

ALASKA LEGISLATURE

2032

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

83

TONY KNOWLES
GOVERNOR
GOVERNMENT BUILDING

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB-146

Office of the Governor
Juneau, Alaska 99801
(907) 586-3000
Fax (907) 586-3000
www.governor.state.ak.us

April 11, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

This bill I am introducing today implements the terms of a Memorandum of Understanding (MOU) between the Alaska Energy Authority (AEA) and several Alaska communities and utilities served by the Four Dam Pool projects for the sale of those hydroelectric facilities. This sale represents years of hard work by AEA and the local utilities and meets the three principles essential to a successful agreement:

- 1) The sale must return fair value to the state for its assets and meet sound business practices as judged by the AEA;
- 2) The sale must benefit Alaska communities and their ratepayers through local control and economic development opportunities;
- 3) Proceeds from the sale must be used to provide long-term funding of the Power Cost Equalization (PCE) program.

This bill authorizes the sale of the Four Dam Pool to the purchasing utilities pursuant to the MOU. The Alaska Industrial Development & Export Authority (AIDEA) is authorized to provide financing for the sale, not to exceed \$110 million. It also authorizes a "joint action agency" to enable the new utility pool to operate and issue bonds.


To receive the sale proceeds for long-term PCE funding, an endowment fund is established under the management of the Department of Revenue. Seven percent of endowment earnings will be used annually to fund the PCE program. Other funds, such as the securing of federal funds, may also be placed in the endowment.

The Honorable Brian Porter
April 11, 2000
Page 2

Any shortfall in funding the \$15.7 million PCE program from endowment earnings would be met through a portion of the AIDEA annual dividend, not to exceed \$9 million annually.

Although time in this session may be short, the opportunity to culminate years of negotiations, to provide financial benefit to the state and local communities, and to create a mechanism for long-term funding of PCE cannot be lost. I urge your prompt consideration of this landmark piece of legislation.

Sincerely,


Tony Knowles
Governor

Message

Date: Monday Apr 17, 2000

Time: 9:29 AM

To: JUNEAU

From: JEAN MILLER

TC Number: 10794

Message: Sharon Young of the State Recorders office/Anchorage is on line to answer questions on HB 239. Steven Weiss/Los Angeles on to answer questions on HB 239. Jerry Kurtz/Seattle calling to answer questions on HB 239. Randy Simmons/Anch calling to answer questions on ~~HB 446 and 447~~ and Eric Yould calling from Richardson Hwy to testify on ~~HB 446 and HB 447~~. Jean/Bridge

Close Window

Print

Message

Date: Monday Apr 17, 2000

Time: 9:29 AM

To: JUNEAU

From: JEAN MILLER

TC Number: 10794

Message: Sharon Young of the State Recorders office/Anchorage is on line to answer questions on HB 239. Steven Weiss/Los Angeles on to answer questions on HB 239. Jerry Kurtz/Seattle calling to answer questions on HB 239. Randy Simmons/Anch calling to answer questions on HB 446 and 447 and Eric Yould calling from Richardson Hwy to testify on HB 446 and HB 447. Jean/Bridge

Close Window

Print

SENATE FINANCE COMMITTEE

SIGN-IN

HB 446-PCE FUND/SALE OF 4 DAM POOL

NAME: DAVE CARLSON Subject/Bill No: 446/447
Co./Dept./Title: Four Dam Pool Phone: 772-4203
Address: Box 669 PETERSBURG Zip: 99823
Do you wish to testify? Yes No Respond To Questions

NAME: Tom FRIESEN Subject/Bill No: 446/447
Co./Dept./Title: Four Dam Pool Phone: 225-4905
Address: 2031 2nd Ave KTW 99901 Zip: 99901
Do you wish to testify? Yes No Respond To Questions

NAME: KEITH LAUFER Subject/Bill No: HB 446
Co./Dept./Title: A-IDEA Phone: 269-3000
Address: 480 W. TUDOR, ANCOA Zip: 99503
Do you wish to testify? Yes No Respond To Questions

NAME: John Jenks Subject/Bill No: HB 446
Co./Dept./Title: Dept of Revenue Phone: 465 4399
Address: 11th Floor State Office Building Zip: 99811
Do you wish to testify? Yes No Respond To Questions

NAME: Yehm Lanfer Subject/Bill No: 446

Co./Dept./Title: AIOFA Phone: 269-3000

Address: 480 W. TUDOR, ANCH Zip: 99503

Do you wish to testify? Yes No Respond To Questions

NAME: John Jenks Subject/Bill No: 446

Co./Dept./Title: Dept of Revenue Chief Investment Officer Phone: 465 4399

Address: 11th Floor State Office Building Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

HB 446-PCE FUND/ SALE OF 4 DAM POOL/ENERGY FUND

NAME: Tom FRIESEN Subject/Bill No: 446
Co./Dept./Title: 4 Dam Pool? Phone: 225-4905
Address: 2031 2nd Ave KTN Zip: 99901

Do you wish to testify? Yes No Respond To Questions

NAME: DAVE CARLSON Subject/Bill No: 446
Co./Dept./Title: 4 Dam Pool Phone: 772-3765
Address: Box 689 PETERSBURG Zip: 99833

Do you wish to testify? Yes No Respond To Questions

NAME: WALTER SAPP Subject/Bill No: 446
Co./Dept./Title: 4 DAM POOL Phone: (907) 486-6990
Address: 1515 LYNDEN WAY KODIAK, AK Zip: 99615-6282

Do you wish to testify? Yes No Respond To Questions

NAME: ERIC YOUNG Subject/Bill No: 446
Co./Dept./Title: Ex D.r Phone: ~~446~~-463-3634
Address: ARZLA / Anch Zip: 99503

Do you wish to testify? Yes No Respond To Questions

HB

447

HFIN

FILE

D
(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: April 12, 2000

FURTHER REFERRALS:

4-14-00
Today's
Calendar

Date of Committee Action: 4/14/00

The FINANCE Committee considered:

HB 447

HOUSE BILL NO. 447

PCE APPROPRIATION

"An Act making appropriations relating to power cost equalization and the sale of the four dam pool hydroelectric project and to capitalize funds; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 447 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

CS
Forth
coming

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____

APPROVES PREVIOUS: _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Therriault	(7)		(1)	(1)
	Bunde			✓	
	Austerman	X			
	J. DAVIS	X			
	Gressindorf	X			
	MOSES	X			
	Williams	X			
	Phillips	✓			
	Foster	X			

CO CHAIR'S SIGNATURE

WORK DRAFT

WORK DRAFT

WORK DRAFT

1-GH2083VD
Cramer
4/13/00

amended

adopted N/b 4-14-00

CS FOR HOUSE BILL NO. 447(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations relating to power cost equalization and the sale
2 of the four dam pool hydroelectric project and to capitalize funds; making
3 appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska,
4 from the constitutional budget reserve fund; and providing for an effective date."

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

6 * Section 1. (a) The appropriation made in sec. 5, ch. 19, SLA 1993, lapses into the
7 Railbelt energy fund (AS 37.05.520).

8 (b) The sum of \$19,500,000 is appropriated from the constitutional budget reserve
9 fund to the power cost equalization endowment fund (AS 42.45.070).

10 (c) The sum of \$500,000 is appropriated from the constitutional budget reserve fund
11 to the Alaska Energy Authority to cover the costs of

12 (1) completing the sale of the four dam pool hydroelectric project under the
13 memorandum of understanding dated April 11, 2000; and

14 (2) the Department of Revenue in establishing and managing the power cost

WORK DRAFT

WORK DRAFT

1-GH2083VD

1 equalization endowment fund (AS 42.45.070) for the fiscal year ending June 30, 2001.

2 (d) The unexpended and unobligated balance of the appropriation made by (c) of this
3 section on the 180th day after the earlier of the closing date of the sale of the four dam pool
4 hydroelectric project under the memorandum of understanding dated April 11, 2000, or the
5 termination of the memorandum of understanding dated April 11, 2000, is reappropriated to
6 the power cost equalization endowment fund (AS 42.45.070).

7 * Sec. 2. An amount equal to the proceeds from the sale of the four dam pool hydroelectric
8 project and from the repayment of the Southeast intertie credit under the memorandum of
9 understanding dated April 11, 2000, to be paid to the state by the joint action agency to be
10 formed by the purchasing utilities, is appropriated from corporate receipts of the Alaska
11 Energy Authority to the power cost equalization endowment fund (AS 42.45.070).

12 * Sec. 3. The unexpended and unobligated balance of the four dam pool state insurance
13 fund held by the Alaska Energy Authority and to be released under the memorandum of
14 understanding dated April 11, 2000, is appropriated upon its release to the power cost
15 equalization endowment fund (AS 42.45.070).

16 * Sec. 4. (a) An amount equal to the payments for the sale of power, to be made to the
17 state by the purchasing utilities under the memorandum of understanding dated April 11, 2000,
18 received by June 30, 2001, is appropriated from corporate receipts of the Alaska Energy
19 Authority to the power cost equalization and rural electric capitalization fund (AS 42.45.100).

20 (b) An amount equal to the payments for the sale of power, to be made to the state
21 by the purchasing utilities under the memorandum of understanding dated April 11, 2000,
22 received after June 30, 2001, is appropriated from corporate receipts of the Alaska Energy
23 Authority to the power cost equalization endowment fund (AS 42.45.070).

24 * Sec. 5. DEFINITION FOR THE APPROPRIATIONS MADE BY THIS ACT. In this
25 Act, "memorandum of understanding dated April 11, 2000" means the memorandum of
26 understanding dated April 11, 2000, between the Alaska Energy Authority and Copper Valley,
27 Ketchikan, Kodiak, Petersburg, and Wrangell, ^{the purchasing utilities,} for the purchase and sale of the four dam pool
28 hydroelectric project and any amendment to that agreement that substitutes appropriations of
29 \$20,000,000 from the state constitutional budget reserve fund established under art. IX, sec.
30 17, Constitution of the State of Alaska for appropriations from the power project fund
31 (AS 42.45.010).

#1
adopted
→
add the
legal
names

←
adopted

WORK DRAFT

WORK DRAFT

1-GH2083D

1 * **Sec. 6. CONSTITUTIONAL BUDGET RESERVE FUND.** The appropriations made in
 2 sec. 1(b) and 1(c) of this Act are made under art. IX, sec. 17(c), Constitution of the State of
 3 Alaska.

4 * **Sec. 7. LAPSE PROVISION.** The appropriations made by secs. 1(b), 1(d), and 2 - 4 of
 5 this Act are for the capitalization of funds and do not lapse.

6 * **Sec. 8. CONDITIONAL EFFECTIVE DATE.** This Act takes effect only if the Twenty-
 7 First Alaska State Legislature passes legislation that is enacted into law establishing and
 8 relating to the power cost equalization endowment fund, relating to the power cost
 9 equalization and rural electric capitalization fund, authorizing and relating to the sale of the
 10 four dam pool hydroelectric project, and establishing and relating to joint action agencies
 11 created to purchase power projects.

12 * **Sec. 9.** If this Act takes effect, it takes effect on the earliest effective date of any section
 13 of the Act described in sec. 8 of this Act.

adopted 9-1

4/14/00

AMENDMENT# 2

OFFERED IN THE HOUSE

BY REPRESENTATIVES AUSTERMAN, Foster
PHILLIPS, WILLIAMS, DAVIES, GRUSSENDORF

TO: CSHB 447(FIN), Draft Version "D"

- 1 Page 1, line 8:
- 2 Delete "19,500,000"
- 3 Insert "100,000,000"

Fund Source for \$100.0 million: Constitutional Budget Reserve

HB 447

HOUSE BILL NO.

