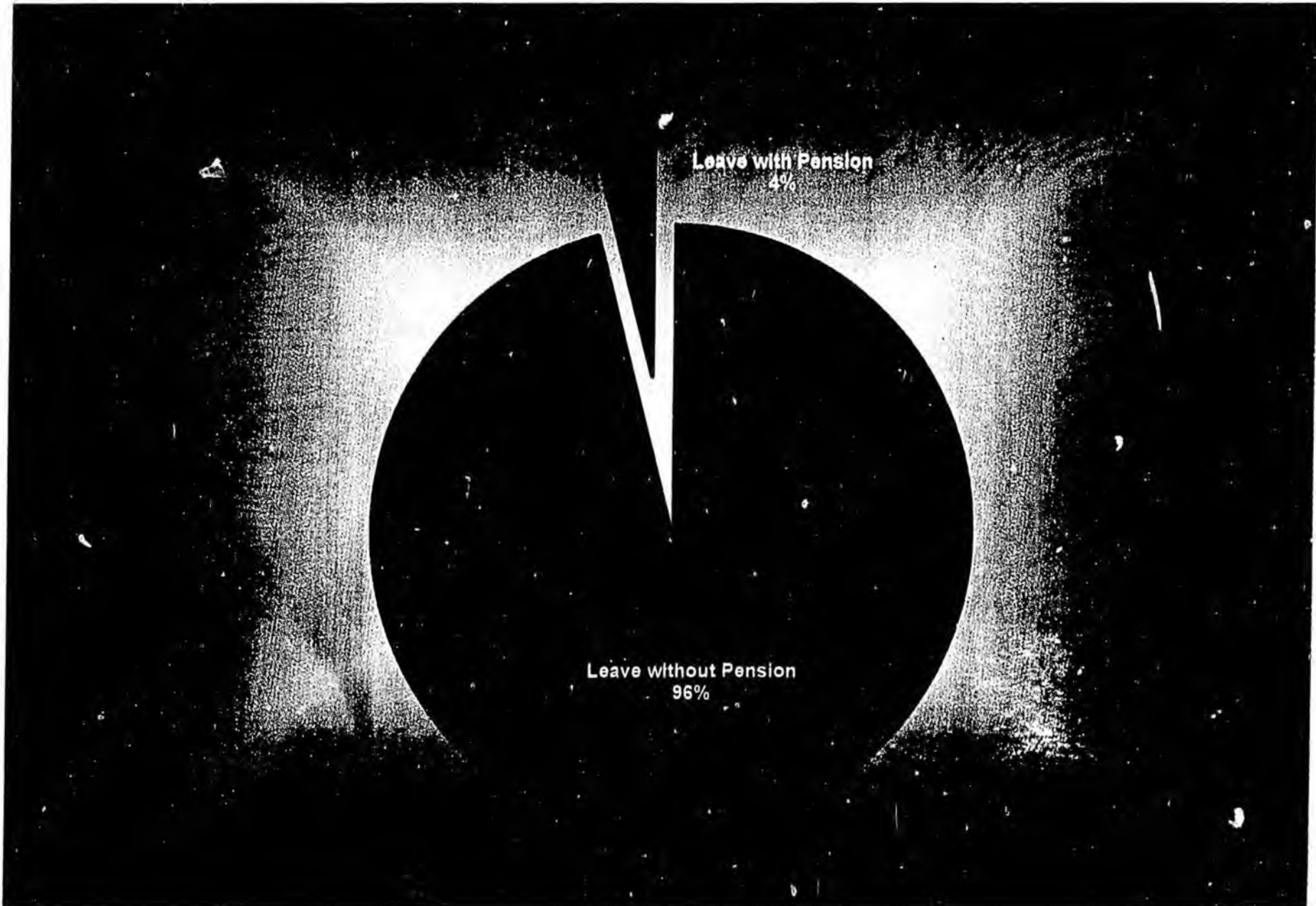


**ALASKA LEGISLATURE**

**1977**

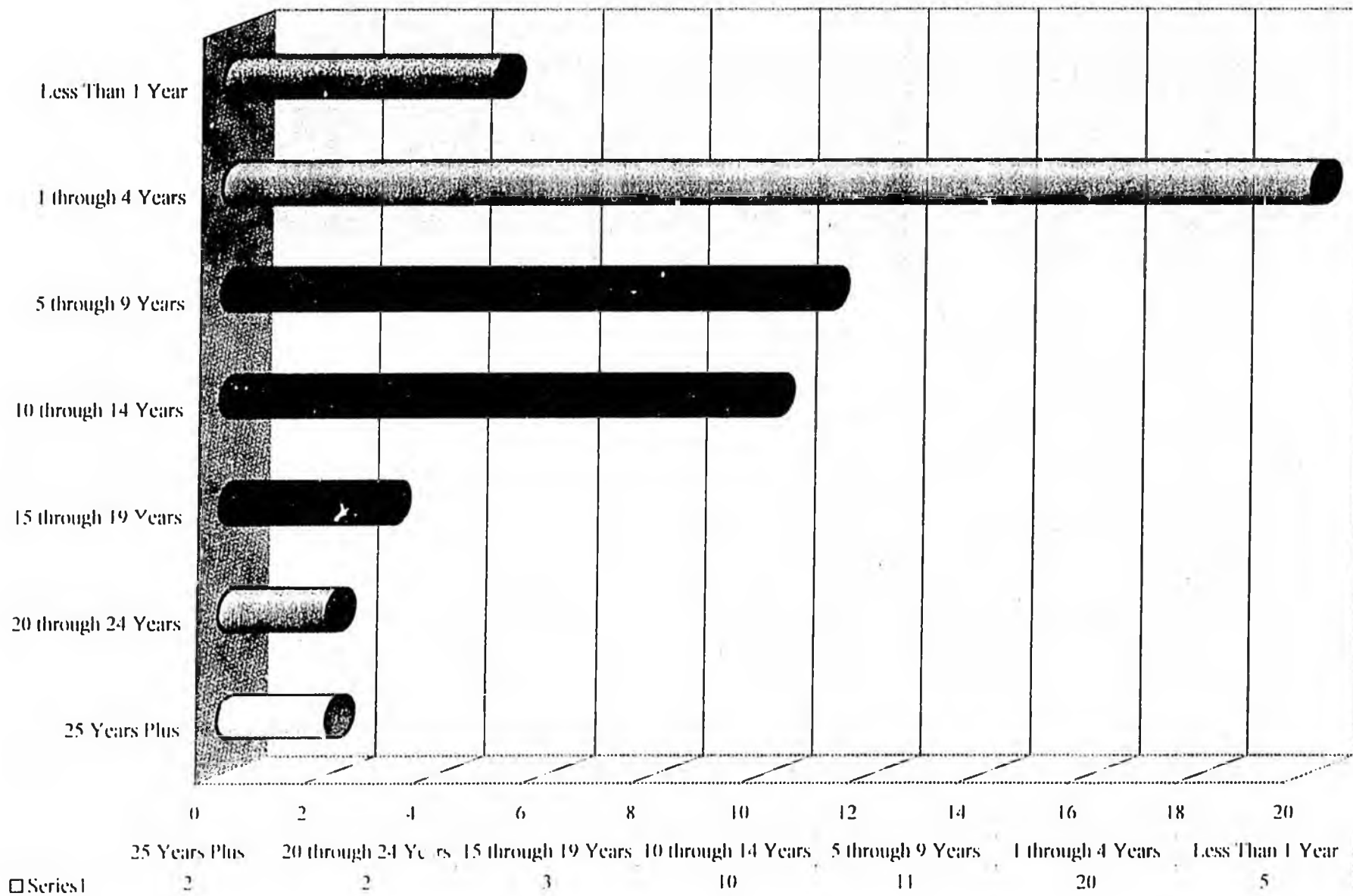
**HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000**

## Employees Ending APD Dispatch Employment

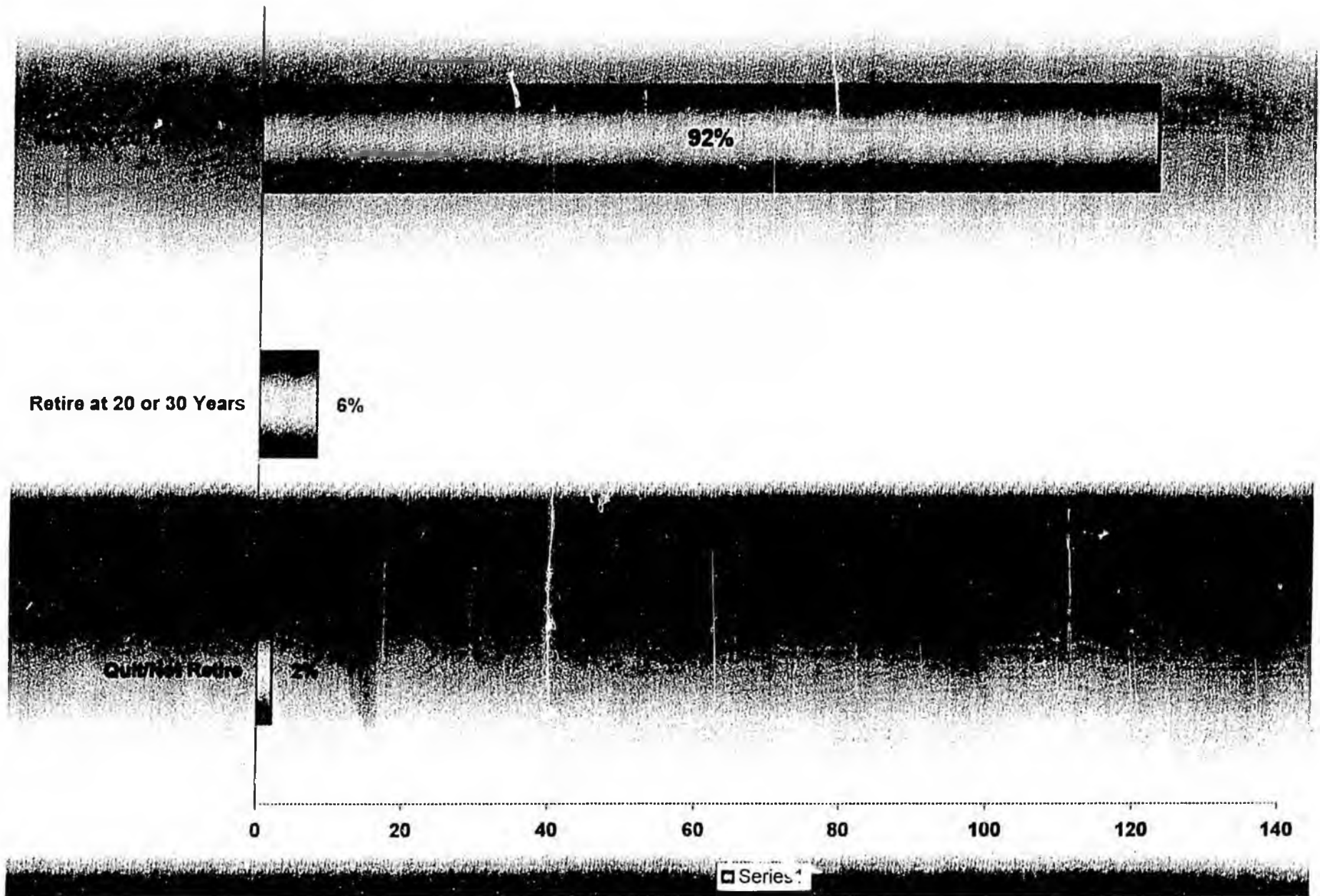


Circa 1970 through 1999

## December 1999 Longevity Rates Anchorage Police Department

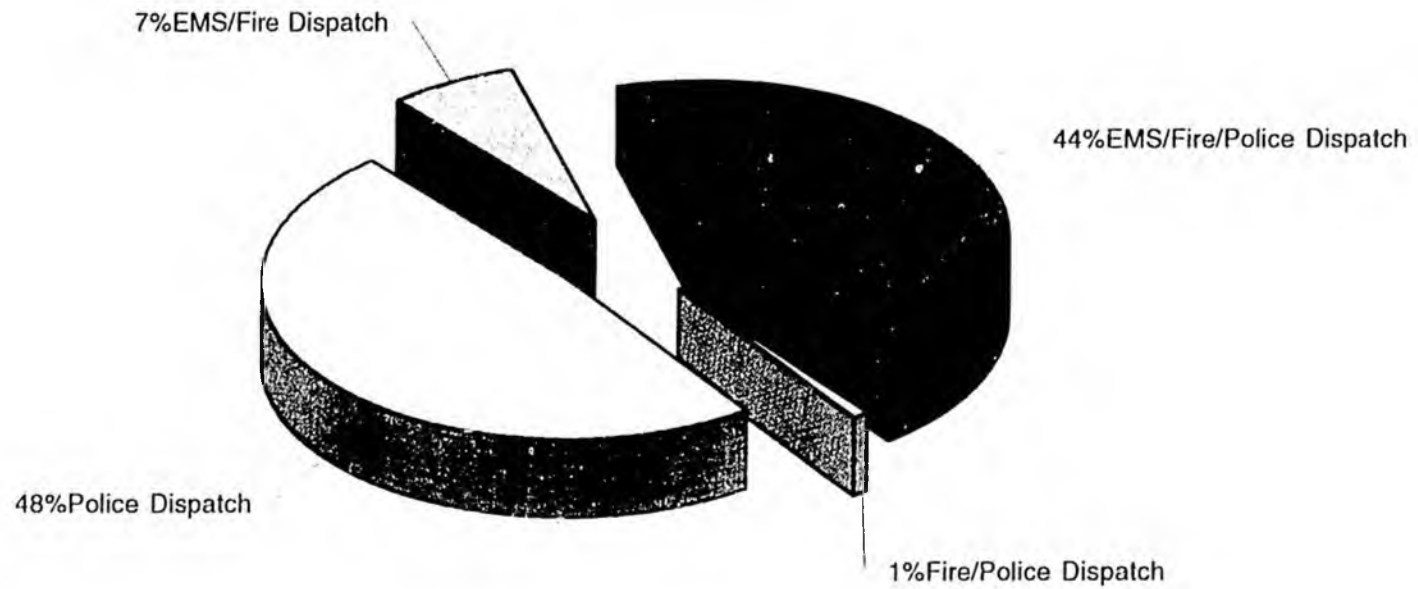


# Statewide Anticipated Dispatch Longevity

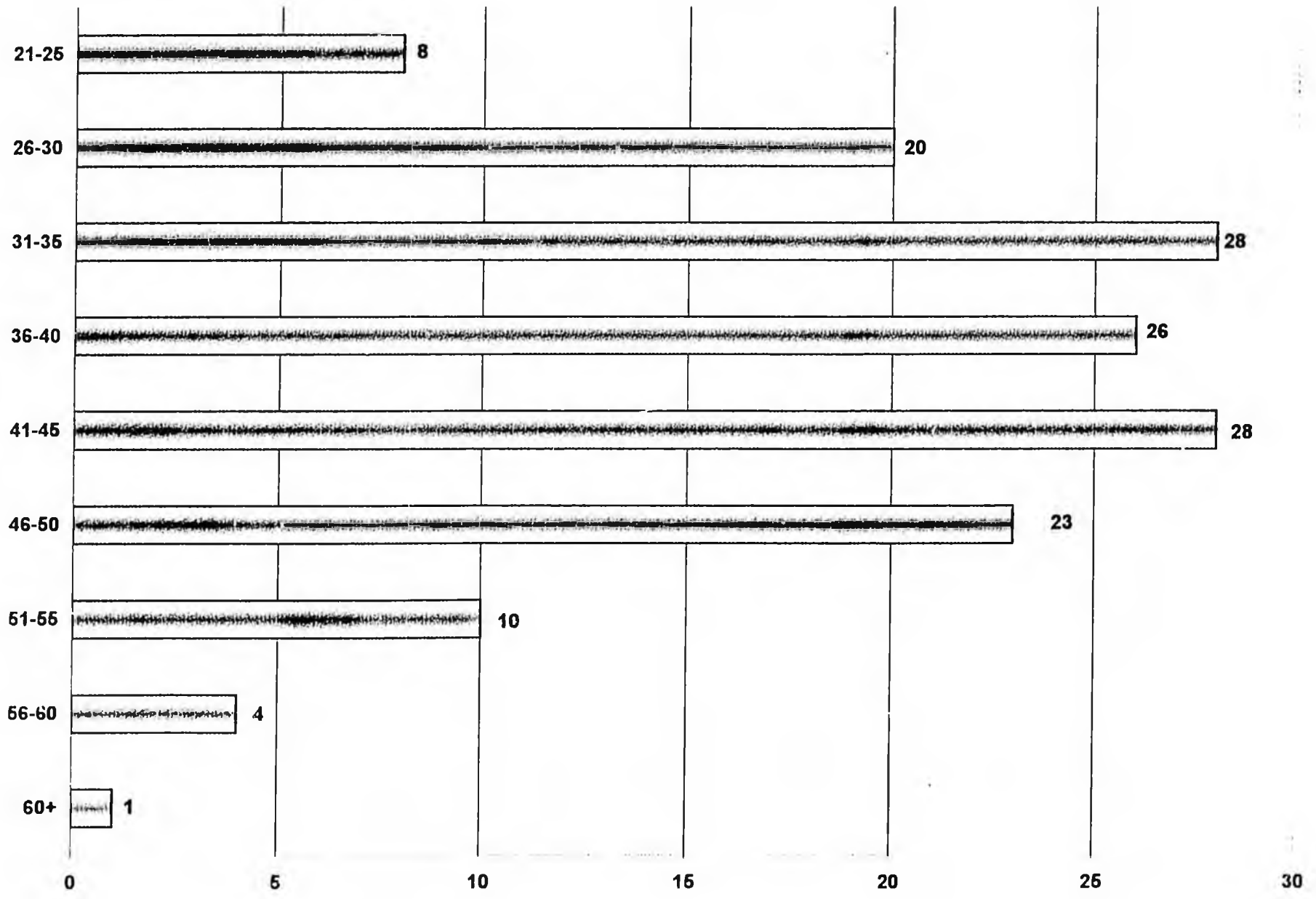


Survey Results, September 1999. Based on 133 Respondents

## Statewide Dispatch Duties

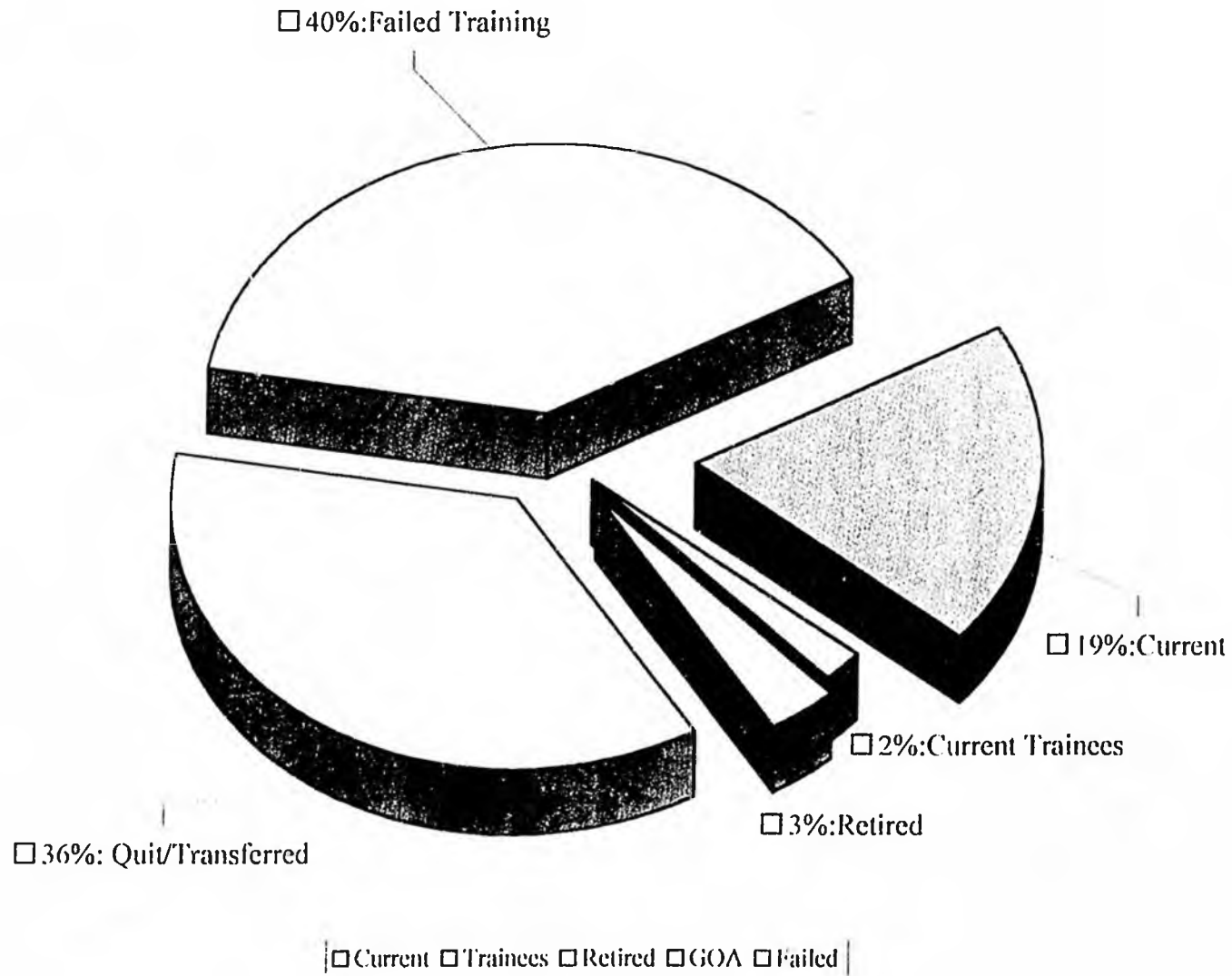


# Statewide Dispatcher Age Breakdown



Survey Respondents September, 1999

# APD Communications Center Circa 1970 through 1999

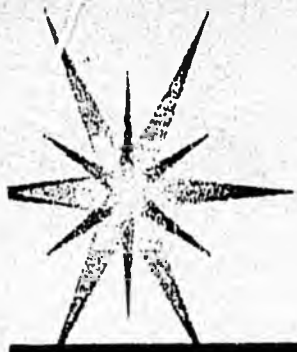


**HB**

**231**

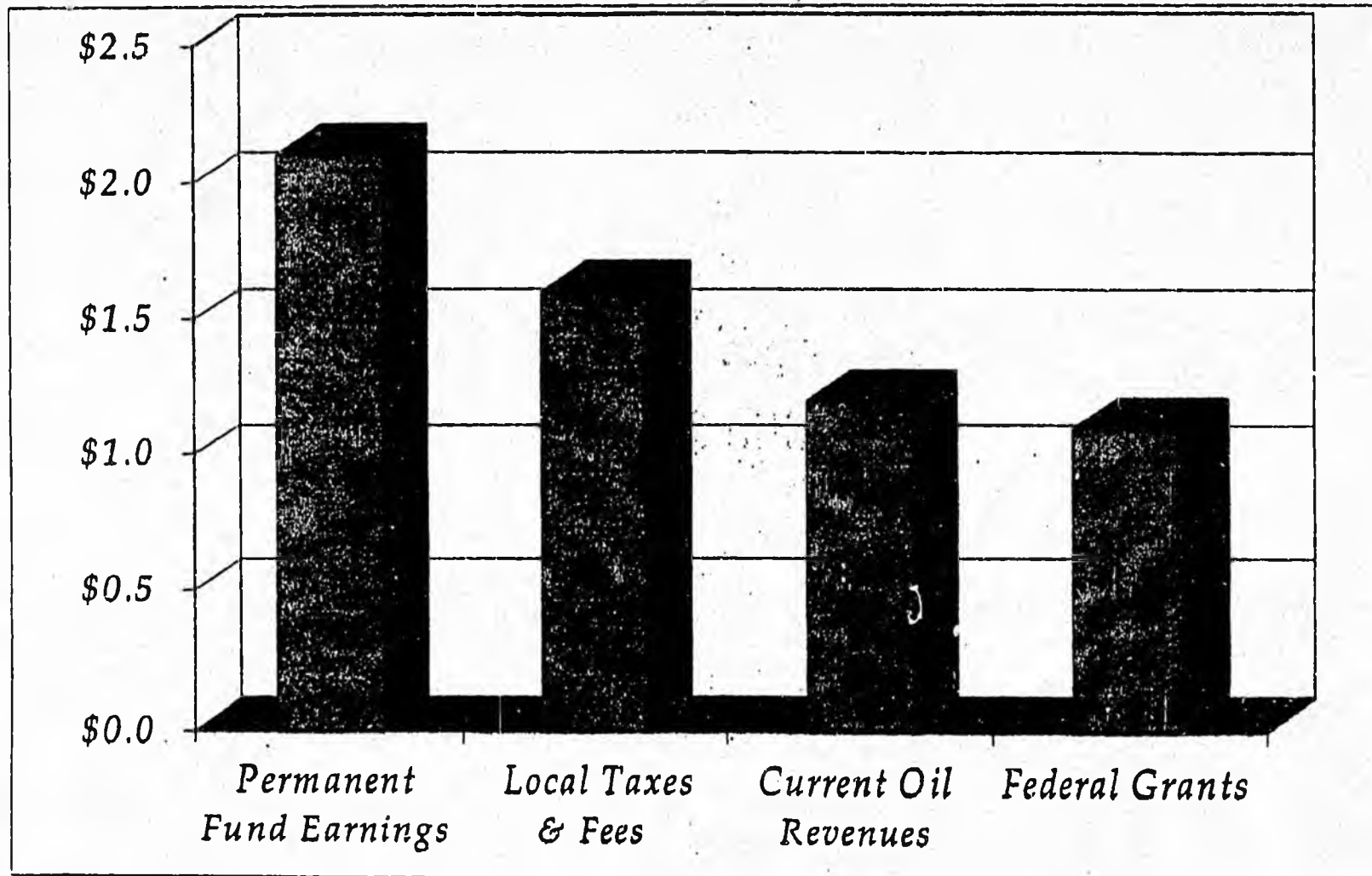
**HFIN**

**FILE**



# Top Alaska Current Revenues

(in \$ billions)





**A Resolution of the Alaska Conference of Mayors  
and the Alaska Municipal League Board of Directors  
Resolution 99-01**

**Urging the Governor and Legislature to Work with  
Local Governments to Develop a State/Local Long-Range Fiscal Plan**

Whereas, a responsible long-range fiscal plan is critical for a strong and sustainable Alaska economy.

