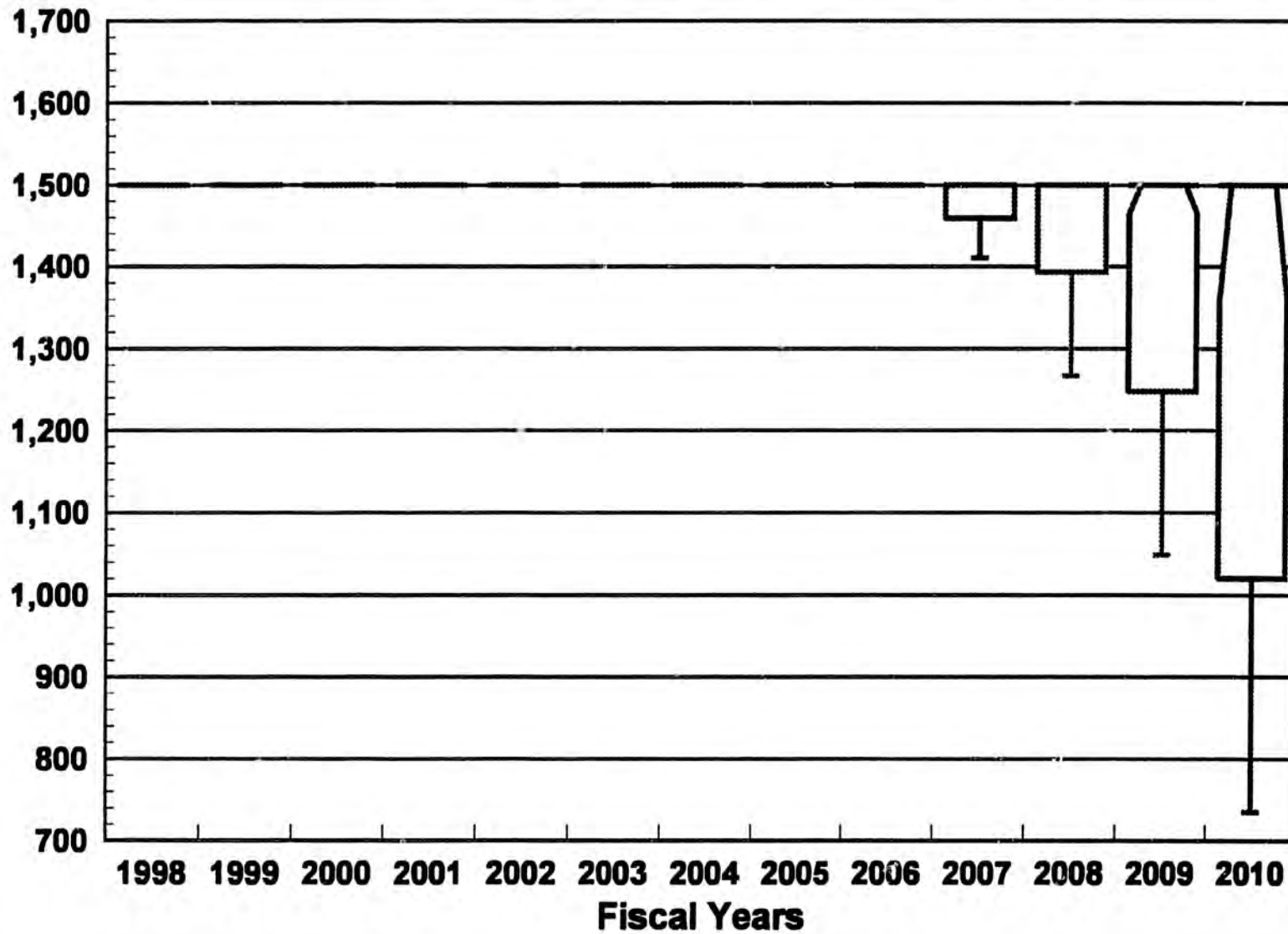


ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2427 SCOMM 101 LONG RANGE FINANCIAL PLANNING COMMISSION, 1995

Constitutional Budget Reserve Ending Balance Conservative Asset Allocation