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION**

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**Introduced:
Referred:**

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations relating to power cost equalization and the sale of the four
2 dam pool hydroelectric project and to capitalize funds; and providing for an effective
3 date."
4

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

5 ~~* Section 1. The sum of \$25,000 is appropriated from the equalization account~~
6 ~~(AS 42.45.070(b)) of the power cost equalization endowment fund (AS 42.45.070(a)) to the~~
7 ~~Department of Revenue for the costs of establishing and managing the power cost equalization~~
8 ~~endowment fund, for the fiscal year ending June 30, 2001.~~

9 ~~* Sec. 12. (a) The appropriation made in sec. 5, ch. 19, SLA 1993 is repealed.~~

10 (b) The sum of \$19,500,000 is appropriated from the power project fund (AS 42.45.010),
11 from amounts appropriated under sec. 5, ch. 19, SLA 1993, to the ~~endowment account~~
12 ~~(AS 42.45.070(b)) of the power cost equalization endowment fund (AS 42.45.070(a)).~~

13 (c) The sum of \$500,000 is appropriated from the power project fund (AS 42.45.010),
14 from amounts appropriated under sec. 5, ch. 19, SLA 1993, to the Alaska Energy Authority to
15

cover

- (1) the costs of completing the sale of the four dam pool hydroelectric project under the memorandum of understanding dated April 11, 2000, and
- (2) the costs of the Department of Revenue for establishing and managing the power cost equalization endowment fund (AS 42.45.070) for the fiscal year ending June 30, 2001.

(d) The unexpended and unobligated balance of the appropriation made by (c)(1) of this section on the 180th day after the earlier of the closing date of the sale of the four dam pool hydroelectric project under the memorandum of understanding dated April 11, 2000 or the termination of the memorandum of understanding dated April 11, 2000, is reappropriated to the ~~endowment account (AS 42.45.070(b))~~ of the power cost equalization endowment fund (AS 42.45.070(a)).

* **Sec. 23.** An amount equal to the proceeds from the sale of the four dam pool hydroelectric project and from the repayment of the Southeast intertie credit under the memorandum of understanding dated April 11, 2000, to be paid to the state by the joint action agency to be formed by the purchasing utilities, is appropriated from corporate receipts to the ~~endowment account (AS 42.45.070(b))~~ of the power cost equalization endowment fund (AS 42.45.070(a)).

* **Sec. 34.** The unexpended and unobligated balance of the four dam pool state insurance fund held by the Alaska Energy Authority and to be released under the memorandum of understanding dated April 11, 2000, is appropriated upon its release to the ~~endowment account (AS 42.45.070(b))~~ of the power cost equalization endowment fund (AS 42.45.070(a)).

* **Sec. 45.** (a) An amount equal to the payments for the sale of power, to be made to the state by the purchasing utilities under the memorandum of understanding dated April 11, 2000, received by June 30, 2001, are appropriated from corporate receipts to the power cost equalization and rural electric capitalization fund (AS 42.45.100).

(b) An amount equal to the payments for the sale of power, to be made to the state by the purchasing utilities under the memorandum of understanding dated April 11, 2000, received after June 30, 2001, are appropriated from corporate receipts to the power cost equalization endowment fund (AS 42.45.070).

* **Sec. 6.** (a) The appropriations made by secs. ~~1(b)2(b)~~, ~~1(d)2(d)~~, and ~~2 --43--5~~ of this Act are for the capitalization of funds and do not lapse.

(b) The appropriation made by sec. 2(c) of this Act lapses June 30, 2003.

* **Sec. 7.** (a) This Act takes effect only if the Twenty-First Alaska State Legislature passes legislation that is enacted establishing and relating to the power cost equalization

endowment fund, relating to the power cost equalization and rural electric capitalization fund, authorizing and relating to the sale of the four dam pool hydroelectric project, and establishing and relating to joint action agencies created to purchase power projects.

(b) If this Act takes effect, it takes effect on the earliest effective date of any section of the Act described in (a) of this section.

TONY KNOWLES
GOVERNOR
governor@goval.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 447
PO Box 100
Juneau, Alaska 99801
(907) 465-3355
Fax (907) 465-3332
www.governor.ak.us

April 11, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

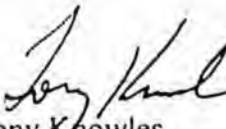
This appropriation bill, along with a companion authorization bill, implements the Memorandum of Understanding (MOU) between the Alaska Energy Authority (AEA) and several Alaska communities and utilities for the sale of the Four Dam Pool facilities.

The bill appropriates the proceeds from the sale to the Power Cost Equalization (PCE) Endowment Fund created by the companion bill. The appropriation includes the purchase price, an insurance fund, an amount originally designated for a loan for the Southeast Intertie, debt service payments from the Four Dam Pool until July 1, 2001, and any future repayments of credits extended under the MOU. Some of the debt service payments would directly fund the PCE program for FY 01 during a transition period until earnings are realized from the endowment.

Once fully established, the endowment will contain more than \$100 million and will contribute more than \$7.5 million annually to the PCE program. Coupled with a portion of the annual Alaska Industrial Development & Export Authority dividend, this will provide a sustainable, dependable source of long-term funding for a program critical to meeting the necessities of health, safety and welfare of rural residents faced with extraordinarily high costs of energy.

The sale of the Four Dam Pool provides fair value to the State, benefits to local communities and ratepayers, and long-term funding for PCE. I urge your prompt consideration of this measure.

Sincerely,


Tony Knowles
Governor

HB

447

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/16/00

REPORTED OUT OF
SFC 4/18/00

FURTHER:

DATE TURNED
IN TO OFFICE: 18 April 00

Finance Committee considered CS FOR HOUSE BILL NO. 447(FIN) am
POWER COST EQUALIZATION APPROPRIATION

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Cee Adams</i>	<input checked="" type="checkbox"/>	<i>Bob E. Hill</i>		<input checked="" type="checkbox"/>	
		<i>Lyndes Tapp</i>			
		<i>Steve Kell</i>	<input checked="" type="checkbox"/>		
		<i>Loren D. Feman</i>		<input checked="" type="checkbox"/>	
		<i>Sam Lilla</i>	<input checked="" type="checkbox"/>		
		<i>Walter J. Jowley</i>		<input checked="" type="checkbox"/>	
Co-Chair:		Co-Chair: <i>Norman</i>	<input checked="" type="checkbox"/>		
Co-Chair:		Co-Chair: <i>Headland</i>	<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Adams COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 447		
Amendment			
Motion	move from Committee		
<u>Motion by</u>	A		
<u>Objection by</u>	?		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green			✓
Senator Randy Phillips			✓
Senator Dave Donley			✓
Senator Loren Leman			✓
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	5		
Nay	4		
Absent			
<u>MOTION</u> Pass			

Amendment #1
Amendment #2

1-GH2083\G.a

CS FOR HOUSE BILL NO. 447(FIN) am
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/15/00
Offered: 4/14/00

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations relating to power cost equalization and the sale
2 of the four dam pool hydroelectric project and to capitalize funds; making
3 appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska,
4 from the constitutional budget reserve fund; and providing for an effective date."

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

6 * Section 1. (a) The appropriations made in secs. 4 and 5, ch. 19, SLA 1993, lapse into
7 the Railbelt energy fund (AS 37.05.520) ~~\$~~ 20,000,000 #2

8 (b) The sum of ~~\$100,000,000~~ is appropriated from the constitutional budget reserve
9 fund to the power cost equalization endowment fund (AS 42.45.070).

10 (c) The sum of \$500,000 is appropriated from the constitutional budget reserve fund
11 to the Alaska Energy Authority to cover the costs of

12 (1) completing the sale of the four dam pool hydroelectric project under the
13 memorandum of understanding dated April 11, 2000; and

14 (2) the Department of Revenue in establishing and managing the power cost

#1
delete
all

8
9
10
11

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 447		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	Ph		
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green	✓		
Senator Randy Phillips	✓		
Senator Dave Donley	✓		
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	4		
Nay	5		
Absent			
<u>MOTION</u>	FAIL		

delete page 1 lines 8-11
 (b) & (c)

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

Amendment #1
Amendment #2

1-GH2083\G.a

CS FOR HOUSE BILL NO. 447(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/15/00

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9 fund to the power cost equalization endowment fund (AS 42.45.070).

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11 to the Alaska Energy Authority to cover the costs of

12 (1) completing the sale of the four dam pool hydroelectric project under the
13 memorandum of understanding dated April 11, 2000; and

14 (2) the Department of Revenue in establishing and managing the power cost

#1
delete
all

1 equalization endowment fund (AS 42.45.070) for the fiscal year ending June 30, 2001.

2 (d) The unexpended and unobligated balance of the appropriation made by (c) of this
3 section on the 180th day after the earlier of the closing date of the sale of the four dam pool
4 hydroelectric project under the memorandum of understanding dated April 11, 2000, or the
5 termination of the memorandum of understanding dated April 11, 2000, is reappropriated to
6 the power cost equalization endowment fund (AS 42.45.070).

7 * Sec. 2. An amount equal to the proceeds from the sale of the four dam pool hydroelectric
8 project and from the repayment of the Southeast intertie credit under the memorandum of
9 understanding dated April 11, 2000, to be paid to the state by the joint action agency to be
10 formed by the purchasing utilities, is appropriated from corporate receipts of the Alaska
11 Energy Authority to the power cost equalization endowment fund (AS 42.45.070).

12 * Sec. 3. The unexpended and unobligated balance of the four dam pool state insurance
13 fund held by the Alaska Energy Authority and to be released under the memorandum of
14 understanding dated April 11, 2000, is appropriated upon its release to the power cost
15 equalization endowment fund (AS 42.45.070).

16 * Sec. 4. (a) An amount equal to the payments for the sale of power, to be made to the
17 state by the purchasing utilities under the memorandum of understanding dated April 11, 2000,
18 received by June 30, 2001, is appropriated from corporate receipts of the Alaska Energy
19 Authority to the power cost equalization and rural electric capitalization fund (AS 42.45.100).

20 (b) An amount equal to the payments for the sale of power, to be made to the state
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22 received after June 30, 2001, is appropriated from corporate receipts of the Alaska Energy
23 Authority to the power cost equalization endowment fund (AS 42.45.070).

24 * Sec. 5. DEFINITION FOR THE APPROPRIATIONS MADE BY THIS ACT. In this
25 Act, "memorandum of understanding dated April 11, 2000" means the memorandum of
26 understanding dated April 11, 2000, between the Alaska Energy Authority and Copper Valley
27 Electric Association, Inc., City of Ketchikan, Kodiak Electric Association, Inc., City of
28 Petersburg, and City of Wrangell, the purchasing utilities, for the purchase and sale of the four
29 dam pool hydroelectric project and any amendment to that agreement that substitutes
30 appropriations of \$20,000,000 from the state constitutional budget reserve fund established
31 under art. IX, sec. 17, Constitution of the State of Alaska for appropriations from the power

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 447		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>			
Ph			
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green	✓		
Senator Randy Phillips	✓		
Senator Dave Donley	✓		
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	4		
Nay	5		
Absent			
<u>MOTION</u>			
FAIL			

delete page 1 lines 8-11
 (b) & (c)

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	#B 447		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	L		
<u>Objection by</u>	ff		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Randy Phillips			✓
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green	✓		
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	3		
Nay	6		
Absent			
<u>MOTION</u> FAIL			

page 1 line 8
 delete ~~\$ 1 million~~
 \$ 100,000,000
 insert
 \$ 20,000,000

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 447
PO Box 110
Juneau, Alaska 99801
(907) 465-3800
Fax (907) 465-3872
www.gov.state.ak.us

April 11, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

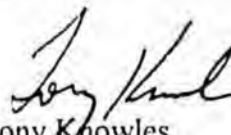
This appropriation bill, along with a companion authorization bill, implements the Memorandum of Understanding (MOU) between the Alaska Energy Authority (AEA) and several Alaska communities and utilities for the sale of the Four Dam Pool facilities.

