" revenue source. Any earnings above or below the fund was shown as restricted revenue, and could be more volatile from one year to the next.

Co-Chair Hoffman thought Mr. Stickel had made an important point, and thought it would be good to have the five-year calculation as a slide for the public to understand.

[9:20:05 AM](#)

Mr. Stickel showed slide 13, "Unrestricted Investment Revenue: Percent of Market Value (POMV) Transfer Forecast":

- Permanent Fund total return for FY 2023 of 5.18 percent.

- The statutory POMV rate changed to 5 percent beginning FY 2022.
 - For FY 2019 - FY 2021 this rate was 5.25 percent.
 - Forecast assumes Permanent Fund's long-term total return expectation of 7.20 percent for FY 2025+; 7.45 percent for FY 2024.
 - Differing Permanent Fund returns and petroleum deposits could significantly alter actual POMV amounts.

Mr. Stickel noted that there was a forecast for the percent of market value (POMV) transfer for the following ten years. The official forecast expected the transfer to be fairly stable at around \$3.5 billion per year. The slide was based on real 2024 dollars, and in nominal terms the draw would increase to about 4.4 billion by the end of the forecast period. He reiterated that the forecasts used actual revenue at the end of October in the official forecast calculation, and if it were to be updated with more current information the transfer would be a little higher. The graph on the slide showed a high case and low case that represented a tenth percentile probability of how high or low the transfer could be if investment markets were to over or under perform from the official forecast.

Senator Kiehl referenced the low case on the POMV transfer graph on the slide. He recalled the previous year the Alaska Permanent Fund Corporation (APFC) was in committee and shared concerns about some scenarios where the Earnings Reserve Account (ERA) ran short. He thought that APFC had referenced the scenario with a likelihood of over 10 percent. He asked Mr. Stickel to address the department's risk assessment.

Mr. Stickel explained that the slide was developed with the assumption that the ERA would be able to pay out the POMV every year. The department was not considering any potential ERA failure on the slide.

Commissioner Crum followed up to say that part of APFC's initial concern regarding the ERA balance had to do with POMV draw distribution in future years, along with inflation-proofing. He recalled that APFC had considered a low, mid, and high case risk assessment.

Senator Kiehl interpreted that DOR was assuming that if the low case were to materialize, the state would pause inflation-proofing and there would be a 10 percent chance it would be okay.

Commissioner Crum noted that the slide only addressed the POMV draw. He mentioned further information in the RSB.

Senator Bishop asked if there had been discussion in the department related to legislation collapsing the POMV into the corpus of the Permanent Fund.

Commissioner Crum shared that the topic had been an ongoing discussion and shared that there had been an outstanding resolution of the APFC Board of Trustees since 2001. He mentioned a paper from 2020 addressing the matter. He mentioned modernizing the principles of the two funds. There had been a conversation with the governor, but he was not aware of where the matter stood in terms of legislation. He mentioned robust markets and positive upticks in the fund balances. He thought the conversation would be ongoing.

Co-Chair Stedman noted that the committee would be having presentations from the APFC. The committee would consider several issues related to the Permanent Fund, including the ERA and sustainability. He referenced the chart on slide 13, and asked if there was an assumption of 2.5 percent inflation going forward.

Mr. Stickel answered affirmatively.

Co-Chair Stedman noted the 7.2 percent assumed return and retaining purchasing power.

Mr. Stickel answered affirmatively.

Co-Chair Stedman thought it was necessary to be aware that the draw rate was above the return rate plus inflation. He thought it important to look at the draw rate if contemplating combining the funds.

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Mr. Stickel referenced slide 14, "Unrestricted Petroleum Revenue: FY 2023 to FY 2025 Totals," which had a table showing the four main sources of petroleum revenue. He

explained that the state levied a property tax on all oil and gas property in the state, which generated a little more than \$125 million per year. He noted that there was also a municipal tax on the property as well, which generated \$480 million for municipalities in FY 23 and about \$448 million in FY 22. The state levied a corporate income tax on qualifying corporations doing business in the state that generated \$312 million from oil and gas corporations in FY 23, and was forecast to generate \$240 million in FY 24 and \$300 million in FY 25.