Whereas, all Alaskans are both local and state citizens and taxpayers, and local and state elected officials serve the same constituency.

Whereas, there is an urgent need to solve this problem now to avoid depletion of Alaska's critical economic and financial resources.

Whereas, all local officials have pledged their support for a responsible Alaska long range fiscal plan.

**Now, therefore, be it resolved:**

1. That the Governor and Legislature expand the concept of the "state" fiscal plan, to a "state/local" long-range fiscal plan.
2. A "state/local" long range fiscal plan should strongly consider:
  - Use of Permanent Fund/Constitutional Budget Reserve earnings while continuing a reduced Permanent Fund Dividend.
  - Institution of a reasonable statewide income tax that is a fixed percentage of the federal income tax.
  - Endow a Community Development Fund to replace revenue sharing by 2002 and provide a vehicle for negotiating a gradual assumption of additional municipal service responsibilities.
  - Share increased statewide gas taxes with municipalities, as most states do.
  - Allow a local ballot vote to tax alcohol sales at a higher rate than other sales.
  - Fund the Senior/Disabled Veteran exemption or make it a local option.

Adopted May 5, 1999.

# Healthy Alaska Fiscal Plan - Talking Points

Alaska Conference of Mayors and Alaska Municipal League - 5/12/99

1. **Support use of PF earnings:** The Alaska Conference of Mayors and AML support the use of Permanent Fund earnings and other savings account earnings to reduce the fiscal gap while ensuring continued, but lower, Permanent Fund Dividends.
2. **"Unspecified budget cuts" to municipal programs are unnecessary and unhealthy:** This year elimination of all revenue sharing programs was proposed. This would have an unhealthy impact on local taxpayers, services, jobs, and businesses.
  - **Legislative Finance staff demonstrated to House Finance Committee on 5/11 that the \$100 million cuts to the State budget were not necessary to make the Healthy Alaska Plan work.** Therefore, revenue sharing cuts and other municipal program cuts that are unhealthy to communities and local economies must be restored.
  - **Over 80% of municipal budgets provide protected "essential services" specified in the Healthy Alaska Plan.** Unspecified cuts to municipal programs cannot be part of a Healthy Alaska Plan. Per state DCRA reports, 92% of local government budgets are spent on: education (33%); transportation/public works/public facilities/utilities (43%); public safety, health, social services (16%). (8% for parks/recreation/general gov't/other).
3. **Any comprehensive fiscal plan must be a State-Local plan:** Whether taxes are state or local, they have the same impact on taxpayers and the economy. Unhealthy communities create an unhealthy Alaska.
4. **Broad based statewide taxes must be considered.**

## Property tax and revenue sharing facts:

- In FY 97 per DCRA, **Alaska local taxes and fees were over \$1.6 billion**, making local taxes and fees the number one revenue source for government in Alaska, significantly exceeding projected oil revenues.
- Over the past ten years, **Alaska led the nation in increased reliance on property tax** as a percentage of all revenues to fund state and local public services. (Per the National Conference of State Legislatures)
- **3 out of 4 taxpayers (72.3%) oppose cuts to revenue sharing** if it means an increase to property taxes, according to a 4/22/99 poll for Anchorage.
- According the State Assessor's records, local property taxpayers now pay \$201 million more per year than they did in 1986. Since 1986, **cumulative annual state cuts to municipal revenues totaled \$195 million per year in three major programs alone:** municipal revenue sharing; state mandated property tax exemptions; and under-funding state share of school operating cost increases (based on one half of estimated inflation absorbed by municipalities).



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)-463-548

**A Resolution of the Alaska Conference of Mayors  
and the Alaska Municipal League Board of Directors  
Resolution 99-03**

**Honoring the Statesmanship of all Leaders  
Who Propose Solutions to Alaska's Problems**

Whereas, democracy only works when leaders are willing to begin public debate by proposing options and solutions.

Whereas, the greatest test of a leader is proposing solutions to a problem that must be resolved, knowing that the solution is likely to be criticized by some.

Whereas, Alaska's \$1 billion fiscal gap must be resolved as soon as possible because failure to do so will drain Alaska's reserves and damage the long-term economic well being of Alaska and its citizens.

Whereas, Governor Knowles, Representative Gail Phillips, and a group of members of the House of Representatives, have offered comprehensive proposals for solving Alaska's fiscal gap.

Whereas, Governor Knowles, Representative Gail Phillips, and other legislators who have offered proposals to solve Alaska's problems, have been criticized for their leadership roles.

**Now, therefore, be it resolved**, the Alaska Municipal League and the Alaska Conference of Mayors honor the statesmanship of all leaders who exhibit the courage to propose solutions to Alaska's problems.

**Be it further resolved** that we call on all Alaskans to encourage political leaders in their efforts by thoughtfully examining the ideas rather than condemning the individual.

Adopted May 5, 1999.

## Healthy Alaska Plan

--Comments by Scott Goldsmith

No one will agree with all the assumptions and elements of the Healthy Alaska Plan. But we should support those elements in the plan that make sense and offer constructive criticism in those areas where we see the need for improvement. We need to move forward soon, and this plan suggests a path. We should not take cheap shots at it because it is not perfect.

With the idea that the Healthy Alaska plan is a start, I want to dispel 4 criticisms that have surfaced to try to derail it, identify 7 of its important strengths, and offer some constructive suggestions for improvements, and finally make a few observations about how the Healthy Alaska plan differs from the Governor's Plan.

### First the criticisms

**1. It is a raid on the Permanent Fund.** The corpus of the fund is protected by the constitution and cannot be spent. This plan to change that. The value of the fund would continue to be protected by automatic inflation proofing.

**2. This plan endows a growing state government.** Revenues to pay for government will fall short by over \$1 billion this year (FY 99)--close to half the budget unless we use some of our earnings. That gap will widen as oil revenues continue to fall so some permanent mechanism is needed to help fill it. Unfortunately the earnings will not be large enough to do the job in the out years which is why this plan projects a continued decline in real state spending in spite of population growth. The crafters of this plan want continued budget cuts to be part of the solution.

**3. The burden falls on those with the least ability to pay.** It is true that the immediate impact of rolling back the dividend from the extraordinarily high levels of the last 3 years hits

lower income households the hardest. But if implementing a plan maintains important public services like quality schools, lower income households benefit. And if a rollback in the dividend reduces the inflow of new residents who collect a dividend and use public services without contributing in taxes, lower income households benefit. Most importantly the reality is that the fiscal gap is big enough that all Alaskans will get to share in the burden of filling it, if not now under this plan, then in the near future. This plan is a step toward full sharing of the burden just as was the soon to be finished decade of budget cutting.

4. **Non-residents should be the first to pay.** Aside from the curious notion that when people merely visit Alaska they should pay for the privilege, but when they settle here they should be exempt, the reality is that we would be able to collect a trivial amount from non-residents relative to the size of our gap. Of course it is a good idea to keep an eye on the profits from oil production to make sure we get our fair share. But it is extremely difficult for the government to craft policy for bureaucrats to implement that skims off every dollar of profits without oil companies for is appropriate to continue to monitor our petroleum revenue structure and to get our fair share. I think it is extremely difficult to expect legislators to craft and bureaucrats to implement a tax and royalty structure that manages to skim off every dollar of profit without also taking that extra dollar that convinces the industry to look elsewhere. Is it not better to err on the side of caution--Let the industry walk away with a modest profit rather than go elsewhere with all the profit and all the jobs.

Now let me talk about several things that I see in the Healthy Alaska Plan that are absolutely critical to any strategy for addressing our fiscal problems, things that we need to do today.

1. It sustains the real value of our financial assets. Financial earnings will generate twice the revenues from oil this year and their dominance will continue to grow. Since there is no replacement revenue source on the horizon we would be dead in the water if we let our financial assets waste away. (It does this by inflation proofing the entire portfolio

2. It provides a basis for getting the maximum return on our financial earnings. The portfolio can be managed for maximum long run real return consistent with a predetermined level of risk without the need to assure a constant annual flow of income.

3. It provides a stable, predictable, and growing revenue source from our financial assets. This frees the state for the first time since big oil from the annual uncertainty about how much money will be available to pay for government.

4. It uses a portion of that revenue stream to pay for government. As anticipated when the PF was established falling oil and other revenues are no longer large enough to pay for government and it is time to use PF earnings. We have relied on reserves and budget cuts to reduce the size of the gap. Taxes and economic development will also be necessary. It is time also use a portion of Permanent Fund earnings.

5. It breaks the cycle of unbounded PF Dividend growth. The longer the dividend is allowed to grow above the level that is sustainable, the more difficult it becomes to get our fiscal affairs in order. Re-establishing realistic expectations about the size of dividend Alaska can afford to distribute is critical to any fiscal

6. It recognizes that taxes will be necessary as part of a solution.

7. It puts in place a flexible fiscal structures that can be adjusted as changing conditions warrant.

#### Suggestions

1 Give careful consideration to the mechanism for determining and protecting the annual withdrawal rate from financial assets. It would be the first line of defense against eating into assets and pressure to spend more would concentrate there.

2 Offset declining oil revenues with continued additions to financial assets. Sustaining the value of total state assets, not just our financial assets, requires "depletion proofing" them.

3 Retain a reduced CBR to perform its mandated function of acting as a shock absorber against fluctuating oil prices and to provide a safety valve against pressure to increase the financial asset draw.

4 Periodically sweep inflation proofing into the Permanent Fund Corpus from the Alaska Income Account. The constitutional shelter of the Permanent Fund provides further protection of financial assets.

5 Do not earmark the earnings flow. Let each legislature determine the highest and best current use of available revenues.

6 Explicitly recognize that taxes are necessary part of the solution since inflation and population growth will defeat the budget cutting strategy. Re-establishing the link between economic development and revenues (overcoming the "Alaska disconnect") argues for a personal income tax.

7 Tell your story to the public honestly. Credibility is essential to acceptance. Key information to get out:

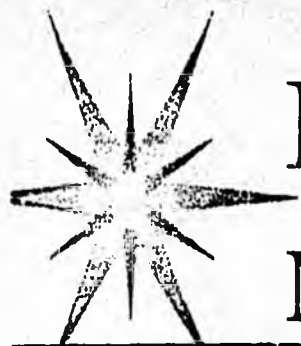
We have cut the budget — the GF is \$1 billion below what it would be today if it had grown with inflation and population. Nominal growth that does not keep pace with inflation is a real cut.

All must share in the burden of closing the gap.

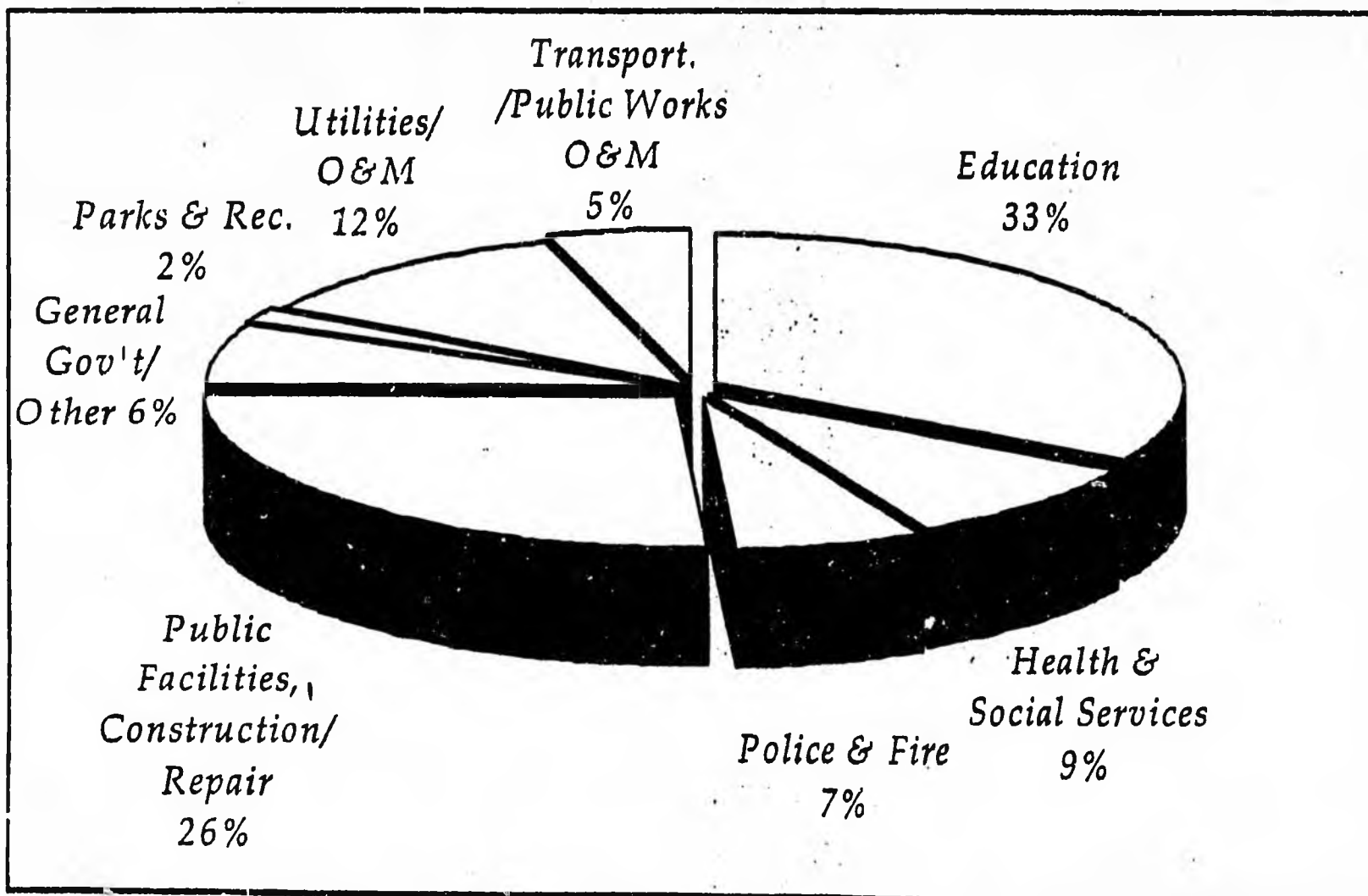
This plan is a critical step toward closing the gap just as were the creation of the CBR and the years of budget cuts, but it is not the entire solution. We will need to continue to work to achieve a Healthy Alaska.

How does the Healthy Alaska plan compare to the Knowles plan

The main difference is that the Knowles plan maintains a higher dividend through the personal income tax. Important similarities are the notion of using fund earnings to pay for government and the goal of sustaining the real value of financial assets. Technical differences are that the Knowles plan is not an endowment, does not inflation proof all financial assets, and retains the CBR with dual functions. It does result in more sharing of the burden through an income tax, and it does not earmark financial earnings for either the dividend or GF spending.



# Local Government - Where the Money Goes - \$2.6 Billion



## **Business Leaders Applaud House Fiscal Plan Announcement** **Call For Implementation of Plan This Session**

For Immediate Release: May 8, 1999

John  
Cyr

Contact: Please see list below

ANCHORAGE - Citing the state's budget crisis as their top priority and the issue that coalesced them into a joint call for action, members of Alaska's business community applauded the formal announcement today of a long-term plan by the House leadership to bring spending in line with recurring revenues and close Alaska's fiscal gap.

Representatives from the Alaska Fiscal Policy Council, Resource Development Council, Alaska Support Industry Alliance, Anchorage Chamber of Commerce, Associated General Contractors and the Alaska Trucking Association called for implementation of a long-term fiscal plan by the end of the session, May 19. All were greatly encouraged by today's news and believe the House leadership plan has the ingredients of a long-term solution.

Ralph Sammuels, Chairman of Anchorage Chamber of Commerce, noted that securing Alaska's future through implementation of a long-term fiscal plan this session has been the focus of all the groups, as well as the Legislature and Administration. "I think the House plan brings us very close to a final solution," said Sammuels.

Marc Langland, President of the Alaska Fiscal Policy Council said all the groups agreed that budget cuts and increases in state efficiencies have helped close the gap. They also agreed however, there is no way the state can realistically cut \$1 billion from the current budget. "Additional reductions may still be possible, but the Legislature and Administration are headed in the right direction by tapping other revenues as part of their plans," said Langland.

"This plan is well balanced in the sense it recognizes the role the dividend plays in the local and state economy while at the same time using the earnings to maintain essential services and government infrastructure," said Frank Dillon of the Alaska Trucking Association.

Ken Freeman, Executive Director of the Resource Development Council, noted that "use of the earnings from Alaska's financial investments is a realistic and a necessary measure." "Combining Permanent Fund earnings and the state's CBR account to create an endowment in the House plan is a good way to bring much needed revenues to the billion dollar deficit," said Freeman.

The groups also noted that in the event budget reductions and expanded use of the Permanent Fund earnings are not enough to close the fiscal gap, there is some support among the business community, as a final step, for the implementation of a broad-based tax.

"Some form of broad-based or increases in consumption tax could be utilized, but only as a last resort," said Henry Springer of the Associated General Contractors. "New or increased taxes on industry are not the answer."

Karen Cowart of the Alliance said that implementation of a fiscal plan sends an important stabilizing message to businesses in Alaska, as well as companies thinking of investing here, that we have our financial house in order.



# NEA-ALASKA

*Affiliated with the National Education Association*

## NEA-ALASKA POSITION STATEMENT PUBLIC SCHOOL FUNDING

Public school teachers, school employees and parents express our thanks to the Finance Committee and to the House Majority for placing a long-range budget plan before the Alaskan public. Teachers, school employees, and parents understand the difficult position the 21<sup>st</sup> Legislature finds itself.

Parents and school employees seek smaller classes for students, greater student proficiency with computers and challenging curriculum. They want their children to attend schools that are safe and are modern. They want schools to implement quality initiatives to improve learning and accountability.

NEA-Alaska has historically lobbied to present the case for funding Alaska's public schools. Preparation of children for the challenges of the new century is critical to the economic development of Alaska and its improved quality of life. Jobs of the future will demand that our people have special technical and academic skills to master new challenges. Public schools are teaching those skills today.

In 2010, today's first graders will have completed twelve years of instruction. Some of today's first graders are children "at risk;" some come from secure loving families, some don't; some require special education, some don't; some suffer from Fetal Alcohol Syndrome, some don't; some come from dysfunctional families, some don't; and some experience domestic violence on a daily basis while some don't. The children in Alaska's public schools are as varied and have as wide a range of needs as the population. The promise and responsibility of our public schools is to educate all children regardless of means or position in life.

Both parents and school employees recognize that problems confronting children in 1999 don't compare to the problems we experienced as children. The school of 1999 has a totally different set of challenges than the school of 1979 or '69 or '59.

In the past we have seen too many expectations demanded of our public schools that were not funded adequately. For the ten-year period 1983-1993, school enrollment in Alaska grew by more than 25,000 or slightly less than 26 percent. Alaska has historically ranked in the top ten states nationally in the percent increase in student enrollment from one year to the next. In 1983 Alaska ranked 8th nationally, and in 1996 we ranked fifteenth nationally in the percent change in public school enrollment from the previous year. In 1995, 22.5 percent of the state's population was 5-17 years old.

JD

my DAD RAN AWAY FROM HOME  
IN OKLA IN 1932 &  
MOVED TO Nome (!)

RF

Public schools in Alaska has employed more teachers to accommodate student growth and to address new instructional priorities including special education and alternative programs. Even though districts hired more teachers, the pupil-teacher ratio increased. Alaska is a young state with many school-aged children. From 1997 to 1998 public school enrollment increased an estimated 1.92%. This represents the fifth largest percentage increase in the nation. Most of this increase was felt in Alaska's urban area. The class size issue will remain a fundamental issue for some time.

During 1987-88 when the new funding formula was put in place the Instructional Unit value was set at \$60,000 -- a level that was itself 8% lower than the rate of state support in the 1985-86 school year. Under that foundation formula the unit was adjusted only one time -- in 1992, an increase of 1.6%. In 1998 a new formula was approved that funds instruction on a per student basis equal to \$3,940 with added funding for school size, district cost factor and special needs factor.

Even with this most recent increase, the costs of over ten years of inflationary have not been offset. For the 1996-97 school year the value of the instructional unit, after adjustment for inflation occurring since 1987 was worth \$45,888 in 1987 purchasing power. Inflation has been a cruel tax on educational opportunity. Even with the new formula the effects of years of financial neglect are being felt.

To address inflation, NEA-Alaska has prioritized the need to inflation-proof funding for K-12 education. Failure to invest in our children will immediately shortchange their future and in time will shortchange our state's future.

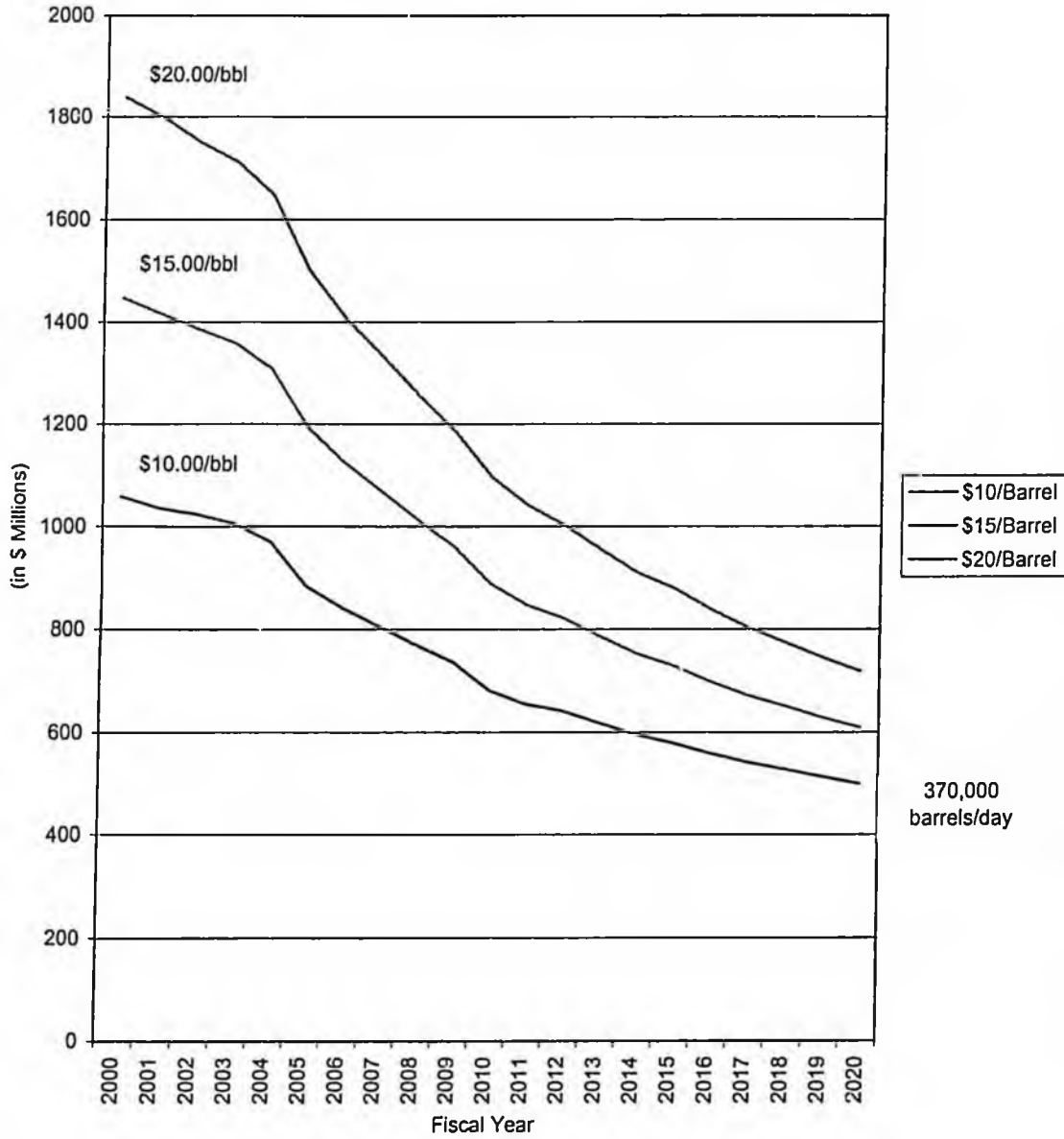
The task of preparing our students for today and for the challenges of the new century is expensive, but the cost of not preparing them is greater. Our public schools, teachers, and school district support employees must continue to be successful in their efforts. By limiting necessary resources, the potential for success for every student is limited. Investment in our most precious resource - children - will cost a lot. However, if we don't spend our money on our public schools, we will be forced to spend even more on welfare, new prisons, jails, and public safety.

