

SB

43

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SD 43

Publish Date: 1/19/87

REQUEST _____

Revision Date: _____

Title: An act relating to distribution of income from the Permanent Fund

Sponsor: Duncan and Kerttula

Requestor: Judiciary and Finance

Agency Affected: Revenue

BRU: Commissioner's Office

Components: Research

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Millions of Dollars)

GF - PFD	-0-	-0-	-2.12	-4.62	-7.29	-10.12
BRF	-0-	+217.79	+35.08	-0-	-0-	-0-
PF - PRIN	-0-	-0-	-0-	-66.78	-28.19	-16.18
PF - ERA	-0-	-217.79	-61.82	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See Attached)

Prepared By: Mary Ellen Frank *MEF*
Division: Research Section, Commissioner's Office

Phone: 465-2174

Date: 1/25/87

Approved by Commissioner: *[Signature]*
Agency: Revenue

Date: 1/29/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

FISCAL NOTE ANALYSIS

SB 43

1/29/87

This interpretation assumes that the transfer to the Earnings Reserve Account (ERA), then to the Budget Reserve Fund (BRF) happens at the end of the same fiscal year, so there is never a balance in the ERA on which there are any earnings. PFD distributions are calculated from the earnings on both the principal and ERA of the Permanent Fund. Transfer of the ERA to the BRF will eliminate these earnings on ERA balance and reduce the PFD somewhat.

The BRF will get two distributions. After that, inflation proofing will use up the balance of current earnings. (The \$26.75 million difference between the ERA loss of \$61.82 million and BRF transfer of \$35.08 million goes also to the PF - principal for inflation proofing.)

The ERA is needed for inflation proofing shortfalls starting in FY89. Transfer of its balance to the BRF will cause shortfalls in inflation proofing of the Permanent Fund, and therefore reductions in the principal. This may lead to reduction of permanent fund earnings in the future and less money may be available for dividends or any other purposes.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 27, 1987

SUBJECT: Distribution of income from the permanent
fund (SB 43)

TO: Senator Jay Kerttula
Chairman, Senate Judiciary Committee

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is the sectional analysis you requested for SB 43.

Sec. 1. A cross-reference to the statute under which money is transferred to the budget reserve fund is added to the subsection establishing the budget reserve fund. Under existing law the budget reserve fund consists of appropriations and no money is automatically transferred to the fund.

Sec. 2. Under this section all the money in the earnings reserve account in the Alaska permanent fund is transferred to the budget reserve fund at the end of each fiscal year. Existing law does not provide for this transfer.

Sec. 3. The bill has an immediate effective date. This will allow the transfer to occur at the end of the current fiscal year.

TBC:mi
045:wkmi1



Alaska Permanent Fund Corporation

Pouch 4-1000 Juneau, Alaska 99802

(907) 465-2047 Telex 099-46-323

M E M O R A N D U M

DATE: January 23, 1987

TO: Senator Jim Duncan

FROM: Jim Kelly *JK*
Research & Liaison Officer

SUBJECT: Financial Projections for Senate Bill No. 43

Per your request, I have prepared two financial projections which depict the impact of your proposed legislation on future Permanent Fund balances, earnings and distributions.

Please note the inclusion in these projections of a new column entitled "Per Capita Dividends". While all other columns are in millions of dollars, this one is in actual dollars, and shows quite clearly - given the assumptions - how future per capita dividend checks would be affected by new proposals.

STATUS QUO: This financial projection shows the anticipated effects of no changes in existing law.

SENATE BILL NO. 43: This financial projection shows the effect of enacting SB43. This bill would leave the status quo unchanged except that at the end of each fiscal year, all the money in the Earnings Reserve Account in the Permanent Fund would be transferred to the Budget Reserve Fund in the General Fund.



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1986

FY	PRINCIPAL					INCOME				ASSETS			
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Distributions		Reserves		FY End Balance	FY End Balance	
							Net Income	Per Capita Dividends	Inflation Dividends**	Proofing			Add (Delete)
78			54		54		2					55	7
79	54		84		139		8					141	7
80	139		344		483		32	12				503	8
81	483	900	385		1,769		150	28		59	59	1,875	8
82	1,769	800	401		2,969		368	71	\$1000.00	185	244	3,302	8
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	354	8
84	4,021	300	366	151	4,838		530	175	\$331.29	151	204	557	8
85	4,838	300	368	235	5,741		658	217	\$404.00	235	206	763	8
86	5,741		323	216	6,281		1,021	303	\$556.26	216	501	1,264	8
87	6,281	1,264	103	147	7,795		799	364	\$674.84	147	289	289	8
88	7,795		137	357	8,288		768	395	\$735.23	357	16	305	8
89	8,288		160	507	8,955		817	425	\$788.56	507	(115)	190	8
90	8,955		167	547	9,668		870	448	\$927.33	547	(126)	64	9
91	9,668		162	551	10,381	39	925	439	\$806.05	551	(64)		9
92	10,381		165	528	11,074	105	986	458	\$838.65	528			9
93	11,074		166	563	11,803	111	1,051	488	\$889.79	563			9
94	11,803		158	600	12,560	118	1,120	520	\$944.00	600			9
95	12,560		153	637	13,350	126	1,191	554	\$1001.55	637			9
96	13,350		146	676	14,172	134	1,265	589	\$1062.10	676			9
97	14,172		144	716	15,032	143	1,342	627	\$1125.16	716			9
98	15,032		140	757	15,929	153	1,423	666	\$1190.52	757			9
99	15,929		136	801	16,866	163	1,508	707	\$1258.56	801			9
0	16,866		130	847	17,842	173	1,596	749	\$1328.82	847			0
1	17,842		123	894	18,859	184	1,637	793	\$1402.01	894			1
2	18,859		117	943	19,919	195	1,783	840	\$1477.72	943			2
3	19,919		112	995	21,026	207	1,883	888	\$1556.31	995			3
4	21,026		110	1,049	22,184	220	1,987	938	\$1638.06	1,049			4
5	22,184		104	1,105	23,393	232	2,096	991	\$1722.72	1,105			5