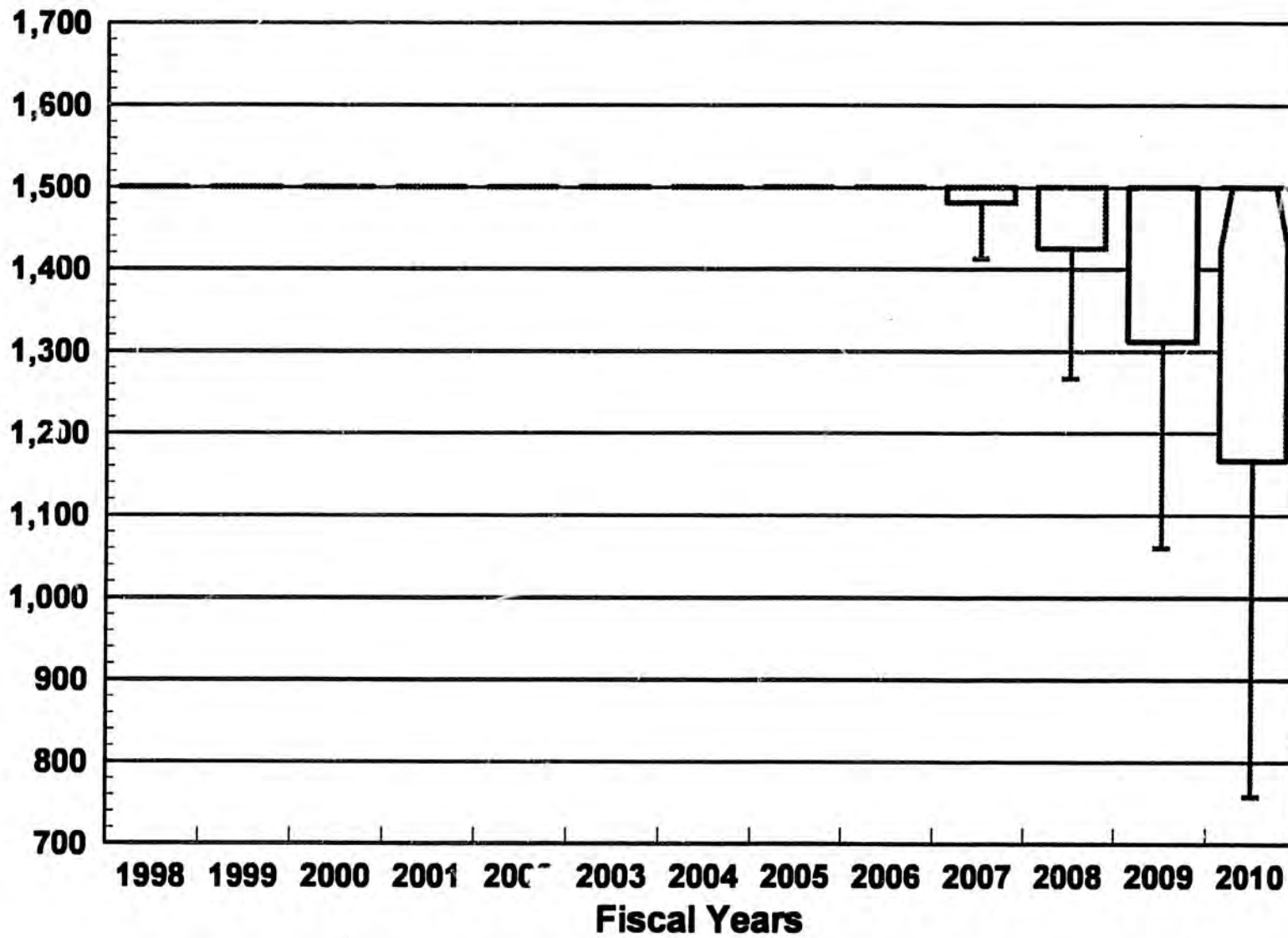
Constitutional Budget Reserve Ending Balance (\$Mil)



Constitutional Budget Reserve Ending Balance Current Asset Allocation

Callan Associates Inc.