**We applaud the courage of the House majority, in light of this difficult time, to recognize the importance of a sound education system for Alaskans.**

(s:\politica\position\99-00\school funding.doc)

### Projected General Fund Revenues at Various Oil Prices

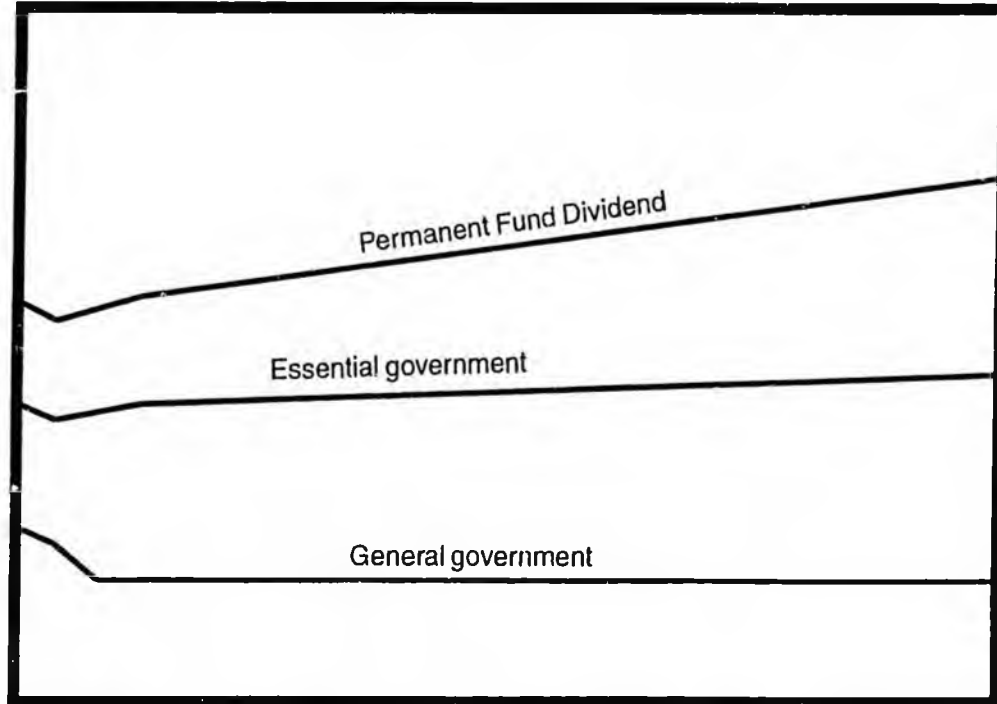
1,177,000  
barrels/day



370,000  
barrels/day

# Healthy Alaska Plan

A proposal by the House Majority to stabilize the Permanent Fund dividend, consolidate the state's savings accounts, and provide a reliable and steady source of funding for the essential functions of government.



Healthy Alaska  
Plan

# DO NOTHING

If we do nothing, within 6 years:

- Our savings accounts, the Constitutional Budget Reserve and the Earnings Reserve, would be gone;
- The dividend program would virtually be eliminated or Alaskans would face an insurmountable budget deficit;
- The corpus of the Permanent Fund would be in jeopardy;
- Large statewide taxes would have to be imposed on individual Alaskans and Alaska businesses.
- Draconian cuts would be required for essential state services such as education, transportation, public safety.

*Healthy Alaska  
Plan*

## HEALTHY ALASKA PLAN

- Closes the fiscal gap;
- Preserves, protects and increases the Permanent Fund;
- Protects the dividend program for today and future generations by endowing the dividend;
- Limits government growth, but provides for a sustainable budget;
- Requires NO statewide taxes;
- Sustains a healthy, statewide economy and a stable business environment; and
- Demonstrates our continued commitment to the Permanent Fund.

*Healthy Alaska  
Plan*

# Dividend Calculation

**The dividend calculation is the lesser of:**

**1)  $\frac{1}{2}$  of 21% of the sum of the last 5 years' realized earnings,**

**or**

**2)  $\frac{1}{2}$  of the earnings reserve account at the end of the current fiscal year.**

Defined in statute: AS 37.13.140 and 37.13.145

*Healthy Alaska  
Plan*

## KEY TO GRAPHS

### #1 Healthy Alaska Plan Total Spending

- This chart shows the growth of spending under the Healthy Alaska Plan. General government expenses are held constant, essential services like education – K-12 and the University, road maintenance and police services grow modestly, and the Permanent Fund Dividend continues to grow into the future.

### #2 The Do Nothing Plan Permanent Fund Dividend

- It grows for a while, but crashes and provides little dividends for our children.

### #3 The Healthy Alaska Plan Permanent Fund Dividend

- It grows into the future, assuring our children and their children a healthy dividend.

### #4 Growth of Our Savings

- This shows how our savings will continue to grow, providing sustainable state revenue.

### #5 Do Nothing Intergenerational Value

- The dotted line shows the amount needed in our savings to maintain its current purchasing power. The solid line shows that the Do Nothing Plan takes value of the fund today and does not preserve its value for future generations.

### #6 Healthy Alaska Plan Intergenerational Value

- The dotted line shows the amount necessary in our savings to maintain its current purchasing power. The solid line shows that the Healthy Alaska Plan maintains the real value of our savings and increases its buying power for future generations.

### #7 Comparison of Alaska's Future Savings

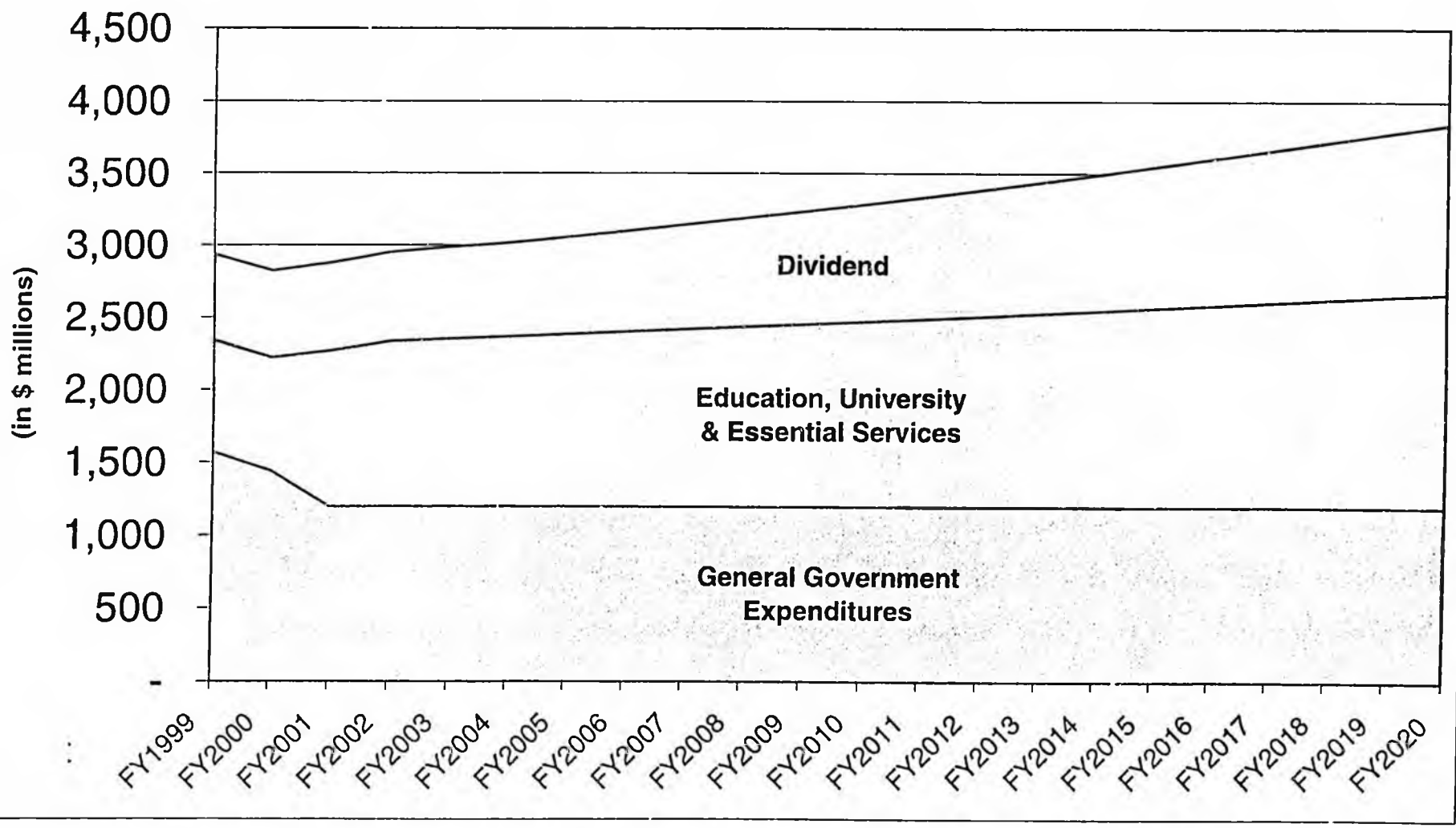
- The dark bars show the growth of our savings as a result of the Healthy Alaska Plan. The lighter bars show the savings if we DO Nothing. There is a difference of \$20 billion.

### #8 Legislative Commitment to the Permanent Fund

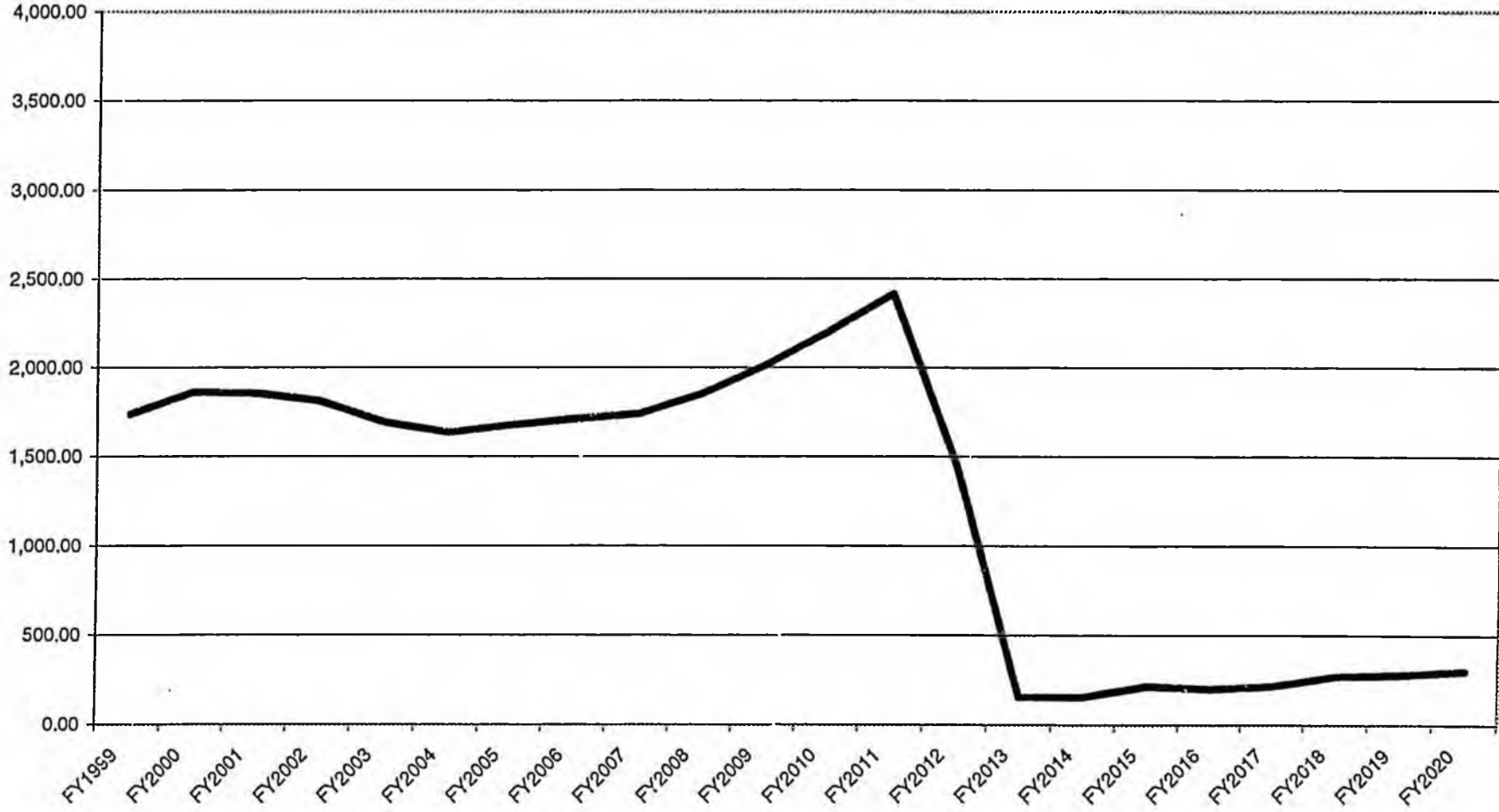
- This graph shows the legislature's historic commitment to the Permanent Fund above the Constitutional requirements.