ASSUMPTIONS

1.92% Inflation Rate FY 87
10.85% Rate of Return FY 87

4.50% Inflation Rate FY 88
9.00% Rate of Return FY 88

STATUS QUO INCLUDING
PER CAPITA DIVIDENDS

6% Average Inflation Rate FY 89-05
9% Average Rate of Return FY 89-05

* SOURCE: Alaska Department of Revenue
30% Case Forecast - December 1986

** SOURCE: Population Projections From
DOR Revenue Source Book - Page 44



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1986

FY	PRINCIPAL						INCOME				ASSETS		
	FY Begin Balance	Appro- priations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Distributions			Reserves		FY End Balance	
							Net Income	Per Capita Dividends	Inflation Proofing	Budget Reserve	Add (Delete)		FY End Balance
78			54		54		2						55
79	54		84		139		8						141
80	139		344		483		32	12					503
81	483	900	385		1,769		150	28			59	59	1,875
82	1,769	800	401		2,969		368	71	\$1000.00		185	244	3,302
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	354	4,593
84	4,021	300	366	151	4,838		530	175	\$331.29	151	204	557	5,531
85	4,838	300	368	235	5,741		658	217	\$404.00	235	206	763	6,723
86	5,741		323	216	6,281		1,021	303	\$556.26	216	501	1,264	7,866
87	6,281	1,264	103	147	7,795		799	364	\$674.84	147	289		8,159
88	7,795		137	349	8,280	8	741	392	\$729.90	349			8,672
89	8,280		160	369	8,808	138	788	419	\$777.39	369			9,227
90	8,808		167	399	9,374	139	838	439	\$809.79	399			9,813
91	9,374		162	465	10,001	107	891	426	\$782.01	465			10,427
92	10,001		165	509	10,674	102	950	442	\$807.59	509			11,116
93	10,674		166	543	11,384	107	1,014	471	\$856.81	543			11,854
94	11,384		158	579	12,120	114	1,080	501	\$909.30	579			12,521
95	12,120		153	616	12,888	121	1,149	534	\$964.96	616			13,422
96	12,888		146	653	13,687	129	1,222	569	\$1023.82	653			14,256
97	13,687		144	692	14,523	138	1,297	605	\$1085.20	692			15,128
98	14,523		140	732	15,396	147	1,375	643	\$1148.72	732			16,039
99	15,396		136	775	16,306	157	1,457	683	\$1214.74	775			16,939
0	16,306		130	819	17,255	167	1,543	724	\$1283.19	819			17,979
1	17,255		123	865	18,243	178	1,632	767	\$1354.22	865			19,019
2	18,243		117	913	19,273	189	1,725	812	\$1427.96	913			20,035
3	19,273		112	963	20,348	200	1,822	859	\$1504.26	963			21,207
4	20,348		110	1,015	21,473	212	1,923	908	\$1593.54	1,015			22,330
5	21,473		104	1,070	22,647	225	2,029	959	\$1665.76	1,070			23,605

ASSUMPTIONS

1.92% Inflation Rate FY 87
10.85% Rate of Return FY 87

6% Average Inflation Rate FY 89-05
9% Average Rate of Return FY 89-05

4.50% Inflation Rate FY 88
9.00% Rate of Return FY 88

* SOURCE: Alaska Department of Revenue
30% Case Forecast - December 1986

** SOURCE: Population Projections From
DOR Revenue Source Book - Page 44



Alaska Permanent Fund Corporation
Pouch 4-1000 Juneau, Alaska 99802
(907) 465-2047 Telex 099-46-323

JAN 27 1987

MEMORANDUM

DATE: January 26, 1987

TO: Senator Jim Duncan

FROM: David A. Rose *David A. Rose*
Executive Director

SUBJECT: Comparison of Four Proposals for the Disposition
of Permanent Fund Earnings

Attached please find a memorandum prepared for me by Jim Kelly, the Corporation's Research & Liaison Officer. The memorandum addresses the projected impacts of your proposal regarding use of Permanent Fund income, as well as the impacts associated with three other proposals which were introduced last week.

You might find the comparative analysis instructive, you will certainly find it interesting. If it raises any questions, please feel free to contact Jim Kelly directly.



