

H

B

8

5

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: House Bill 85 Date on Bill: 1/20/83  
 Title: "An Act relating to the Alaska permanent fund (AS 37.13) and repealing the permanent fund  
Sponsor: dividend program (AS43.23); and providing for an effective date."  
 Requestor: St. Affairs, Judiciary and Finance Sponsor: Rep. Szymanski

1. Estimated fiscal impacts on:

a. Expenditures:

Millions  
(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital	\$117 mill.			
Operating				
Total	\$117 mill.			

b. Revenues:

Revenue				

2. Source of funds to offset fiscal impact of bill:

COPY

3. Assumptions:

Bill takes effect immediately, and is retro to January 1, 1983. The \$117 million figure is an approximate of the assets from the PFD that would now transfer to the Alaska permanent fund upon the bill's effective date, taking in funds from FY 80, FY 81, FY 82, and FY 83 to date.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Mary Belief  
 Division: Commissioner's office  
 Approved by Commissioner: Rob O'Leary  
 Department: Revenue

Phone: 465-2300  
 Date: 2/10/83  
 Date: 2/10/83

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
POUCH WF-STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

January 20, 1983

### MEMORANDUM

TO: Hon. Mike Szymanski  
House of Representatives

FROM: Milt Barker <sup>MB</sup>  
Fiscal Analyst

SUBJECT: Permanent Fund Earnings Retention

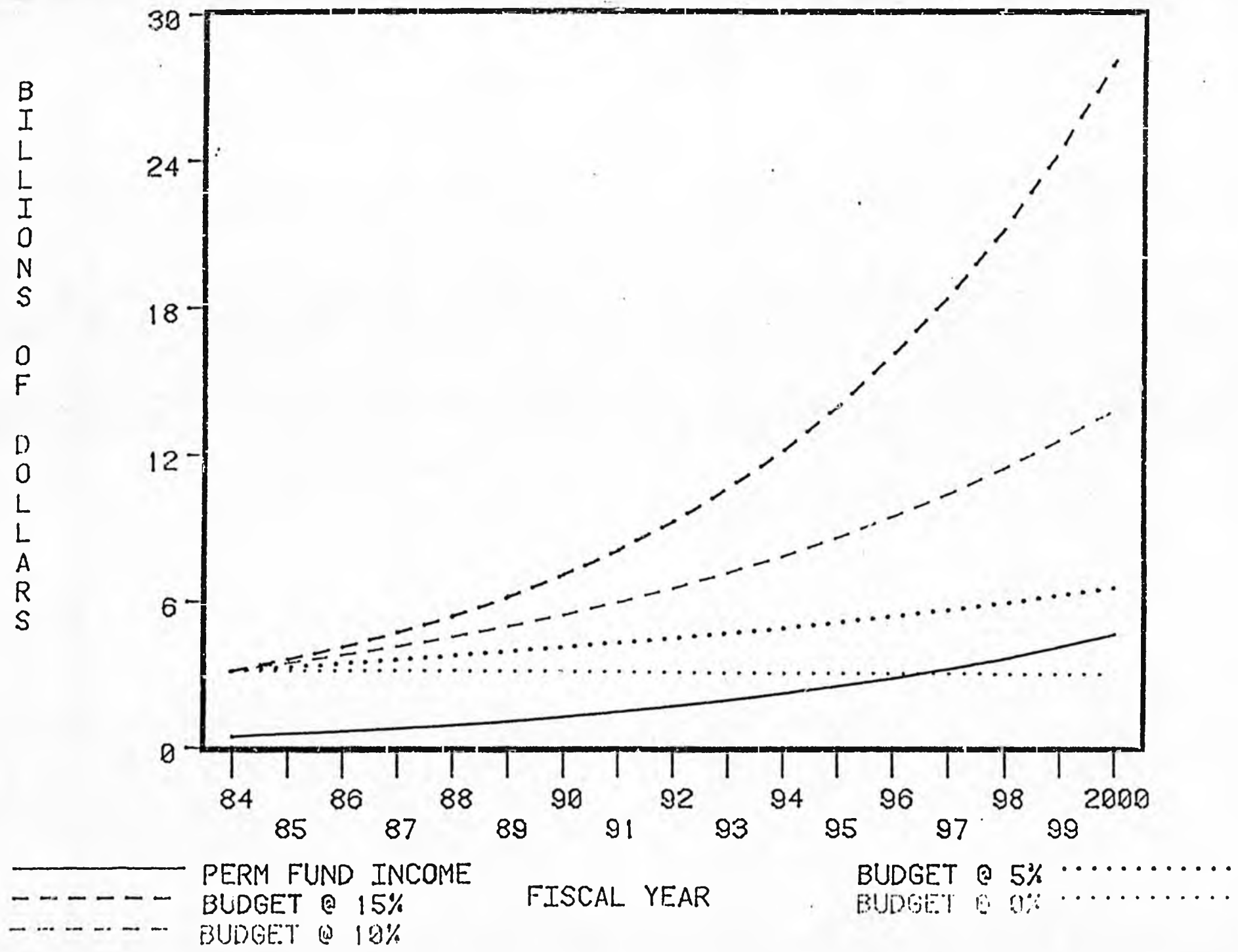
The attached graphs compare projected Permanent Fund earnings to projected operating and total general fund budgets. The budgets are projected assuming 0%, 5%, 10%, and 15% annual increase. The Permanent Fund is assumed to earn a 12% annual return in all cases. All earnings are retained in the fund.