*Healthy Alaska  
Plan*

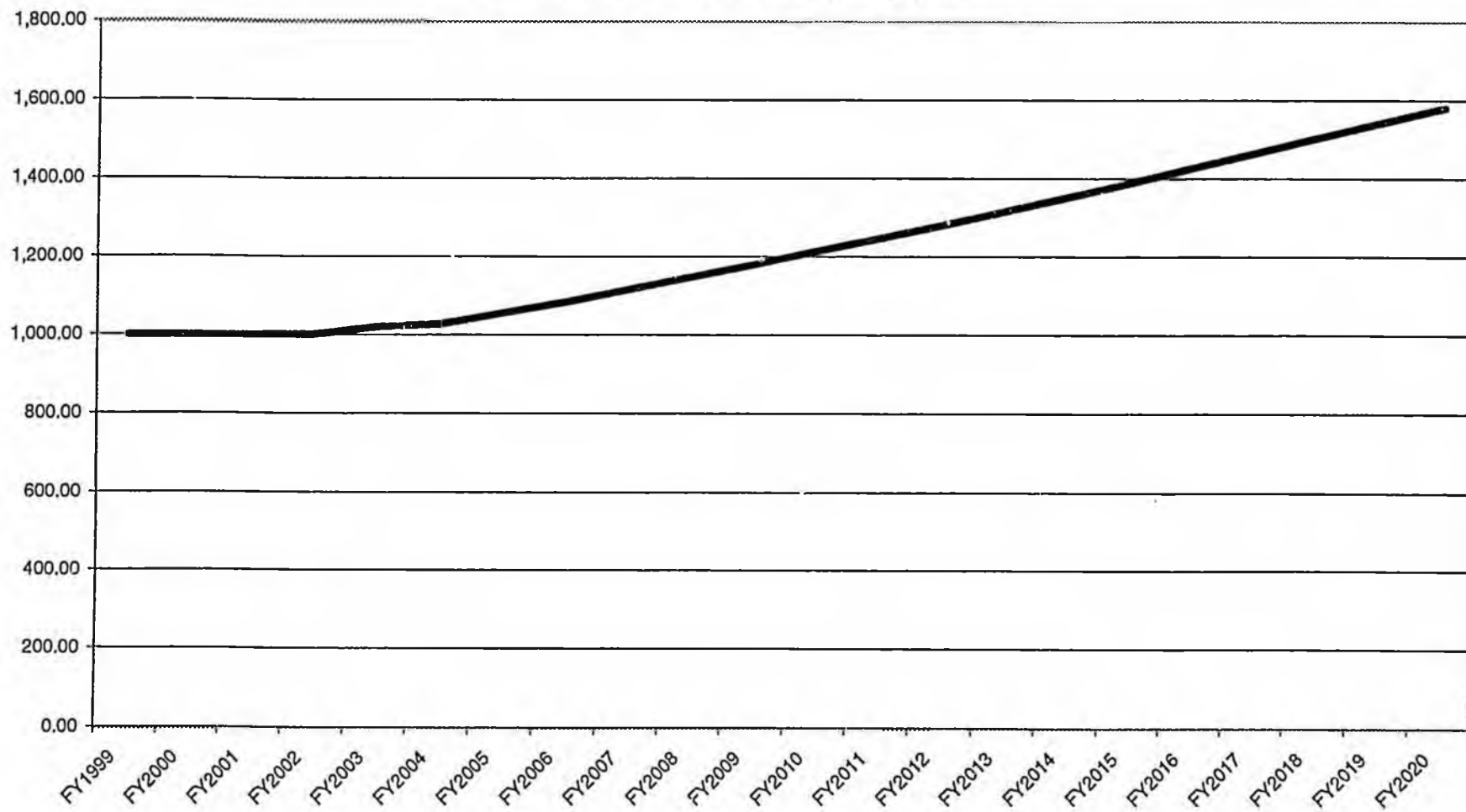
# Healthy Alaska Plan Total Spending



**Do Nothing Plan  
Permanent Fund Dividend per Capita**

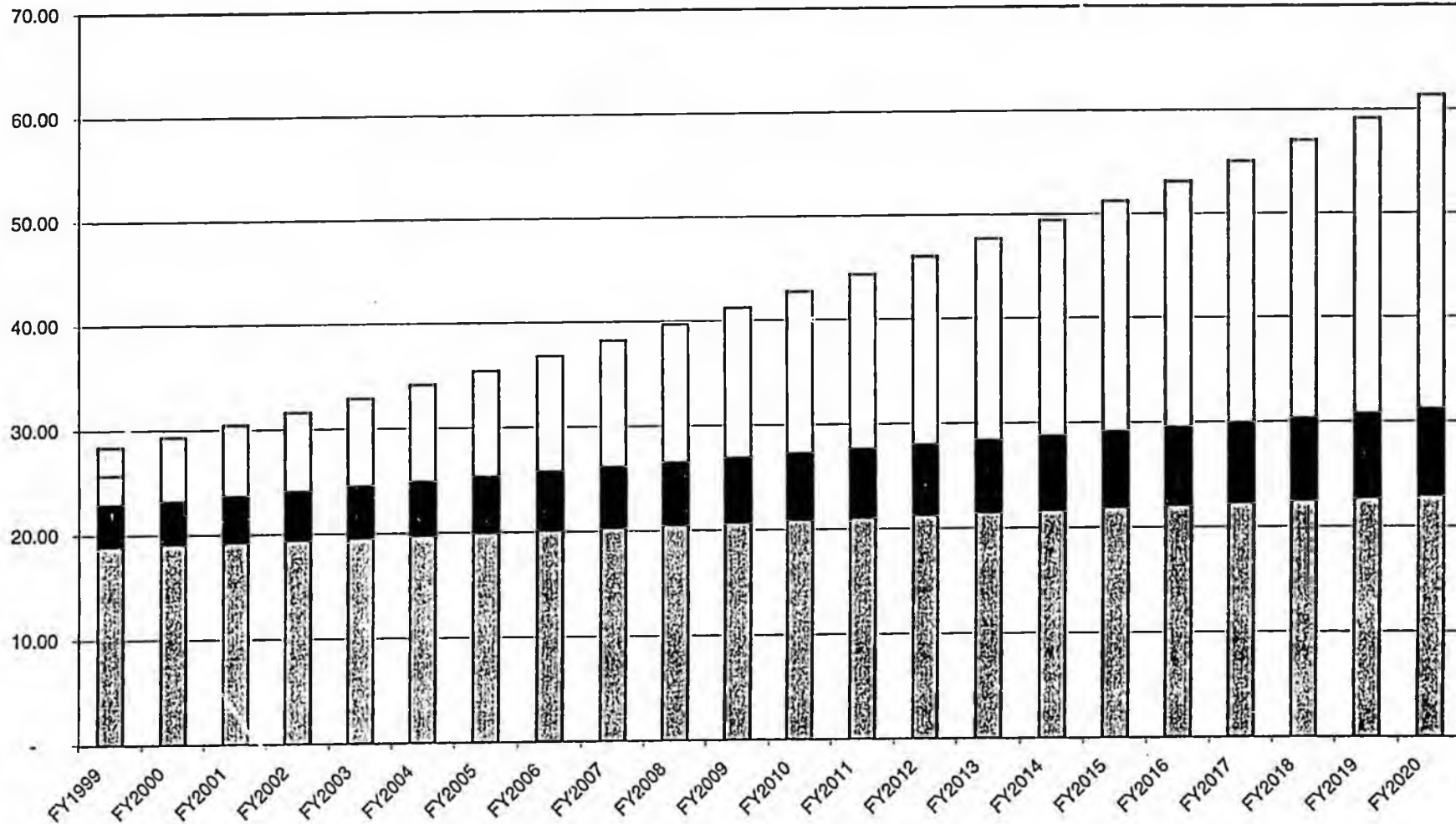


### Healthy Alaska Plan Permanent Fund Dividend per Capita



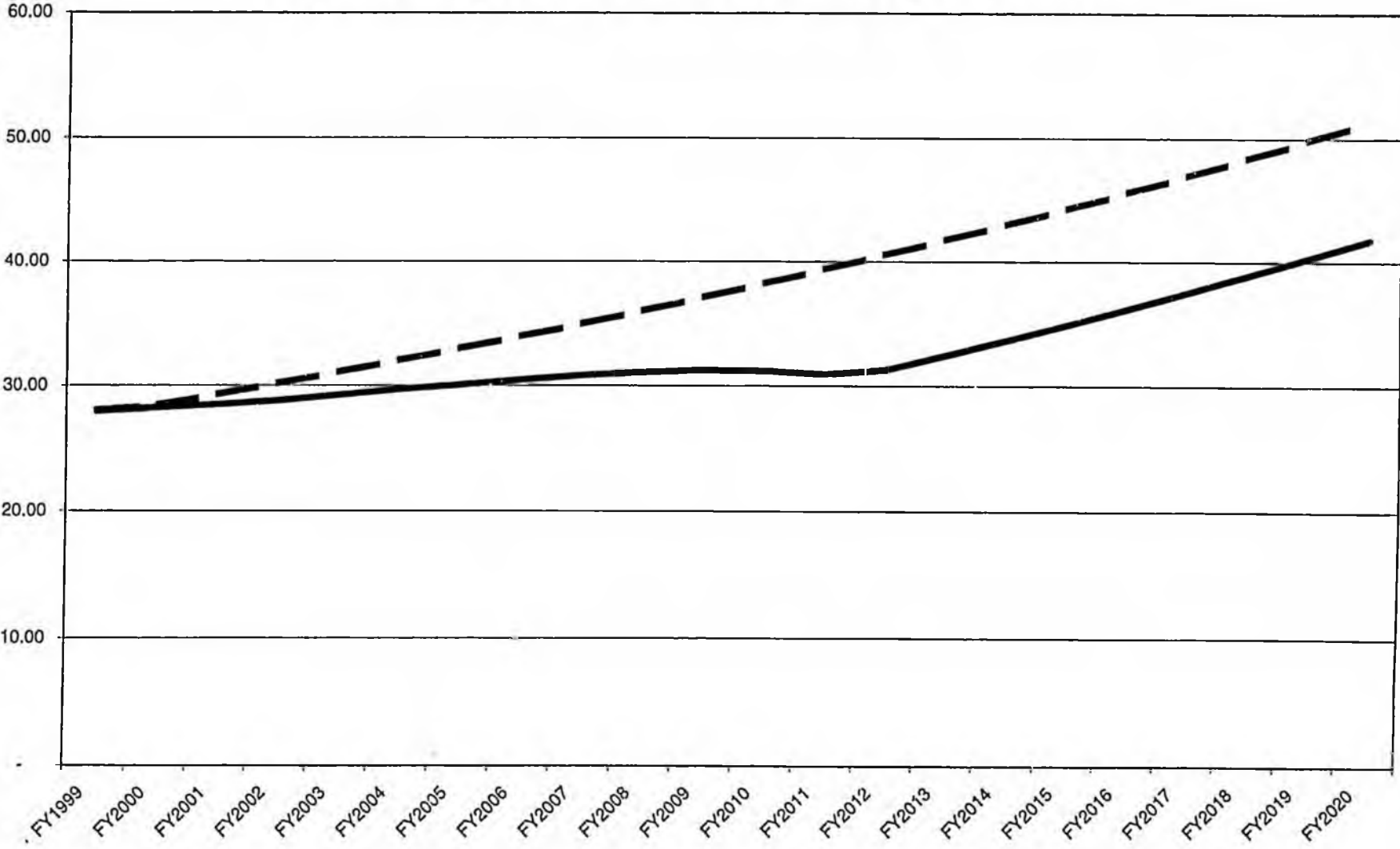
#3

### Healthy Alaska Plan Alaska's Savings Accounts



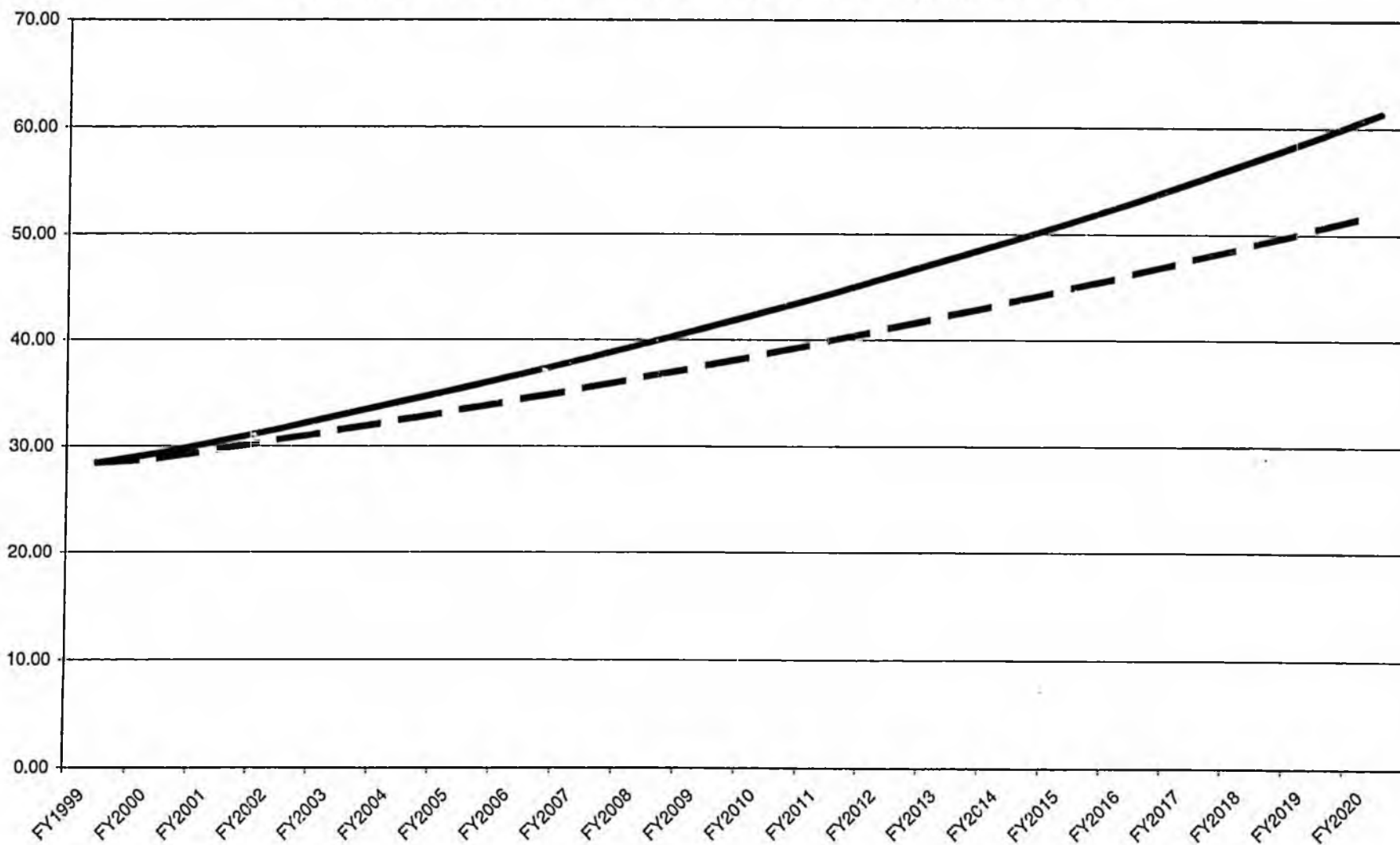
Permanent Fund Principal
  Unrealized Gain
  AK Income Acct
  Constitutional Budget Reserve

**Do Nothing Plan**  
**Projected Savings Account Balance vs Inflation Adjusted Balance**



- - - Inflation Adjusted Savings
— Actual Projected Savings

### Healthy Alaska Plan Projected Savings Account Balance vs Inflation Adjusted Balance

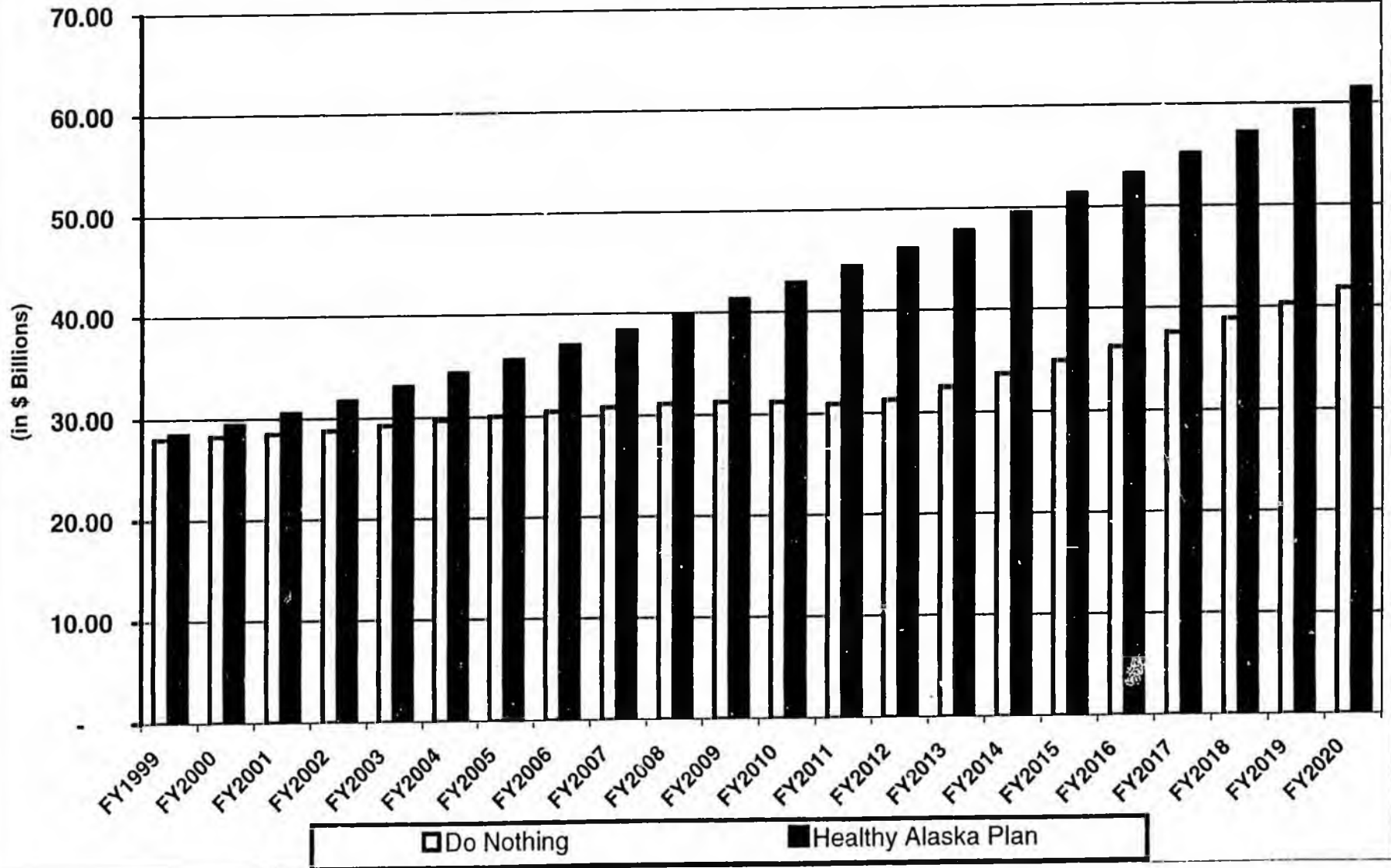


--- Inflation Adjusted Savings

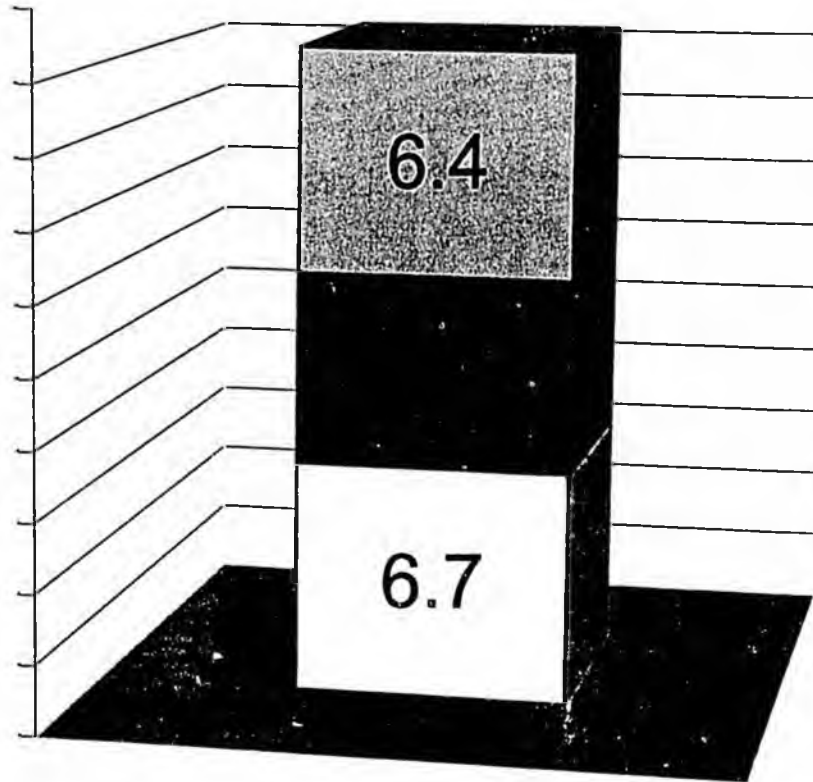
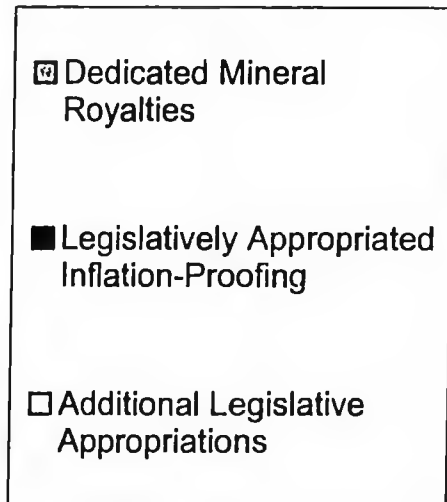
— Actual Projected Savings

#6

### Comparison of Savings Accounts Healthy Alaska Plan vs Do Nothing



# Alaska Permanent Fund Principal



**The Legislature has consistently demonstrated its commitment to the growth and protection of the Permanent Fund. 67% of the current principal is a result of Legislative Inflation-Proofing and Additional Legislative Appropriations.**

**1976 Election Pamphlet**  
**Statement in Favor of Proposition No. 2**  
**Alaskans should Strongly Support the Establishment of a "Permanent Fund"**

Just as a wise and prudent family sets aside money in a savings account for the future, so should Alaska's state government set aside a rainy day fund to benefit this and future generations of Alaskans. In a "Permanent Fund", you--the voter--can prevent a major source of income from being doled out for day-to-day needs or desires of state government by placing up to 25% of all revenue generated from non-renewable resources such as mineral leases, rentals, royalties and federal mineral revenue sharing payments and bonuses into such a fund.

In recent years the state legislature has been spending \$2.00 for every \$1.00 taken in. Authorities estimate that if the present rate of spending continues, Alaska will require a budget in excess of one billion dollars by or before 1980. Establishment of this "Permanent Fund" will provide for the use of the principal for *income-producing investments only* and provide a businesslike approach of permitting the State to meet countless community needs.

Today, as the result of anticipated oil and gas revenues, Alaska stands on the brink of unprecedented prosperity. No one, but no one, argues that these non-renewable resources will last but for a few decades. Similarly, no one should fail to recognize that in those years ahead the cost of state government will continue to spiral upwards. Now is the time to ask ourselves the question: "When the oil and gas is depleted, where will the funds to feed our giant government come from?" The answer is: the "Permanent Fund".

While it is to be hoped that such a fund may contribute to cutting cost or, at least, holding the line on state spending, its major value would be that it would require our elected officials to pause, reflect and research any proposal before blindly authorizing expenditure of taxpayers' monies. This would provide needed time for the press and the public to also be aware of the spending project and its merit, instead of being out of public view and hidden in the spending pattern of normal day-to-day operations. Projects invested in with sources from the "Permanent Fund" could help broaden Alaska's narrow based economy and bring more stability to our State.

We would caution the public that while a "Permanent Fund" could provide a tool for accomplishing real needs for community improvements, it will, in the final analysis, not replace our collective responsibility to elect state administrators and legislators who will use the same reason and restraint in spending the public money as they would their own funds.

Establishment of a "Permanent Fund" is an exciting concept and when approved and properly used can serve long and well the best public interest of Alaskans.

**VOTE "FOR"**  
**THE ESTABLISHMENT OF A "PERMANENT FUND"**  
**Anchorage Chamber of Commerce**

*Healthy Alaska  
Plan*

	A	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	<b>General Fund Budget Projections</b>	<b>FY</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.) Input	\$12.11	\$13.57	\$14.52	\$15.28	\$16.00	\$16.30	\$16.64	\$18.10	\$18.62	\$19.16	\$19.72	\$20.31
3		Oil Production (MMbbl/day) Input	1.166	1.047	1.064	1.035	1.049	1.076	1.031	0.979	0.919	0.871	0.824	0.768
4		DNR Incremental High Case Production - Oil (MMbbl/day) Fixed	0.000	0.000	0.000	0.012	0.035	0.046	0.058	0.064	0.068	0.136	0.210	0.241
5		DNR Incremental High Case Production - Gas (bcf/day) Fixed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
6	Available Revenues:	April 99 DOR Revenue update for price and production and HB96 passes												
7	General Fund Net Disposable Unrestricted Revenue		1,290.8	1,313.0	1,345.5	1,357.0	1,368.1	1,366.9	1,304.0	1,338.5	1,291.7	1,258.6	1,226.3	1,160.7
8	Revenue Distributed to State Using DNR Incremental High Case Production		0.0	0.0	0.0	5.8	14.2	18.6	22.9	29.7	33.2	78.7	127.9	147.3
9	New Revenue (Increase by 3% starting in FY03)	\$100	0.0	50.0	75.0	100.0	103.0	106.1	109.3	112.6	115.9	119.4	123.0	126.7
11	Constitutional Budget Reserve Fund (CBRF) Earnings		162.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	Transfer from the APF (line 46 below)		0.0	890.1	845.6	866.7	860.5	870.8	943.2	915.7	973.0	974.7	972.2	1,032.8
13	Budget Deficit		871.4	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Total General Fund Revenues and CBRF Draw		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5
15														
16	Expenditures:	Change Oper Bgt:		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Operating - Agenc, Univ & Form Programs (Medicaid, Aid to Communities, Long Bonus, etc)**		1,477.2	1,477.2	1,437.2	1,407.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2
18	Supplemental Budget - Fires, Floods, etc.		13.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
19	Decrease or Increase the General Fund Budget (FY00 inc'ludes \$35 M one time only cut)		0.0	(40.0)	(30.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	K-12 Education - FY 2000 estimate, then increase by amount specified	1.45%	681.2	691.1	701.1	711.3	1,010.7	1,025.4	1,040.2	1,055.3	1,070.6	1,086.1	1,101.9	1,117.9
21	Debt Service (Net of non-GF School Fund and AHFC offsets)		46.0	3.5	38.7	41.9	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8
22	Capital Budget (add \$50 million in 02, then begin inflationary increase in FY03)	1.45%	85.4	85.4	85.4	135.4	137.4	139.4	141.4	143.4	145.5	147.6	149.8	151.9
23	State Match for Loan Programs (Water, Sewer, etc.)		20.9	19.4	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
24	Total General Fund Expenditures:		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5
25	** NOTE: Operating agency growth only permitted in University, DOT/IF and Public Safety, \$280 million of operating agency budgets - this money moved to k-12 education line for purposes of modeling													
26	Budget Deficit		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	<b>Constitutional Budget Reserve Fund Projections</b>	<b>FY</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
28	CBRF Balance - at Start of Fiscal Year		3,559.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Earnings on the CBRF	8.10%	162.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Transfer from Permanent Fund Earnings Reserve	Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Oil & Gas Tax Dispute Resolutions		56.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Draw from Earnings for Annual Budget		(162.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33	Draw (or payback) in excess of CBRF Earnings for Annual Budget		(885.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Total Draw (or payback) from CBRF for Annual Budget		(1,048.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35	CBRF Balance - at End of Fiscal Year		2,729.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	<b>Alaska Permanent Fund Projections</b>	<b>FY</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
37	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)		18,516	18,981	19,129	19,290	19,459	19,643	19,837	20,026	20,229	20,433	20,651	20,882
38	Now called Alaska Income Account (includes CBRF account at FY99 year end)		5,360	8,639	9,520	10,455	11,468	12,435	13,413	14,488	15,579	16,745	17,995	19,272
39	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year		23,876	27,620	28,649	29,744	30,928	32,078	33,250	34,513	35,809	37,179	38,646	40,154
40	Dedicated Oil Revenue Deposits into principal during Fiscal Year (includes DNR barrels)		138	123	132	139	150	157	149	160	157	167	176	170
41	Total Return of the fund (FY99 is the actual return, and FY00-FY10 is using the rate shown)	8.25%	2,277.2	2,278.8	2,364	2,455	2,553	2,653	2,749	2,854	2,961	3,074	3,196	3,320
42	Less Costs of the fund		(32)	(42)	(43)	(43)	(44)	(45)	(45)	(46)	(47)	(47)	(48)	(49)
43	Amerada Hess - Transfer from ER to Principal		(38)	(26)	(28)	(31)	(34)	(37)	(40)	(43)	(47)	(51)	(55)	(59)
44	Permanent Fund Principal at End of Year		18,981	19,129	19,290	19,459	19,643	19,837	20,026	20,229	20,433	20,651	20,882	21,112
45	Earnings Reserve Balance (after costs, transfers & before payouts) - End of Fiscal Year		9,409	10,245	11,201	12,209	13,306	14,356	15,403	16,552	17,720	18,967	20,305	21,671
46	Ending Market Value		28,390	29,375	30,491	31,668	32,949	34,193	35,429	36,782	38,153	39,618	41,187	42,783
47	% of real rate of return - payout to the Alaska Income Account (start of year convention)	5.25%		(1,440)	(1,465.4)	(1,491)	(1,518)	(1,547)	(1,605)	(1,666)	(1,730)	(1,796)	(1,864)	(1,934)
48	payout to general fund (payout less dividend payout)			(890)	(846)	(867)	(861)	(871)	(943)	(916)	(973)	(975)	(972)	(1,033)
49	payout to dividend (42% of payout)			(598)	(605)	(612)	(626)	(638)	(650)	(674)	(700)	(726)	(754)	(783)
50	Market Value of Total Permanent Fund Assets - at End of Fiscal Year		28,390	29,375	30,491	31,668	32,949	34,193	35,429	36,782	38,153	39,618	41,187	42,783
51	Projected Dividend Check Per Person		1,000.27	1,000.00	1,000.00	1,013.32	1,020.94	1,029.23	1,057.27	1,086.65	1,117.04	1,148.28	1,180.05	1,212.25
52	Dividend Payable in --		Oct-99	Oct-00	Oct-01	Oct-02	Oct-03	Oct-04	Oct-05	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10
53	Dividend Formula - What's left after funding public services real return * average 5 yr market value of the Fund (phas	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow
54	Total Alaska Savings Accounts (CBRF + AK Perm Fund)		\$28,390	\$29,375	\$30,491	\$31,668	\$32,949	\$34,193	\$35,429	\$36,782	\$38,153	\$39,618	\$41,187	\$42,783