Alaska Permanent Fund Corporation

Pouch 4-1000 Juneau, Alaska 99802

(907) 465-2047 Telex 099-46-323

MEMORANDUM

DATE: January 26, 1987

TO: Dave Rose
Executive Director

FROM: Jim Kelly *JK*
Research & Liaison Officer

SUBJECT: Comparison of Four Proposals for the Disposition
of Permanent Fund Earnings

Last week, in just the first five days of the 15th Alaska State Legislature, there were four significant proposals offered by the legislature and the governor regarding the future disposition of Permanent Fund income. For simplicity sake, they will be referred to in this memo as the Ellis, Duncan, Cowper and Adams proposals.

The Ellis proposal was offered in the form of House Joint Resolution No. 1. Sponsored by Representatives Ellis and Brown, this resolution, if enacted, would put in the state Constitution the statutory language which authorizes the present disposition of Permanent Fund earnings. This proposal would perpetuate the status quo.

The Duncan proposal was offered in the form of Senate Bill No. 43. Sponsored by Senator Duncan, this bill, if enacted, would leave the status quo unchanged except that at the end of each fiscal year, all the money in the Earnings Reserve Account in the Permanent Fund would be transferred to the Budget Reserve Fund in the General Fund.

The Cowper proposal was offered as part of the Budget Message given by Governor Cowper to the Joint Session of the legislature on Thursday. The governor's proposal would make available to the General Fund the entire balance of the Earnings Reserve Account on June 30, 1987 if it is needed to make up the FY 87 deficit. In addition, his proposal would deposit to the General Fund \$150 million of Fund income beginning in FY 88. Some or all of these income transfers to the General Fund would be repaid to the Permanent Fund at a later, unspecified date.

The Adams proposal was offered on the Floor of the House on Friday by Representative Adams speaking under Special Orders. In prepared

remarks, he proposed that beginning in FY 87, individual Permanent Fund Dividend checks be capped at \$500, that inflation-proofing be capped at 2% per year, and that all Fund income remaining after these two uses be appropriated to the General Fund. He noted that the caps may be needed only on a temporary basis - perhaps just long enough to set aside a sufficient amount of money to allow implementation of a cash-based budgeting system for the state.

Attached to this memorandum are four financial projections which depict the varying impacts of these four proposals on the Permanent Fund. Please note the inclusion in these projections of a new column entitled "Per Capita Dividends". While all other columns are in millions of dollars, this one is in actual dollars, and shows quite clearly - given the assumptions - how future per capita dividend checks would be affected by the four proposals.

In addition, there are also five bar charts attached which show at a glance how each of the four proposals stack up relative to each other. The charts will help you compare the differences between these four proposals in terms of their impact on projected principal growth, earnings, per capita dividend payments, inflation-proofing shortfalls, and distributions to the General Fund.

As both the financial projections and the charts show, the Ellis proposal has the most favorable impact on the future growth of Permanent Fund principal, income and dividends, while the Adams proposal has the least favorable impact in these areas. On the other hand, the Adams proposal makes the greatest amount of money available to the General Fund. As for the other two proposals, the Duncan proposal is closer to the Ellis proposal in its consequences and the Cowper proposal is closer to the Adams proposal.



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1986

FY	PRINCIPAL					INCOME				ASSETS		FY	
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Distributions		Reserves			FY End Balance
								Per Capita Dividends**	Inflation Proofing	Add (Delete)	FY End Balance		
78			54		54		2					55	78
79	54		84		139		8					141	79
80	139		344		483		32	12				503	80
81	483	900	385		1,769		150	28		59	59	1,875	81
82	1,769	800	401		2,969		368	71	\$1000.00	185	244	3,302	82
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	4,593	83
84	4,021	300	366	151	4,838		530	175	\$331.29	151	204	5,531	84
85	4,838	300	368	235	5,741		658	217	\$404.00	235	206	6,723	85
86	5,741		323	216	6,281		1,021	303	\$556.26	216	501	7,856	86
87	6,281	1,264	103	147	7,795		799	364	\$674.84	147	289	8,447	87
88	7,795		137	357	8,288		768	395	\$735.23	357	16	8,988	88
89	8,288		160	507	8,955		817	425	\$788.56	507	(115)	9,570	89
90	8,955		167	547	9,668		876	448	\$827.33	547	(126)	10,181	90
91	9,668		162	551	10,381	39	925	439	\$806.05	551	(64)	10,820	91
92	10,381		165	528	11,074	105	986	458	\$838.65	528		11,532	92
93	11,074		166	563	11,803	111	1,051	488	\$889.79	563		12,291	93
94	11,803		158	600	12,560	113	1,120	520	\$944.00	600		13,080	94
95	12,560		153	637	13,350	126	1,191	554	\$1001.55	637		13,904	95
96	13,350		146	676	14,172	134	1,265	589	\$1062.10	676		14,761	96
97	14,172		144	716	15,032	143	1,342	627	\$1125.16	716		15,658	97
98	15,032		140	757	15,929	153	1,423	666	\$1190.52	757		16,585	98
99	15,929		136	801	16,866	163	1,508	707	\$1258.56	801		17,572	99
0	16,866		130	847	17,842	173	1,596	749	\$1328.82	847		18,591	0
1	17,842		123	894	18,859	184	1,687	793	\$1402.01	894		19,652	1
2	18,859		117	943	19,919	195	1,783	840	\$1477.72	943		20,759	2
3	19,919		112	995	21,026	207	1,883	888	\$1556.31	995		21,914	3
4	21,026		110	1,049	22,184	220	1,987	938	\$1638.06	1,049		23,122	4
5	22,184		104	1,105	23,393	232	2,096	991	\$1722.72	1,105		24,334	5