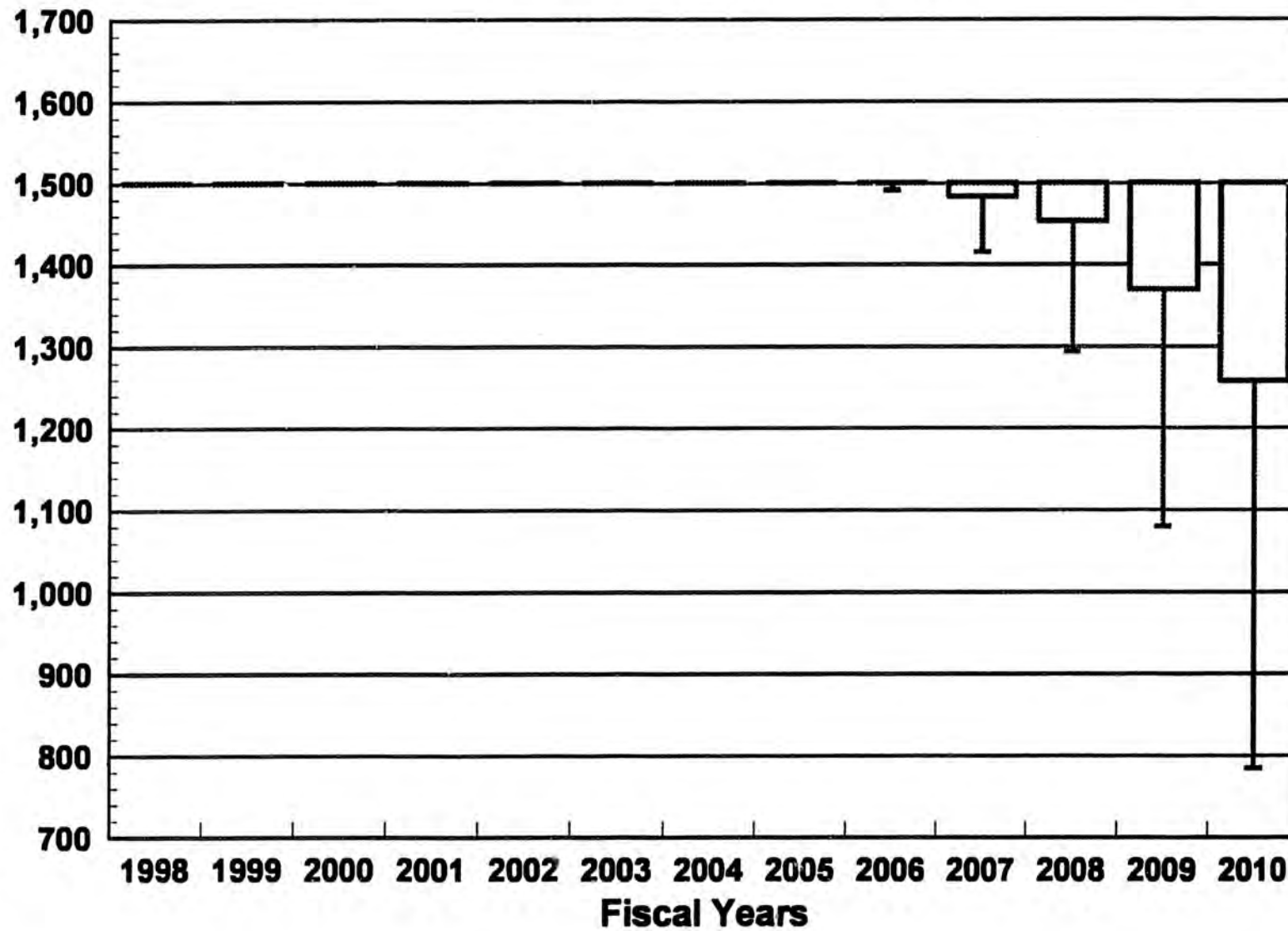
Constitutional Budget Reserve Ending Balance (\$Mil)



Constitutional Budget Reserve Ending Balance 70% Equity Allocation

Callan Associates Inc.

Constitutional Budget Reserve Ending Balance (\$Mil)



SCOMM

101:94

Notes prepared and presented to the Long Range Financial Planning
Commission by Allison Elgee

June 16, 1995
in
Anchorage, Alaska

1. A Review of your administration's attempt to reduce the State Budget-

Cowper was elected on the heels of the oil price collapse in 1986. Sheffield had reduced the state operating budget expenditures through an impoundment action which resulted in a total reduction of approximately \$200 million when all was said and done. Cowper came into office, was briefed on the revenue situation (projected FY87 deficit was ~ \$800 million and the projection for the FY88 budget scenario was essentially the same), and issued his famous press release of "all bets are off". He spent several days personally reviewing the state operating budget and developed a proposal for the FY88 operating budget that he submitted to the Legislature in January that recommended approximately another \$150 million in reductions. The Legislature and the various constituency groups came unglued. At the same time oil prices began to rebound. By March of 1987, the Governor and the legislature had amended the FY88 budget proposal to reflect essentially a continuation of FY87 spending after the Sheffield cutbacks.