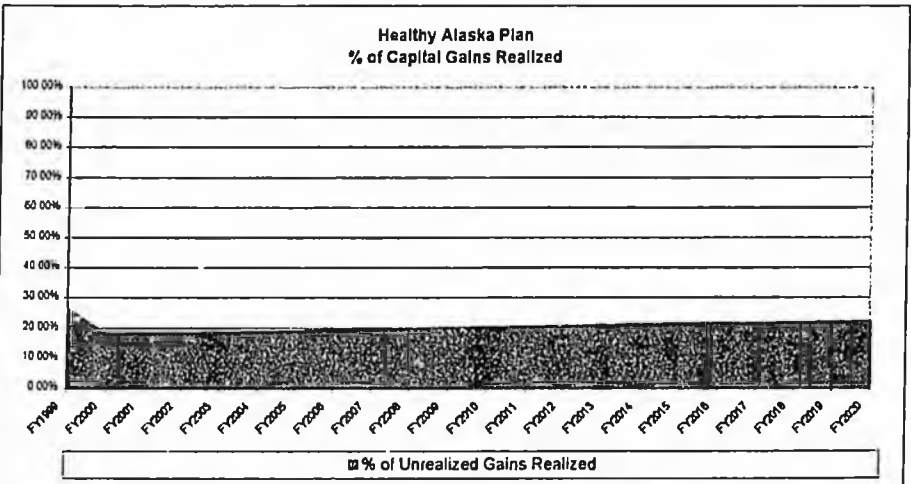
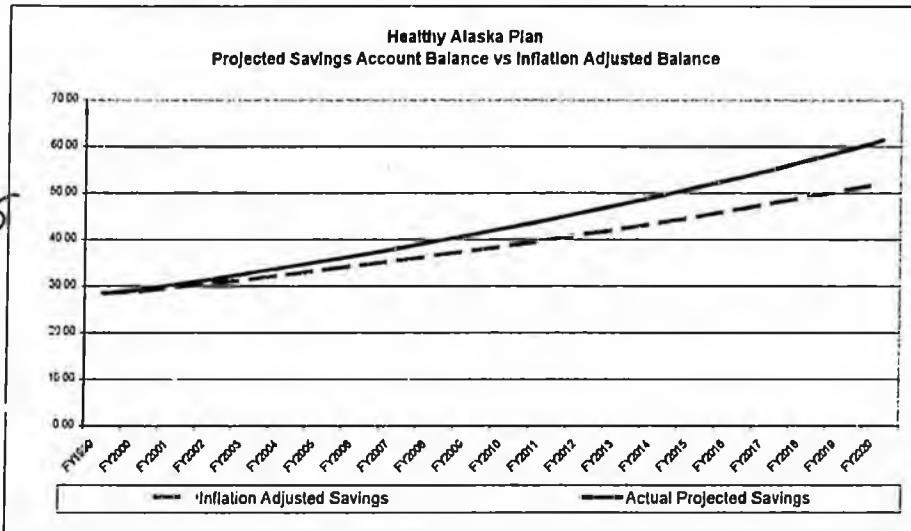
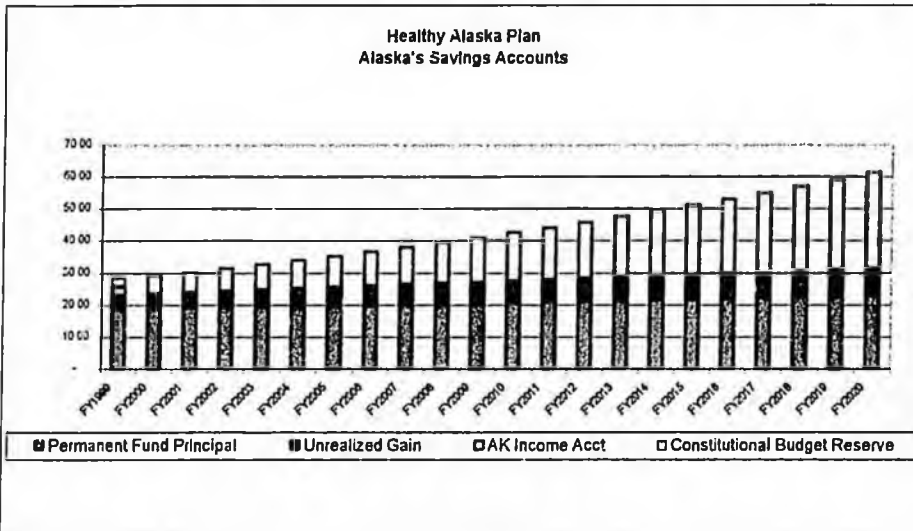
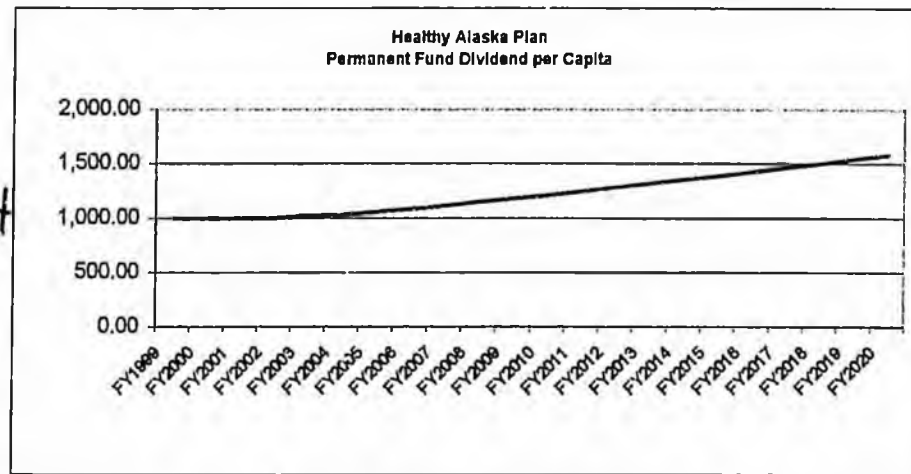
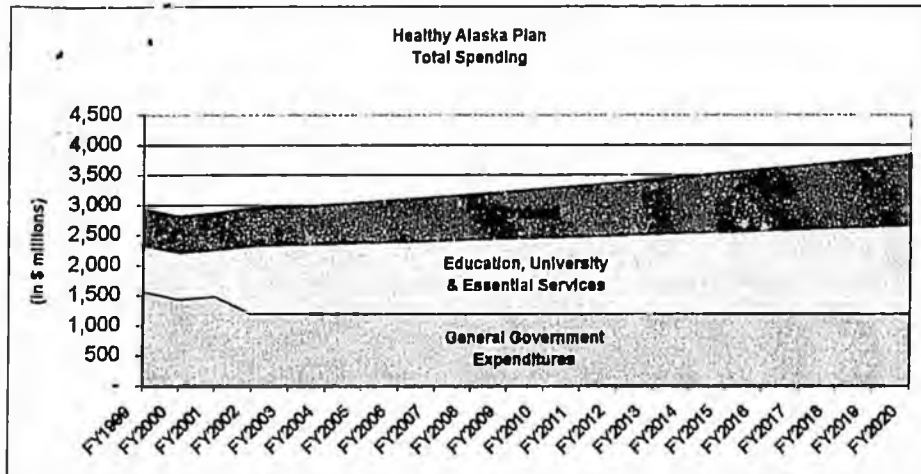
APF endowment method, payout real rate (nominal return - 3%) on 5 year prior ending market value, phased in over 5 years, split to pay dividend, then public services, CBRF rolled into the APF.

	A	F	S	T	U	V	W	X	Y	Z	AA	AB	
1	<b>General Fund Budget Projections</b>	<b>FY</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$20.91	\$21.52	\$22.15	\$22.80	\$23.48	\$24.18	\$24.94	\$25.73	\$26.55	\$27.40
3		Oil Production (MMbbl/day)	Input	0.718	0.669	0.621	0.577	0.550	0.503	0.469	0.437	0.408	0.381
4		DNR Incremental High Case Production - Oil (MMbbl/day)	Fixed	0.292	0.330	0.305	0.298	0.300	0.282	0.272	0.257	0.246	0.231
5		DNR Incremental High Case Production - Gas (bcf/day)	Fixed	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
6	Available Revenues:												
7	General Fund Net Disposable Unrestricted Revenue		1,120.8	1,099.4	1,060.3	1,029.7	1,008.1	982.6	959.8	942.6	923.8	913.1	
8	Revenue Distributed to State Using DNR Incremental High Case Production		185.2	226.0	221.6	253.4	274.0	284.3	295.1	306.3	316.2	303.6	
9	New Revenue (increase by 3% starting in FY03)	\$100	130.5	134.4	138.4	142.6	146.9	151.3	155.8	160.5	165.3	170.2	
11	Constitutional Budget Reserve Fund (CBRF) Earnings		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
12	Transfer from the APF (line 46 below)		1,049.4	1,044.7	1,103.2	1,117.2	1,133.3	1,163.9	1,191.5	1,213.1	1,237.9	1,277.1	
13	Budget Deficit		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
14	Total General Fund Revenues and CBRF Draw		2,485.9	2,504.6	2,523.5	2,542.8	2,562.3	2,582.1	2,602.1	2,622.5	2,643.1	2,664.1	
15													
16	Expenditures:	Change Op	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
17	Operating - Agenc, Univ & Form Programs (Medicaid, Aid to Communities, Long Bonus, etc)**		1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	
18	Supplemental Budget - Fires, Floods, etc.		16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	
19	Decrease or increase the General Fund Budget (FY00 includes \$35 M one time only cut)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
20	K-12 Education - FY 2000 estimate, then increase by amount specified	1.45%	1,134.1	1,150.5	1,167.2	1,184.1	1,201.3	1,218.7	1,236.4	1,254.3	1,272.5	1,291.0	
21	Debt Service (Net of non-GF School Fund and AHFC offsets)		41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	
22	Capital Budget (add \$50 million in 02, then begin inflationary increase in FY03)	1.45%	154.1	156.4	158.6	160.9	163.3	165.6	168.0	170.5	172.9	175.5	
23	State Match for Loan Programs (Water, Sewer, etc.)		17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	
24	Total General Fund Expenditures:		2,485.9	2,504.6	2,523.5	2,542.8	2,562.3	2,582.1	2,602.1	2,622.5	2,643.1	2,664.1	
25	** NOTE: Operating agency growth only permitted in University, DOT/PPF and Public Safety, \$280 million of operating												
26	Budget Deficit		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
27	<b>Constitutional Budget Reserve Fund Projections</b>	<b>FY</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	
28	CBRF Balance - at Start of Fiscal Year		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
29	Earnings on the CBRF	8.10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
30	Transfer from Permanent Fund Earnings Reserve	Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
31	Oil & Gas Tax Dispute Resolutions		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
32	Draw from Earnings for Annual Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
33	Draw (or payback) in excess of CBRF Earnings for Annual Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
34	Total Draw (or payback) from CBRF for Annual Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
35	CBRF Balance - at End of Fiscal Year		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
36	<b>Alaska Permanent Fund Projections</b>	<b>FY</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	
37	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)		21,112	21,349	21,597	21,841	22,084	22,328	22,571	22,815	23,059	23,307	
38	Now called Alaska Income Account (includes CBRF account at FY99 year end)		20,622	22,069	23,560	25,139	26,810	28,564	30,408	32,354	34,405	36,551	
39	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year		41,733	43,418	45,157	46,980	48,894	50,892	52,980	55,169	57,464	59,858	
40	Dedicated Oil Revenue Deposits into principal during Fiscal Year (includes DNR barrels)		172	178	168	162	157	149	142	136	131	126	
41	Total Return of the fund (FY99 is the actual return, and FY00-FY10 is using the rate shown)	8.25%	3,450	3,589	3,732	3,883	4,040	4,205	4,377	4,557	4,746	4,944	
42	Less Costs of the fund		(49)	(50)	(51)	(52)	(53)	(53)	(54)	(55)	(56)	(57)	
43	Amerada Hess - Transfer from ER to Principal		(65)	(70)	(76)	(81)	(88)	(94)	(101)	(109)	(117)	(126)	
44	Permanent Fund Principal at End of Year		21,349	21,597	21,841	22,084	22,328	22,571	22,815	23,059	23,307	23,559	
45	Earnings Reserve Balance (after costs, transfers & before payouts) - End of Fiscal Year		23,114	24,663	26,256	27,943	29,728	31,600	33,567	35,643	37,828	40,116	
46	Ending Market Value		44,463	46,260	48,097	50,027	52,056	54,171	56,382	58,702	61,135	63,675	
47	% of real rate of return - payout to the Alaska Income Account (start of year convention)	5.25%	(2,007)	(2,084)	(2,165)	(2,250)	(2,339)	(2,432)	(2,529)	(2,631)	(2,736)	(2,849)	
48	payout to general fund (payout less dividend payout)		(1,049)	(1,045)	(1,103)	(1,117)	(1,133)	(1,164)	(1,191)	(1,213)	(1,238)	(1,277)	
49	payout to dividend (42% of payout)		(843)	(875)	(909)	(945)	(983)	(1,021)	(1,062)	(1,105)	(1,150)	(1,197)	
50	Market Value of Total Permanent Fund Assets - at End of Fiscal Year		44,463	46,260	48,097	50,027	52,056	54,171	56,382	58,702	61,135	63,675	
51	Projected Dividend Check Per Person		1,245.80	1,280.88	1,317.22	1,355.40	1,395.00	1,435.89	1,478.47	1,522.67	1,568.30	1,615.72	
52	Dividend Payable in --		Oct-11	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20	
53	Dividend Formula - What's left after funding public services real return * average 5 yr market value of the Fund (phas	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	
54	Total Alaska Savings Accounts (CBRF + AK Perm Fund)		\$44,463	\$46,260	\$48,097	\$50,027	\$52,056	\$54,171	\$56,382	\$58,702	\$61,135	\$63,675	

APF endowment method, payout real rate (nominal return - 3%) on 5 year prior ending market value, phased in over 5 years, split to pay dividend, then public services, CBRF rolled into the APF.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
		FY	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	<b>General Fund Budget Projections</b>													
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$12.11	\$13.57	\$14.52	\$15.28	\$16.00	\$16.30	\$16.64	\$18.10	\$18.62	\$19.16	\$20.31
3		Oil Production (MMbbl/day)	Input	1.166	1.047	1.064	1.035	1.049	1.076	1.031	0.979	0.919	0.871	0.768
4		DNR Incremental High Case Production - Oil (MMbbl/day)	Fixed	0.000	0.000	0.000	0.012	0.035	0.046	0.058	0.064	0.068	0.136	0.210
5		DNR Incremental High Case Production - Gas (bcf/day)	Fixed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
6	Available Revenues:			DOR Spring forecast for price and production (April 99) and HB96 passes.										
7	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)		1,290.6	1,313.0	1,345.1	1,357.0	1,368.1	1,366.9	1,304.0	1,338.5	1,291.7	1,258.6	1,226.3	1,160.7
8	Revenue Distributed to State Using DNR Incremental High Case Production		0.0	0.0	0.0	5.8	14.2	18.6	22.9	29.7	33.2	78.7	127.9	147.3
9	Alaska Broad Based Tax (Net receipts in millions)	Choose Start FY =	FY00	\$350	0.0	175.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
11	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)		162.1	540.8	540.2	545.8	550.1	549.2	539.5	526.8	511.4	492.0	470.7	444.8
12	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)		871.6	224.3	30.8	70.9	63.4	77.6	162.9	151.5	227.5	252.1	274.5	364.7
13	Total General Fund Revenues and CBRF Draw		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5
14														
15	Expenditures:	Change Oper Budget:		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)		1,477.2	1,477.2	1,437.2	1,407.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2
17	Supplemental Budget - Fires, Floods, etc.		13.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
18	Decrease or Increase the General Fund Budget		0.0	(40.0)	(30.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	K-12 Education - FY 2000 estimate	FY00	1.45%	681.2	691.1	701.1	711.3	1,010.7	1,025.4	1,040.2	1,055.3	1,070.6	1,086.1	1,101.9
20	Debt Service (Net of non-GF School Fund and AHFC offsets)		46.0	3.5	38.7	41.9	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8
21	Capital Budget		1.45%	85.4	85.4	85.4	135.4	137.4	139.4	141.4	143.4	145.5	147.6	149.8
22	State Match for Loan Programs (Water, Sewer, etc.)		20.9	19.4	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
23	Total General Fund Expenditures:		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5
24	<b>Constitutional Budget Reserve Fund Projections</b>	FY	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
25	CBRF Balance - at Start of Fiscal Year		3,559.1	6,729.0	6,624.7	6,713.9	6,763.0	6,819.6	6,741.9	6,579.0	6,427.5	6,200.0	5,947.9	5,673.4
26	Earnings on the CBRF	8.25%	162.1	540.8	540.2	545.8	550.1	549.2	539.5	526.8	511.4	492.0	470.7	444.8
27	Transfer from Permanent Fund Earnings Reserve (from line 47)	Transfer	4,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Oil & Gas Tax Dispute Resolutions		56.0	120.0	120.0	120.0	120.0	120.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Draw from Earnings for Annual Budget		(162.1)	(540.8)	(540.2)	(545.8)	(550.1)	(549.2)	(539.5)	(526.8)	(511.4)	(492.0)	(470.7)	(444.8)
30	Draw (or payback) in excess of CBRF Earnings for Annual Budget		(886.1)	(224.3)	(30.8)	(70.9)	(63.4)	(77.6)	(162.9)	(151.5)	(227.5)	(252.1)	(274.5)	(364.7)
31	Total Draw (or payback) from CBRF for Annual Budget		(1,048.2)	(765.1)	(571.0)	(616.7)	(613.5)	(626.9)	(702.4)	(678.2)	(738.9)	(744.1)	(745.2)	(809.5)
32	CBRF Balance - at End of Fiscal Year		6,729.0	6,624.7	6,713.9	6,763.0	6,819.6	6,741.9	6,579.0	6,427.5	6,200.0	5,947.9	5,673.4	5,308.7
33	<b>Alaska Permanent Fund Projections</b>	FY	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
34	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)		18,516	18,983	19,710	20,470	21,262	22,093	22,958	23,844	24,771	25,727	26,726	27,768
35	Earnings Reserve Balance - at Start of Fiscal Year	8.25%	5,360	2,292	2,324	2,402	2,557	2,845	3,242	3,677	4,150	4,661	5,211	5,801
37	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year		23,876	21,276	22,034	22,873	23,819	24,938	26,200	27,521	28,921	30,388	31,937	33,569
38	Dedicated Oil Revenue Deposits into principal during Fiscal Year		138	123	132	139	150	157	149	160	157	167	176	170
39	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)		2,293	1,624	1,676	1,733	1,799	1,878	1,966	2,061	2,161	2,269	2,382	2,501
40	Unrealized Capital Gains at End of Fiscal Year		3,917	3,981	4,054	4,137	4,228	4,330	4,443	4,568	4,703	4,848	5,003	5,168
42	Total Statutory Income		2,293	1,624	1,676	1,733	1,799	1,878	1,966	2,061	2,161	2,269	2,382	2,501
43	Earnings Reserve balance before payouts - End of Fiscal Year		7,653	3,917	4,000	4,135	4,356	4,723	5,208	5,738	6,311	6,930	7,593	8,302
44	Payout for dividends and dividend program costs		(1,019)	(1,083)	(1,074)	(1,042)	(958)	(915)	(950)	(991)	(1,036)	(1,085)	(1,138)	(1,194)
45	Transfer from Earnings Reserve to Principal (Inflation proofing and other transfers)		(288)	(574)	(596)	(619)	(643)	(669)	(694)	(721)	(749)	(778)	(809)	(840)
46	Projected rate for statutory inflation-proofing		1.54%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
47	Transfer a portion of Earnings Reserve to CBRF		4,000	0	0	0	0	0	0	0	0	0	0	0
48	Market Value of Total Permanent Fund Assets - at End of Fiscal Year		21,276	22,034	22,873	23,819	24,938	26,200	27,521	28,921	30,388	31,937	33,569	35,272
49	Projected Dividend Check Per Person		1,740.32	1,834.87	1,799.11	1,726.15	1,567.11	1,477.95	1,521.98	1,572.40	1,629.10	1,691.54	1,758.19	1,828.53
50	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)		5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
51	Total Alaska Savings Accounts (CBRF + AK Perm Fund)		\$28,005	\$28,659	\$29,587	\$30,582	\$31,758	\$32,942	\$34,100	\$35,349	\$36,588	\$37,885	\$39,242	\$40,581

	A	B	O	P	Q	R	S	T	U	V	W	X	
		FY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
<b>1</b>	<b>General Fund Budget Projections</b>												
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$20.91	\$21.52	\$22.15	\$22.80	\$23.48	\$24.18	\$24.94	\$25.73	\$26.55	\$27.40
3		Oil Production (MMbbl/day)	Input	0.718	0.669	0.621	0.577	0.550	0.503	0.469	0.437	0.408	0.301
4		DNR Incremental High Case Production - Oil (MMbbl/day)	Fixed	0.292	0.330	0.305	0.298	0.300	0.282	0.272	0.257	0.246	0.231
5		DNR Incremental High Case Production - Gas (bcf/day)	Fixed	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
6	Available Revenues:												
7	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)		1,120.8	1,099.4	1,060.3	1,029.7	1,008.1	982.6	959.8	942.6	923.8	913.1	
8	Revenue Distributed to State Using DNR Incremental High Case Production		185.2	226.0	221.6	253.4	274.0	284.3	295.1	306.3	316.2	303.6	
9	Alaska Broad Based Tax (Net receipts in millions)	Choose Start FY =	FY00	\$350	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
11	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)		413.1	715.6	703.4	686.8	667.1	643.4	614.9	581.5	542.9	498.0	
12	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)		416.8	113.5	188.2	223.0	263.0	321.7	382.4	442.0	510.2	599.4	
13	Total General Fund Revenues and CBRF Draw		2,485.9	2,504.6	2,523.5	2,542.8	2,562.3	2,582.1	2,602.1	2,622.5	2,643.1	2,664.1	
14													
15	Expenditures:	Change Op	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)		1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	
17	Supplemental Budget - Fires, Floods, etc.		16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	
18	Decrease or Increase the General Fund Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
19	K-12 Education - FY 2000 estimate	FY00	1.45%	1,134.1	1,150.5	1,167.2	1,184.1	1,201.3	1,218.7	1,236.4	1,254.3	1,272.5	1,291.0
20	Debt Service (Net of non-GF School Fund and AHFC offsets)		41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	
21	Capital Budget		1.45%	154.1	156.4	158.6	160.9	163.3	165.6	168.0	170.5	172.9	175.5
22	State Match for Loan Programs (Water, Sewer, etc.)		17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	
23	Total General Fund Expenditures:		2,485.9	2,504.6	2,523.5	2,542.8	2,562.3	2,582.1	2,602.1	2,622.5	2,643.1	2,664.1	
24	<b>Constitutional Budget Reserve Fund Projections</b>	<b>FY</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	
25	CBRF Balance - at Start of Fiscal Year		5,308.7	8,891.8	8,778.4	8,590.2	8,367.2	8,104.2	7,782.5	7,400.2	6,958.1	6,447.9	
26	Earnings on the CBRF	8.25%	413.1	715.6	703.4	686.8	667.1	643.4	614.9	581.5	542.9	498.0	
27	Transfer from Permanent Fund Earnings Reserve (from line 47)	Transfer	4,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
28	Oil & Gas Tax Dispute Resolutions		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
29	Draw from Earnings for Annual Budget		(413.1)	(715.6)	(703.4)	(686.8)	(667.1)	(643.4)	(614.9)	(581.5)	(542.9)	(498.0)	
30	Draw (or payback) in excess of CBRF Earnings for Annual Budget		(416.8)	(113.5)	(188.2)	(223.0)	(263.0)	(321.7)	(382.4)	(442.0)	(510.2)	(599.4)	
31	Total Draw (or payback) from CBRF for Annual Budget		(829.9)	(829.1)	(891.6)	(909.7)	(930.1)	(965.1)	(997.3)	(1,023.5)	(1,053.2)	(1,097.4)	
32	CBRF Balance - at End of Fiscal Year		8,891.8	8,778.4	8,590.2	8,367.2	8,104.2	7,782.5	7,400.2	6,958.1	6,447.9	5,948.5	
33	<b>Alaska Permanent Fund Projections</b>	<b>FY</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	
34	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)		28,839	29,950	31,109	32,297	33,521	34,783	36,081	37,419	38,799	40,224	
35	Earnings Reserve Balance - at Start of Fiscal Year	8.25%	6,433	3,108	3,517	3,973	4,484	5,055	5,694	6,386	7,132	7,935	
37	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year		35,272	33,058	34,626	36,271	38,005	39,838	41,775	43,805	45,931	48,158	
38	Dedicated Oil Revenue Deposits into principal during Fiscal Year		172	178	168	162	157	149	142	136	131	126	
39	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)		2,625	2,559	2,652	2,755	2,867	2,990	3,121	3,260	3,407	3,563	
40	Unrealized Capital Gains at End of Fiscal Year		5,344	5,394	5,475	5,582	5,712	5,863	6,035	6,226	6,436	6,663	
42	Total Statutory Income		2,625	2,559	2,652	2,755	2,867	2,990	3,121	3,260	3,407	3,563	
43	Earnings Reserve balance before payouts - End of Fiscal Year		9,058	5,668	6,169	6,728	7,351	8,045	8,814	9,646	10,539	11,497	
44	Payout for dividends and dividend program costs		(1,254)	(1,295)	(1,336)	(1,375)	(1,413)	(1,451)	(1,510)	(1,574)	(1,643)	(1,716)	
45	Transfer from Earnings Reserve to Principal (Inflation proofing and other transfers)		(872)	(906)	(941)	(976)	(1,013)	(1,051)	(1,090)	(1,130)	(1,172)	(1,214)	
46	Projected rate for statutory inflation-proofing		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
47	Transfer a portion of Earnings Reserve to CBRF		4,000	0	0	0	0	0	0	0	0	4,000	
48	Market Value of Total Permanent Fund Assets - at End of Fiscal Year		33,058	34,626	36,271	38,005	39,838	41,775	43,805	45,931	48,158	46,490	
49	Projected Dividend Check Per Person		1,902.07	1,947.07	1,988.47	2,027.26	2,064.06	2,099.64	2,164.64	2,235.28	2,310.97	2,391.40	
50	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	
51	Total Alaska Savings Accounts (CBRF + AK Perm Fund)		\$41,950	\$43,404	\$44,861	\$46,372	\$47,942	\$49,557	\$51,205	\$52,889	\$54,606	\$56,339	