Mr. Stickel continued that the oil and gas production tax, which was the state's severance tax on petroleum, for North Slope production was a net profits tax with a gross minimum tax floor. He mentioned tax credits that could apply against the net profits portion of the tax. At current prices, it was forecast that some but not all companies would be paying at or above the tax floor. The production tax was expected to bring in about \$938 million in the current fiscal year, and about \$642 million in FY 25. Royalties from oil and gas production on state land brought in about \$1.2 billion in FY 23, and about \$1.1 billion was forecast for FY 24. In addition to the UGF portion of royalties, there was also a significant royalty revenue that was considered restricted revenue, including the portions deposited into the Permanent Fund and the School Fund. He noted that later in the presentation there would be details about some of the key assumptions underlying the petroleum revenue forecasts.

Co-Chair Stedman asked if Mr. Stickel would address production tax.

Mr. Stickel relayed that he was happy to do it or revisit the topic after the petroleum revenue assumptions.

Mr. Stickel turned to slide 15, "Unrestricted Non-Petroleum Revenue: FY 2023 to FY 2025," which showed some additional detail on the non-petroleum revenue forecast. He pointed out that the largest portion was taxes, and typically the corporate income tax was the largest portion. Corporate income tax from non-petroleum companies generated \$124 million in FY 23 and was forecast to generate \$130 million for FY 24 and \$160 million for FY 25. The increase was expected to continue beyond FY 25, which was a broad-based assumption based on general economic growth as well as recovery from sectors like mining and tourism. He listed

other significant taxes such as the Mining License Tax, Insurance Premium Tax, Fisheries Tax, and excise taxes. In addition to taxes, there were other non-petroleum revenues, including a variety of things like licenses and permits, fines and forfeitures, charges for services, and dividends from state-owned corporations.

Mr. Stickel showed slide 16, "Petroleum Forecast Assumptions Detail."

Mr. Stickel displayed slide 17, "Petroleum Detail: Changes to Long-Term Price Forecast," which showed DOR's ten-year oil price forecast from the fall forecast, as well as a comparison to the previous forecast. He noted that the department had utilized futures market projections for as many years as were available. The fall price forecast had been generated on December 8, using prices from the first five trading days in December. He reminded that the fall revenue forecast represented an increase to the FY 24 price of a little over \$9/bbl, with a little over a \$6/bbl increase for FY 25. Later into the revenue forecast, the price forecast was increased by a smaller amount and actually came even with the spring forecast towards the end of the forecast period.

Co-Chair Stedman shared that the committee would be requesting that the Legislative Finance Division (LFD) generate budgets with an oil price of \$60/bbl. He thought the financial industry seemed to use \$60/bbl to look at the oil and gas industry in Alaska and other areas in the country. He shared that the committee wanted to get a good idea of the sensitivity to any net or deficit.

Mr. Stickel noted that page 81 of the RSB had a sensitivity analysis table for the next three fiscal years, and a more robust ten-year version of the table that was provided to LFD. He offered to provide the material to the committee.

Co-Chair Stedman affirmed that the committee would be looking at the following two to three years rather than ten years out. He mentioned considering the budget after the governor's changes were submitted in February.

[9:34:24 AM](#)

Mr. Stickel highlighted slide 18, "Petroleum Detail: Nominal Brent Forecasts Comparison as of December 11,

2023," which showed a line graph showing how DOR's oil price forecast compared to different sources. He noted that there was a version of the graph that had been updated the previous day, which he could provide to the committee. He noted that DOR's forecast compared to price forecasts from the U.S. Energy Information Agency, the most recent futures market data, and an average of analyst's forecast. He added that DOR's forecast was generally in line with other sources, and the most recent version was even closer. He continued that in general, the different sources suggested a long-term price of \$70/bbl to \$80/bbl for the long term, and the DOR forecast also fell in line in the same range. The current futures market outlook for the next couple of years was within a dollar of the revenue forecast as of the previous day.

Mr. Stickel looked at slide 19, "Petroleum Detail: UGF Relative to Price per Barrel (without POMV): FY 2025," which showed a graph based on the sensitivity tables, showing how UGF revenue would change if the price of oil was higher or lower than the revenue forecast. He noted that a one dollar increase or decrease from the \$76/bbl price would represent around a \$45 to \$50 million change in UGF revenue. He explained that given that the state had a progressive fiscal system, once there were higher prices closer to \$100/bbl, the metric went up to about \$75 million per dollar change in oil price. Once there was a lower price of around \$50/bbl, the metric went down to about \$25 million per dollar of oil price change.