The amounts for operating and total budgets and the Permanent Fund balance (as well as other items) are shown in the attached computer runs for each case.

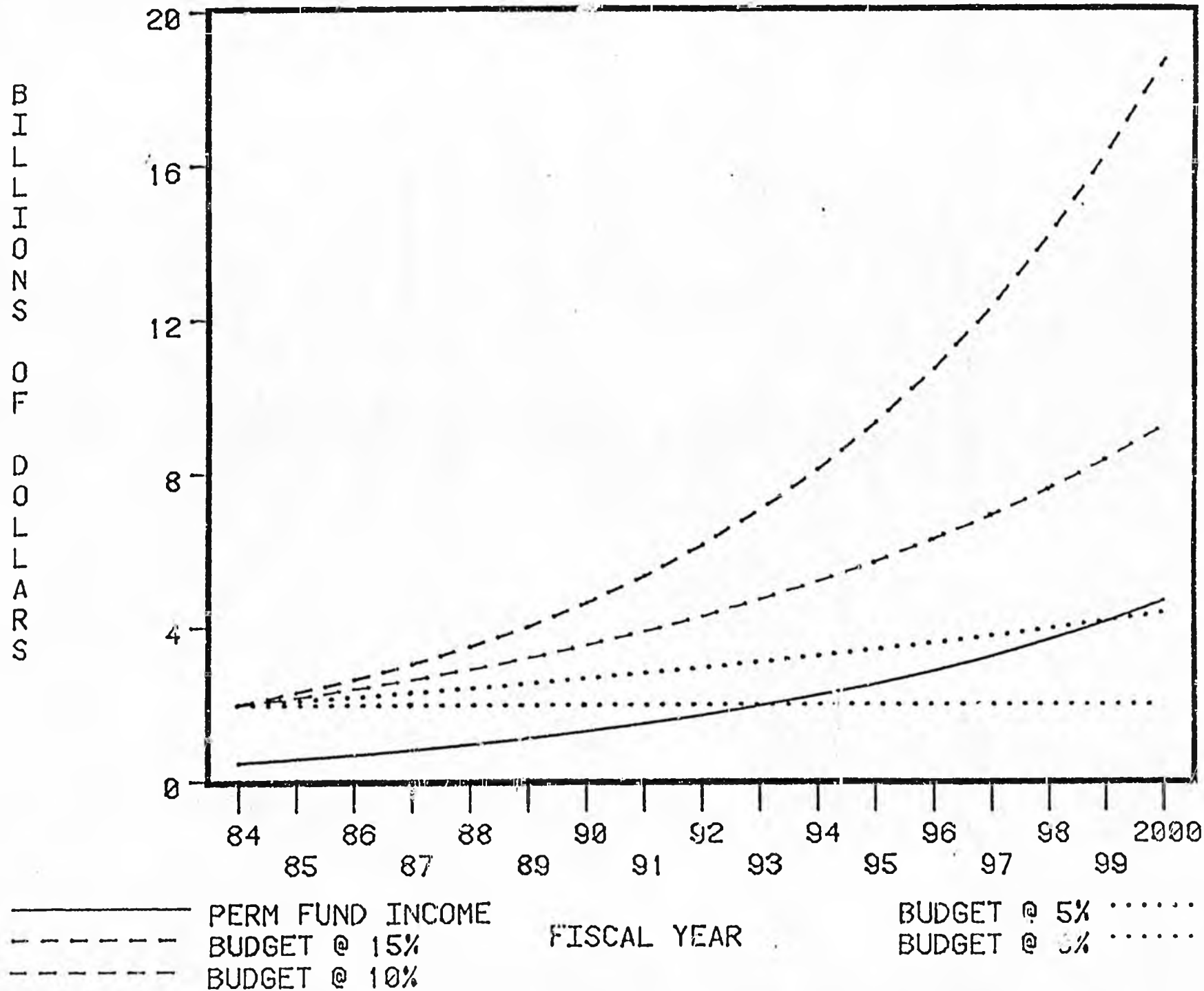
The amount of Permanent Fund earnings (not displayed in the runs) would be the same in all cases and was estimated as follows (\$ millions):