	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<b>Revenue Assumptions</b>												
Oil Price in \$/bbl	12.11	13.57	14.52	15.28	16.00	16.30	16.64	18.10	18.62	19.16	19.72	20.31
Volume in mbb/d	1.166	1.047	1.064	1.035	1.049	1.076	1.031	0.979	0.919	0.871	0.824	0.768
HB96 Passes (Y or N) - All Leases @ 25%	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>Market Assumptions</b>												
Perm Fund Total Return	9.510%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%
Yield of Dividends & Interest	4.000%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%
Expected Capital Gains/Losses	5.510%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%
% of Unrealized Gains Realized	26.460%	18.100%	18.260%	18.400%	18.600%	18.850%	19.100%	19.370%	19.620%	19.900%	20.150%	20.400%
CBR Yield	6.080%	8.250%	8.250%	8.250%	8.250%	8.250%	5.500%	5.500%	5.500%	5.500%	5.500%	5.500%
<i>Annualized Return:</i>	9.510%	8.878%	8.668%	8.564%	8.501%	8.459%	8.429%	8.407%	8.389%	8.375%	8.364%	8.354%
<b>Dividend Assumptions</b>												
Maximum Dividend to \$ per Person	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculated Dividend Amount	\$1,000	\$1,000	\$1,000	\$1,000	\$1,019	\$1,027	\$1,055	\$1,084	\$1,114	\$1,146	\$1,179	\$1,212
<b>Inflation Assumptions</b>												
General Inflation Rate - Used for Inflation Proofing	1.540%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%
Growth of Agency Expenditures - Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth of Formula Expenditures - Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth of School Expenditures - Inflation	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Growth of Capital Budget - Inflation	0.00%	0.00%	0.00%	0.00%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
<b>Population Growth Assumptions</b>												
Agency Expenditures - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Formula Expenditures - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
School Expenditures - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital Budget - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Dividends	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%
<b>Inflation Proofing Assumptions</b>												
Statutory Inflation Proofing Amount	287.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Question: Use the Statutory Method? (Y or N)	Y	N	N	N	N	N	N	N	N	N	N	N
<b>Endowment Assumptions</b>												
Payout %	N/A	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Minimum Dividend	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Split (Y or N)	N/A	N	N	N	N	N	N	N	N	N	N	N
% Split for Dividend	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% Split for General Government	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Graduated 5 Year Smoothing (Y or N)	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
<b>Revenue Assumptions</b>										
Oil Price in \$/bbl	20.91	21.52	22.15	22.80	23.48	24.18	24.94	25.73	26.55	27.40
Volume in mbb/d	0.718	0.669	0.621	0.577	0.550	0.503	0.469	0.437	0.408	0.381
HB96 Passes (Y or N) - All Leases @ 25%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>Market Assumptions</b>										
Perm Fund Total Return	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%	8.250%
Yield of Dividends & Interest	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%
Expected Capital Gains/Losses	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%	4.430%
% of Unrealized Gains Realized	20.630%	20.800%	21.000%	21.200%	21.400%	21.600%	21.780%	21.950%	22.100%	22.250%
CBR Yield	5.500%	5.500%	5.500%	5.500%	5.500%	5.500%	5.500%	5.500%	5.500%	5.500%
<i>Annualized Return</i>	8.346%	8.340%	8.334%	8.328%	8.324%	8.320%	8.316%	8.313%	8.310%	8.307%
<b>Dividend Assumptions</b>										
Maximum Dividend to \$ per Person	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculated Dividend Amount	z \$1,246	\$1,281	\$1,317	\$1,353	\$1,389	\$1,426	\$1,464	\$1,503	\$1,542	\$1,582
<b>Inflation Assumptions</b>										
General Inflation Rate - Used for Inflation Proofing	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%
Growth of Agency Expenditures - Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth of Formula Expenditures - Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth of School Expenditures - Inflation	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Growth of Capital Budget - Inflation	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
<b>Population Growth Assumptions</b>										
Agency Expenditures - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Formula Expenditures - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
School Expenditures - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital Budget - Population	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Dividends	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%
<b>Inflation Proofing Assumptions</b>										
Statutory Inflation Proofing Amount	z 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Question: Use the Statutory Method? (Y or N)	N	N	N	N	N	N	N	N	N	N
<b>Endowment Assumptions</b>										
Payout %	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Minimum Dividend	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Split (Y or N)	N	N	N	N	N	N	N	N	N	N
% Split for Dividend	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% Split for General Government	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Graduated 5 Year Smoothing (Y or N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Budget Assumptions	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<b>Revenues</b>	1,290.6	1,313.0	1,345.1	1,357.0	1,368.1	1,366.9	1,304.0	1,338.5	1,291.7	1,258.6	1,226.3	1,160.7
<i>Petroleum Revenue</i>	669.5	698.2	731.8	739.4	756.1	768.3	711.1	746.4	710.3	687.3	665.6	610.5
<i>Non-petroleum Revenue</i>	621.1	614.8	613.2	617.6	612.0	598.7	592.9	592.1	581.4	571.3	560.7	550.2
Alaska Credit Income Tax (Net receipts in millions)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Oil Revenue	0.0	0.0	0.0	4.5	35.0	51.4	62.7	72.7	76.7	97.9	121.8	124.1
Other New Revenue #1	0.0	50.0	75.0	100.0	103.0	106.1	109.3	112.6	115.9	119.4	123.0	126.7
Other New Revenue #2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Revenues</b>	<b>1,290.6</b>	<b>1,363.0</b>	<b>1,420.1</b>	<b>1,461.5</b>	<b>1,506.1</b>	<b>1,524.4</b>	<b>1,476.0</b>	<b>1,523.8</b>	<b>1,484.3</b>	<b>1,475.9</b>	<b>1,471.1</b>	<b>1,411.5</b>
<b>Expenditures</b>												
Agency Operations	1,104.7	1,104.7	1,064.7	749.7	749.7	749.7	749.7	749.7	749.7	749.7	749.7	749.7
Formula Programs	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5
K-12 Education	681.2	691.1	701.1	996.3	1,010.7	1,025.4	1,040.2	1,055.3	1,070.6	1,086.1	1,101.9	1,117.9
Penn Fund Dividends	569.6	576.0	582.2	588.7	606.6	618.0	641.5	666.3	692.8	720.5	749.2	778.8
Penn Fund Hold Harmless	28.49	28.9	29.3	29.7	30.2	30.6	31.1	31.5	32.0	32.4	32.9	33.4
Proposed Budget Cuts #1	0.0	(40.0)	(30.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proposed Budget Cuts #1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplemental Budget - Fires, Floods, (Y2K, FY99), etc.	13.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
Debt Service (Net of non-GF School Fund and AIFC offsets)	46.0	3.5	38.7	41.9	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.0
Capital Budget	85.4	85.4	85.4	135.4	137.4	139.4	141.4	143.4	145.5	147.6	149.8	151.9
State Match for Loan Programs (Water, Sewer, etc.)	20.9	19.4	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
Other #1	14.5	(35.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other #2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total General Fund Expenditures:</b>	<b>2,936.9</b>	<b>2,823.0</b>	<b>2,877.7</b>	<b>2,947.9</b>	<b>2,982.5</b>	<b>3,011.0</b>	<b>3,051.8</b>	<b>3,094.3</b>	<b>3,138.6</b>	<b>3,184.4</b>	<b>3,231.5</b>	<b>3,279.6</b>
<b>Budget (Deficit)/Surplus</b>	<b>(1,646.3)</b>	<b>(1,460.0)</b>	<b>(1,457.6)</b>	<b>(1,486.4)</b>	<b>(1,476.4)</b>	<b>(1,486.6)</b>	<b>(1,575.9)</b>	<b>(1,570.5)</b>	<b>(1,654.3)</b>	<b>(1,708.4)</b>	<b>(1,760.4)</b>	<b>(1,868.2)</b>
<b>Total</b>	<b>2,937.1</b>	<b>2,823.0</b>	<b>2,879.9</b>	<b>2,958.8</b>	<b>2,992.7</b>	<b>3,034.0</b>	<b>3,077.9</b>	<b>3,121.4</b>	<b>3,165.1</b>	<b>3,211.5</b>	<b>3,258.5</b>	<b>3,307.0</b>
<b>Transfers</b>												
Transfer (to)/from CBR (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (Thru the Year)	1,048.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legislative Appropriations to Penn Fund Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Alaska Income Acct (Beg of Year)	0.0	855.1	846.0	868.0	839.7	838.0	903.3	872.7	929.5	955.5	978.3	1,056.0
Transfer (to)/from Alaska Income Acct (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Alaska Income Acct (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PFD Transfer from Earn Reserve (End of Year)	569.6	576.0	582.2	588.7	606.6	618.0	641.5	666.3	692.8	720.5	749.2	778.8
PFD Transfer from Earn Reserve for Hold Harmless (End of Y.)	28.5	28.9	29.3	29.7	30.2	30.6	31.1	31.5	32.0	32.4	32.9	33.4
<b>Total Transfers</b>	<b>1,646.3</b>	<b>1,460.0</b>	<b>1,457.6</b>	<b>1,486.4</b>	<b>1,476.4</b>	<b>1,486.6</b>	<b>1,575.9</b>	<b>1,570.5</b>	<b>1,654.3</b>	<b>1,708.4</b>	<b>1,760.4</b>	<b>1,868.2</b>
<b>Difference</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Budget Assumptions	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
<b>Revenues</b>	1,120.8	1,099.4	1,060.3	1,029.7	1,008.1	982.6	959.8	942.6	923.8	913.1
<i>Petroleum Revenue</i>	581.0	570.0	541.2	515.6	499.1	478.5	460.6	445.4	431.4	420.6
<i>Non-petroleum Revenue</i>	539.7	529.4	519.2	514.1	509.1	504.1	499.2	497.2	492.4	492.5
Alaska Credit Income Tax (Net receipts in millions)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Oil Revenue	141.1	159.1	153.9	154.9	154.8	151.8	151.8	149.8	149.0	141.7
Other New Revenue #1	130.5	134.4	138.4	142.6	146.9	151.3	155.8	160.5	165.3	170.2
Other New Revenue #2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Revenues</b>	1,392.3	1,392.9	1,352.6	1,327.2	1,309.8	1,285.7	1,267.4	1,252.9	1,238.0	1,225.1
<b>Expenditures</b>										
Agency Operations	749.7	749.7	749.7	749.7	749.7	749.7	749.7	749.7	749.7	749.7
Formula Programs	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5
K-12 Education	1,134.1	1,150.5	1,167.2	1,184.1	1,201.3	1,218.7	1,236.4	1,254.3	1,272.5	1,291.0
Perm Fund Dividends	809.5	841.3	874.1	907.9	942.7	978.5	1,015.5	1,053.7	1,093.2	1,134.1
Perm Fund Hold Harmless	33.9	34.3	34.8	35.4	35.9	36.4	36.9	37.4	38.0	38.5
Proposed Budget Cuts #1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proposed Budget Cuts #1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplemental Budget - Fires, Floods, (Y2K, FY99), etc.	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
Debt Service (Net of non-GF School Fund and AIFC offsets)	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8
Capital Budget	154.1	156.4	158.6	160.9	163.3	165.6	168.0	170.5	172.9	175.5
State Match for Loan Programs (Water, Sewer, etc.)	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
Other #1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other #2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total General Fund Expenditures:</b>	3,329.2	3,380.3	3,432.4	3,406.0	3,540.9	3,596.9	3,654.5	3,713.7	3,774.3	3,836.8
<b>Budget (Deficit)/Surplus</b>	(1,936.9)	(1,987.4)	(2,079.8)	(2,158.8)	(2,231.1)	(2,311.2)	(2,387.1)	(2,460.8)	(2,536.3)	(2,611.7)
	3,357.1	3,407.5	3,459.0	3,512.5	3,566.8	3,622.5	3,679.7	3,738.5	3,798.9	3,861.2
<b>Transfers</b>										
<i>Transfer (to)/from CBR (Beg of Year)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Transfer (to)/from CBR (Thru the Year)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Transfer (to)/from CBR (End of Year)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legislative Appropriations to Perm Fund Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Transfer (to)/from Alaska Income Acct (Beg of Year)</i>	1,093.6	1,111.7	1,170.9	1,215.6	1,252.5	1,296.4	1,334.7	1,369.6	1,405.1	1,439.0
<i>Transfer (to)/from Alaska Income Acct (Thru the Year)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Transfer (to)/from Alaska Income Acct (End of Year)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>PFD Transfer from Earn Reserve (End of Year)</i>	809.5	841.3	874.1	907.9	942.7	978.5	1,015.5	1,053.7	1,093.2	1,134.1
<i>PFD Transfer from Earn Reserve for Hold Harmless (End of Y.</i>	33.9	34.3	34.8	35.4	35.9	36.4	36.9	37.4	38.0	38.5
<b>Total Transfers</b>	1,936.9	1,987.4	2,079.8	2,158.8	2,231.1	2,311.2	2,387.1	2,460.8	2,536.3	2,611.7
<b>Difference</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**CONSTITUTIONAL BUDGET RESERVE**

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<b>TOTAL Const Budget Reserve (Beg of Yr)</b>	3,559.1	2,728.3	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil & Gas Tax Dispute Resolutions (Thru the Year)	56.0	120.0	120.0	120.0	120.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Beg of Year)	0.0	(2,728.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (End of Year)	0.0	(125.0)	(124.9)	(125.0)	(124.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (Thru the Year)	(1,048.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings	161.4	5.0	4.9	5.0	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL Const Budget Reserve (End of Yr)</b>	2,728.3	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**ALASKA PERMANENT FUND**

<b>Principal/Corpus</b>	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<b>TOTAL Principal at Cost (Beg of Yr)</b>	18,516.0	18,980.1	19,131.6	19,291.9	19,459.1	19,637.7	19,824.2	20,004.8	20,198.0	20,390.9	20,587.1	20,785.5
Dedicated Oil Revenues (Thru the Year)	138.1	123.0	132.0	136.6	145.3	150.4	141.5	150.8	147.2	146.7	145.0	135.5
Other Transfers (Amerada Hess) (End of Year)	38.2	28.4	28.2	30.7	33.3	36.1	39.1	42.4	45.8	49.5	53.4	57.6
Legislative Appropriations (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory Inflation Proofing (End of Year)	287.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL Principal at Cost (Ending Bal)</b>	18,980.1	19,131.6	19,291.9	19,459.1	19,637.7	19,824.2	20,004.8	20,198.0	20,390.9	20,587.1	20,785.5	20,978.7

**Alaska Income Account**

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<b>TOTAL Alaska Income Acct Acct Balance (Beg of Yr)</b>	1,389.0	2,790.2	5,967.7	6,648.3	7,404.5	8,281.4	9,139.6	10,019.1	11,019.1	12,049.1	13,142.9	14,302.8
Transfer (to)/from APFC Principal (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Principal (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Principal (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (Beg of Year)	0.0	(855.1)	(846.0)	(868.0)	(839.7)	(838.0)	(903.3)	(872.7)	(929.5)	(955.5)	(978.3)	(1,056.0)
Transfer (to)/from Gen Fund (Thru the Year)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (Beg of Year)	0.0	2,728.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (End of Year)	0.0	0.0	124.9	125.0	124.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PFD Transfer (to) Gen Fund (End of Year)	(569.6)	(576.0)	(582.2)	(588.7)	(606.6)	(618.0)	(641.5)	(666.3)	(692.8)	(720.5)	(749.2)	(778.8)
PFD Transfer (to) Gen Fund for Hold Harmless (End of Year)	(28.5)	(28.9)	(29.3)	(29.7)	(30.2)	(30.6)	(31.1)	(31.5)	(32.0)	(32.4)	(32.9)	(33.4)
Interest Income	z 957.8	1,054.2	1,089.0	1,130.6	1,176.6	1,226.1	1,271.8	1,321.6	1,372.4	1,425.3	1,480.5	1,535.9
Realized Gains	z 1,399.8	925.4	995.2	1,061.0	1,129.0	1,199.4	1,267.9	1,337.1	1,404.3	1,473.8	1,541.3	1,609.4
Statutory Inflation Proofing	(287.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Costs of APFC	(32.2)	(42.0)	(42.6)	(43.3)	(43.9)	(44.6)	(45.2)	(45.9)	(46.6)	(47.3)	(48.0)	(48.7)
Legislative Appropriations for Oil & Gas Litigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legislative Appropriations for Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Amerada Hess Settlement Earnings (not inc in div)	z (38.2)	(28.4)	(28.2)	(30.7)	(33.3)	(36.1)	(39.1)	(42.4)	(45.8)	(49.5)	(53.4)	(57.6)
<b>TOTAL Alaska Income Acct Balance (End of Yr)</b>	2,790.2	5,967.7	6,648.3	7,404.5	8,281.4	9,139.6	10,019.1	11,019.1	12,049.1	13,142.9	14,302.8	15,473.6

**Unrealized Gains**

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<b>Balance of Unrealized Gains (Beg of Year)</b>	3,970.9	3,890.5	4,187.5	4,455.1	4,705.2	4,940.8	5,163.3	5,370.4	5,565.9	5,753.2	5,932.2	6,107.8
Current Year Unrealized Gains	z 1,319.4	1,222.5	1,262.9	1,311.1	1,364.5	1,421.9	1,474.9	1,532.6	1,591.6	1,652.9	1,716.9	1,781.2
Amount of Gains Realized	(1,399.8)	(925.4)	(995.2)	(1,061.0)	(1,129.0)	(1,199.4)	(1,267.9)	(1,337.1)	(1,404.3)	(1,473.8)	(1,541.3)	(1,609.4)
Additional Gains Realized	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Bal Unreal Gain add to Market Value</b>	3,890.5	4,187.5	4,455.1	4,705.2	4,940.8	5,163.3	5,370.4	5,565.9	5,753.2	5,932.2	6,107.8	6,279.7
<b>Balance of Total Savings</b>	28,389.2	29,286.8	30,395.4	31,568.9	32,859.9	34,127.1	35,394.3	36,783.0	38,193.2	39,662.3	41,196.2	42,732.0

**CONSTITUTIONAL BUDGET RESERVE**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
<b>TOTAL Const Budget Reserve (Beg of Yr)</b>	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Oil & Gas Tax Dispute Resolutions (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL Const Budget Reserve (End of Yr)</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

**ALASKA PERMANENT FUND****Principal/Corpus**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
<b>TOTAL Principal at Cost (Beg of Yr)</b>	20,978.7	21,172.1	21,369.6	21,567.1	21,765.6	21,966.6	22,170.0	22,376.8	22,587.9	22,804.2
Dedicated Oil Revenues (Thru the Year)	131.2	130.5	125.3	120.8	117.2	113.1	109.4	106.3	103.4	100.8
Other Transfers (Amerada Hess) (End of Year)	62.2	67.0	72.2	77.8	83.8	90.3	97.3	104.8	112.8	121.5
Legislative Appropriations (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Alaska Income Acct (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory Inflation Proofing (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL Principal at Cost (Ending Bal)</b>	21,172.1	21,369.6	21,567.1	21,765.6	21,966.6	22,170.0	22,376.8	22,587.9	22,804.2	23,026.5

**Alaska Income Account**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
<b>TOTAL Alaska Income Acct Acct Balance (Beg of Yr)</b>	15,473.6	16,694.7	17,983.5	19,303.8	20,672.3	22,099.7	23,582.1	25,126.4	26,738.9	28,421.6
Transfer (to)/from APFC Principal (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Principal (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from APFC Principal (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (Beg of Year)	(1,093.6)	(1,111.7)	(1,170.9)	(1,215.6)	(1,252.5)	(1,296.4)	(1,334.7)	(1,369.6)	(1,405.1)	(1,439.0)
Transfer (to)/from Gen Fund (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from Gen Fund (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (Beg of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (Thru the Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer (to)/from CBR (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PFD Transfer (to) Gen Fund (End of Year)	(809.5)	(841.3)	(874.1)	(907.9)	(942.7)	(978.5)	(1,015.5)	(1,053.7)	(1,093.2)	(1,134.1)
PFD Transfer (to) Gen Fund for Hold Harmless (End of Year)	(33.9)	(34.3)	(34.8)	(35.4)	(35.9)	(36.4)	(36.9)	(37.4)	(38.0)	(38.5)
Interest Income	z 1,593.1	1,652.9	1,714.1	1,777.1	1,842.4	1,909.9	1,979.9	2,052.8	2,128.7	2,207.9
Realized Gains	z 1,676.6	1,740.4	1,809.1	1,879.7	1,952.4	2,027.4	2,102.8	2,180.2	2,258.8	2,341.3
Statutory Inflation Proofing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Costs of APFC	(49.5)	(50.2)	(51.0)	(51.7)	(52.5)	(53.3)	(54.1)	(54.9)	(55.7)	(56.6)
Legislative Appropriations for Oil & Gas Litigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legislative Appropriations for Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Amerada Hess Settlement Earnings (not inc in div)	z (62.2)	(67.0)	(72.2)	(77.8)	(83.8)	(90.3)	(97.3)	(104.8)	(112.8)	(121.5)
<b>TOTAL Alaska Income Acct Balance (End of Yr)</b>	16,694.7	17,983.5	19,303.8	20,672.3	22,099.7	23,582.1	25,126.4	26,738.9	28,421.6	30,181.1

**Unrealized Gains**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
<b>Balance of Unrealized Gains (Beg of Year)</b>	6,279.7	6,450.5	6,627.0	6,805.7	6,986.9	7,171.1	7,358.6	7,551.9	7,752.3	7,962.2
Current Year Unrealized Gains	z 1,847.5	1,916.9	1,987.8	2,060.9	2,136.6	2,214.9	2,296.1	2,380.6	2,468.7	2,560.5
Amount of Gains Realized	(1,676.6)	(1,740.4)	(1,809.1)	(1,879.7)	(1,952.4)	(2,027.4)	(2,102.8)	(2,180.2)	(2,258.8)	(2,341.3)
Additional Gains Realized	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Bal Unreal Gain add to Market Value</b>	6,450.5	6,627.0	6,805.7	6,986.9	7,171.1	7,358.6	7,551.9	7,752.3	7,962.2	8,181.4
<b>Balance of Total Savings</b>	44,317.4	45,980.2	47,676.6	49,424.8	51,237.5	53,110.9	55,055.1	57,079.2	59,188.0	61,389.0

Page 2

All the groups thanked the Legislature and the Administration for making a long-range plan the top priority this session and appreciated the cooperative effort expressed by both the Legislature and Administration to address the state's fiscal problems.

The groups stressed action is needed now while Alaska has options, rather than waiting until the state is faced with a tougher dilemma down the road.

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Anchorage Chamber, Ralph Samuels, 243-2485

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## House Leaders Offer Solid Solution to Alaska's Fiscal Gap Implementation of Fiscal Plan Top RDC Priority

For Immediate Release: May 8, 1999

Contact: Ken Freeman (907) 276-0700

**ANCHORAGE** - Citing the state's budget crisis as its top public policy issue, Resource Development Council Executive Director Ken Freeman applauded the announcement and introduction today of a fiscal plan in the House of Representatives.

"RDC's top legislative priority this year is the implementation of a long-range fiscal plan to close Alaska's fiscal gap," said Ken Freeman. "The state's rising fiscal gap creates an image of fiscal instability which in turn generates uncertainty among potential and existing industry investors."

Freeman said although RDC is still evaluating details of the House leadership plan it looks to be a critical step in addressing the state's fiscal dilemma.

"Combining Permanent Fund earnings and the state's CBR account to create an endowment is a good way to bring much-needed revenues to the billion dollar deficit," said Freeman. "One of the best ways to diversify and stabilize state revenues is through the expanded use of the Permanent Fund earnings."

Freeman said RDC feels strongly that budget cuts and increases in state efficiencies have helped reduce the deficit but there is no way the state can realistically cut \$1 billion from the current budget.

"RDC's message has remained consistent throughout the session. We must see a plan this year and it is time to utilize the earnings of the Permanent Fund. Members of the RDC Executive Committee strongly believe the original intent of the fund was to help pay for some state government services. Given the fluctuating price of oil and declining production, now is the time to begin to use some of those earnings to bring stability to public budgeting."

Freeman noted the state can also bring in new revenues by promoting programs that encourage development of Alaska's economy.

Freeman said RDC also supported the use of some form of broad-based tax to help resolve the fiscal gap issue, but only as a last resort. "New or increased taxes on industry though are not the answer as such an action would shake the confidence of investors and harm a business climate already severely disturbed by current economic events."

"We have seen considerable leadership this session from the Legislature and Governor in addressing this issue. I really commend the Legislature and the Administration for making the budget issue the top priority this session," said Freeman.

###



## **THE ALLIANCE**

... for responsible development of Alaska's Oil, Gas & Mineral Resources

### **Written Testimony by the Alaska Support Industry Alliance to the Alaska State House Majority regarding The Healthy Alaska Plan for a Balanced State Budget**

**May 12, 1999**

**by Karen Cowart, General Manager**

The Alliance is a statewide trade organization formed 20 years ago to provide a collective voice for companies that provide goods and services in support of oil and gas exploration, development and production. Although The Alliance does not include all support businesses in the state, most of the major players are members. Like many trade organizations, we believe our membership reflects the industry as a whole.

The Alliance has 300-plus member businesses, organizations and individuals that operate and work all across the state, from the North Slope to the Kenai Peninsula. Collectively, our membership employs about 25,000 Alaskan residents. While The Alliance is headquartered in Anchorage, we have active chapters and committees in Fairbanks, Kenai and Prudhoe Bay.

The Alaska oil and gas support industry is suffering difficult times in the wake of low oil prices. As difficult as times are, it is critical that we *do not lose sight of the future*, when the economic climate changes and opportunities re-emerge. The most important thing that state government can do *right now* is to ensure that Alaska is

#### **ALASKA SUPPORT INDUSTRY ALLIANCE**

**Page 1**

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poised to take advantage of future resource development. And that means balancing the budget, *this year*. Unchecked, the rising fiscal gap between state revenues and expenditures projects an image of an unstable, irresponsible government. It generates uncertainty among potential and existing industry investors. It is critical that oil companies view Alaska as a *stable place to invest*.