Co-Chair Stedman asked if there were things in play in the calculations that changed the metric over the past few years. He recalled that there were other things going on in the expenditure side that were altering the metric.

Mr. Stickel identified that the production forecast had decreased a little. One major change was a forecast of significantly higher company spending for lease expenditures, which impacted the threshold between the minimum tax floor and the next profits tax.

Senator Bishop asked if Mr. Stickel had a list of approved allowable deductions for capital expenditures on the North Slope.

Mr. Stickel relayed that there was detailed statutory guidance and regulations to support the allowable deductions.

Senator Bishop asked for Mr. Stickel to provide the information.

Co-Chair Stedman thought that [the state's list] was generally what was allowable by the Internal Revenue Service (IRS) as a capital expenditure versus an operating expenditure.

Mr. Stickel affirmed that generally for lease expenditures, the department followed IRS guidance, but had a specific set of over a dozen exclusions of what was not an allowable expenditure. There were also supporting regulations.

Mr. Stickel addressed slide 20, "Petroleum Detail: North Slope Petroleum Production Forecast," which showed a line graph comparing the forecast for the North Slope oil production with a high and low case for the following ten years. He noted that over FY 24 through FY 26 there was fairly stable production, with a little under 500,000 barrels per day. The stability was a combination of natural decline of mature fields, offset by additional drilling in the fields. He explained that in FY 27 and beyond, the trend of additional drilling and natural decline was overlaid by new productions from new development. Pikka and Willow were added to the production forecast on a risked basis.

[9:40:28 AM](#)

Mr. Stickel advanced to slide 21, "Petroleum Detail: Changes to North Slope Petroleum Production Forecast," which showed a line graph that showed how the forecast changed from the prior spring forecast. The forecast was reduced for FY 24, FY 25, and FY 26; and increased for FY 27 and beyond based on the increased confidence in new fields like Pikka and Willow.

Co-Chair Stedman mentioned FY 25 and asked how much of the decline was in Prudhoe Bay.

Mr. Stickel did not have the number readily available, but offered to provide the information at a later time.

Mr. Stickel looked at slide 22, "Petroleum Detail: North Slope Allowable Lease Expenditures," featured a graph that showed how allowable lease expenditures had changed over the past two years, with a ten-year forecast for operating and capital expenditures. He commented that the expenditures were an important measure of planned investment in the state and were also important because the lease expenditures were deductible in the production tax calculation. In FY 23, North Slope capital expenditures were \$2.3 billion and operating expenditures were \$2.6 billion. Both amounts represented a rebound from the previous two years, when oil prices had been lower and Covid-19 impacts had led to reduced activity. He expected a large jump over the following two years comprised of major investments in new fields and increased drilling in existing fields. Capital expenditures were forecast to exceed \$4 billion in FY 25 and FY 26. After the new fields like Pikka and Willow were online, capital expenditures were forecast to be stable and just under \$3 billion per year.

Mr. Stickel explained that companies had pulled back on operating expenditures as much as possible during the Covid-19 pandemic, but there were some increased operating costs due to inflation and other factors. There was also an overlay of the cost of operating the new units being developed.

Co-Chair Stedman asked about unallowable lease expenditures and carry-forwards.

Mr. Stickel explained that the slide showed all lease expenditures allowed for tax purposes. A portion of the expenditures would be applied against a tax liability in calculating production tax. If a company did not have sufficient liability, a portion of the allowable lease expenditures would carry forward to count against future production tax liability. The numbers represented all lease expenditures that were allowed for tax purposes.

Co-Chair Stedman asked if Mr. Stickel was going to address carry-forward credit accumulation.

Mr. Stickel did not have a specific slide to address Co-Chair Stedman's question. He referenced table 8.4 of the RSB for discussion. Line 23 of the table enumerated the tax

value of any of the carry forward annual losses as well as any outstanding credits held by the companies.

[9:45:24 AM](#)

Co-Chair Stedman thought the committee would need assistance tracking the accumulation of the carryforwards that were up against current revenue in a given year.