<u>Fiscal</u> <u>Year</u>		<u>Fiscal</u> <u>Year</u>	
1984	\$ 473	1993	\$1938
1985	565	1994	2209
1986	671	1995	2511
1987	792	1996	2847
1988	932	1997	3224
1989	1093	1998	3646
1990	1275	1999	4120
1991	1474	2000	4655
1992	1694		

PERMANENT FUND INCOME VS.  
TOTAL BUDGET AT VARIOUS GROWTH RATES



PERMANENT FUND INCOME VS.  
OPERATING BUDGET AT VARIOUS GROWTH RATES



JANUARY 20, 1983

STATE OF ALASKA  
 LEGISLATIVE FINANCE WORKING DOCUMENT  
 BUDGET FORECASTING MODEL

\*\*\* ACTUAL DOLLARS IN MILLIONS \*\*\*

JAN 83 DEPT OF REVENUE ESTIMATES  
 ALL PERMANENT FUND EARNINGS RETAINED IN FUND  
 NO PERMANENT FUND DIVIDENDS  
 NO BUDGET GROWTH

ISCAL YEAR	REVENUE	INTEREST	TOTAL REVENUE	OPERATING BUDGET	CAPITAL BUDGET	DEBT SERVICE	PERMANENT FUND DIVIDENDS	TOTAL BUDGET	SURPLUS OR DEFICIT	PERM-ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REC FOR GF OF\$	REC BAL 0 MIL
1983										3790	282		
1984	2703	184	2887	2000	1000	167	0	3167	-281	4558	1		0
1985	2775	180	2955	2000	1000	165	0	3165	-210	5425	0		209
1986	3029	194	3223	2000	1000	164	0	3164	59	6433	59		0
1987	3112	207	3319	2000	1000	156	0	3156	163	7573	222		0
1988	3456	251	3706	2000	1000	150	0	3150	557	8896	778		0
1989	3540	330	3870	2000	1000	140	00	3140	730	10420	1506		00
1990	3300	410	3700	2000	1000	120	00	3120	580	12100	2084		00
1991	3000	460	3470	2000	1000	100	00	3100	370	13940	2452		00
1992	2890	500	3390	2000	1000	70	00	3070	320	15990	2772		00
1993	2700	530	3230	2000	1000	60	00	3060	160	18250	2936		00
1994	2610	550	3170	2000	1000	30	00	3030	140	20780	3076		00
1995	2520	560	3080	2000	1000	20	00	3020	50	23590	3131		00
1996	2380	560	2940	2000	1000	20	00	3020	-80	26720	3051		00
1997	2440	560	2990	2000	1000	20	00	3020	-20	30230	3027		00
1998	2510	560	3070	2000	1000	10	00	3010	50	34180	3079		00
1999	2660	570	3230	2000	1000	10	00	3010	220	38620	3302		00
2000	2800	610	3410	2000	1000	00	00	3000	410	43620	3714		00
TOTALS:	48410	7220	55640	34000	17000	1410	00	52410	3220				210