ASSUMPTIONS

1.92% Inflation Rate FY 87
10.35% Rate of Return FY 87

0% Average Inflation Rate FY 89-05
9% Average Rate of Return FY 89-05

4.50% Inflation Rate FY 83
9.00% Rate of Return FY 88

* SOURCE: Alaska Department of Revenue
20% Case Forecast - December 1986

STATUS QUO

** SOURCE: Population Projections from
DGR Revenue Source Book - Page 14



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1986

FY	PRINCIPAL					INCOME				ASSETS		
	FY Begin Balance	Appropriations	Dedicated	Inflation	FY End Balance	Net Income	Distributions		Budget Reserve	Reserves		FY End Balance
			State Revenues*	Proofing			Per Capita Dividends**	Inflation Proofing		Add (Delete)	FY End Balance	
78			54		54	2						55
79	54		84		139	8						141
80	139		344		483	32	12					503
81	483	900	385		1,769	150	28			59	59	1,875
82	1,769	800	401		2,969	368	71	\$1000.00		185	244	3,302
83	2,969	400	421	231	4,021	471	108	\$386.15	231	110	354	4,593
84	4,021	300	366	151	4,833	530	175	\$331.29	151	204	557	5,531
85	4,838	300	368	235	5,741	658	217	\$404.00	235	206	763	6,723
86	5,741		323	216	6,281	1,021	303	\$556.26	216	501	1,264	7,866
87	6,281	1,264	103	147	7,795	799	364	\$674.84	147	289		8,159
88	7,795		137	349	8,280	8	392	\$729.90	349			8,672
89	8,280		160	369	8,808	138	419	\$777.39	369			9,227
90	8,808		167	399	9,374	139	439	\$809.79	399			9,813
91	9,374		162	465	10,001	107	426	\$782.01	465			10,427
92	10,001		165	509	10,674	102	442	\$807.59	509			11,116
93	10,674		166	543	11,384	107	471	\$856.81	543			11,854
94	11,384		158	579	12,120	114	501	\$909.30	579			12,621
95	12,120		153	616	12,938	121	534	\$964.96	616			13,422
96	12,888		146	653	13,687	129	569	\$1023.82	653			14,256
97	13,687		144	692	14,523	138	605	\$1085.20	692			15,128
98	14,523		140	732	15,396	147	643	\$1148.72	732			16,039
99	15,396		136	775	16,306	157	683	\$1214.74	775			16,989
0	16,306		130	819	17,255	167	724	\$1283.19	819			17,979
1	17,255		123	865	18,243	178	767	\$1354.22	865			19,010
2	18,243		117	913	19,273	189	812	\$1427.96	913			20,085
3	19,273		112	963	20,348	200	859	\$1504.26	963			21,207
4	20,348		110	1,015	21,473	212	908	\$1583.54	1,015			22,380
5	21,473		104	1,070	22,647	225	959	\$1665.76	1,070			23,605

ASSUMPTIONS

1.92% Inflation Rate FY 87
10.65% Rate of Return FY 87

6% Average Inflation Rate FY 89-95
9% Average Rate of Return FY 89-95

4.50% Inflation Rate FY 88
9.00% Rate of Return FY 88

* SOURCE: Alaska Department of Revenue
80% Case Forecast - December 1986

** SOURCE: Population Projections from
DOR Revenue Source Book - Page 44



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1986

PRINCIPAL							INCOME				ASSETS		
FY	FY Begin Balance	Appropriations	Dedicated		Inflation		Net Income	Distributions			Reserves		FY End Balance
			State Revenues*	Inflation Proofing	FY End Balance	Proofing Shortfall		Per Capita Dividends**	Inflation Proofing	General Fund	Add (Delete)	FY End Balance	
78			54		54		2			1			55
79	54		84		139		8			7			141
80	139		344		483		32	12		12			503
81	483	900	385		1,769		150	28		28	59	59	1,875
82	1,769	800	401		2,969		368	71	\$1000.00	71	185	244	3,332
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	354	4,593
84	4,021	300	366	151	4,838		530	175	\$331.29	151	204	557	5,551
85	4,838	300	368	235	5,741		658	217	\$404.00	235	206	763	6,723
86	5,741		323	216	6,281		1,021	303	\$556.26	216	501	1,264	7,856
37	6,281	1,264	103	147	7,795		799	364	\$674.84	147			8,159
88	7,795		137	199	8,130	158	741	392	\$729.90	199	150		8,522
89	8,130		160	206	8,495	292	774	418	\$774.55	206	150		8,913
90	8,495		167	225	8,886	295	809	434	\$801.12	225	150		9,321
91	8,886		162	279	9,327	264	845	417	\$764.35	279	150		9,744
92	9,327		165	311	9,803	259	887	426	\$777.67	311	150		10,229
93	9,803		166	336	10,305	262	932	446	\$810.79	336	150		10,751
94	10,305		158	361	10,824	266	979	467	\$846.40	361	150		11,291
95	10,824		153	387	11,363	272	1,027	490	\$884.39	387	150		11,853
96	11,363		146	413	11,922	278	1,078	515	\$924.61	413	150		12,437
97	11,922		144	440	12,507	284	1,130	540	\$966.60	440	150		13,047
98	12,507		140	468	13,115	290	1,185	567	\$1009.97	468	150		13,682
99	13,115		136	498	13,749	297	1,242	595	\$1054.91	498	150		14,344
0	13,749		130	528	14,407	304	1,302	624	\$1101.55	528	150		15,030
1	14,407		123	550	15,090	312	1,364	654	\$1149.70	550	150		15,743
2	15,090		117	593	15,800	320	1,428	685	\$1199.49	593	150		16,484
3	15,800		112	527	16,539	328	1,494	717	\$1250.95	527	150		17,255
4	16,539		110	563	17,311	336	1,554	751	\$1304.35	563	150		18,062
5	17,311		104	700	18,115	345	1,636	786	\$1359.51	700	150		18,902