By the beginning of August, when the FY89 budget development was begun, the state was in severe recession. The combination of state and local government cutbacks, and the oil industry cutbacks, had reduced property values around the state and resulted in very high unemployment. It became apparent that the best thing that the state government could do under those circumstances was to attempt to provide some underlying stability to the state economy. Until that time, I don't believe that people really understood or appreciated the impact government spending has on the Alaskan economy. In that context, the Governor proposed the "jobs capital budget" and recommended a status quo level of funding for the operating budget for FY89.

Cost control became a primary concern: i.e. the administration reviewed the responsibilities of state and local governments and made concerted efforts to transfer functions which were deemed local government responsibility and being provided by some local governments to the remaining locales. Examples: class III roads, and police protection. Inflation was absorbed. Emphasis was placed upon review of entire programs vs. across-the-board cuts, and an increased focus on user fees was incorporated into the state operations plan. A hard line was taken at the bargaining table with employee unions resulting in essentially no increase to labor

contracts until FY90. Alternate revenue sources were explored, i.e. increase in the motor fuel tax, elimination of ELF, and the Permanent Fund endowment for public schools.

2. What worked for you and what didn't?

The proposed reductions in state government spending to equalize the level of services between the state and the local governments was a difficult battle and not terribly successful. However, there were some achievements. The public school foundation formula was amended to require local tax contributions as a part of the calculation of basic need. The open-ended reimbursement for local government school debt was eliminated. Unfortunately, the two most egregious problems were in Anchorage and Fairbanks, i.e. the class III road maintenance issues (Fairbanks) and the police protection (Anchorage Hillside). Also, both communities received large social service block grants that were targeted for reduction, for the provision of local services that were not funded by the state in any other community. Another proposed change was to pass a statute that required that local governments be responsible for the housing of prisoners prior to arraignment. This was proposed to try to provide some leverage for the state in negotiating contract jail rates and ensure that the local community had a vested interest in maintaining a facility. All of these proposals met with resistance from the legislature. NIMBY.

3. What information was useful in making these reductions? Where did you receive it? Agencies, Public, Past practice, or Political?

The majority of the suggestions and proposals we worked with were developed in conjunction with the agencies.

4. If it didn't work what were the barriers? Why?

A general feeling on the part of the public, reflected by the legislature that the "bureaucracy" could be reduced without any impact upon services being provided at the local level. A lack of sincerity on the part of the legislature to make any of the difficult choices necessary to reduce state government spending or significantly change the service mix to the public, the volatility of the oil prices which seemed to rebound every time things became truly dire, and the availability of reserves and additional tax settlements to fill in the holes.

7. What was your solution to agencies using capital dollars for operations?

We had very small capital budgets and agencies actually had better success getting operating increases in the operating budget than in the capital budget.

8. If you were in charge what would be perfect, possible or would need tweaking?

I believe that it is essential the state develop a contract with local governments that explicitly lays out what services are to be provided at the state level and what will be provided at the local level. Such a contract needs to take into account the size of the local government entity, and the local wealth of the entity. It may also require mandatory borough formation in some parts of the state. The revenue sharing/municipal assistance funding mechanisms need to be redesigned into a single funding mechanism that recognizes services provided at the local level which the state commits to making a priority for state funding once the contract is in place. Delivery of service and funding must be equalized before we exacerbate a serious problem of have and have not communities around the state. Presently, there is no attempt to seriously equalize local wealth. The North Slope Borough is by far and away the wealthiest community in the state and yet we continue to fund state services for the Borough like we would for any other part of the state.

The state also needs to increase the variety of revenues available to fund state government services through additional taxes or alternate uses of the permanent fund income stream and probably a combination of both. State expenditures have been relatively stable over the past 9 years. However, state revenues have not. There appears to be little benefit in looking at approaches like forward funding or biennial budgeting until the revenue side of the equation can be stabilized.

9. How did you figure or allocate what each department would receive under your budget.

We worked from a big picture bottom line- incorporated the "A" list increases and looked at what was left over to allocate to those increases necessary to address the Governor's priorities and the federal requirements.