The bill appropriates the proceeds from the sale to the Power Cost Equalization (PCE) Endowment Fund created by the companion bill. The appropriation includes the purchase price, an insurance fund, an amount originally designated for a loan for the Southeast Intertie, debt service payments from the Four Dam Pool until July 1, 2001, and any future repayments of credits extended under the MOU. Some of the debt service payments would directly fund the PCE program for FY 01 during a transition period until earnings are realized from the endowment.

Once fully established, the endowment will contain more than \$100 million and will contribute more than \$7.5 million annually to the PCE program. Coupled with a portion of the annual Alaska Industrial Development & Export Authority dividend, this will provide a sustainable, dependable source of long-term funding for a program critical to meeting the necessities of health, safety and welfare of rural residents faced with extraordinarily high costs of energy.

The sale of the Four Dam Pool provides fair value to the State, benefits to local communities and ratepayers, and long-term funding for PCE. I urge your prompt consideration of this measure.

Sincerely,


Tony Knowles
Governor

SENATE FINANCE COMMITTEE

SIGN-IN

HB 447-PCE APPROPRIATION

NAME: KEITH LAUFER Subject/Bill No: HB 447
Co./Dept./Title: AIDEA Phone: 269-3000
Address: 480 W. TUDOR, ANCH Zip: 99503
Do you wish to testify? Yes No Respond To Questions

NAME: John Jenks Subject/Bill No: _____
Co./Dept./Title: Dept of Revenue Phone: 465 4399
Address: 11th Floor State Office Building Zip: 99811
Do you wish to testify? Yes No Respond To Questions

NAME: VERN RAUSCHER Subject/Bill No: 447-446
Co./Dept./Title: THREJA - CM Phone: 783-3196
Address: AUKE BAY Zip: 99821
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

HB 447-PCE APPROPRIATION

NAME: DAVE CARLSON Subject/Bill No: 447
Co./Dept./Title: 4 DAM POOL Phone: 772-3765
Address: Box 669 PETERSBURG Zip: 99823

Do you wish to testify? Yes No Respond To Questions

NAME: WALTER SAPP Subject/Bill No: 447
Co./Dept./Title: 4 DAM POOL Phone: (707) 486-0990
Address: 1515 LYNDEN WAY KODIAK, AK Zip: 99615-6282

Do you wish to testify? Yes No Respond To Questions

NAME: ERIC HOULD Subject/Bill No: 447
Co./Dept./Title: EX. DIR / ARECA Phone: 463-3636
Address: Anch. Zip: 99503

Do you wish to testify? Yes No Respond To Questions

NAME: KEITH LAUFER Subject/Bill No: 447
Co./Dept./Title: AIDEA Phone: 269-3000
Address: 490 W. TUDOR, ANCH Zip: 99503

Do you wish to testify? Yes No Respond To Questions

HB

1001

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: May 22, 1999

FURTHER REFERRALS:

Date of Committee Action: 5/23/99

The FINANCE Committee considered:

HB 1001

HOUSE BILL NO. 1001

ADVISORY VOTE LONG-TERM FINANCIAL PLAN

"An Act authorizing an advisory vote on a long term financial plan for the state; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB1001(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) [] fiscal note(s) [] fiscal note(s)

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

Table with columns: SIGNING WITH RECOMMENDATIONS, LP, DNP, NR, AM. Rows include names like Mulder, Therman, J. DAVIES, Bunde, Kohring, Austerman, Gussendorf, Williams, Foster.

CHAIR'S SIGNATURE [Signature]

WORK DRAFT

WORK DRAFT

WORK DRAFT

1-LS1022V ✓
Cook
5/23/99

adopted 11:30 pm
5/23/99

CS FOR HOUSE BILL NO. 1001(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SPECIAL 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 income of the Alaska permanent fund and authorizing an
2 advisory vote on a long-term financial plan for the state; and providing for an
3 effective date."

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

5 * Section 1. AS 37.13.140 is repealed and reenacted to read:

6 Sec. 37.13.140. **Income.** All income of the fund shall be deposited in the
7 Alaska Income Account established under AS 37.13.145. The balance of the Alaska
8 Income Account shall be determined according to generally accepted accounting
9 principles. Income of the fund includes income of the Alaska Income Account.

10 * Sec. 2. AS 37.13.145 is repealed and reenacted to read:

11 Sec. 37.13.145. **Disposition of income.** (a) The Alaska Income Account is
12 established as a separate account in the fund. Subject to (c) of this section, following
13 the end of each fiscal year, an amount shall be transferred from the account to the
14 general fund that is equal to 5.88 percent of the average of the quarter-end market

WORK DRAFT

WORK DRAFT

1-LS1022U

1 value of the last 20 fiscal year quarters before the fiscal year just ended of
2 (1) the fund, including the Alaska Income Account; and
3 (2) the budget reserve fund (art. IX, sec. 17, Constitution of the State
4 of Alaska).

5 (b) After the transfer under (a) of this section, the commissioner of revenue
6 shall transfer from the general fund to the dividend fund (AS 43.23.045) 50 percent
7 of the amount transferred to the general fund under (a) of this section.

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

14 * Sec. 3. AS 37.13.300(c) is amended to read:

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

18 * Sec. 4. AS 37.14.031(c) is amended to read:

19 (c) The net income of the fund shall be determined by the Alaska Permanent
20 Fund Corporation as of the last day of the fiscal year in accordance with generally
21 accepted accounting principles, excluding any unrealized gains or losses [IN THE
22 SAME MANNER THE CORPORATION DETERMINES THE NET INCOME OF
23 THE ALASKA PERMANENT FUND UNDER AS 37.13.140].

24 * Sec. 5. AS 37.17.020(b) is amended to read:

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

30 * Sec. 6. AS 37.17.440(b) is amended to read:

31 (b) The principal and income of the endowment shall be held and invested by

WORK DRAFT

WORK DRAFT

1-LS1022U

1 the Alaska Permanent Fund Corporation subject to AS 37.13.120; however, net income
 2 from the endowment and subsequent income earned on net income from the
 3 endowment shall be held in a separate account until appropriated by the legislature.
 4 Net income from the endowment may not be included in the [COMPUTATION OF
 5 NET] income of the Alaska permanent fund [AVAILABLE FOR DISTRIBUTION]
 6 under AS 37.13.140.

7 * Sec. 7. 2000 PERMANENT FUND DIVIDENDS. Notwithstanding AS 37.13.145(b) and
 8 AS 43.23.025, the amount of each permanent fund dividend for 2000 is the amount of the
 9 1999 dividend.

10 * Sec. 8. TRANSITION. (a) The Alaska Income Account established in AS 37.13.145(a),
 11 as repealed and reenacted in sec. 2 of this Act, is the successor to the earnings reserve
 12 account, and the balance in the earnings reserve account on the effective date of this section
 13 shall be retained in the Alaska Income Account until distributed in accordance with
 14 AS 37.13.145, as repealed and reenacted in sec. 2 of this Act.

15 (b) Notwithstanding AS 37.13.145(a), as repealed and reenacted in sec. 2 of this Act,
 16 the amount transferred from the Alaska Income Account to the general fund following the end
 17 of

18 (1) fiscal year 2001 is equal to 5.88 percent of the average of the quarter-end
 19 market value for the last 12 fiscal year quarters before the fiscal year just ended of

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

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

24 (2) fiscal year 2002 is equal to 5.88 percent of the average of the quarter-end
 25 market value for the last 16 fiscal year quarters before the fiscal year just ended of

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

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

30 * Sec. 9. ADVISORY VOTE. At a special election to be held on September ¹⁴~~23~~, 1999, in
 31 substantial compliance with the election laws of the state including absentee voting, the

WORK DRAFT

WORK DRAFT

1-LS10273

1 lieutenant governor shall place before the qualified voters of the state a question advisory to
 2 the legislature and the governor. Notwithstanding AS 15.60.005 and other laws relating to
 3 preparation of the ballot proposition, the question shall appear on the ballot in the following
 4 form:

PREAMBLE

5
 6 The people of Alaska created the permanent fund to save a portion of
 7 Alaska's petroleum revenue for the future. After investing those
 8 savings, the original intent and purpose was to then use the earnings
 9 from those investments when Alaska's revenue from its petroleum
 10 resources declined. Alaska's revenue from its petroleum resources has
 11 now declined substantially and is forecast to continue to decline. Our
 12 reliance on declining petroleum resources and volatile oil prices
 13 constitutes an unstable and unsustainable state budget system. The
 14 governor and legislature seek the public's input in adopting a stable and
 15 sustainable long-term budget plan.

PLAN DESCRIPTION

- 16
 17 (1) Spending Reductions: Continue state general fund budget reductions to
 18 a combined total of at least \$60,000,000 for fiscal years 2000 and 2001.
 19 (2) Permanent Fund Protection: Guarantee the Alaska permanent fund
 20 principal is untouched. The principal of the fund is inflation proofed
 21 to protect its value for all Alaskans, including future generations.
 22 (3) Permanent Fund Dividends: Does not change the amount of dividend
 23 paid to qualified Alaska residents in 1999 and guarantees the same
 24 amount in 2000. Beginning in 2001, the constitutional budget reserve
 25 and the permanent fund earnings reserve will be combined to form the
 26 Alaska Income Account. In determining the market value for the
 27 calculation of the dividend, this new account will be joined with the
 28 principal of the permanent fund. After accounting for inflation, the
 29 dividend will be based on 50 percent of the annual earnings payment
 30 of these combined accounts.
 31 (4) Earnings Usage for Public Purposes: After payment of permanent fund

WORK DRAFT

WORK DRAFT

1-LS1022A

- 1 dividends and accounting for inflation, the remaining earnings will be
- 2 prioritized for usage for Alaska education, public safety, and
- 3 transportation purposes.
- 4 (5) Public Accountability: Expenditures from the Alaska Income Account
- 5 will be fully disclosed to the public in the annual permanent fund
- 6 dividend application.
- 7 (6) Income Tax: No income tax will be required as part of this plan.
- 8 (7) Balanced Budget Task Force: Establish a citizen's Balanced Budget
- 9 Task Force to explore and present options to further reduce and limit
- 10 state spending, as well as identify appropriate future revenue sources.

QUESTION

12 Should a portion of permanent fund investment earnings be used to help

13 balance the state budget after first paying annual dividends to residents

14 and inflation proofing?

15 Yes [] No []

- 16 * Sec. 10. Sections 1 - 8 of this Act are repealed July 1, 2000.
- 17 * Sec. 11. Sections 1 - 6 and 8 of this Act take effect January 1, 2001.
- 18 * Sec. 12. Section 7 of this Act takes effect July 2, 2000.
- 19 * Sec. 13. Sections 9 and 10 of this Act take effect immediately under AS 01.10.070(c).