JANUARY 20, 1983

STATE OF ALASKA  
 LEGISLATIVE FINANCE WORKING DOCUMENT  
 BUDGET FORECASTING MODEL

\*\*\* ACTUAL DOLLARS IN MILLIONS \*\*\*

JAN 83 DEPT OF REVENUE ESTIMATES  
 ALL PERMANENT FUND EARNINGS RETAINED IN FUND  
 NO PERMANENT FUND DIVIDENDS  
 5% ANNUAL BUDGET GROWTH

FISCAL YEAR	REVENUE	INTEREST	TOTAL REVENUE	OPERATING BUDGET	CAPITAL BUDGET	DEBT SERVICE	PERMANENT FUND DIVIDENDS	TOTAL BUDGET	SURPLUS OR DEFICIT	PERMANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF OF \$	REVENUE REQ FOR BAL OF \$ MIL.
1983										3790	282		
1984	2703	184	2887	2000	1000	167	0	3167	-281	4558	1	0	0
1985	2775	185	2960	2100	1050	165	0	3315	-355	5425	0	353	
1986	3029	204	3233	2205	1102	164	0	3471	-239	6433	0	239	
1987	3112	214	3326	2315	1158	156	0	3629	-303	7573	0	303	
1988	3456	225	3681	2431	1216	150	0	3796	-115	8896	0	115	
1989	3540	240	3770	2550	1280	140	00	3970	-190	10420	0	190	
1990	3300	250	3540	2680	1340	120	00	4140	-600	12100	0	600	
1991	3000	260	3270	2810	1410	100	00	4320	-1050	13940	0	1050	
1992	2890	270	3160	2950	1480	70	00	4500	-1340	15990	0	1340	
1993	2700	290	2980	3100	1550	60	00	4720	-1740	18250	0	1740	
1994	2610	300	2920	3260	1630	30	00	4910	-2000	20780	0	2000	
1995	2520	320	2830	3420	1710	20	00	5150	-2320	23590	0	2320	
1996	2380	330	2710	3590	1800	20	00	5410	-2700	26720	0	2700	
1997	2440	350	2790	3770	1890	20	00	5670	-2490	30230	0	2890	
1998	2510	370	2880	3960	1980	10	00	5950	-3080	34180	0	3080	
1999	2660	390	3040	4160	2080	10	00	6250	-3200	38620	0	3200	
2000	2800	400	3210	4370	2180	00	00	6550	-3340	43620	0	3340	
TOTALS:	45410	4770	53190	51680	25840	1410	00	78930	-25740			25460	

ANUARY 20,1983

STATE OF ALASKA  
 LEGISLATIVE FINANCE WORKING DOCUMENT  
 BUDGET FORECASTING MODEL

\*\*\* ACTUAL DOLLARS IN MILLIONS \*\*\*

JAN 83 DEPT OF REVENUE ESTIMATES  
 ALL PERMANENT FUND EARNINGS RETAINED IN FUND  
 NO PERMANENT FUND DIVIDENDS  
 10% ANNUAL BUDGET GROWTH