5. What were the guiding principles in the establishment of your budget?

Because our first and foremost concern was in providing some stability to the economy of Alaska, we were looking at essentially status quo budgets. Agencies began with the prior year funding level as a base, and developed increments for priority needs. The cabinet understood that there was very little new money to be had and essentially used the budget document as a public relations tool to explain what they felt were critical unmet needs. OMB reviewed the budget for technical accuracy including the projections of caseload growth and other cost factors in the formula programs, transfers for any potential policy implications. Increments were divided into two lists: the "A" list consisted of all increments that were funded by non-general fund sources that did not obligate the state to future state GF spending, all GF program receipt increments that were the result of increased spending (i.e. the new program receipts did not exist without the activity for which the increment was being requested), formula program increases where the programs were case/cost factor driven, and new facility increments including highways and aviation. The "B" list consisted of the other increments which the analysts, working in conjunction with the agencies, identified as the highest priority increments for the department and any increments that would have been on the "A" list except for potential policy and/or political implications that the Governor needed to be aware of prior to inclusion in the operating budget proposal.

Governor Cowper had three main areas of concern that he wanted to see improved: public safety, economic development, and environmental operations necessary to either keep control at the state level (i.e. clean drinking water) and for the economic consequences (i.e. seafood inspections). At the same time certain increases were being mandated by the federal government, i.e. welfare reform required the implementation of the JOBS program and required the state to cover in-tact families under AFDC.

6. What parts of your budget never received a look?

None

SCOMM

101:95

MEMORANDUM

State of Alaska
Office of the Governor
Office of Management and Budget

June 22, 1995

TO: LRFPC Revenues Subcommittee

FROM: Brad Pierce 
Senior Policy Analyst

SUBJECT: Program Receipts Categories

Attached is a draft attempt at categorizing the various kinds of state general fund program receipts. Please note that this is an ongoing OMB – Division of Budget Review (DBR) project. While all of the various program receipts are listed, their categorization is by no means complete and differences still exist between the various departmental positions on how their program receipts should be classed and the OMB position. For purposes of this subcommittee, I would recommend that we pay particular attention to the DBR category 1 designation. These are defined as program receipts designated for a specific purpose.

Types of PRs included in the category 1 designation are :

- a.) licenses and fees required by statute to fund a program to the level of appropriation (e.g., occupational licensing);
- b.) direct contractual agreements (e.g., Fish and Game research contracts);
- c.) PRs that are restricted by federal law (e.g., Women, Infants and Children's Program).

If the appropriation authority is reduced for this class of PRs, revenues are reduced accordingly, i.e., they have no effect on the fiscal gap. Thus a good argument could be made that they should be treated separately from pure general fund or combined GF/PR programs in the budget process. The remaining two categories are still under development and discussion of their distinguishing characteristics is probably more appropriate for the budget process subcommittee.

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of pages >

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To	Melissa	From	Pierce
Co.	LRFPC	Co.	OMB
Dept.		Phone #	465-4677
Fax #	258-9869	Fax #	3008

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

P. 02

FAX NO. 9074653008

ALASKA OMB-DIRECTOR

JUN-22-95 THU 15:31

	A	B	C	D	E	H
1	PROGRAM RECEIPT CATEGORIZATION					
2	(NOTE: Responses from departments reflect categories I & II; we have since split I into I & II, so depts category II has been changed to III.)					
3						
4	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
5	DCED	Occupational Licensing	3,563.2	I	I	Fees set according to cost of administering licensure.
6	DCED	Insurance	3,837.4	I	I	Fees set according to cost of administering licensure.
7	DCED	Alaska Public Utilities Commission	3,635.8	I	I	Regulatory Cost Charge are to equal the total operating costs.
8	DEC	EQ - Air Quality Management	1,894.8	I	I	The federal Clean Air Act requires that state or local law charge an annual fee to cover reasonable direct and indirect costs required to develop and operate the permit program.
9	DFG	Commercial Fisheries Management and Development - Contracts	491.0	I	I	Contracts such as Kodiak Island Sockeye salmon rehabilitation and enhancement, and determination of the bycatch of halibut in near shore Pacific cod jig fishery. Use of funds is restricted by terms of contract or test fish policies.
10	DFG	Wildlife Conservation - Special Projects	299.0	I	I	Contracts with various non-federal agencies to carry out specific resource management contracts.
11	DFG	Subsistence - Special Projects	7.5	III	I	Subsistence research under contract.
12	DFG	Habitat	24.0	III	I	Gold Mining Inc. and Fort Knox Mine survey contracts
13	DFG	Habitat	52.5	III	I	North Slope Gravel Pit Study
14	DFG	Habitat	52.5	III	I	Cominco - Red Dog Mine Study
15	DFG	Habitat	50.0	III	I	Red Dog Mine water gaging info - pass-through to USGS
16	DHSS	Family Preservation	60.0	I	I	Private Foundation grant.
17	DHSS	Johnson Youth Center	27.9	I	I	CBJ support for Youth Counselor
18	DHSS	Public Health - Nursing	104.8	I	I	Sliding scale for direct medical services to individuals.
19	DHSS	Public Health - Women, Infants & Children	1,950.0	I	I	Federal mandate - rebates are used to offset federal expenditures for food purchases.
20	DHSS	Public Health - Maternal, Child & Family Health	289.5	I	I	Fees for hearing aides, audiology services/hearing and metabolic screening of newborn infants. Without fees, services would be eliminated.
21	DHSS	Public Health - Laboratory Services	586.5	I	I	Fees charged equivalent to fees payable under Medicare and are used to offset the costs of performing tests.
22	DNR	Land - Municipal Entitlements	52.5	I	I	Contractual agreement