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: May 22, 1999

FURTHER REFERRALS:

Date of Committee Action: 5/23/99

The FINANCE Committee considered:

HB 1001

HOUSE BILL NO. 1001

ADVISORY VOTE LONG-TERM FINANCIAL PLAN

"An Act authorizing an advisory vote on a long term financial plan for the state; and providing for an effective date."

recommends it be replaced with the following committee substitute

CS HB 100 (FIN)

the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

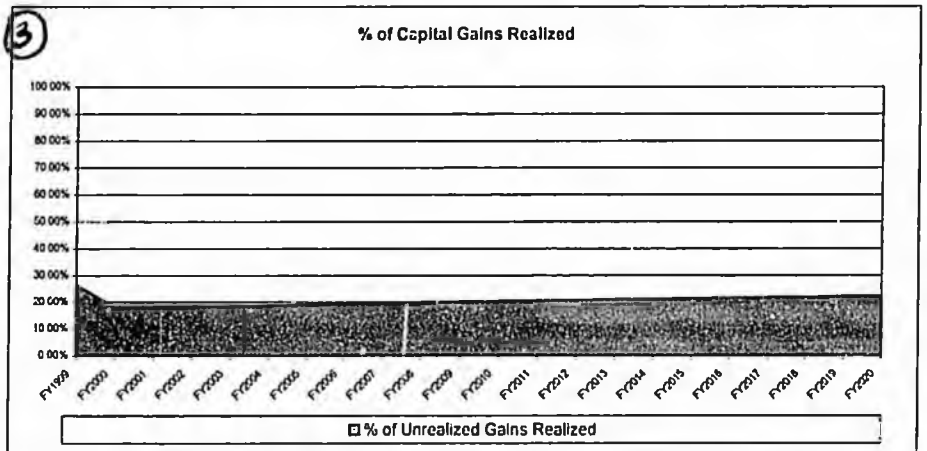
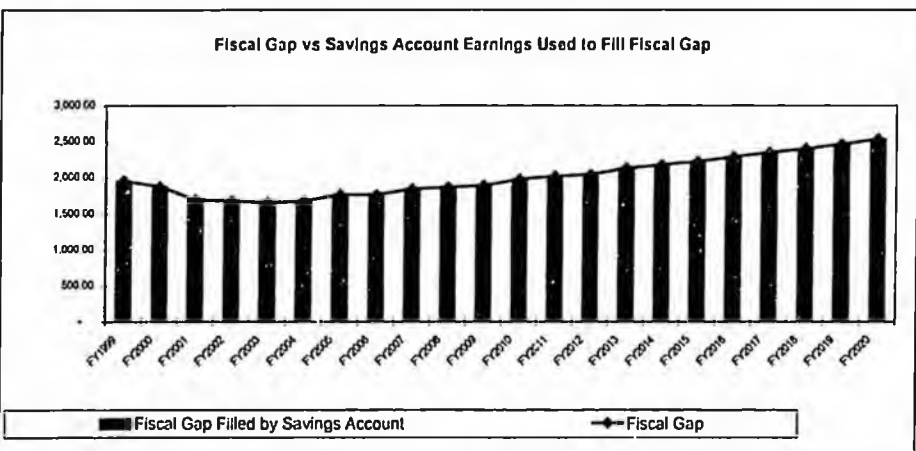
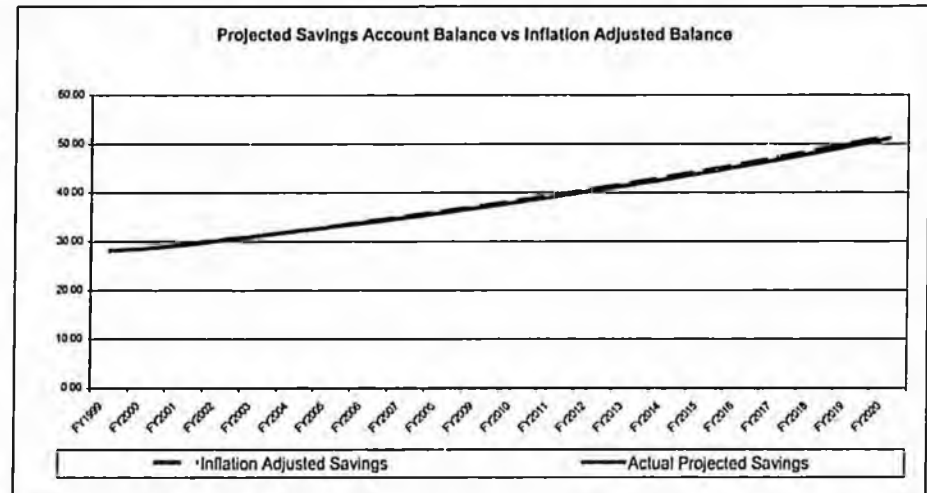
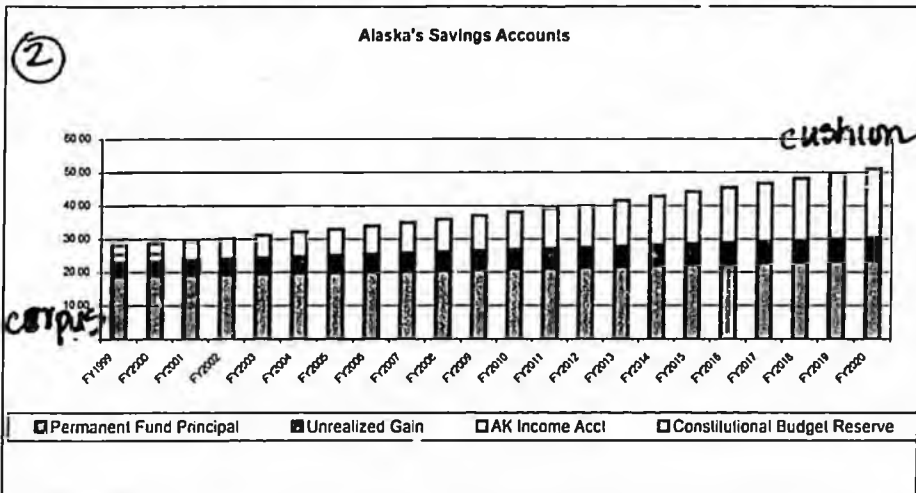
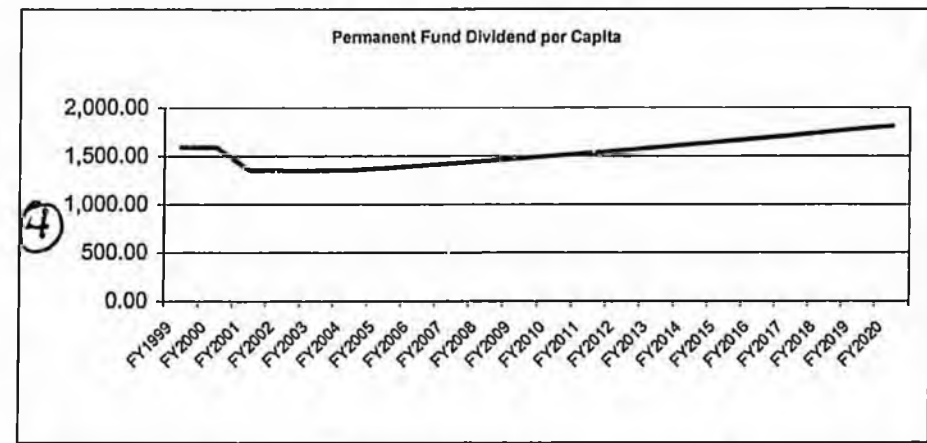
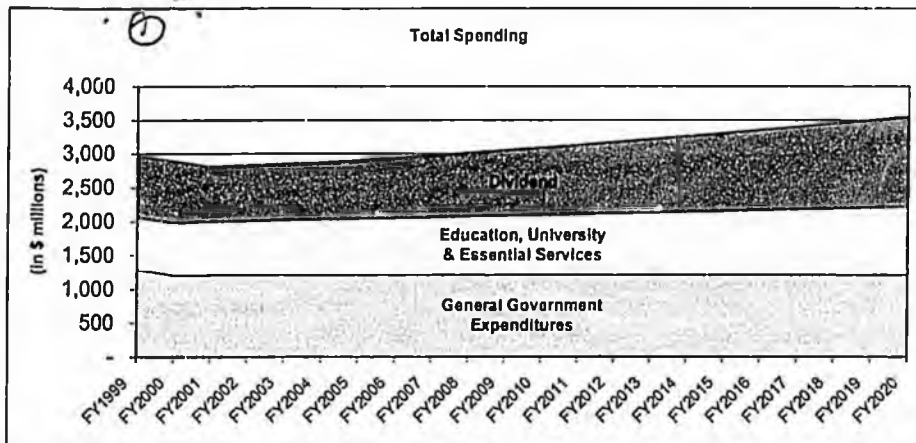
zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Eldon Mulder</i>	Mulder	✓			
<i>Con Therriault</i>	Therriault			X	
<i>Con Bunde</i>	Bunde	✓			
<i>Allen Austerman</i>	Austerman	X			
<i>Ben Grussendorf</i>	Grussendorf				X
<i>Wm Davies</i>	Davies				X
<i>Wm Davis</i>	Davis			X	
<i>Wm Williams</i>	Williams	✓			
<i>Wm Foster</i>	Foster	X			
<i>Wm Kehring</i>	Kehring		X		

CO CHAIR'S SIGNATURE

Eldon Mulder *Con Therriault*

5/22/99



	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Revenue Assumptions													
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	20.91
Volume in mbbl/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	0.718
HB98 Passes (Y or N) - All Leases @ 25%	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Market Assumptions													
Perm Fund Total Return	9.510%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%
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%	3.820%
Expected Capital Gains/Losses	5.510%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%
% 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%	20.630%
CBR Yield	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%
Dividend Assumptions													
Maximum Dividend to \$ per Person	\$1,540	\$1,540	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculated Dividend Amount	\$1,590	\$1,590	\$1,351	\$1,349	\$1,350	\$1,353	\$1,374	\$1,387	\$1,422	\$1,449	\$1,476	\$1,502	\$1,530
Inflation & Growth Assumptions													
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%	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%	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%	0.00%
Growth of School Expenditures & Essential Svcs - 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%	1.45%
Growth of Capital Budget - 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%	0.00%
Population Growth Assumptions													
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%	1.100%
Inflation Proofing Assumptions													
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	0.0
Inflation Proofing - Perm Fund Principal Only	0.0	574.3	579.2	584.2	589.7	595.5	601.2	607.2	613.3	619.8	626.7	633.5	640.6
Question: Use the Statutory Method? (Y or N)	Y	N	N	N	N	N	N	N	N	N	N	N	N
Endowment Assumptions													
Payout %	N/A	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%
Graduated 5 Year Smoothing (Y or N)	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Budget Assumptions	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Revenues													
<i>Petroleum Revenue</i>	669.5	685.8	731.8	739.4	756.1	788.3	711.1	740.4	710.3	687.3	665.6	610.5	581.0
<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	539.7
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	0.0
New Oil Revenue	0.0	0.0	0.0	5.7	14.2	18.6	22.9	29.7	33.2	78.7	127.9	147.3	185.2
Other New Revenue #1	0.0	0.0	50.0	75.0	100.0	103.0	106.1	109.3	112.8	115.9	119.4	123.0	128.7
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	0.0
Total Revenues	1,290.6	1,300.6	1,395.1	1,437.7	1,482.3	1,488.5	1,433.0	1,477.5	1,437.5	1,453.3	1,473.6	1,431.0	1,432.7
Expenditures													
Agency Operations	819.7	819.7	789.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7
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	372.5
Public Safety, Transportation Maintenance, & University	285.0	285.0	285.0	285.0	289.1	293.3	287.6	301.9	306.3	310.7	315.2	319.8	324.4
K-12 Education	681.2	691.1	701.1	711.3	721.6	732.0	742.7	753.4	764.3	775.4	786.7	798.1	809.7
Perm Fund Dividends	905.7	915.8	816.1	824.1	833.8	844.7	866.7	890.3	916.2	943.2	970.7	998.6	1,027.5
Proposed Budget Cuts #1	0.0	(30.0)	(30.0)	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	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	16.5
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
Capital Budget	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4
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
Other #1	14.5	0.0	0.0	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	0.0
Total General Fund Expenditures:	3,244.5	3,178.9	3,092.2	3,113.6	3,137.6	3,163.1	3,200.0	3,238.7	3,279.9	3,322.4	3,365.7	3,409.6	3,454.6
Budget (Deficit)/Surplus	(1,953.9)	(1,878.2)	(1,697.1)	(1,675.9)	(1,655.3)	(1,674.6)	(1,767.1)	(1,761.2)	(1,842.4)	(1,869.2)	(1,892.2)	(1,978.6)	(2,022.0)
Transfers													
<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	0.0	0.0	0.0
<i>Transfer (to)/from CBR (Thru the Year)</i>	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	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	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	0.0	0.0	0.0
<i>Transfer (to)/from Alaska Income Acct (Beg of Year)</i>	0.0	962.4	881.0	851.8	821.6	829.9	900.4	870.9	926.3	926.0	921.4	980.0	994.5
<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	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	0.0	0.0	0.0
PFD Transfer from Earn Reserve (End of Year)	905.7	915.8	816.1	824.1	833.8	844.7	866.7	890.3	916.2	943.2	970.7	998.6	1,027.5
Total Transfers	1,953.9	1,878.2	1,697.1	1,675.9	1,655.3	1,674.6	1,767.1	1,761.2	1,842.4	1,869.2	1,892.2	1,978.6	2,022.0
Difference	(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