ASSUMPTIONS

1.92% Inflation Rate FY 87
 10.35% Rate of Return FY 87
 4.50% Inflation Rate FY 88
 9.00% Rate of Return FY 88

6% Average Inflation Rate FY 89-95
 9% Average Rate of Return FY 89-95

* SOURCE: Alaska Department of Revenue
 20% Case Forecast - December 1986

FY 87 EARNINGS RESERVE ACCOUNT TO GENERAL FUND,
 AND BEGINNING IN FY 88, \$150 MILLION OF EARNINGS
 TO GENERAL FUND AHEAD OF INFLATION-PROOFING

** SOURCE: Population Projections from
 DOR Revenue Source Book - Page 44



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1986

PRINCIPAL

INCOME

ASSETS

FY	PRINCIPAL			INCOME					ASSETS				
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Per Capita Dividends	Inflation Proofing	General Fund	Add (Delete)	FY End Balance	FY End Balance
78			54		54		2			1		55	78
79	54		84		139		8			7		141	79
80	139		344		483		32	12		12		503	80
81	483	900	385		1,769		150	28		28	59	1,875	81
82	1,769	800	401		2,969		368	71	\$1000.00	71	185	3,302	82
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	4,593	83
84	4,021	300	366	151	4,838		530	175	\$331.29	151	204	5,531	84
85	4,838	300	368	235	5,741		658	217	\$404.00	235	206	6,723	85
86	5,741		323	216	6,281		1,021	303	\$556.26	216	501	7,866	86
87	6,281	1,264	103	153	7,801		799	272	\$500.00	153	375	8,073	87
88	7,801		137	159	8,096	199	742	271	\$500.00	159	312	8,368	88
89	8,096		160	165	8,421	330	771	273	\$500.00	165	333	8,694	89
90	8,421		167	172	8,759	344	801	274	\$500.00	172	355	9,033	90
91	8,759		162	178	9,099	357	833	276	\$500.00	178	379	9,375	91
92	9,099		165	185	9,450	371	865	277	\$500.00	185	403	9,727	92
93	9,450		166	192	9,808	385	898	279	\$500.00	192	427	10,087	93
94	9,808		158	199	10,165	399	932	281	\$500.00	199	452	10,445	94
95	10,165		153	206	10,524	413	955	282	\$500.00	206	477	10,806	95
96	10,524		146	213	10,883	427	999	284	\$500.00	213	501	11,167	96
97	10,883		144	221	11,248	441	1,032	286	\$500.00	221	526	11,534	97
98	11,248		140	228	11,616	456	1,057	288	\$500.00	228	551	11,904	98
99	11,616		136	235	11,937	470	1,101	289	\$500.00	235	577	12,276	99
00	11,937		130	242	12,359	485	1,135	291	\$500.00	242	602	12,650	00
01	12,359		123	250	12,731	499	1,171	293	\$500.00	250	628	13,024	01
02	12,731		117	257	13,105	514	1,205	295	\$500.00	257	653	13,400	02
03	13,105		112	264	13,432	529	1,240	297	\$500.00	264	679	13,779	03
04	13,432		110	272	13,853	544	1,276	299	\$500.00	272	704	14,153	04
05	13,853		104	279	14,247	559	1,311	302	\$500.00	279	731	14,543	05