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
23	DNR	Land - Survey Operations	2.0	I	I	Survey deposits.
	DNR	Pipeline Coordinator's Office/Alaska	800.0	I	I	Contractual agreements for monitoring pipeline corridor.
24	DNR	Pipeline Coordinator's Office/Yukon Pacific Corporation	220.0	I	I	Contractual agreements
26	DOA	PIC	130.1	I	I	Receipts from conducting training sessions.
27	DOA	Telecommunications	50.0	I	I	Providing a specific product/service via service contracts.
28	DOA	Computer Services	44.8	I	I	Providing a specific product/service via service contracts.
29	DOA	RATNET	75.0	I	I	Communities contract w/DOA to repair satellite stations.
	DOE	Teacher Certification - Public Safety/FBI criminal background checks	178.4	III	I	The board may establish by regulation additional requirements for the issuance of certificates, including the fees to be charged for each certificate.
30	DOE	Voc Rehab - Client Services	115.8	III	I	Business Enterprise Program - Vending machine receipts
32	DOL	Occupational Safety & Health	33.8	I	I	Fees for Hazardous Painters Certifications
33	DPS	Fire Service Training	39.5	I	I	Community fire departments request training etc.
	DPS	Fire Prevention Training	94.0	I	I	Conduct firefighter academy, rural fire training and provide marine firefighter courses.
34	DPS	AK Criminal Records & ID	11.0	I	I	Receipts for non-criminal justice agencies/persons for using the Automated fingerprint Identification System. Receipts are used to provide these services.
35	DFG	Commercial Fisheries Management & Development Test Fish Program	1,918.9	I	I	Receipts from sale of catch to support the projects.
36	DNR	Geological and Geophysical Survey	160.2	I	I / HOLD	possible mix of receipts; may need to breakdown - waiting for more info.
37	DNR	Mining & Water - Alaska Hydrologic Survey	45.8	I	I / HOLD	possible mix of receipts; may need to breakdown - waiting for more info.
38	DNR	Agriculture - Plant Materials Center	60.5	I	I / HOLD	Need more info on "specific work plans" - waiting for more info.
39			20,758.3			
40						