The Alliance applauds the House Majority for coming to the table with a sustainable budget plan. While The Alliance Board of Directors has not had the opportunity to study all elements of the plan, there are directions that we approve of in general. For instance, we are gratified to see that the plan takes a conservative approach with regard to oil revenue projections. While oil prices have experienced an increase over the last couple of months, we believe it is prudent to regard this fluctuation with caution. It would be unwise to consider a brief rise in oil prices as the "savior," and a reason to delay development of a long-term fiscal plan to balance our state budget.

The Alliance can also tell you which budget balancing tools are most palatable to support industry businesses. This perspective is based on a mid-March 1999 poll of The Alliance membership, which generated remarkably high response (nearly half faxed back a completed survey).

The vast majority of Alliance members *support continued cuts* in government spending. And most agreed that *spending reductions should occur before any other revenue sources are established*. We have favorably noted the plan's assumption of continued restraint on government, including sustainable reductions over the next two fiscal years.

We agree that cutting the budget must be done in a way that will not cripple the state's economy and infrastructure. The Alliance looks to the leadership in the House, the Senate and the Administration to make thoughtful decisions that will realize greater efficiency in government, whether it be by results-based budgeting, consolidation of government programs, elimination of non-essential services, use of a two-year budget cycle, and/or privatization of some government functions.

I'd like to emphasize that The Alliance has always supported efforts to reduce government spending as the *first and foremost* method of balancing the budget. We still do, but we also realize spending cuts alone will not close the billion-dollar-plus gap. The time has come to consider all options.

We understand that The Healthy Alaska Plan makes use of the Permanent Fund as a revenue source. We believe that this is in line with the fund's purpose. The Alliance membership does not see the Permanent Fund as a sacred cow. Rather we recognize that it was originally established to help fund government in a time of declining oil production and revenue. That time has come, at least for now.

Using some portion of the Permanent Fund's undistributed or unrealized earnings to fund government is acceptable to *eight out of 10* Alliance members. Limiting (or eliminating) the Permanent Fund Dividend, and using the remaining earnings to fund government services, was acceptable to *seven out of 10* of responding Alliance members.

The Alliance also appreciates the fact that your plan does not levy more taxes on the citizens and businesses of the state. Survey results indicate that Alliance members *overwhelmingly opposed a state income tax*; half of our members were

also adamantly opposed to a state sales tax. The Alliance has never taken a position in support of taxes and we will not do so now, especially since there are other viable sources of revenue at the state's disposal.

### **Conclusion**

Alaska oil and gas support industry businesses are taking *immediate measures* to survive in the long term. They are realigning budgets to reflect losses in project revenues and reducing expenditures accordingly. It is imperative that the state does the same. Time IS of the essence.

It is vital that your plan be taken to the next level. We encourage the legislative leadership and the administration to work together to identify a final plan that is good for the people of Alaska, not just for today, but for our tomorrow.

Thank you for the opportunity to provide testimony on this important issue.

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: May 8, 1999

FURTHER REFERRALS:

Date of Committee Action: 5/14/99

The FINANCE Committee considered:

HB 231

HOUSE BILL NO. 231

ALASKA INCOME ACCOUNT/PFDS

"An Act relating to income of the Alaska permanent fund, to the Alaska Income Account, and to permanent fund dividends; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 231 (FIN) [ ] the same title [X] a new title

[ ] additional referral to \_\_\_\_\_ Committee [ ] attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date) [X] fiscal note(s) HFC [ ] fiscal note(s)

[ ] zero fiscal note(s) [ ] zero fiscal note(s)

Table with columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include names like Mulder, Therriault, Runde, Austerman, Davies, Grussendorf, Moses, Davis, Williams, Foster, Kohring.

CHAIR'S SIGNATURE [Signature: Elda Hurd] [Signature: Gary Therriault]

## FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

BILL NO. CSHB 231(FIN)

Title: Alaska Income Account/PFDS  
Sponsor: (H)RLS  
Requestor: House Finance Committee

Dept. Affected: Office of the Governor  
BRU: Elective Operations  
Components: Elections  
Serial # 21

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	150.0					
Travel						
Contractual	660.0					
Supplies	29.0					
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>839.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (THOUSANDS OF DOLLARS)**

General Fund	839.0					
Federal Fund						
Other						
<b>TOTAL</b>	<b>839.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	25	0	0	0	0	0

**ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)**

See attached sheet for additional details.

This fiscal note assumes the election will be conducted in person. Contractual services includes: ballot printing (94.0); election boards (334.0); advertising (22.0); shipping and postage (131.0); polling place rental and set-up (21.0); forms (55.0) and microfilming (3.0).

Prepared by: House Finance Committee Date: 05/14/99  
Approved by: Representative Eldon Mulder Phone: 465-2647  
Representative Gene Therriault Phone: 465-4797

## Comparison of Financial Plans

*This comparison looks at the Governor's and House Majority's plans with the limited budget growth numbers, and corrected additional oil revenue; also includes 25% PF dedication*

**Rate of Return: 8.25%**

**Plan: Governor**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2020</u>
Expenditures	\$ 2,324	\$ 2,253	\$ 2,266	\$ 2,329	\$ 2,346	\$ 2,362	\$ 2,379	\$ 2,396	\$ 2,414	\$ 2,431	\$ 2,449	\$ 2,467	\$ 2,486	\$ 2,664
New Revenue	\$ -	\$ 175	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
Dividend	\$ 1,740	\$ 1,835	\$ 1,799	\$ 1,726	\$ 1,567	\$ 1,478	\$ 1,522	\$ 1,572	\$ 1,629	\$ 1,692	\$ 1,758	\$ 1,829	\$ 1,902	\$ 2,391
Value of Assets	\$ 28,005	\$ 28,659	\$ 29,587	\$ 30,582	\$ 31,758	\$ 32,942	\$ 34,100	\$ 35,349	\$ 36,588	\$ 37,885	\$ 39,242	\$ 40,581	\$ 41,950	\$ 56,339

**Plan: House Majority**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2020</u>
Expenditures	\$ 2,324	\$ 2,253	\$ 2,266	\$ 2,329	\$ 2,346	\$ 2,362	\$ 2,379	\$ 2,396	\$ 2,414	\$ 2,431	\$ 2,449	\$ 2,467	\$ 2,486	\$ 2,664
New Revenue	\$ -	\$ 50	\$ 75	\$ 100	\$ 103	\$ 106	\$ 109	\$ 113	\$ 116	\$ 119	\$ 123	\$ 127	\$ 130	\$ 170
Dividend	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,014	\$ 1,022	\$ 1,030	\$ 1,059	\$ 1,088	\$ 1,119	\$ 1,150	\$ 1,182	\$ 1,214	\$ 1,248	\$ 1,619
Value of Assets	\$ 28,390	\$ 29,413	\$ 30,532	\$ 31,712	\$ 32,996	\$ 34,244	\$ 35,483	\$ 36,839	\$ 38,215	\$ 39,684	\$ 41,256	\$ 42,857	\$ 44,542	\$ 63,812

5-14-99 pr



### Comparison of Financial Plans

*This comparison looks at the plans with the limited budget growth numbers used by the House, and corrected additional oil revenue; also includes 25% PF dedication*

**Rate of Return: 8.10%**

**Payout: 5.25% on 5 year look-back rolling average**

**Plan: Governor**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2020</u>
Expenditures (\$M)	\$ 2,324	\$ 2,253	\$ 2,266	\$ 2,320	\$ 2,346	\$ 2,362	\$ 2,379	\$ 2,396	\$ 2,414	\$ 2,431	\$ 2,449	\$ 2,467	\$ 2,664
New Revenue (\$M)	\$ -	\$ 175	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
Dividend (\$)	\$ 1,740	\$ 1,834	\$ 1,796	\$ 1,720	\$ 1,556	\$ 1,462	\$ 1,501	\$ 1,547	\$ 1,598	\$ 1,656	\$ 1,718	\$ 1,784	\$ 2,279
Value of Assets (\$M)	\$ 28,005	\$ 28,617	\$ 29,500	\$ 30,447	\$ 31,571	\$ 32,701	\$ 33,803	\$ 34,992	\$ 36,168	\$ 37,397	\$ 38,683	\$ 39,945	\$ 54,946

**Plan: House Majority**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2020</u>
Expenditures (\$M)	\$ 2,324	\$ 2,253	\$ 2,266	\$ 2,329	\$ 2,346	\$ 2,362	\$ 2,379	\$ 2,396	\$ 2,414	\$ 2,431	\$ 2,449	\$ 2,467	\$ 2,664
New Revenue (\$M)	\$ -	\$ 50	\$ 75	\$ 100	\$ 103	\$ 106	\$ 109	\$ 113	\$ 116	\$ 119	\$ 120	\$ 127	\$ 170
Dividend (\$)	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,013	\$ 1,020	\$ 1,027	\$ 1,054	\$ 1,081	\$ 1,110	\$ 1,139	\$ 1,168	\$ 1,198	\$ 1,565
Value of Assets (\$M)	\$ 28,390	\$ 29,333	\$ 30,403	\$ 31,529	\$ 32,753	\$ 33,934	\$ 35,101	\$ 36,378	\$ 37,668	\$ 39,044	\$ 40,515	\$ 42,005	\$ 61,206
Amount out of balance (\$M)	\$ -	\$ (55)	\$ 8	\$ (2)	\$ 19	\$ 25	\$ (15)	\$ 46	\$ 24	\$ 59	\$ 99	\$ 76	\$ 325

**Plan: Senate Majority (with their own expenditures and revenues, and no 25% PF dedication change)**

Expenditures (\$M)	\$ 2,324	\$ 2,248	\$ 2,256	\$ 2,305	\$ 2,307	\$ 2,313	\$ 2,320	\$ 2,327	\$ 2,334	\$ 2,341	\$ 2,349	\$ 2,357	\$ 2,550
New Revenue (\$M)	\$ -	\$ 35	\$ 100	\$ 103	\$ 106	\$ 109	\$ 113	\$ 116	\$ 119	\$ 123	\$ 127	\$ 230	\$ 291
Dividend (\$)	\$ 1,730	\$ 1,710	\$ 1,258	\$ 1,256	\$ 1,257	\$ 1,261	\$ 1,281	\$ 1,305	\$ 1,332	\$ 1,360	\$ 1,388	\$ 1,417	\$ 1,793
Value of Assets (\$M)	\$ 27,974	\$ 28,463	\$ 29,350	\$ 30,274	\$ 31,294	\$ 32,266	\$ 33,219	\$ 34,275	\$ 35,335	\$ 36,462	\$ 37,664	\$ 38,978	\$ 55,383
Amount out of balance (\$M)	\$ -	\$ (486)	\$ (132)	\$ (155)	\$ (131)	\$ (127)	\$ (167)	\$ (110)	\$ (130)	\$ (96)	\$ (58)	\$ 20	\$ 149

Gov 8.10%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	X
		FY	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2020
1	<b>General Fund Budget Projections</b>														
2	All dollars in millions except oil prices.														
3	Average Oil Price (\$/bbl.)	Input	\$12.11	\$13.57	\$14.52	\$15.28	\$16.00	\$16.30	\$16.64	\$18.10	\$18.62	\$19.16	\$19.72	\$20.31	\$27.40
4	Oil Production (MMbbl/day)	Input	1.166	1.047	1.064	1.075	1.049	1.076	1.031	0.979	0.919	0.871	0.824	0.768	0.381
5	DNR Incremental High Case Production - Oil (MMbbl/day)	Fixed	0.000	0.000	0.000	0.012	0.035	0.046	0.058	0.064	0.068	0.136	0.210	0.241	0.231
6	DNR Incremental High Case Production - Gas (bct/day)	Fixed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
7	Available Revenues:														
8	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)		1,290.6	1,313.0	1,345.1	1,357.0	1,368.1	1,366.9	1,304.0	1,338.5	1,291.7	1,258.6	1,226.3	1,160.7	913.1
9	Revenue Distributed to State Using DNR Incremental High Case Production		0.0	0.0	0.0	5.8	14.2	18.6	22.9	29.7	33.2	78.7	127.9	147.3	303.6
10	Alaska Broad Based Tax (Net receipts in millions) Choose Start FY =	FY00	\$350	0.0	175.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
11	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)		162.1	530.4	528.9	533.5	536.7	534.7	524.0	510.2	493.8	473.3	450.8	423.7	498.7
12	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)		871.6	234.7	42.1	83.2	76.9	92.2	178.5	168.0	245.2	270.9	294.4	385.8	598.7
13	Total General Fund Revenues and CBRF Draw		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5	2,664.1
14	Expenditures:														
15	Change Oper Budget:		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)		1,477.2	1,477.2	1,437.2	1,407.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2
17	Supplemental Budget - Fires, Floods, etc.		13.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
18	Decrease or Increase the General Fund Budget		0.0	(40.0)	(30.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	K-12 Education - FY 2000 estimate	FY00	1.45%	681.2	691.1	701.1	711.3	1,010.7	1,025.4	1,040.2	1,055.3	1,070.6	1,086.1	1,101.9	1,117.9
20	Debt Service (Net of non-GF School Fund and AHFC offsets)		46.0	3.5	38.7	41.9	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8
21	Capital Budget		1.45%	85.4	85.4	85.4	135.4	137.4	139.4	141.4	143.4	145.5	147.6	149.8	151.9
22	State Match for Loan Programs (Water, Sewer, etc.)		20.9	19.4	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
23	Total General Fund Expenditures:		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5	2,664.1
24	<b>Constitutional Budget Reserve Fund Projections</b>														
25	CBRF Balance - at Start of Fiscal Year		3,559.1	6,729.0	6,614.3	6,692.2	6,729.0	6,772.1	6,680.0	6,501.5	6,333.4	6,088.3	5,817.4	5,523.0	5,872.3
26	Earnings on the CBRF	8.10%	162.1	530.4	528.9	533.5	536.7	534.7	524.0	510.2	493.8	473.3	450.8	423.7	498.7
27	Transfer from Permanent Fund Earnings Reserve (from line 47)	Transfer	4,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Oil & Gas Tax Dispute Resolutions		56.0	120.0	120.0	120.0	120.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Draw from Earnings for Annual Budget		(162.1)	(530.4)	(528.9)	(533.5)	(536.7)	(534.7)	(524.0)	(510.2)	(493.8)	(473.3)	(450.8)	(423.7)	(498.7)
30	Draw (or payback) in excess of CBRF Earnings for Annual Budget		(886.1)	(234.7)	(42.1)	(83.2)	(76.9)	(92.2)	(178.5)	(168.0)	(245.2)	(270.9)	(294.4)	(385.8)	(598.7)
31	Total Draw (or payback) from CBRF for Annual Budget		(1,048.2)	(765.1)	(571.0)	(616.7)	(613.5)	(626.9)	(702.4)	(678.2)	(738.9)	(744.1)	(745.2)	(809.5)	(1,097.4)
32	CBRF Balance - at End of Fiscal Year		6,729.0	6,614.3	6,592.2	6,729.0	6,772.1	6,680.0	6,501.5	6,333.4	6,088.3	5,817.4	5,523.0	5,137.3	9,973.6
33	<b>Alaska Permanent Fund Projections</b>														
34	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)		18,516	18,983	19,710	20,470	21,262	22,092	22,956	23,842	24,769	25,724	26,721	27,761	40,190
35	Earnings Reserve Balance - at Start of Fiscal Year	8.10%	5,360	2,292	2,292	2,338	2,456	2,707	3,065	3,459	3,890	4,356	4,859	5,398	6,558
36	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year		23,876	21,276	22,002	22,808	23,718	24,799	26,021	27,301	28,658	30,080	31,579	33,159	46,748
37	Dedicated Oil Revenue Deposits into principal during Fiscal Year		138	123	132	139	150	157	149	160	157	167	176	170	126
38	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)		2,293	1,619	1,664	1,714	1,775	1,848	1,930	2,019	2,113	2,215	2,321	2,434	3,396
39	Unrealized Capital Gains at End of Fiscal Year		3,917	3,955	4,004	4,066	4,138	4,221	4,317	4,425	4,545	4,673	4,813	4,963	6,255
40	Total Statutory Income		2,293	1,619	1,664	1,714	1,775	1,848	1,930	2,019	2,113	2,215	2,321	2,434	3,396
41	Earnings Reserve balance before payouts - End of Fiscal Year		7,653	3,911	3,956	4,052	4,231	4,556	4,995	5,479	6,003	6,571	7,180	7,832	9,955
42	Payout for dividends and dividend program costs		(1,019)	(1,083)	(1,072)	(1,038)	(952)	(905)	(938)	(975)	(1,017)	(1,063)	(1,113)	(1,166)	(1,637)
43	Transfer from Earnings Reserve to Principal (inflation proofing and other transfers)		(288)	(574)	(596)	(619)	(643)	(669)	(694)	(721)	(749)	(778)	(809)	(840)	(1,213)
44	Projected rate for statutory inflation-proofing		1.54%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
45	Transfer a portion of Earnings Reserve to CBRF		4,000	0	0	0	0	0	0	0	0	0	0	0	4,000
46	Market Value of Total Permanent Fund Assets - at End of Fiscal Year		21,276	22,002	22,808	23,718	24,799	26,021	27,301	28,658	30,080	31,579	33,159	30,808	44,973
47	Projected Dividend Check Per Person		1,740.32	1,833.83	1,795.89	1,719.70	1,556.45	1,462.11	1,501.04	1,546.53	1,598.43	1,656.13	1,718.06	1,783.68	2,278.82
48	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)		5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
49	Total Alaska Savings Accounts (CBRF + AK Perm Fund)		\$28,005	\$28,617	\$29,500	\$30,447	\$31,571	\$32,701	\$33,803	\$34,992	\$36,168	\$37,397	\$38,683	\$39,945	\$54,946

House 8.10 ~ 5.25%

	A	F	G	H	I	J	K	L	M	N	O	P	Q	R	AB	
1	<b>General Fund Budget Projections</b>	<b>FY</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2020</b>	
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$12.11	\$13.57	\$14.52	\$15.28	\$16.00	\$16.30	\$16.64	\$18.10	\$18.62	\$19.16	\$19.72	\$20.31	\$27.40
3		Oil Production (MMbbl/day)	Input	1.166	1.047	1.064	1.035	1.049	1.076	1.031	0.970	0.919	0.871	0.824	0.768	0.381
4		DNR Incremental High Case Production - Oil (MMbbl/day)	Fixed	0.000	0.000	0.000	0.012	0.035	0.046	0.058	0.067	0.068	0.136	0.210	0.241	0.231
5		DNR Incremental High Case Production - Gas (bcf/day)	Fixed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	2.000
6	Available Revenues:	April 99 DOR Revenue update for price and production and HB96 passes														
7	General Fund Net Disposable Unrestricted Revenue		1,290.8	1,313.0	1,345.5	1,357.0	1,368.1	1,366.9	1,304.0	1,338.5	1,291.7	1,258.6	1,226.3	1,110.7	913.1	
8	Revenue Distributed to State Using DNR Incremental High Case Production		0.0	0.0	0.0	5.8	14.2	18.6	22.9	29.7	33.2	78.7	127.9	147.3	303.6	
9	New Revenue (Increase by 3% starting in FY03)	\$100	0.0	50.0	75.0	100.0	103.0	106.1	109.3	112.6	115.9	119.4	123.0	126.7	170.2	
11	Constitutional Budget Reserve Fund (CBRF) Earnings		162.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
12	Transfer from the APF (line 46 below)		0.0	890.1	845.6	866.7	860.5	870.8	943.2	915.7	973.0	974.7	972.2	1,032.8	1,277.1	
13	Budget Deficit		871.4	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
14	Total General Fund Revenues and CBRF Draw		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5	2,664.1	
15																
16	Expenditures:	Change Oper Bgt:		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
17	Operating - Agenc, Univ & Form Programs (Medicaid, Aid to Communities, Long Bonus, etc)**		1,477.2	1,477.2	1,437.2	1,407.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	1,122.2	
18	Supplemental Budget - Fires, Floods, etc.		13.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	
19	Decrease or Increase the General Fund Budget (FY00 includes \$35 M one time only cut)		0.0	(40.0)	(30.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
20	K-12 Education - FY 2000 estimate, then increase by amount specified	1.45%	681.2	691.1	701.1	711.3	1,010.7	1,025.4	1,040.2	1,055.3	1,070.6	1,086.1	1,101.9	1,117.9	1,291.0	
21	Debt Service (Net of non-GF School Fund and AHFC offsets)		46.0	3.5	38.7	41.9	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	
22	Capital Budget (add \$50 million in 02, then begin inflationary increase in FY03)	1.45%	85.4	85.4	85.4	135.4	137.4	139.4	141.4	143.4	145.5	147.6	149.8	151.9	175.5	
23	State Match for Loan Programs (Water, Sewer, etc.)		20.9	19.4	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	
24	Total General Fund Expenditures:		2,324.3	2,253.1	2,266.1	2,329.5	2,345.8	2,362.4	2,379.3	2,396.4	2,413.8	2,431.5	2,449.3	2,467.5	2,664.1	
25	** NOTE: Operating agency growth only permitted in University, DOT/PPF and Public Safety, \$280 million of operating agency budgets - this money moved to k-12 education line for purposes of modeling															
26	Budget Deficit			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
27	<b>Constitutional Budget Reserve Fund Projections</b>	<b>FY</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2020</b>	
28	CBRF Balance - at Start of Fiscal Year		3,559.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
29	Earnings on the CBRF	8.10%	162.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
30	Transfer from Permanent Fund Earnings Reserve	Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
31	Oil & Gas Tax Dispute Resolutions		56.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
32	Draw from Earnings for Annual Budget		(162.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
33	Draw (or payback) in excess of CBRF Earnings for Annual Budget		(885.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
34	Total Draw (or payback) from CBRF for Annual Budget		(1,048.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
35	CBRF Balance - at End of Fiscal Year		2,729.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
36	<b>Alaska Permanent Fund Projections</b>	<b>FY</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2020</b>	
37	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)		18,516	18,981	19,129	19,289	19,459	19,642	19,835	20,024	20,226	20,430	20,647	20,876	23,276	
38	Now called Alaska Income Account (includes CBRF account at FY99 year end)		5,360	8,639	9,478	10,367	11,330	12,240	13,156	14,162	15,179	16,264	17,425	18,606	34,348	
39	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year		23,876	27,620	28,608	29,657	30,788	31,882	32,991	34,185	35,405	36,693	38,071	39,482	57,624	
40	Dedicated Oil Revenue Deposits into principal during Fiscal Year (includes DNR barrels)		138	123	132	139	150	157	149	160	157	167	176	170	126	
41	Total Return of the fund (FY99 is the actual return, and FY00-FY10 is using the rate shown)	8.10%	2,277.2	2,237.3	2,318	2,403	2,495	2,589	2,678	2,775	2,874	2,979	3,091	3,205	4,673	
42	Less Costs of the fund		(32)	(42)	(43)	(43)	(44)	(45)	(45)	(46)	(47)	(47)	(48)	(49)	(57)	
43	Amerada Hess - Transfer from ER to Principal		(38)	(26)	(28)	(31)	(33)	(36)	(39)	(43)	(46)	(50)	(54)	(58)	(122)	
44	Permanent Fund Principal at End of Year		18,981	19,129	19,289	19,459	19,642	19,835	20,024	20,226	20,430	20,647	20,876	21,104	23,524	
45	Earnings Reserve Balance (after costs, transfers & before payouts) - End of Fiscal Year		9,409	10,204	11,114	12,070	13,110	14,099	15,077	16,152	17,238	18,397	19,638	20,901	37,682	
46	Ending Market Value		28,390	29,333	30,403	31,529	32,753	33,934	35,101	36,378	37,668	39,044	40,515	42,005	61,206	
47	% of real rate of return - payout to the Alaska Income Account (start of year convention)	5.25%		(1,440)	(1,465)	(1,490)	(1,517)	(1,544)	(1,600)	(1,658)	(1,719)	(1,782)	(1,846)	(1,912)	(2,763)	
48	payout to general fund (payout less dividend payout)			(890)	(846)	(867)	(861)	(871)	(943)	(916)	(973)	(975)	(972)	(1,033)	(1,277)	
49	payout to dividend (42% of payout)		(598)	(605)	(612)	(626)	(637)	(649)	(672)	(697)	(722)	(748)	(775)	(803)	(1,160)	
50	Market Value of Total Permanent Fund Assets - at End of Fiscal Year		28,390	29,333	30,403	31,529	32,753	33,934	35,101	36,378	37,668	39,044	40,515	42,005	61,206	
51	Projected Dividend Check Per Person		\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,013	\$ 1,020	\$ 1,027	\$ 1,054	\$ 1,081	\$ 1,110	\$ 1,139	\$ 1,168	\$ 1,198	\$ 1,565	
52	Dividend Payable in -		Oct-99	Oct-00	Oct-01	Oct-02	Oct-03	Oct-04	Oct-05	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10	Oct-20	
53	Dividend Formula - What's left after funding public services real return * average 5 yr market value of the Fund (phased in over 5 years, split to pay dividend, then public services, CBRF rolled into the APF.)	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	
54	Total Alaska Savings Accounts (CBRF + AK Perm Fund)		\$28,390	\$29,333	\$30,403	\$31,529	\$32,753	\$33,934	\$35,101	\$36,378	\$37,668	\$39,044	\$40,515	\$42,005	\$61,206	
55	Amount taken (over)/under amount available for distribution		0	\$ (55)	\$ 8	\$ (2)	\$ 19	\$ 25	\$ (15)	\$ 46	\$ 24	\$ 59	\$ 99	\$ 76	\$ 325	