ASSUMPTIONS

1.92% Inflation Rate FY 87
10.55% Rate of Return FY 87

5% Average Inflation Rate FY 89-05
3% Average Rate of Return FY 89-05

4.50% Inflation Rate FY 88
9.00% Rate of Return FY 88

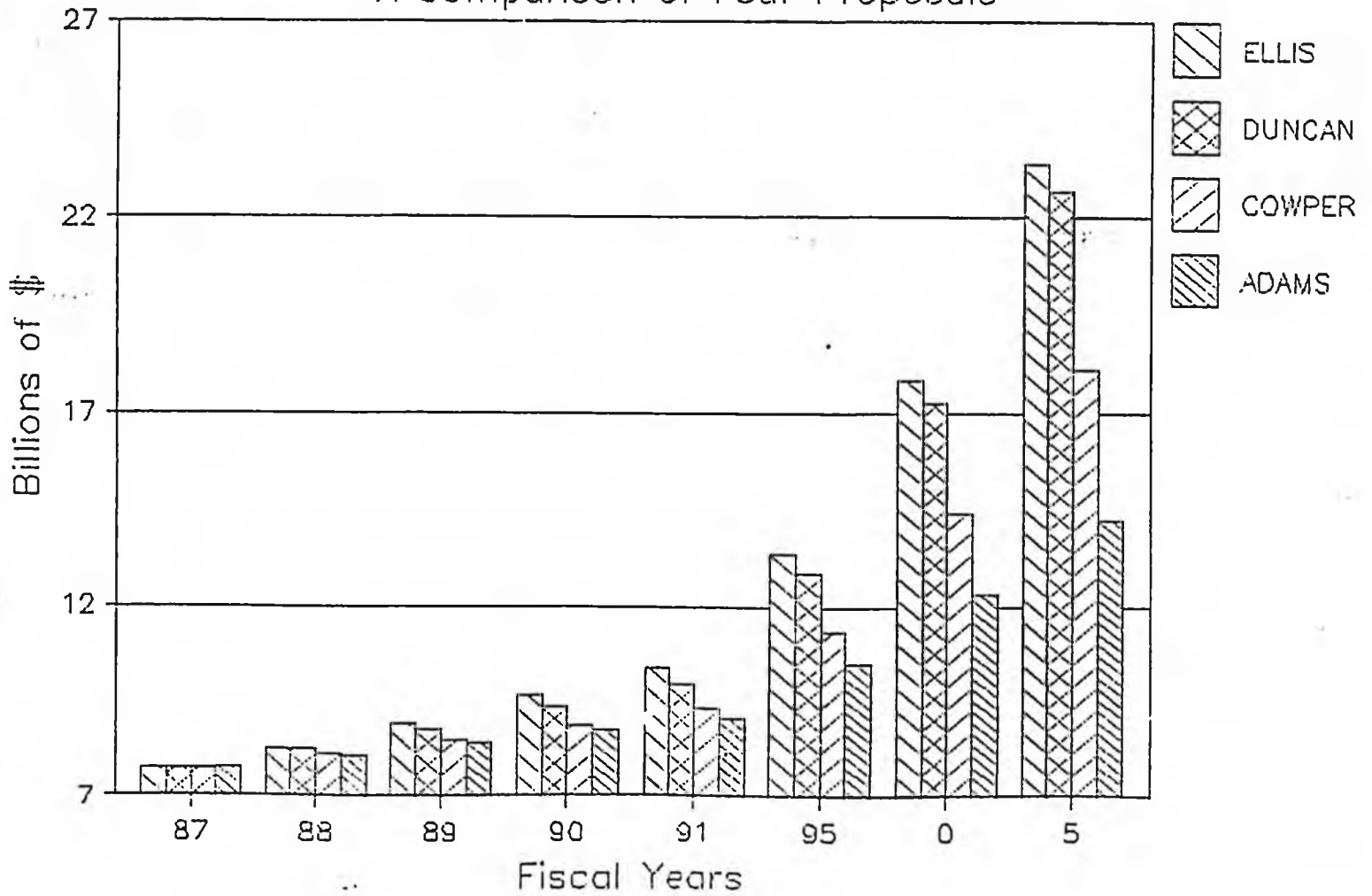
* SOURCE: Alaska Department of Revenue
00% Case Forecast - December 1986