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
4	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
41						
42	DHSS	MHDD - Harborview Developmental Center	249.8	I	II	Valdez Community Hospital for utilities - cost of care revenues from residents.
43	DHSS	Foster Care	675.0	I	II	Child Support for clients in custody from parents
44	DHSS	Foster Care	1,140.0	I	II	Social Security Income-Annuity for clients in custody
45	DHSS	Aid to Families with Dependent Children	4,600.0	I	II	Child support payments received on behalf of AFDC recipients - collections distributed between State and Federal governments as reimbursement.
46	DHSS	MHDD - Alaska Psychiatric Institute	2,728.9	I	II	Third party program receipts for services provided to patients.
47	DEC	Monitoring & Laboratory	90.0	III	III	Fees charged for analyses required by department
48	DEC	EQ - Wastewater	629.9	III	III	Receipts for plan reviews, permits, inspections etc.
49	DEC	EQ - Drinking water	81.1	III	III	Receipts for plan reviews, permits, inspections, waivers etc.; receipts are used as match for federal grant.
50	DEC	EQ - Water quality Management	146.2	III	III	Collect fees for staff costs associated with permit certifications; receipts only cover limited direct costs.
51	DEC	Environmental Health: Seafood/Sanitation	384.2	III	III	User fees for issuance of permits, plan review, inspections, tech assistance & training - statute limits fees to direct costs (not including inspections)
52	DOA	Pioneers' Homes	5,123.5	I	II	Receipts from residents that partially offset cost of care and lodging.
53	DHSS	Medical Assistance - Claims Processing	200.0	I	II	Post payment recovery funds are split between the state and the federal government. Third party collections.
54	DHSS	Medical Assistance - Medicaid Non-Facility	169.0	I	II	Post payment recovery funds are split between the state and the federal government. Third party collections.
55	DHSS	Medical Assistance - Medicaid Facilities	422.5	I	II	Post payment recovery funds are split between the state and the federal government. Third party collections.
56	DHSS	Medical Assistance - General Relief Medical	58.5	I	II	Post payment recovery funds are split between the state and the federal government. Third party collections.
57	DHSS	Medical Assistance - Medicaid Non-Facility	669.0	I	II	Quarterly bills to manufacturers for drugs purchased during preceding quarter. Funds rebated by the drug manufacturers are split between state and the federal government
58		Total Category II	17,567.6			

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
4	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
59						
60	DOE	AK Vocational Tech Center	820.7	III	III	Application, Deposit, Tuition, Room and Board etc.
61	GOV	Executive Office	4.9	III	III	Receipts from publications and special events.
62	CORR	Institutions/Cost of Care: Hiland, Cook Inlet, Fbks, Ketchikan, Lemon Creek, Mat-Su, Palmer, Sbrth Avenue & Wildwood)	1,795.6	I	III	Statute states the Commissioner may enter into an agreement with ... payments shall be separately accounted for in general fund ... annual estimated balance in account may be used for legis approps to DOC to carry out purposes of program.
63	CORR	Community Corrections/CRC Director's office	211.0	I	III	Commissioner has ability to disburse inmates earnings - amount or rate determined by Commissioner.
64	CORR	Community Corrections/DWI Director's Office	200.0	I	III	Cost of imprisonment receipts may not exceed \$1,000 - only partially offsets costs.
65	CORR	Community Corr/Chemical Testing Director's Office	199.0	I	III	Fines are not dedicated to program as above.
66	DCED	Economic Development - Made in Alaska	50.0	I	III	Contractual agreement with Make it Alaskan, Inc. Dept pays contractor with program proceeds for costs not exceeding \$50.0.
67	DCED	Alaska Tourism Marketing Council	1,706.4	I	III	Statute requires Tourism Industry Association to contribute a minimum of 25% of ATMC operating costs. A contractual arrangement is entered to ensure that it
68	DCED	Salmon Marketing Tax	5,374.5	I	III	Only 1% of the taxed value of salmon sold goes to ASMI for domestic marketing.
69	DCED	Fishery Resource Landing Tax	822.6	I	III	Accounted for in the general fund - subject to appropriation to ASMI
70	DCED	Measurement Standards - Overweight/Oversize Permit Fees	997.8	III	III	
71	DCED	Measurement Standards - Weighing & Measuring Device Registration Fee	250.0	III	III	
72	DCED	Measurement Standards - Air Carrier Certificate of Compliance	25.0	III	III	
73	DCED	Banking, Securities & Corporations - Bank Examination Fees	200.0	III	III	
74	DCED	Banking, Securities & Corporations - Securities Filing Fees	946.5	III	III	