CONSTITUTIONAL BUDGET RESERVE

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
TOTAL Const Budget Reserve (Beg of Yr)	3,559.1	2,728.3	3,017.9	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	0.0
Transfer (to)/from APFC Alaska Income Acct (Beg of Year)	0.0	0.0	(3,017.9)	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	0.0
Transfer (to)/from APFC Alaska Income Acct (End of Year)	0.0	0.0	(123.6)	(123.7)	(123.6)	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	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	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	0.0
Earnings	161.4	169.5	3.6	3.6	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL Const Budget Reserve (End of Yr)	2,728.3	3,017.9	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

Principal/Corpus

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
TOTAL Principal at Cost (Beg of Yr)	18,516.0	18,980.1	19,142.1	19,305.4	19,474.5	19,657.8	19,850.6	20,038.7	20,241.2	20,444.3	20,660.8	20,890.2	21,118.1
Dedicated Oil Revenues (Thru the Year)	138.1	135.4	132.0	136.8	145.3	150.4	141.5	150.8	147.2	148.7	145.0	135.5	131.2
Dedicated Modest Oil Revenues (Thru the Year)	0.0	0.0	0.0	2.0	4.8	6.3	7.5	9.3	10.1	20.2	31.0	34.5	40.9
Other Transfers (Amerada Hess) (End of Year)	38.2	26.6	31.2	30.8	33.2	30.1	39.1	42.4	45.8	49.6	53.5	57.7	62.3
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	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	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	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	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	0.0
TOTAL Principal at Cost (Ending Bal)	18,980.1	19,142.1	19,305.4	19,474.5	19,657.8	19,850.6	20,038.7	20,241.2	20,444.3	20,660.8	20,890.2	21,118.1	21,352.5

Alaska Income Account

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
TOTAL Alaska Income Acct Acct Balance (Beg of Yr)	1,389.0	2,482.7	2,365.2	5,754.1	6,234.8	6,825.3	7,365.5	7,897.5	8,521.4	9,146.5	9,829.7	10,574.0	11,315.4
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	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	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	0.0
Transfer (to)/from Gen Fund (Beg of Year)	0.0	(962.4)	(881.0)	(851.8)	(821.6)	(829.9)	(900.4)	(870.9)	(926.3)	(926.0)	(921.4)	(980.0)	(954.5)
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	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	0.0
Transfer (to)/from CBR (Beg of Year)	0.0	0.0	3,017.9	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	0.0
Transfer (to)/from CBR (End of Year)	0.0	0.0	123.6	123.7	123.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PFD Transfer (to) Gen Fund (End of Year)	(905.7)	(915.8)	(816.1)	(824.1)	(833.8)	(844.7)	(866.7)	(890.3)	(916.2)	(943.2)	(970.7)	(998.6)	(1,027.5)
Interest Income	z 957.8	360.1	481.3	506.9	535.8	566.8	593.1	621.9	650.7	680.8	713.0	745.2	778.7
Interest Income calculated for Inflation-Proofing the Permanent Fund Principal @ 3%	0.0	574.3	579.2	584.2	589.7	595.5	601.2	607.2	613.3	619.8	626.7	633.5	640.6
Realized Gains	z 1,399.8	895.0	957.9	1,015.6	1,073.9	1,133.1	1,189.1	1,244.2	1,296.0	1,348.6	1,398.3	1,447.8	1,495.8
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	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)	(49.5)
Less Amerada Hess Settlement Earnings (not inc in div)	z (38.2)	(26.6)	(31.2)	(30.8)	(33.2)	(36.1)	(39.1)	(42.4)	(45.8)	(49.6)	(53.5)	(57.7)	(62.3)
TOTAL Alaska Income Acct Balance (End of Yr)	2,482.7	2,365.2	5,754.1	6,234.8	6,825.3	7,365.5	7,897.5	8,521.4	9,146.5	9,829.7	10,574.0	11,315.4	12,096.7

Unrealized Gains

	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Balance of Unrealized Gains (Beg of Year)	3,970.9	3,890.5	4,049.7	4,288.2	4,503.7	4,699.7	4,878.1	5,036.5	5,179.1	5,309.3	5,428.2	5,541.4	5,649.2
Current Year Unrealized Gains	z 1,319.4	1,054.2	1,196.5	1,231.1	1,269.8	1,311.5	1,347.5	1,386.8	1,426.1	1,467.4	1,511.5	1,555.6	1,601.3
Amount of Gains Realized	(1,399.8)	(895.0)	(957.9)	(1,015.6)	(1,073.9)	(1,133.1)	(1,189.1)	(1,244.2)	(1,296.0)	(1,348.6)	(1,398.3)	(1,447.8)	(1,495.8)
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	0.0
Bal Unreal Gain add to Market Value	3,890.5	4,049.7	4,288.2	4,503.7	4,699.7	4,878.1	5,036.5	5,179.1	5,309.3	5,428.2	5,541.4	5,649.2	5,754.7
Balance of Total Savings	28,081.6	28,574.8	29,347.6	30,213.0	31,182.9	32,094.2	32,972.8	33,941.7	34,900.1	35,918.6	37,005.5	38,082.7	39,204.0

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue Assumptions									
Oil Price In \$/bbl	21.52	22.15	22.80	23.48	24.18	24.94	25.73	26.55	27.40
Volume In mbbbl/d	0.869	0.821	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
Market Assumptions									
Perm Fund Total Return	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%
Yield of Dividends & Interest	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%
Expected Capital Gains/Losses	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%
% of Unrealized Gains Realized	20.800%	21.000%	21.200%	21.400%	21.600%	21.780%	21.950%	22.100%	22.250%
CBR Yield	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%
Dividend Assumptions									
Maximum Dividend to \$ per Person	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculated Dividend Amount	z \$1,558	\$1,587	\$1,617	\$1,648	\$1,679	\$1,711	\$1,744	\$1,777	\$1,810
Inflation & Growth Assumptions									
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%
Growth of Agency Expenditures - Inflation	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%
Growth of School Expenditures & Essential Svcs - Inflation	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%	0.00%	0.00%	0.00%	0.00%	0.00%
Population Growth Assumptions									
Dividends	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%
Inflation Proofing Assumptions									
Statutory Inflation Proofing Amount	z 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inflation Proofing - Perm Fund Principal Only	647.9	655.1	662.3	669.5	676.7	683.9	691.1	698.4	705.9
Question: Use the Statutory Method? (Y or N)	N	N	N	N	N	N	N	N	N
Endowment Assumptions									
Payout %	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%
Graduated 5 Year Smoothing (Y or N)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Budget Assumptions	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Revenues									
<i>Petroleum Revenue</i>	570.0	541.2	515.6	499.1	478.5	460.6	445.4	431.4	420.6
<i>Non-petroleum Revenue</i>	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
New Oil Revenue	226.0	221.6	253.4	274.0	284.3	295.1	306.3	316.2	303.6
Other New Revenue #1	130.5	134.4	138.4	142.6	140.9	151.3	155.8	160.5	165.3
Other New Revenue #2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenues	1,455.9	1,416.3	1,421.5	1,424.7	1,413.8	1,408.1	1,404.7	1,400.4	1,382.0
Expenditures									
Agency Operations	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7
Formula Programs	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5
Public Safety, Transportation Maintenance, & University	329.1	333.9	338.7	343.7	348.6	353.7	358.8	364.0	369.3
K-12 Education	821.4	833.3	845.4	857.6	870.1	882.7	895.5	908.5	921.7
Perm Fund Dividends	z 1,057.5	1,088.5	1,120.8	1,154.1	1,188.3	1,223.7	1,260.2	1,297.6	1,336.2
Proposed Budget Cuts #1	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
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
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
Capital Budget	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4
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
Other #1	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
Total General Fund Expenditures:	3,501.1	3,548.8	3,598.0	3,648.5	3,700.1	3,753.2	3,807.6	3,863.2	3,920.2
Budget (Deficit)/Surplus	(2,045.2)	(2,132.4)	(2,176.6)	(2,223.8)	(2,286.4)	(2,347.1)	(2,402.9)	(2,462.8)	(2,538.2)
Transfers									
<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
<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
<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
Legislative Appropriations to Perm Fund Principal	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>	987.7	1,044.0	1,055.8	1,069.7	1,098.0	1,123.4	1,142.7	1,165.2	1,202.0
<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
<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
<i>PFDF Transfer from Earn Reserve (End of Year)</i>	1,057.5	1,088.5	1,120.8	1,154.1	1,188.3	1,223.7	1,260.2	1,297.6	1,336.2
Total Transfers	2,045.2	2,132.4	2,176.6	2,223.8	2,286.4	2,347.1	2,402.9	2,462.8	2,538.2
Difference	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CONSTITUTIONAL BUDGET RESERVE

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
TOTAL Const Budget Reserve (Beg of Yr)	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)	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
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
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
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
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
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
Earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL Const Budget Reserve (End of Yr)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ALASKA PERMANENT FUND**Principal/Corpus**