ISCAL YEAR	REVENUE	INTEREST	TOTAL REVENUE	OPERATING BUDGET	CAPITAL BUDGET	DEBT SERVICE	PERMANENT FUND DIVIDENDS	TOTAL BUDGET	SURPLUS OR DEFICIT	PERMANENT FUND	GENERAL FUND END OF YEAR	REVENUE REC FOR GF OF \$	REC BAL 0 MIL
1983										3790	282		
1984	2703	184	2887	2000	1000	167	0	3167	-281	4558	1		0
1985	2775	190	2965	2200	1100	165	0	3465	-500	5425	0		498
1986	3029	218	3247	2420	1210	164	0	3794	-547	6433	0		547
1987	3112	240	3352	2662	1331	156	0	4149	-797	7573	0		797
1988	3456	264	3720	2928	1464	150	0	4542	-822	8896	0		822
1989	3540	290	3830	3220	1610	140	00	4970	-1140	10420	0		1140
1990	3300	320	3610	3540	1770	120	00	5440	-1820	12100	0		1820
1991	3000	350	3360	3900	1950	100	00	5950	-2590	13940	0		2590
1992	2890	390	3270	4290	2140	70	00	6500	-3230	15990	0		3230
1993	2700	430	3120	4720	2360	60	00	7140	-4020	18250	0		4020
1994	2610	470	3080	5190	2590	30	00	7810	-4720	20780	0		4720
1995	2520	510	3030	5710	2850	20	00	8580	-5550	23590	0		5550
1996	2380	570	2950	6280	3140	20	00	9440	-6490	26720	0		6490
1997	2440	620	3060	6900	3450	20	00	10370	-7310	30230	0		7310
1998	2510	690	3190	7590	3800	10	00	11410	-8210	34180	0		8210
1999	2660	750	3410	8350	4180	10	00	12540	-9130	38620	0		9130
2000	2800	830	3630	9190	4590	00	00	13790	-10160	43620	0		10160
TOTALS:	48410	7310	55730	81090	40540	1410	00	123050	-67320				67040

JANUARY 20, 1983

STATE OF ALASKA  
 LEGISLATIVE FINANCE WORKING DOCUMENT  
 BUDGET FORECASTING MODEL

\*\*\* ACTUAL DOLLARS IN MILLIONS \*\*\*

JAN 83 DEPT OF REVENUE ESTIMATES  
 ALL PERMANENT FUND EARNINGS RETAINED IN FUND  
 NO PERMANENT FUND DIVIDENDS  
 15% ANNUAL BUDGET GROWTH

FISCAL YEAR	REVENUE	INTEREST	TOTAL REVENUE	OPERATING BUDGET	CAPITAL BUDGET	DEBT SERVICE	PERMANENT FUND DIVIDENDS	TOTAL BUDGET	SURPLUS OR DEFICIT	PEFM-ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REC FOR GF BAL OF \$ 0 MIL
1983										3790	282	
1984	2703	184	2887	2000	1000	167	0	3167	-281	4558	1	0
1985	2775	195	2970	2300	1150	165	0	3615	-645	5425	0	643
1986	3029	233	3262	2645	1322	164	0	4131	-870	6433	0	870
1987	3112	263	3380	3042	1521	156	0	4719	-1339	7573	0	1339
1988	3456	308	3764	3498	1749	150	0	5397	-1633	8896	0	1633
1989	3540	350	3890	4020	2010	140	00	6170	-2280	10420	0	2280
1990	3300	410	3700	4630	2310	120	00	7060	-3360	12100	0	3360
1991	3000	470	3470	5320	2660	100	00	8080	-4610	13940	0	4610
1992	2890	540	3430	6120	3060	70	00	9250	-5820	15990	0	5820
1993	2700	620	3320	7040	3520	60	00	10620	-7300	18250	0	7300
1994	2610	710	3330	8090	4050	30	00	12160	-8840	20780	0	8840
1995	2520	820	3330	9300	4650	20	00	13980	-10650	23590	0	10650
1996	2380	940	3320	10700	5350	20	00	16070	-12750	26720	0	12750
1997	2440	1080	3520	12310	6150	20	00	18480	-14950	30230	0	14950
1998	2510	1250	3760	14150	7080	10	00	21240	-17490	34180	0	17490
1999	2660	1430	4090	16270	8140	10	00	24420	-20330	38620	0	20330
2000	2800	1650	4450	18720	9360	00	00	28080	-23620	43620	0	23620
TOTALS:	48410	11470	59880	130150	65080	1410	00	196140	-136760			136470