Senate 8.10% → 5.25%

	A	F	G	H	I	J	K	L	M	N	O	P	Q	R	AB
		FY	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2020
1	<b>General Fund Budget Projections</b>														
2	All dollars in millions except oil prices.														
3	Average Oil Price (\$/bbl.)	Input	\$12.11	\$13.57	\$14.52	\$15.28	\$16.00	\$16.30	\$16.64	\$18.10	\$18.62	\$19.16	\$19.72	\$20.31	\$27.40
4	Oil Production (MMbb/day)	Input	1.166	1.047	1.064	1.035	1.049	1.076	1.031	0.979	0.919	0.871	0.824	0.768	0.381
5	DNR Incremental High Case Production - Oil (MMbb/day)	Fixed	0.000	0.000	0.000	0.012	0.035	0.046	0.058	0.064	0.068	0.136	0.210	0.241	0.231
6	DNR Incremental High Case Production - Gas (bcf/day)	Fixed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	2.000
7	Available Revenues:														
8	General Fund Net Disposable Unrestricted Revenue		1,290.8	1,300.6	1,331.7	1,342.4	1,347.6	1,340.5	1,280.1	1,313.2	1,269.1	1,236.3	1,204.6	1,140.7	900.5
9	Revenue Distributed to State Using DNR Incremental High Case Production		0.0	0.0	0.0	5.8	14.2	18.6	22.9	29.7	33.2	78.7	127.9	147.3	303.6
10	New Revenue (Increase by 3% starting in FY03)	\$100	0.0	35.0	100.0	103.0	106.1	109.3	112.6	115.9	119.4	130.0	126.7	130.5	175.4
11	New Resource Revenue (starting in FY10, growing at 1.45%)	1.45%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	Constitutional Budget Reserve Fund (CBRF) Earnings		0.0	912.7	824.8	853.7	839.0	844.7	904.2	867.8	912.1	903.1	889.6	838.0	1,054.9
13	Transfer from the APF (line 46 below)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Budget Deficit		871.4	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Total General Fund Revenues and CBRF Draw		2,324.3	2,248.3	2,256.5	2,304.8	2,306.8	2,313.2	2,319.8	2,326.6	2,333.7	2,341.1	2,348.7	2,356.5	2,549.9
16	Expenditures:														
17	Operating - Agenc, Univ & Form Programs (Medicaid, Aid to Communities, Long Bonus, etc)**	Change Oper Bgt:	1,477.2	1,477.2	1,437.2	1,407.2	1,112.2	1,102.2	1,092.2	1,082.2	1,072.2	1,062.2	1,052.2	1,042.2	1,032.2
18	Supplemental Budget - Fires, Floods, etc.		13.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
19	Decrease or Increase the General Fund Budget (FY00 Includes \$35 M one time only cut)		0.0	(40.0)	(30.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	0.0
20	K-12 Education - FY 2000 estimate, then increase by amount specified	1.45%	681.2	686.3	691.5	696.6	691.7	1,006.1	1,020.7	1,035.5	1,050.5	1,065.8	1,081.2	1,095.9	1,266.7
21	Debt Service (Net of non-GF School Fund and AHFC offsets)		46.0	3.5	38.7	41.9	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8
22	Capital Budget (add \$50 million in 02, then begin inflationary increase in FY03)	1.45%	85.4	85.4	85.4	135.4	137.4	139.4	141.4	143.4	145.5	147.6	149.8	151.9	175.5
23	State Match for Loan Programs (Water, Sewer, etc.)		20.9	19.4	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
24	Total General Fund Expenditures:		2,324.3	2,248.3	2,256.5	2,304.8	2,306.8	2,313.2	2,319.8	2,326.6	2,333.7	2,341.1	2,348.7	2,356.5	2,549.9
25	** NOTE: Operating agency growth only permitted in University, DOTAF and Public Safety, \$280 million of operating agency budgets - this money moved to k-12 education line for purposes of modeling														
26	Budget Deficit		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	<b>Constitutional Budget Reserve Fund Projections</b>														
28	CBRF Balance - at Start of Fiscal Year		3,559.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Earnings on the CBRF	8.10%	162.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Transfer from Permanent Fund Earnings Reserve	Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Oil & Gas Tax Dispute Resolutions		56.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Draw from Earnings for Annual Budget		(162.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33	Draw (or payback) in excess of CBRF Earnings for Annual Budget		(885.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Total Draw (or payback) from CBRF for Annual Budget		(1,048.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35	CBRF Balance - at End of Fiscal Year		2,729.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	<b>Alaska Permanent Fund Projections</b>														
37	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)		18,516	19,981	19,142	19,316	19,498	19,698	19,912	20,118	20,337	20,555	20,775	20,997	23,226
38	Now called Alaska Income Account (Includes CBRF account at FY99 year end)		5,360	8,201	8,617	9,300	10,057	10,751	11,450	12,233	13,025	13,877	14,797	15,829	29,175
39	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year		23,876	27,181	27,759	28,616	29,555	30,450	31,362	32,351	33,363	34,432	35,572	36,826	52,401
40	Dedicated Oil Revenue Deposits into principal during Fiscal Year (Includes DNR barrels)		138	135	146	151	166	177	165	176	170	169	167	156	113
41	Total Return of the fund (FY99 is the actual return, and FY00-FY10 is using the rate shown)	9.10%	2,277.2	2,202.3	2,250	2,319	2,396	2,474	2,547	2,628	2,709	2,795	2,888	2,989	4,249
42	Less Costs of the fund		(32)	(42)	(43)	(43)	(44)	(45)	(45)	(46)	(47)	(47)	(48)	(49)	(57)
43	Amerada Hess - Transfer from ER to Principal		(38)	(26)	(29)	(31)	(34)	(37)	(40)	(44)	(47)	(51)	(55)	(60)	(128)
44	Permanent Fund Principal at End of Year		18,981	19,142	19,316	19,498	19,698	19,912	20,118	20,337	20,555	20,775	20,997	21,212	23,468
45	Earnings Reserve Balance (after costs, transfers & before payouts) - End of Fiscal Year		8,994	9,322	10,033	10,776	11,596	12,354	13,101	13,937	14,780	15,687	16,667	17,766	31,916
46	Ending Market Value		27,974	28,463	29,350	30,274	31,294	32,266	33,219	34,275	35,335	36,462	37,664	38,978	55,383
47	% of real rate of return - payout to the Alaska Income Account (start of year convention)	5.25%	(1,440)	(1,454)	(1,468)	(1,486)	(1,486)	(1,507)	(1,547)	(1,592)	(1,642)	(1,694)	(1,747)	(1,801)	(2,527)
48	payout to general fund (payout less dividend payout)		(913)	(825)	(854)	(839)	(845)	(845)	(904)	(868)	(912)	(903)	(890)	(838)	(1,055)
49	payout to dividend (2.75% of total return)		(1,014)	(1,014)	(762)	(769)	(778)	(789)	(810)	(834)	(860)	(887)	(915)	(944)	(1,324)
50	Market Value of Total Permanent Fund Assets - at End of Fiscal Year		27,974	28,463	29,350	30,274	31,294	32,266	33,219	34,275	35,335	36,462	37,664	38,978	55,383
51	Projected Dividend Check Per Person		\$ 1,730	\$ 1,710	\$ 1,258	\$ 1,256	\$ 1,257	\$ 1,257	\$ 1,281	\$ 1,305	\$ 1,332	\$ 1,360	\$ 1,388	\$ 1,417	\$ 1,793
52	Dividend Payable In --		Oct-99	Oct-00	Oct-01	Oct-02	Oct-03	Oct-04	Oct-05	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10	Oct-20
53	Dividend Formula - What's left after funding public services real return * average 5 yr market value of the Fund (phased)	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow	Endow
54	Total Alaska Savings Accounts (CBRF + AK Perm Fund)		\$27,974	\$28,463	\$29,350	\$30,274	\$31,294	\$32,266	\$33,219	\$34,275	\$35,335	\$36,462	\$37,664	\$38,978	\$55,383
55	Amount taken (over)/under amount available for distribution		0	(486)	(132)	(155)	(131)	(127)	(167)	(110)	(130)	(96)	(58)	20	149

APF endowment method, payout real rate (nom return - 3%) on 5 year prior ending market value, phased in over 5 years, split to pay dividend, then public services, CBRF rolled into the APF.

1-LS0960VH  
Cook  
5/14/99

**CS FOR HOUSE BILL NO. 231(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIRST LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to deposits to the Alaska permanent fund from mineral lease  
2 rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f)  
3 and (g), federal mineral revenue sharing payments received by the state from  
4 mineral leases, and bonuses received by the state from mineral leases, and  
5 limiting deposits from those sources to the 25 percent required under art. IX,  
6 sec. 15, Constitution of the State of Alaska; relating to income of the Alaska  
7 permanent fund, to the Alaska Income Account, and to permanent fund dividends;  
8 authorizing an advisory vote on the Healthy Alaska Plan, a long term financial  
9 plan for the state; and providing for an effective date."

10 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

11 \* Section 1. AS 37.05.550(b) is amended to read:

12 (b) The legislature may appropriate to the fund money received by the state

1 as Alaska marine highway system program receipts or from a settlement or final  
2 judicial determination of the Dinkum Sands case (United States v. Alaska) and the  
3 North Slope royalty case (State v. Amerada Hess, et al.) and not deposited into the  
4 Alaska permanent fund under AS 37.13.010(a)(1) [AS 37.13.010(a)(1) or (2)] or into  
5 the public school trust fund under AS 37.14.150.

6 \* Sec. 2. AS 37.13.010(a) is amended to read:

7 (a) Under art. IX, sec. 15, of the state constitution, there is established as a  
8 separate fund the Alaska permanent fund. The Alaska permanent fund consists of

9 (1) 25 percent of all mineral lease rentals, royalties, royalty sale  
10 proceeds, net profit shares under AS 38.05.180(f) and (g), 25 percent of [AND]  
11 federal mineral revenue sharing payments received by the state from mineral leases  
12 [ISSUED ON OR BEFORE DECEMBER 1, 1979], and 25 percent of all bonuses  
13 received by the state from mineral leases [ISSUED ON OR BEFORE FEBRUARY 15,  
14 1980]; and

15 (2) [50 PERCENT OF ALL MINERAL LEASE RENTALS,  
16 ROYALTIES, ROYALTY SALE PROCEEDS, NET PROFIT SHARES UNDER  
17 AS 38.05.180(f) AND (g), AND FEDERAL MINERAL REVENUE SHARING  
18 PAYMENTS RECEIVED BY THE STATE FROM MINERAL LEASES ISSUED  
19 AFTER DECEMBER 1, 1979, AND 50 PERCENT OF ALL BONUSES RECEIVED  
20 BY THE STATE FROM MINERAL LEASES ISSUED AFTER FEBRUARY 15,  
21 1980;

22 (3)] any other money appropriated to or otherwise allocated by law or  
23 former law to the Alaska permanent fund.

24 \* Sec. 3. AS 37.13.140 is repealed and reenacted to read:

25 **Sec. 37.13.140. Income.** All income of the fund shall be deposited in the  
26 Alaska Income Account established under AS 37.13.145. The balance of the Alaska  
27 Income Account shall be determined according to generally accepted accounting  
28 principles. Income of the fund includes income of the Alaska Income Account.

29 \* Sec. 4. AS 37.13.145 is repealed and reenacted to read:

30 **Sec. 37.13.145. Disposition of income.** (a) The Alaska Income Account is  
31 established as a separate account in the fund. Subject to (c) of this section, following

1 the end of each fiscal year, an amount shall be transferred from the account to the  
2 general fund that is equal to 5.25 percent of the average of the quarter-end market  
3 value of the last 20 fiscal year quarters before the fiscal year just ended of

4 (1) the fund, including the Alaska Income Account; and

5 (2) the budget reserve fund (art. IX, sec. 17, Constitution of the State  
6 of Alaska).

7 (b) After the transfer under (a) of this section, the commissioner of revenue  
8 shall transfer from the general fund to the dividend fund, (AS 43.23.045) 42 percent  
9 of the amount transferred to the general fund under (a) of this section.

10 (c) A transfer following the end of a fiscal year that is required under (a) of  
11 this section shall be made during the next fiscal year and may consist of separate  
12 installments transferred on different days; however, all installments must be transferred  
13 during the same fiscal year. A transfer following the end of a fiscal year that is  
14 required under (a) of this section may not exceed the entire balance that is in the  
15 Alaska Income Account during the fiscal year in which the installments are transferred.

16 \* Sec. 5. AS 37.13.300(c) is amended to read:

17 (c) Net income from the mental health trust fund may not be included in the  
18 [COMPUTATION OF NET] income of the Alaska permanent fund [AVAILABLE  
19 FOR DISTRIBUTION] under AS 37.13.140.

20 \* Sec. 6. AS 37.17.020(b) is amended to read:

21 (b) The endowment shall be held and invested by the Alaska Permanent Fund  
22 Corporation subject to AS 37.13.120; however, net income from the endowment shall  
23 be distributed under AS 37.17.010 - 37.17.110 and 37.17.225. Net income from the  
24 endowment may not be included in the [COMPUTATION OF NET] income of the  
25 Alaska permanent fund [AVAILABLE FOR DISTRIBUTION] under AS 37.13.140.

26 \* Sec. 7. AS 37.17.440(b) is amended to read:

27 (b) The principal and income of the endowment shall be held and invested by  
28 the Alaska Permanent Fund Corporation subject to AS 37.13.120; however, net income  
29 from the endowment and subsequent income earned on net income from the  
30 endowment shall be held in a separate account until appropriated by the legislature.  
31 Net income from the endowment may not be included in the [COMPUTATION OF

1 NET] income of the Alaska permanent fund [AVAILABLE FOR DISTRIBUTION]  
2 under AS 37.13.140.

3 \* **Sec. 8. 1999 PERMANENT FUND DIVIDENDS.** Notwithstanding AS 37.13.145(b) and  
4 AS 43.23.025, the amount of each permanent fund dividend for 1999 is \$1,000.

5 \* **Sec. 9. TRANSITION.** (a) The Alaska Income Account established in AS 37.13.145(a),  
6 as repealed and reenacted in sec. 4 of this Act, is the successor to the earnings reserve  
7 account, and the balance in the earnings reserve account on the effective date of this section  
8 shall be retained in the Alaska Income Account until distributed in accordance with  
9 AS 37.13.145, as repealed and reenacted in sec. 4 of this Act.

10 (b) Notwithstanding AS 37.13.145(b), as repealed and reenacted in sec. 4 of this Act,  
11 and AS 43.23.025, the amount of each permanent fund dividend for 2000 and each permanent  
12 fund dividend for 2001 is \$1,000.

13 (c) Notwithstanding AS 37.13.145(a), as repealed and reenacted in sec. 4 of this Act,  
14 a transfer from the Alaska Income Account to the general fund is not required following the  
15 end of fiscal year 1999 and the amount transferred from the Alaska Income Account to the  
16 general fund following the end of

17 (1) fiscal year 2000 is equal to 5.25 percent of the average of the quarter-end  
18 market value for the last eight fiscal year quarters before the fiscal year just ended of

19 (A) the Alaska permanent fund (art. IX, sec. 15, Constitution of the  
20 State of Alaska), including the Alaska Income Account; and

21 (B) the budget reserve fund (art. IX, sec. 17, Constitution of the State  
22 of Alaska);

23 (2) fiscal year 2001 is equal to 5.25 percent of the average of the quarter-end  
24 market value for the last 12 fiscal year quarters before the fiscal year just ended of

25 (A) the Alaska permanent fund (art. IX, sec. 15, Constitution of the  
26 State of Alaska), including the Alaska Income Account; and

27 (B) the budget reserve fund (art. IX, sec. 17, Constitution of the State  
28 of Alaska);

29 (3) fiscal year 2002 is equal to 5.25 percent of the average of the quarter-end  
30 market value for the last 16 quarters before the fiscal year just ended of

31 (A) the Alaska permanent fund (art. IX, sec. 15, Constitution of the

1 State of Alaska), including the Alaska Income Account; and  
 2 (B) the budget reserve fund (art. IX, sec. 17, Constitution of the State  
 3 of Alaska).

4 \* Sec. 10. At a special election to be held on September 14, 1999, in substantial  
 5 compliance with the election laws of the state including absentee voting, the lieutenant  
 6 governor shall place before the qualified voters of the state a question advisory to the  
 7 legislature and the governor. The question shall appear on the ballot in the following form:

QUESTION

8  
 9 Summary of the Healthy Alaska Plan: This long-range plan requires further *Limitations*  
 10 ~~state spending reductions and a state spending limit.~~ *Reductions* In addition, dividends will  
 11 be guaranteed at a particular rate. The plan also has no personal income tax  
 12 or sales tax. In more detail, the plan would provide as follows:

13 (1) Spending Reductions: State general fund spending would be reduced  
 14 at least \$100,000,000 over fiscal years 2000 and 2001;

*delete*

15 (2) ~~Spending Limit: A spending limit for the State of Alaska would be~~  
 16 ~~enacted;~~

17 (3) Alaska Income Account: The constitutional budget reserve and the  
 18 permanent fund earnings reserve will be transferred to the Alaska  
 19 Income Account;

20 (4) Permanent Fund: The corpus of the permanent fund remains  
 21 untouched; the entire Alaska permanent fund is inflation-proofed to  
 22 protect the value of the fund for all Alaskans, including future  
 23 generations;

*Adopt*

24 (5) Permanent Fund Dividends: *Annual* A guaranteed dividend is paid to qualified  
 25 Alaska residents of \$1,000 ~~for distributions and dividends~~  
 26 a rate not lower than 42 percent of the ~~revenue~~ from the fund's  
 27 investments after inflation-proofing; *Amount transferred*

28 (6) Operations of State Government: After inflation-proofing the  
 29 permanent fund and paying dividends, additional earnings of the Alaska  
 30 Income Account would be used to fund education, public safety, and  
 31 transportation functions of state government; other functions of state

1 government would be funded at a flat level unless changed by the  
2 legislature;

3 (7) New Revenues: No new statewide taxes are enacted as part of this  
4 plan.

5 SHOULD THE STATE IMPLEMENT THE HEALTHY ALASKA PLAN?

6 Yes [ ] No [ ]

7 \* Sec. 11. Sections 3 - 7 and 9 of this Act take effect July 2, 1999.

8 \* Sec. 12. Sections 1, 2, 8, and 10 of this Act take effect immediately under  
9 AS 01.10.070(c).

1-LS0960H.1/  
Cook  
5/14/99

adopted

1100 013

#1

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE MULDER

TO: CSHB 231(FIN), Draft Version "H"

1 Page 6, line 4:

2 Delete "."

3 Insert ";

4 Page 6, following line 4:

5 Insert a new paragraph to read:

6 "(8) Accountability: Expenditures from the Alaska Income Account will be  
7 fully disclosed for public review in the annual permanent fund  
8 dividend application."

Amendment  
# 3

withdrawn

5-14-99

TC

~~§~~

CSHB 231 (FIN)

DANIELS

p. 5, line 30 after fund:

insert ~~§ 12~~ "public school"

after education,:

insert 3 the University of Alaska,

# 2 adopted  
\* amendment pg 5 line 26

1-LS0960VH-  
Cook  
5/14/99

# 4 Delete subsection #2 pg 5 line 15:16  
adopted | NO OBJ

**CS FOR HOUSE BILL NO. 231(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: # 5 - # pg 5, line 10  
Referred:

# 6 pg 5, line 25

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to deposits to the Alaska permanent fund from mineral lease  
2 rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f)  
3 and (g), federal mineral revenue sharing payments received by the state from  
4 mineral leases, and bonuses received by the state from mineral leases, and  
5 limiting deposits from those sources to the 25 percent required under art. IX,  
6 sec. 15, Constitution of the State of Alaska; relating to income of the Alaska  
7 permanent fund, to the Alaska Income Account, and to permanent fund dividends;  
8 authorizing an advisory vote on the Healthy Alaska Plan, a long term financial  
9 plan for the state; and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. AS 37.05.550(b) is amended to read:

12 (b) The legislature may appropriate to the fund money received by the state

1 as Alaska marine highway system program receipts or from a settlement or final  
2 judicial determination of the Dinkum Sands case (United States v. Alaska) and the  
3 North Slope royalty case (State v. Amerada Hess, et al.) and not deposited into the  
4 Alaska permanent fund under AS 37.13.010(a)(1) [AS 37.13.010(a)(1) or (2)] or into  
5 the public school trust fund under AS 37.14.150.

6 \* Sec. 2. AS 37.13.010(a) is amended to read:

7 (a) Under art. IX, sec. 15, of the state constitution, there is established as a  
8 separate fund the Alaska permanent fund. The Alaska permanent fund consists of

9 (1) 25 percent of all mineral lease rentals, royalties, royalty sale  
10 proceeds, net profit shares under AS 38.05.180(f) and (g), 25 percent of [AND]  
11 federal mineral revenue sharing payments received by the state from mineral leases  
12 [ISSUED ON OR BEFORE DECEMBER 1, 1979], and 25 percent of all bonuses  
13 received by the state from mineral leases [ISSUED ON OR BEFORE FEBRUARY 15,  
14 1980]; and

15 (2) [50 PERCENT OF ALL MINERAL LEASE RENTALS,  
16 ROYALTIES, ROYALTY SALE PROCEEDS, NET PROFIT SHARES UNDER  
17 AS 38.05.180(f) AND (g), AND FEDERAL MINERAL REVENUE SHARING  
18 PAYMENTS RECEIVED BY THE STATE FROM MINERAL LEASES ISSUED  
19 AFTER DECEMBER 1, 1979, AND 50 PERCENT OF ALL BONUSES RECEIVED  
20 BY THE STATE FROM MINERAL LEASES ISSUED AFTER FEBRUARY 15,  
21 1980;

22 (3)] any other money appropriated to or otherwise allocated by law or  
23 former law to the Alaska permanent fund.

24 \* Sec. 3. AS 37.13.140 is repealed and reenacted to read:

25 **Sec. 37.13.140. Income.** All income of the fund shall be deposited in the  
26 Alaska Income Account established under AS 37.13.145. The balance of the Alaska  
27 Income Account shall be determined according to generally accepted accounting  
28 principles. Income of the fund includes income of the Alaska Income Account.

29 \* Sec. 4. AS 37.13.145 is repealed and reenacted to read:

30 **Sec. 37.13.145. Disposition of income.** (a) The Alaska Income Account is  
31 established as a separate account in the fund. Subject to (c) of this section, following

1 the end of each fiscal year, an amount shall be transferred from the account to the  
2 general fund that is equal to 5.25 percent of the average of the quarter-end market  
3 value of the last 20 fiscal year quarters before the fiscal year just ended of

4 (1) the fund, including the Alaska Income Account; and

5 (2) the budget reserve fund (art. IX, sec. 17, Constitution of the State  
6 of Alaska).

7 (b) After the transfer under (a) of this section, the commissioner of revenue  
8 shall transfer from the general fund to the dividend fund, (AS 43.23.045) 42 percent  
9 of the amount transferred to the general fund under (a) of this section.

10 (c) A transfer following the end of a fiscal year that is required under (a) of  
11 this section shall be made during the next fiscal year and may consist of separate  
12 installments transferred on different days; however, all installments must be transferred  
13 during the same fiscal year. A transfer following the end of a fiscal year that is  
14 required under (a) of this section may not exceed the entire balance that is in the  
15 Alaska Income Account during the fiscal year in which the installments are transferred.

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20 \* Sec. 6. AS 37.17.020(b) is amended to read:

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23 be distributed under AS 37.17.010 - 37.17.110 and 37.17.225. Net income from the  
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25 Alaska permanent fund [AVAILABLE FOR DISTRIBUTION] under AS 37.13.140.

26 \* Sec. 7. AS 37.17.440(b) is amended to read:

27 (b) The principal and income of the endowment shall be held and invested by  
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29 from the endowment and subsequent income earned on net income from the  
30 endowment shall be held in a separate account until appropriated by the legislature.  
31 Net income from the endowment may not be included in the [COMPUTATION OF