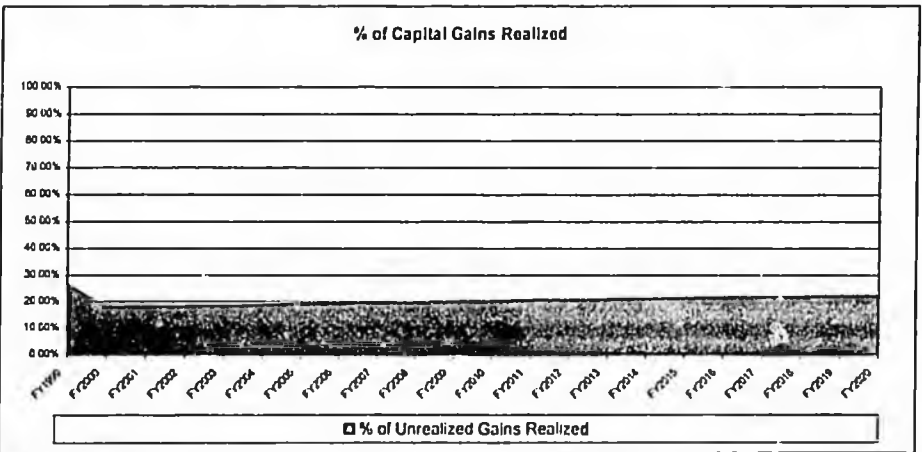
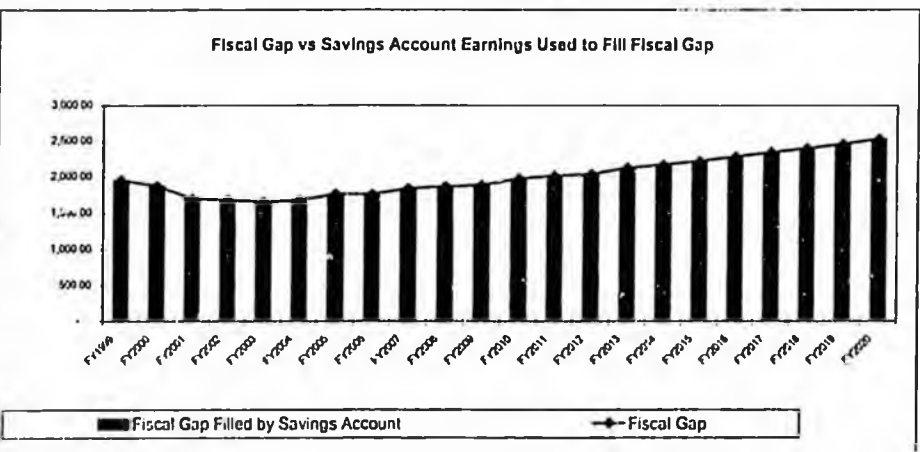
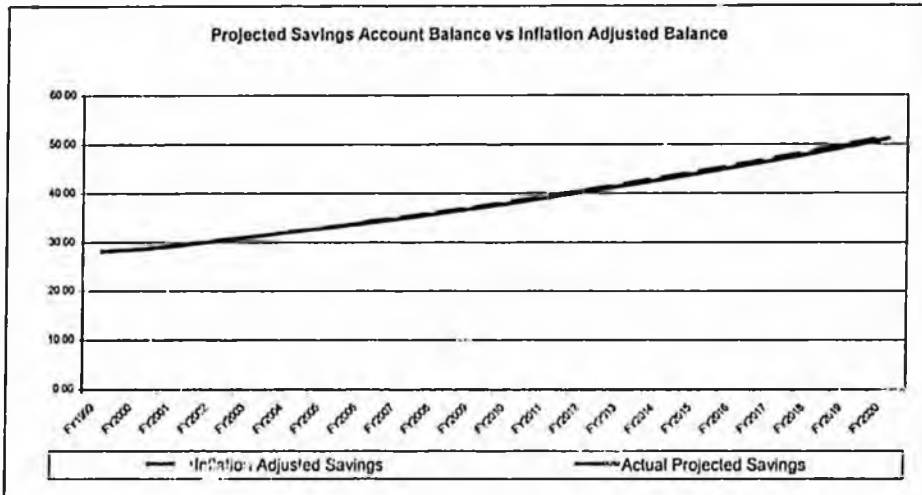
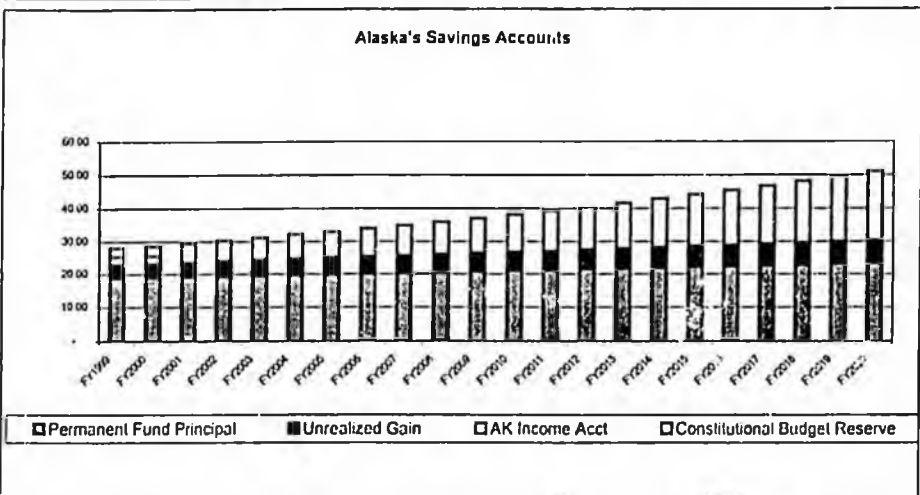
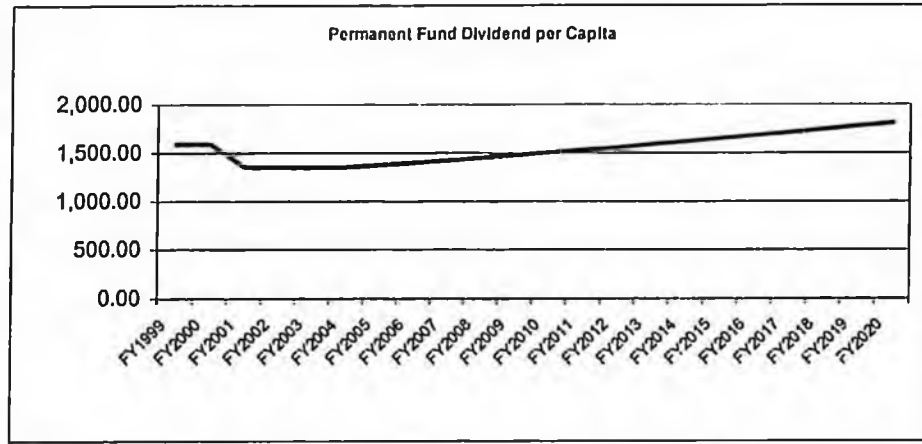
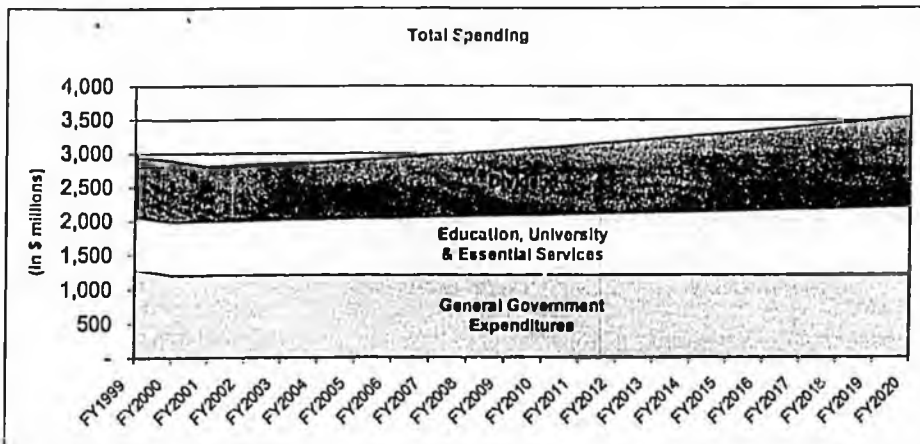
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
TOTAL Principal at Cost (Beg of Yr)	21,352.5	21,597.9	21,838.1	22,077.5	22,318.3	22,557.5	22,797.0	23,037.9	23,281.4
Dedicated Oil Revenues (Thru the Year)	130.5	125.3	120.8	117.2	113.1	109.4	106.3	103.4	100.8
Dedicated Modest Oil Revenues (Thru the Year)	47.7	42.7	40.8	39.8	35.8	32.8	29.8	27.5	25.0
Other Transfers (Amerada Hess) (End of Year)	67.1	72.2	77.8	83.9	90.3	97.3	104.7	112.7	121.3
Legislative Appropriations (End of Year)	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
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
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
Statutory Inflation Proofing (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL Principal at Cost (Ending Bal)	21,597.9	21,838.1	22,077.5	22,318.3	22,557.5	22,797.0	23,037.9	23,281.4	23,528.6

Alaska Income Account

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
TOTAL Alaska Income Acct Acct Balance (Beg of Yr)	12,098.7	12,936.7	13,775.2	14,657.4	15,582.6	16,537.8	17,525.2	18,551.8	19,615.0
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
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
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
Transfer (to)/from Gen Fund (Beg of Year)	(987.7)	(1,044.0)	(1,057.0)	(1,069.7)	(1,098.0)	(1,123.4)	(1,142.7)	(1,165.2)	(1,202.0)
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
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
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
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
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
PFD Transfer (to) Gen Fund (End of Year)	(1,057.5)	(1,088.5)	(1,120.8)	(1,154.1)	(1,188.3)	(1,223.7)	(1,260.2)	(1,297.6)	(1,336.2)
Interest Income	z 814.4	850.6	888.3	927.6	988.2	1,010.0	1,053.4	1,098.3	1,144.3
Interest Income calculated for Inflation-Proofing the Permanent Fund Principal @ 3%	847.9	655.1	662.3	689.5	376.7	683.9	691.1	698.4	705.9
Realized Gains	z 1,540.2	1,588.3	1,637.6	1,688.3	1,740.2	1,792.0	1,844.7	1,897.6	1,952.7
Statutory Inflation Proofing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Costs of APFC	(50.2)	(51.0)	(51.7)	(52.5)	(53.3)	(54.1)	(54.0)	(55.7)	(56.6)
Less Amerada Hess Settlement Earnings (not Inc In div)	z (67.1)	(72.2)	(77.8)	(83.9)	(90.3)	(97.3)	(104.7)	(112.7)	(121.3)
TOTAL Alaska Income Acct Balance (End of Yr)	12,936.7	13,775.2	14,657.4	15,582.6	16,537.8	17,525.2	18,551.8	19,615.0	20,701.8

Unrealized Gains

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Balance of Unrealized Gains (Beg of Year)	5,754.7	5,864.5	5,975.1	6,087.0	6,200.8	6,316.5	6,435.7	6,559.3	6,688.9
Current Year Unrealized Gains	z 1,649.9	1,698.9	1,749.6	1,802.0	1,855.9	1,911.2	1,968.3	2,027.2	2,087.5
Amount of Gains Realized	(1,540.2)	(1,588.3)	(1,637.6)	(1,688.3)	(1,740.2)	(1,792.0)	(1,844.7)	(1,897.6)	(1,952.7)
Additional Gains Realized	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bal Unreal Gain add to Market Value	5,864.5	5,975.1	6,087.0	6,200.8	6,316.5	6,435.7	6,559.3	6,688.9	6,823.6
Balance of Total Savings	40,399.1	41,588.4	42,821.9	44,101.7	45,411.8	46,757.9	48,149.0	49,585.3	51,054.0