CAP THE DIVIDENDS AT \$500 PER CAPITA, CAP INFLATION
PROOFING AT 2%, REMAINING INCOME TO GENERAL FUND

** SOURCE: Population Projections from
DCR Revenue Source Book - Page 44

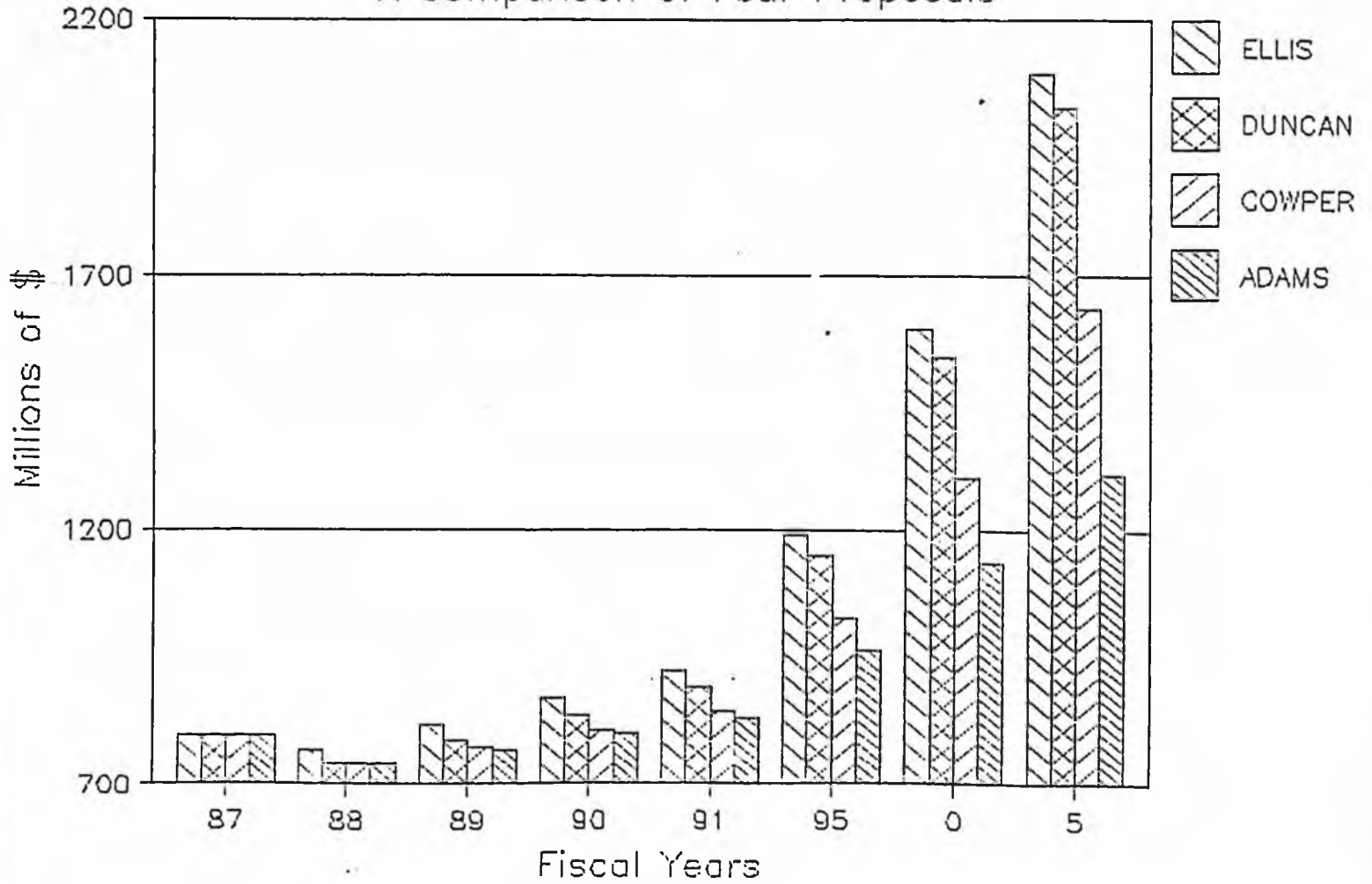
Projected Growth of Fund Principal

A Comparison of Four Proposals



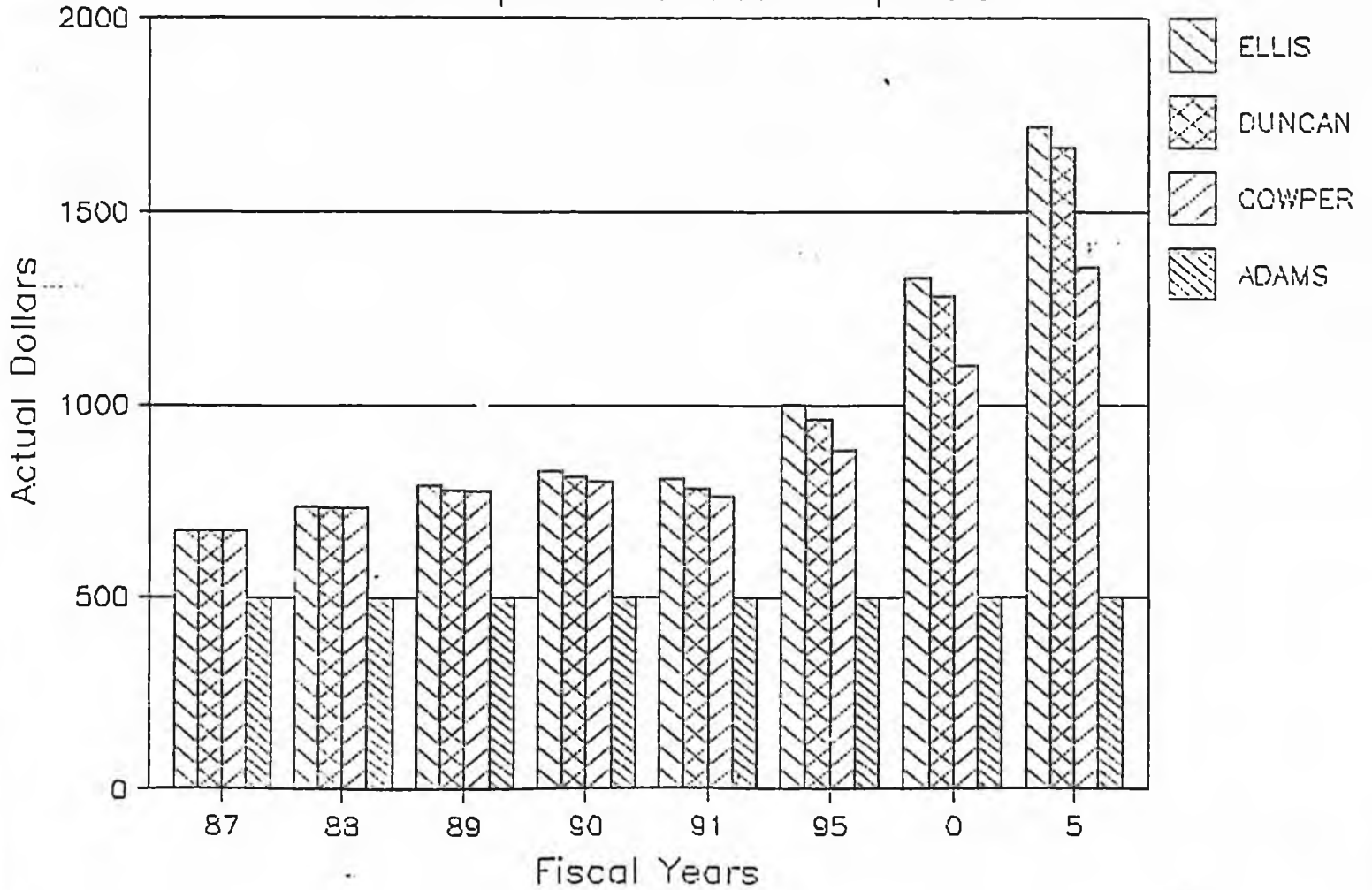