Mr. Stickel explained that the carry-forward lease expenditures were primarily being earned by companies that were not yet in production, and were doing exploration in the state. The carry-forward lease expenditures would be able to be used to potentially offset future tax liabilities once the companies came into production.

Co-Chair Stedman asked Mr. Stickel to address companies that had revenue in the scenario.

Mr. Stickel described a "donut hole" situation, in which a company with sufficient current revenue and production to be paying above the minimum tax floor was able to use all allowable lease expenditures to reduce its production tax value (PTV), which was the subject of the net profits tax.

[9:49:21 AM](#)

Mr. Stickel thought it would be helpful to address how the PTV functioned.

Co-Chair Stedman thought the information should be included in the RSB. He noted that the RSB was a live document that had continuous edits and improvements.

Mr. Stickel agreed to consider options for adding as much clarity as possible.

Mr. Stickel spoke to slide 23, "Petroleum Detail: North Slope Transportation Costs," which showed a bar graph. He noted that the two biggest components were marine transportation costs and the Trans-Alaska Pipeline (TAPS) tariffs.

[9:56:21 AM](#)

Senator Bishop asked if there should be increased revenue to the state in the upcoming fiscal year due to lower transportation costs.

Mr. Stickel replied in the affirmative.

Mr. Stickel referenced slide 24, "Petroleum Detail: Tax Credits for Purchase Detail Source: DOR Fall 2023 Revenue Forecast," which showed a bar graph looking at tax credits.

Commissioner Crum thanked the legislature for working with the governor's office in previous years to pay down the liabilities.

[9:59:28 AM](#)

Co-Chair Hoffman asked how much the state had paid in tax credits cumulatively.

Mr. Stickel replied that it was \$3 billion.

Co-Chair Stedman asked for Mr. Stickel to break down the total tax credits

Mr. Stickel agreed. He noted that table 8.4 in the RSB had a ten-year history. He agreed to provide more detailed information.

Co-Chair Stedman asked for Mr. Stickel to include Cook Inlet.

[10:00:50 AM](#)

Co-Chair Hoffman asked if, in the viewpoint of the administration, the tax credits had been a valued experience that was positive to the state.

Commissioner Crum felt it was hard to quantify.

Co-Chair Hoffman asked if the \$3 billion in credits included Cook Inlet.

Mr. Stickel relayed that the department had some information

Mr. Stickel turned to slide 25, "Thank You."

Mr. Stickel displayed slide 27, "State Petroleum Revenue by Land Type" which showed a table of how state revenue benefited by land type.

Co-Chair Stedman surmised that "all oil was not equal."

Mr. Stickel agreed.

[10:05:56 AM](#)

Senator Bishop asked Mr. Stickel asked about other federal lands.

Mr. Stickel replied that it was more theoretical, and stated that the National Petroleum Reserve and Alaska National Wildlife Refuge (ANWR) had special provisions.

Senator Bishop asked, for historical purposes, and wondered whether the split had recently changed.

Mr. Stickel replied in the affirmative.

Mr. Stickel highlighted slide 28, "Petroleum Detail: Changes to North Slope Petroleum Production Forecast."

Mr. Stickel looked at slide 29, " Petroleum Detail: North Slope Allowable Lease Expenditures," which was similar to a previous slide.

Co-Chair Stedman asked if Mr. Stickel had an estimate of when the state would return to status before 2020.

Mr. Stickel deferred to the Department of Labor and Workforce Development (DOLWD)

Senator Kiehl asked about the Alaskan employment trendline as related to slide 29.

Mr. Stickel did not have that information.

Commissioner Crum recalled that there was a 2.6 percent employment growth in the state.

Senator Kiehl asked if the North Slope jobs had the same increase.

Commissioner Crum did not know the answer.

Co-Chair Stedman suggestion the question be asked of the department.

[10:10:04 AM](#)

Mr. Stickel addressed slide 30, "Petroleum Detail: North Slope Transportation Costs," which was a bar graph with similar information from a previous slide but with a longer time horizon.

Commissioner Crum remarked on the instability of financial markets.

Co-Chair Stedman discussed committee business.

#

ADJOURNMENT

[10:13:00 AM](#)

The meeting was adjourned at 10:12 a.m.