	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Revenue Assumptions													
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	20.91
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	0.718
HB98 Passes (Y or N) - All Leases @ 25%	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Market Assumptions													
Perm Fund Total Return	9.510%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%
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%	3.820%
Expected Capital Gains/Losses	5.510%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%
% of Unrealized Gains Realized	28.480%	18.100%	18.260%	18.400%	18.600%	18.850%	19.100%	19.370%	19.620%	19.900%	20.150%	20.400%	20.630%
CBR Yield	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%
Dividend Assumptions													
Maximum Dividend to \$ per Person	\$1,540	\$1,540	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculated Dividend Amount	z \$1,590	\$1,590	\$1,351	\$1,349	\$1,350	\$1,353	\$1,374	\$1,397	\$1,422	\$1,449	\$1,476	\$1,502	\$1,530
Inflation & Growth Assumptions													
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%	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%	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%	0.00%
Growth of School Expenditures & Essential Svcs - 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%	1.45%
Growth of Capital Budget - 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%	0.00%
Population Growth Assumptions													
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%	1.100%
Inflation Proofing Assumptions													
Statutory Inflation Proofing Amount	z 287.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inflation Proofing - Perm Fund Principal Only	0.0	574.3	579.2	584.2	589.7	595.5	601.2	607.2	613.3	619.8	626.7	633.5	640.6
Question: Use the Statutory Method? (Y or N)	Y	N	N	N	N	N	N	N	N	N	N	N	N
Endowment Assumptions													
Payout %	N/A	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%
Graduated 5 Year Smoothing (Y or N)	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Budget Assumptions	FY1990	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Revenues													
<i>Petroleum Revenue</i>	669.5	685.8	731.8	739.4	756.1	788.3	711.1	746.4	710.3	687.3	665.6	610.5	581.0
<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	539.7
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	0.0
New Oil Revenue	0.0	0.0	0.0	5.7	14.2	18.6	22.9	29.7	33.2	78.7	127.9	147.3	185.2
Other New Revenue #1	0.0	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	0.0
Total Revenues	1,290.6	1,300.6	1,395.1	1,437.7	1,482.3	1,488.5	1,433.0	1,477.5	1,437.5	1,453.3	1,473.6	1,431.0	1,432.7
Expenditures													
Agency Operations	819.7	819.7	789.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7
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	372.5
Public Safety, Transportation Maintenance, & University	285.0	285.0	285.0	285.0	289.1	293.3	297.6	301.8	306.3	310.7	315.2	319.8	324.4
K-12 Education	681.2	691.1	701.1	711.3	721.6	732.0	742.7	753.4	764.3	775.4	786.7	798.1	809.7
Perm Fund Dividends	905.7	915.8	816.1	824.1	833.8	844.7	866.7	890.3	916.2	943.2	970.7	998.6	1,027.5
Proposed Budget Cuts #1	0.0	(30.0)	(30.0)	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	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	16.5
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
Capital Budget	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4
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
Other #1	14.5	0.0	0.0	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	0.0
Total General Fund Expenditures:	3,244.5	3,178.9	3,092.2	3,113.6	3,137.6	3,163.1	3,200.0	3,238.7	3,279.9	3,322.4	3,365.7	3,409.6	3,454.6
Budget (Deficit)/Surplus	(1,953.9)	(1,878.2)	(1,697.1)	(1,675.9)	(1,655.3)	(1,674.6)	(1,767.1)	(1,761.2)	(1,842.4)	(1,869.2)	(1,892.2)	(1,978.6)	(2,022.0)
Transfers													
<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	0.0	0.0	0.0
<i>Transfer (to)/from CBR (Thru the Year)</i>	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	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	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	0.0	0.0	0.0
<i>Transfer (to)/from Alaska Income Acct (Beg of Year)</i>	0.0	962.4	881.0	851.8	821.6	829.9	900.4	870.9	926.3	926.0	921.4	980.0	994.5
<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	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	0.0	0.0	0.0
PFM Transfer from Earn Reserve (End of Year)	905.7	915.8	816.1	824.1	833.8	844.7	866.7	890.3	916.2	943.2	970.7	998.6	1,027.5
Total Transfers	1,953.9	1,878.2	1,697.1	1,675.9	1,655.3	1,674.6	1,767.1	1,761.2	1,842.4	1,869.2	1,892.2	1,978.6	2,022.0
Difference	(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

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue Assumptions									
Oil Price In \$/bbl	21.52	22.15	22.80	23.48	24.18	24.94	25.73	26.55	27.40
Volume In mbb/d	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
Market Assumptions									
Perm Fund Total Return	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%	8.130%
Yield of Dividends & Interest	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%
Expected Capital Gains/Losses	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%	4.310%
% of Unrealized Gains Realized	20.800%	21.000%	21.200%	21.400%	21.600%	21.780%	21.950%	22.100%	22.250%
CBR Yield	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%	6.080%
Dividend Assumptions									
Maximum Dividend to \$ per Person	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculated Dividend Amount	z \$1,558	\$1,587	\$1,617	\$1,648	\$1,679	\$1,711	\$1,744	\$1,777	\$1,810
Inflation & Growth Assumptions									
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%
Growth of Agency Expenditures - Inflation	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%
Growth of School Expenditures & Essential Svcs - Inflation	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%	0.00%	0.00%	0.00%	0.00%	0.00%
Population Growth Assumptions									
Dividends	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%
Inflation Proofing Assumptions									
Statutory Inflation Proofing Amount	z 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inflation Proofing - Perm Fund Principal Only	647.9	655.1	662.3	669.5	676.7	683.9	691.1	698.4	705.9
Question: Use the Statutory Method? (Y or N)	N	N	N	N	N	N	N	N	N
Endowment Assumptions									
Payout %	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%
Graduated 5 Year Smoothing (Y or N)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Budget Assumptions	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Revenues									
<i>Petroleum Revenue</i>	570.0	541.2	515.6	499.1	478.5	460.6	445.4	431.4	420.6
<i>Non-petroleum Revenue</i>	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
New Oil Revenue	226.0	221.6	253.4	274.0	284.3	295.1	306.3	316.2	303.6
Other New Revenue #1	130.5	134.4	138.4	142.6	146.9	151.3	155.8	160.5	165.3
Other New Revenue #2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenues	1,455.9	1,416.3	1,421.5	1,424.7	1,413.8	1,406.1	1,404.7	1,400.4	1,382.0
Expenditures									
Agency Operations	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7	759.7
Formula Programs	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5	372.5
Public Safety, Transportation Maintenance, & University	329.1	333.9	338.7	343.7	348.8	353.7	358.8	364.0	369.3
K-12 Education	821.4	833.3	845.4	857.6	870.1	882.7	895.5	908.5	921.7
Perm Fund Dividends	z 1,057.5	1,088.5	1,120.8	1,154.1	1,188.3	1,223.7	1,260.2	1,297.6	1,336.2
Proposed Budget Cuts #1	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
Supplemental Budget - Fires, Floods, (Y2K, FY99), etc.	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	10.5
Debt Service (Net of non-GP School Fund and AHFC offsets)	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8
Capital Budget	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4	85.4
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
Other #1	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
Total General Fund Expenditures:	3,501.1	3,548.8	3,598.0	3,648.5	3,700.1	3,753.2	3,807.6	3,863.2	3,920.2
Budget (Deficit)/Surplus	(2,045.2)	(2,132.4)	(2,176.8)	(2,223.8)	(2,286.4)	(2,347.1)	(2,402.9)	(2,462.8)	(2,538.2)
Transfers									
<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
<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
<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
Legislative Appropriations to Perm Fund Principal	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>	987.7	1,044.0	1,055.8	1,069.7	1,098.0	1,123.4	1,142.7	1,165.2	1,202.0
<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
<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
<i>PFID Transfer from Earn Reserve (End of Year)</i>	1,057.5	1,088.5	1,120.8	1,154.1	1,188.3	1,223.7	1,260.2	1,297.6	1,336.2
Total Transfers	2,045.2	2,132.4	2,176.8	2,223.8	2,286.4	2,347.1	2,402.9	2,462.8	2,538.2
Difference	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CONSTITUTIONAL BUDGET RESERVE

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
TOTAL Const Budget Reserve (Beg of Yr)	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)	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
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
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
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
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
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
Earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL Const Budget Reserve (End of Yr)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ALASKA PERMANENT FUND

Principal/Corpus

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
TOTAL Principal at Cost (Beg of Yr)	21,352.5	21,597.9	21,838.1	22,077.5	22,318.3	22,557.5	22,797.0	23,037.9	23,281.4
Dedicated Oil Revenues (Thru the Year)	130.5	125.3	120.8	117.2	113.1	109.4	106.3	103.4	100.8
Dedicated Modest Oil Revenues (Thru the Year)	47.7	42.7	40.8	39.8	35.8	32.8	29.8	27.5	25.0
Other Transfers (Amerada Hess) (End of Year)	67.1	72.2	77.8	83.9	90.3	97.3	104.7	112.7	121.3
Legislative Appropriations (End of Year)	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
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
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
Statutory Inflation Proofing (End of Year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL Principal at Cost (Ending Bal)	21,597.9	21,838.1	22,077.5	22,318.3	22,557.5	22,797.0	23,037.9	23,281.4	23,528.6

Alaska Income Account

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
TOTAL Alaska Income Acct Balance (Beg of Yr)	12,096.7	12,936.7	13,775.2	14,657.4	15,582.8	16,537.8	17,525.2	18,551.8	19,615.0
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
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
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
Transfer (to)/from Gen Fund (Beg of Year)	(987.7)	(1,044.0)	(1,055.8)	(1,069.7)	(1,098.0)	(1,123.4)	(1,142.7)	(1,165.2)	(1,202.0)
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
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
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
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
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
PFD Transfer (to) Gen Fund (End of Year)	(1,057.5)	(1,088.5)	(1,120.8)	(1,154.1)	(1,188.3)	(1,223.7)	(1,260.2)	(1,297.6)	(1,336.2)
Interest Income z	814.4	850.6	888.3	927.6	968.2	1,010.0	1,053.4	1,098.3	1,144.3
Interest Income calculated for Inflation-Proofing the Permanent Fund Principal @ 3%	647.0	655.1	662.3	669.5	676.7	683.9	691.1	698.4	705.9
Realized Gains z	1,540.2	1,588.3	1,637.6	1,688.3	1,740.2	1,792.0	1,844.7	1,897.6	1,952.7
Statutory Inflation Proofing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Costs of APFC	(50.2)	(51.0)	(51.7)	(52.5)	(53.3)	(54.1)	(54.9)	(55.7)	(56.8)
Less Amerada Hess Settlement Earnings (not inc in div) z	(67.1)	(72.2)	(77.8)	(83.9)	(90.3)	(97.3)	(104.7)	(112.7)	(121.3)
TOTAL Alaska Income Acct Balance (End of Yr)	12,936.7	13,775.2	14,657.4	15,582.6	16,537.8	17,525.2	18,551.8	19,615.0	20,701.8

Unrealized Gains

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Balance of Unrealized Gains (Beg of Year)	5,754.7	5,864.5	5,975.1	6,087.0	6,200.8	6,316.5	6,435.7	6,559.3	6,688.9
Current Year Unrealized Gains z	1,649.9	1,698.9	1,749.6	1,802.0	1,855.9	1,911.2	1,968.3	2,027.2	2,087.5
Amount of Gains Realized	(1,540.2)	(1,598.3)	(1,637.6)	(1,688.3)	(1,740.2)	(1,792.0)	(1,844.7)	(1,897.8)	(1,952.7)
Additional Gains Realized	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bal Unreal Gain adj to Market Value	5,864.5	5,975.1	6,087.0	6,200.8	6,316.5	6,435.7	6,550.3	6,688.9	6,823.6
Balance of Total Savings	40,309.1	41,588.4	42,821.9	44,101.7	45,411.8	46,757.0	48,149.0	49,585.3	51,054.0

HB

1001

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/24/99

FURTHER: 5/24/99

DATE TURNED IN TO OFFICE: 24 May 1999

Finance Committee considered CS FOR HOUSE BILL NO. 1001(FIN) am

"An Act relating to income of the Alaska permanent fund and authorizing an advisory vote on a long-term financial plan for the state; and providing for an effective date."

and recommends:

- be replaced with S CS CS HB 1001 (FIN)
- adopt previous CS forthcoming
- attached amendment(s)
- adopt Letter of Intent by
- further referral to the Committee

- Senate Bill: same title
- new title
- House Bill:**
- same title
- technical title
- new: SCR#

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>		X	need to Amend
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

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1-LS1022S/
Cook
5/24/99

SENATE CS FOR CS FOR HOUSE BILL NO. 1001(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to income of the Alaska permanent fund and authorizing an
2 advisory vote on a long-term financial plan for the state; and providing for an
3 effective date."