Permanent Fund Projected Earnings

A Comparison of Four Proposals



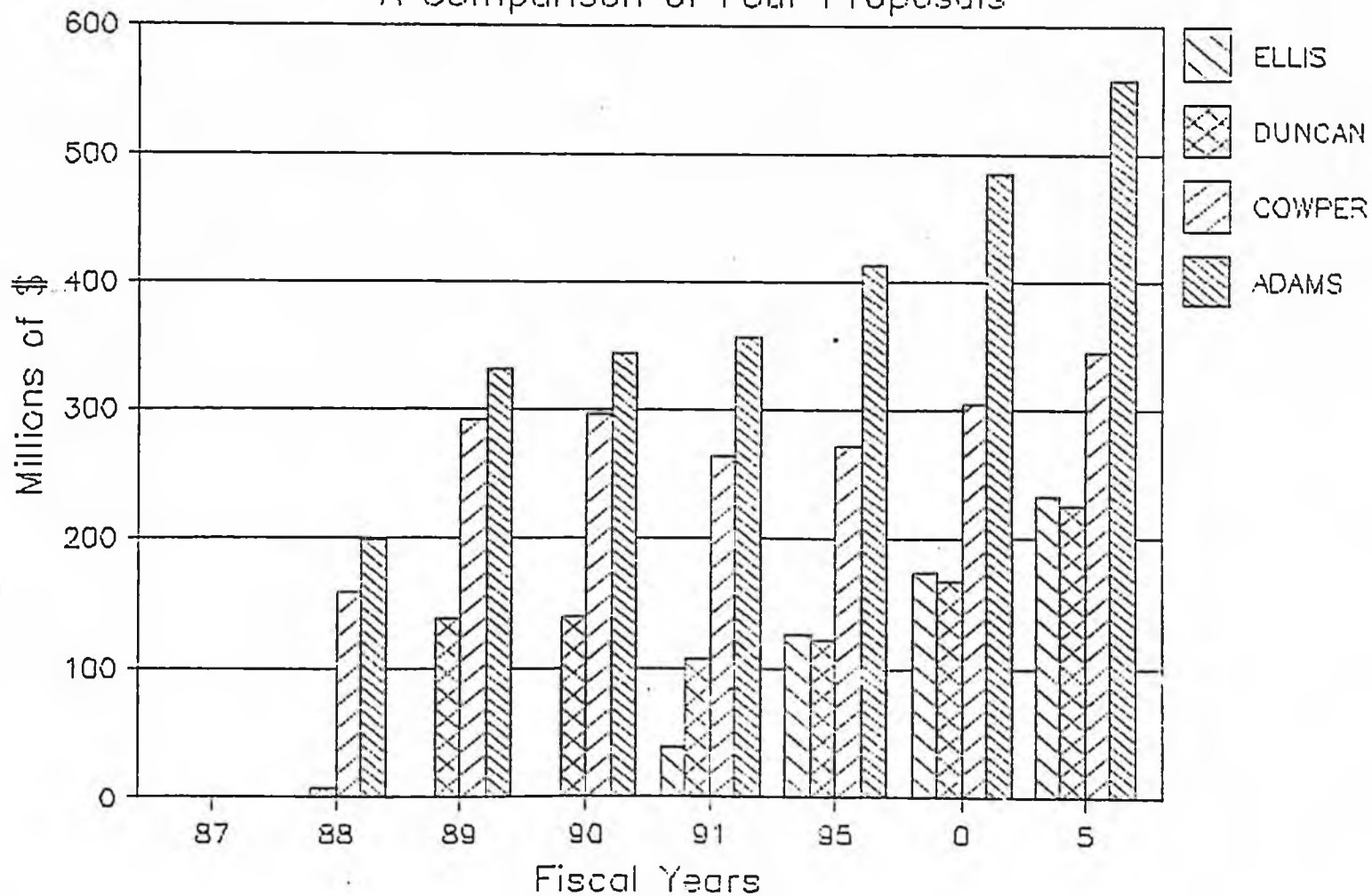
Projected Per Capita PF Dividends

A Comparison of Four Proposals



Projected Inflation-Proofing Shortfalls

A Comparison of Four Proposals



Projected Fund Income to General Fund

A Comparison of Four Proposals