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

5 * Section 1. ADVISORY VOTE. At a special election to be held on September 14, 1999,
6 in substantial compliance with the election laws of the state, including absentee voting and the
7 preparation, publication, and mailing of an election pamphlet under AS 15.58.010 - 15.58.09J,
8 the lieutenant governor shall place before the qualified voters of the state a question advisory
9 to the legislature and the governor. The election pamphlet for the special election must
10 comply with AS 15.58.020(6), including the requirement that it contain statements that
11 advocate voter approval or rejection of the question. Notwithstanding AS 15.60.005 and other
12 laws relating to preparation of the ballot proposition, the question shall appear on the ballot
13 in the following form:

QUESTION

WORK DRAFT

WORK DRAFT

1-LS1022AS

- 1 Preamble: The people of Alaska created the Alaska permanent fund to save a
2 portion of Alaska's petroleum revenue for the future. After investing those
3 savings, the original intent and purpose was to then use the earnings from those
4 investments when Alaska's petroleum revenues declined. Petroleum revenues
5 have now declined substantially and are forecast to continue to decline. Our
6 reliance on declining oil production and volatile oil prices constitutes an
7 unsustainable budget system. The governor and the legislature seek the public's
8 judgment in adopting a stable and sustainable long-term balanced budget plan.
- 9 **Balanced Budget Plan:** This will preserve the permanent fund dividend,
10 inflation-proof the Alaska permanent fund, support public services, and
11 establish a Citizens' Balanced Budget Task Force. Please mark "yes" or "no"
12 on this plan. The Balanced Budget Plan will
- 13 (1) **Spending Reductions:** Continue state general fund budget reductions to
14 a combined total of at least \$60,000,000 for fiscal years 2000 and 2001.
15 Submit a proposed constitutional amendment to the voters that would
16 reduce the base amount of annual appropriations in art. IX, sec. 16,
17 Constitution of the State of Alaska, and make other changes to establish
18 a meaningful appropriation limit.
- 19 (2) **Permanent Fund Protection:** Guarantee the Alaska permanent fund
20 principal is untouched. The principal of the fund is inflation-proofed
21 to protect its value for all Alaskans, including future generations.
- 22 (3) **Permanent Fund Dividends:** Guarantee a dividend is paid to qualified
23 Alaska residents at a minimum of \$1,700 in 1999 and \$1,700 in 2000
24 and, thereafter, approximately \$1,348 and higher. Beginning in 2001,
25 the constitutional budget reserve and the permanent fund earnings
26 reserve will be combined. In determining the market value for the
27 calculation of the dividend, this new account will be joined with the
28 principal of the Alaska permanent fund. After accounting for inflation-
29 proofing, the dividend will be based on 50 percent of the annual
30 earnings payment of these combined accounts.
- 31 (4) **Earnings Reserve Usage for Public Purposes:** After payment of

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permanent fund dividends and inflation-proofing the fund, the remaining annual earnings payment will be prioritized for usage for education, public safety, and transportation.

(5) Accountability: Expenditures from the combined account will be fully disclosed on each annual permanent fund dividend check.

(6) Balanced Budget Task Force: Establish a Citizens' Balanced Budget Task Force to present options to further reduce state spending and identify appropriate future revenue sources.

(7) Income Tax: No income tax on individuals will be required as part of this plan.

After paying annual dividends to residents and inflation-proofing the Alaska permanent fund, should a portion of permanent fund investment earnings be used to help balance the state budget?

Yes []

No []

* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE COMMITTEE
1999 COMMITTEE ACTION

Bill Number	HB 1001	
Amendment	Cb 5	
Motion	move from cmtt	
<u>Motion by</u>	Parnell	
<u>Objection</u>		
<u>Objection by</u>	Adams	
<u>Removed</u>		
<u>Second Objection by</u>		
<u>Committee Member</u>		<u>Vote</u>
Senator Gary Wilken	Y	
Senator Pete Kelly	Y	
Senator Lyda Green	Y	
Senator Randy Phillips	Y	
Senator Dave Donley	Y	
Senator Loren Leman	Y	
Senator Al Adams	N	
Co-Chair Sean Parnell	Y	
Co-Chair John Torgerson	Y	
<u>Tally</u>		
Yea	0	8
Nay	0	1
Absent	0	—
<u>MOTION</u>	Pass	

SENATE FINANCE COMMITTEE
1999 COMMITTEE ACTION

Bill Number	HB 100	
Amendment	CS "S"	
Motion	adopt	
<u>Motion by</u>	Parnell	
<u>Objection</u>		
<u>Objection by</u>	Adams	
<u>Removed</u>		
<u>Second Objection by</u>		
<u>Committee Member</u>		<u>Vote</u>
Senator Loren Leman	Y	
Senator Al Adams	N	
Senator Gary Wilken	Y	
Senator Pete Kelly	Y	
Senator Lyda Green	Y	
Senator Randy Phillips	Y	
Senator Dave Donley	Y	
Co-Chair Sean Parnell	Y	
Co-Chair John Torgerson	Y	
<u>Tally</u>		
Yea	0	8
Nay	0	1
Absent	0	
<u>MOTION</u>	adopt	

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WORK DRAFT

WORK DRAFT

I-LS1022AS/
Cook
5/24/99

SENATE CS FOR CS FOR HOUSE BILL NO. 1001(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to income of the Alaska permanent fund and authorizing an
2 advisory vote on a long-term financial plan for the state; and providing for an
3 effective date."

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

5 * Section 1. ADVISORY VOTE. At a special election to be held on September 14, 1999,
6 in substantial compliance with the election laws of the state, including absentee voting and the
7 preparation, publication, and mailing of an election pamphlet under AS 15.58.010 - 15.58.090,
8 the lieutenant governor shall place before the qualified voters of the state a question advisory
9 to the legislature and the governor. The election pamphlet for the special election must
10 comply with AS 15.58.020(6), including the requirement that it contain statements that
11 advocate voter approval or rejection of the question. Notwithstanding AS 15.60.005 and other
12 laws relating to preparation of the ballot proposition, the question shall appear on the ballot
13 in the following form:

QUESTION

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WORK DRAFT

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Preamble: The people of Alaska created the Alaska permanent fund to save a portion of Alaska's petroleum revenue for the future. After investing those savings, the original intent and purpose was to then use the earnings from those investments when Alaska's petroleum revenues declined. Petroleum revenues have now declined substantially and are forecast to continue to decline. Our reliance on declining oil production and volatile oil prices constitutes an unsustainable budget system. The governor and the legislature seek the public's judgment in adopting a stable and sustainable long-term balanced budget plan.

Balanced Budget Plan: This will preserve the permanent fund dividend, inflation-proof the Alaska permanent fund, support public services, and establish a Citizens' Balanced Budget Task Force. Please mark "yes" or "no" on this plan. The Balanced Budget Plan will

7/12
1/1

- (1) Spending Reductions: Continue state general fund budget reductions to a combined total of at least \$60,000,000 for fiscal years 2000 and 2001. Submit a proposed constitutional amendment to the voters that would reduce the base amount of annual appropriations in art. IX, sec. 16, Constitution of the State of Alaska, and make other changes to establish a meaningful appropriation limit.
- (2) Permanent Fund Protection: Guarantee the Alaska permanent fund principal is untouched. The principal of the fund is inflation-proofed to protect its value for all Alaskans, including future generations.
- (3) Permanent Fund Dividends: Guarantee a dividend is paid to qualified Alaska residents at a minimum of \$1,700 in 1999 and \$1,700 in 2000 and, thereafter, approximately \$1,348 and higher. Beginning in 2001, the constitutional budget reserve and the permanent fund earnings reserve will be combined. In determining the market value for the calculation of the dividend, this new account will be joined with the principal of the Alaska permanent fund. After accounting for inflation-proofing, the dividend will be based on 50 percent of the annual earnings payment of these combined accounts.
- (4) Earnings Reserve Usage for Public Purposes: After payment of

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permanent fund dividends and inflation-proofing the fund, the remaining annual earnings payment will be prioritized for usage for education, public safety, and transportation.

(5) Accountability: Expenditures from the combined account will be fully disclosed on each annual permanent fund dividend check.

(6) Balanced Budget Task Force: Establish a Citizens' Balanced Budget Task Force to present options to further reduce state spending and identify appropriate future revenue sources.

(7) Income Tax: No income tax on individuals will be required as part of this plan.

After paying annual dividends to residents and inflation-proofing the Alaska permanent fund, should a portion of permanent fund investment earnings be used to help balance the state budget?

Yes []

No []

* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

FAILED

Adams

AMENDMENT

OFFERED IN THE SENATE:

TO: CSHB1001(FIN) am

SENATE FINANCE
COMMITTEE
Amendment Number: 1
Bill Number: HB 1001
Sponsor: Adams Date: 5/24/99
Logged In By: Mindy

Page ~~4~~², line ~~4~~¹ through page ~~5~~³, line ~~15~~¹⁴:

Delete all material and insert:

QUESTION

Preamble: The people of Alaska created the Alaska Permanent Fund to save a portion of Alaska's petroleum revenue for the future. After investing those savings, the original intent and purpose was to then use the earnings from those investments when Alaska's petroleum revenues declined. Petroleum revenues have now declined substantially and are forecast to continue to decline. Our reliance upon declining oil production and volatile oil prices constitutes an unsustainable state budget system. The governor and state legislature seek the public's judgement in adopting a stable and sustainable long-term balanced budget plan.

Balanced Budget Plan: This will preserve the Permanent Fund dividend, inflation-proof the Permanent Fund, support public services, and establish a Citizen's Balanced Budget Task Force. Please mark "yes or "no" on this plan.

The Balanced Budget Plan will:

1. Spending Reductions: Continue state general fund budget reductions for fiscal years 2000 and 2001 and establish a Citizen's Balanced Budget Task Force to identify options to further reduce state spending and explore future revenue sources.
2. Permanent Fund Protection: Guarantee the Alaska Permanent Fund principal is untouched. The principal of the Fund is inflation-proofed to protect its value for all Alaskans, including future generations.
3. Permanent Fund Dividends: Guarantee a dividend is paid to qualified Alaska residents at a minimum of \$1,700 in 1999 and \$1,700 in 2000 and thereafter, approximately \$1,348 and higher. Beginning in 2001, the Constitutional Budget Reserve and the Permanent Fund Earnings Reserve will be combined, which requires a three-quarter vote of the House and Senate. In

determining the market value for the calculation of the dividend, this new account will be joined with the principal of the Permanent Fund. After accounting for inflation-proofing, the dividend will be based on 50% of the annual earnings payment of these combined accounts.

4. Earnings Reserve Usage for Public Purposes: After payment of Permanent Fund dividends and inflation-proofing the Fund, the remaining annual earnings payment will be used for essential public services.
5. Accountability: Expenditures from the combined account will be fully disclosed on each annual Permanent Fund Dividend check.
6. Income Tax: No personal income tax is required as part of this plan.

Question: After paying annual dividends to residents and inflation-proofing the Permanent Fund, should a portion of Permanent Fund Investment Earnings be used to help balance the state budget?

Yes() No()

SENATE FINANCE COMMITTEE
1999 COMMITTEE ACTION

Bill Number	HB 1001	
Amendment	#1	
Motion	acopt	
<u>Motion by</u>	Adams	
<u>Objection</u>		
<u>Objection by</u>	Torgerson	
<u>Removed</u>	0	
<u>Second Objection by</u>		
<u>Committee Member</u>		<u>Vote</u>
Senator Dave Donley	Y	
Senator Loren Leman	Y	
Senator Al Adams	Y	
Senator Gary Wilken	Y	
Senator Pete Kelly	Y	
Senator Lyda Green	Y	
Senator Randy Phillips	Y	
Co-Chair Sean Parnell	Y	
Co-Chair John Torgerson	Y	
<u>Tally</u>		
Yea	0	1
Nay	0	8
Absent	0	
<u>MOTION</u>	FAIL	