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
4	DCED	Banking, Securities & Corporations - Corporate Filing Fees	485.0	III	III	
76	DCED	Occ Licensing - Business License Fees	425.8	III	III	
77	DCED	Economic Development	8.5	III	III	Sale of publications
78	DCED	Economic Development	3.5	III	III	Internal water permit applications.
79	DCED	Tourism	40.5	III	III	Sale of publications and promotional materials.
80	DCED	Alaska Seafood Marketing Institute	20.0	III	III	Sale of Publications
81	DCRA	MRAD/Training & Development Component	2.0	III	III	Costs for reprinting publications/maps.
82	DCRA	CRDD/JTPA	43.9	III	III	Computer usage receipts by Anchorage and Fairbanks offset payment to the University for usage. Pass-through.
83	DCRA	CRDD/Community Development Assistance	29.2	III	III	Shared cost by state, local and federal agencies for the Alaska Rural Development Council.
84	DCRA	Energy Operations	124.5	III	III	Receipts from Waste Heat Sales Agreements are deposited into a "trust account" - funds are later tapped for operating and maintenance expenses for facilities.
85	DEC	Environmental health: Palmer Laboratory	19.5	III	III	Fees collected for lab analysis of equine infectious anemia.
86	DFG	Sport Fish - Hatchery Housing	38.0	I	III	Rental receipts from employees.
87	DFG	Wildlife Conservation - Rabbit Creek Rifle Range	59.8	III	III	Fees cover cost of operating rifle range. Range would close without receipts.
88	DFG	Wildlife Conservation / Guide Area Registration Fees	50.0	III	III	Covering costs to provide support to the Guide-Outfitter Task Force.
89	DFG	Administration - Crew member licenses	85.1	III	III	Help fund related administration of license program.
90	DFG	Commissioner's Office - ADA Training	10.3	III	III	
91	DFG	Limited Entry Commission	2,606.9	I	III	Excess receipts are unrestricted revenue.
92	DHSS	Alcohol & Drug Abuse - Safety Action Program (ASAP)	124.5	III	III	Excess receipts are unrestricted revenue.
93	DHSS	Public Assistance - Food Stamp Collections	39.9	III	III	Funds collected for repayment to feds; 25% of collections go to State.
94	DHSS	Public Health - EMS Training and Licensing	54.3	III	III	Fees charged for administration and scoring of tests; production of certificates etc.

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
96	DHSS	Public Health - Vital Statistics	657.5	III	III	
96	DMVA	Alaska National Guard - Armory Rental Receipts	28.4	III	III	Janitorial & utilities costs.
97	DNR	Land - Recreational Rivers	21.1	I	III	Leasing of Recreation Facilities/Sites for Development
98	DNR	Land - Shore Fisheries Leases	225.4	I	III	The director shall establish a reasonable rental ... equal to administrative costs involved in processing leasehold applications. Statute does not designate monies for the program.
99	DNR	Land - State Information Office	25.0	I	III	Public service/info fees
100	DNR	Information Resource Management	39.3	I	III	public access to electronic services and products
101	DNR	Parks employee housing	7.0	I	III	Rent receipts from employees
102	DNR	Recorder's Office	2,311.0	III	III	Excess receipts go into unrestricted revenue.
103	DNR	Land Disposal/PIC	270.2	III	III	Receipts are deposited into general fund.
104	DNR	Land Disposal Sales	990.0	III	III	Receipts are deposited into general fund by statute.
105	DNR	Land - Aquatic farming	69.7	III	III	
106	DNR	Land - Big Game Guides, Outfitters	74.2	III	III	
107	DNR	Land - Materials Sales	150.0	III	III	Sale of materials
108	DNR	Land - Tideland Leases	200.0	III	III	
109	DNR	Oil & Gas - Lease administration	49.0	III	III	monies generated from permit and applications fees. Fees are structured to reflect cost of services rendered.
110	DNR	Mining & Water - Mineral Property Records & Disposal	323.8	III	III	Collection of locatable rentals and production royalty.
111	DNR	Mining & Water - CSM	2.0	III	III	fees for permits and sale of publications
112	DNR	Mining & Water - Placer Mining applications	41.6	III	III	collect fees to process applications.
113	DNR	Water Rights	45.0	III	III	
114	DNR	Water - Annual Placer Mining Applications	20.0	III	III	
115	DNR	Water - Annual Administrative Fee	100.0	III	III	
116	DNR	Pipeline Coordinator's Office	100.0	III	III	Materials sales
117	DNR	Pipeline Coordinator's Office	400.0	III	III	Pipeline rental for use of right of ways.
118	DNR	Parks - state park system facilities	1,488.5	III	III	
119	DNR	Agriculture - Land disposals	230.8	III	III	
120	DNR	Mining & Water - Dam Safety & Construction	39.9	III	III	fees are used to support cost of program

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
121	DOA	Property Management	282.8	I	III	Includes excess state property disposal.
122	DOA	Alaska Public Offices Commission	53.6	I	III	Receipts from photocopying, directories, reports etc. Partially offset cost.
123	DOE	Data Management - AK Education Directory	7.8	III	III	
124	DOE	Basic Education & Instructional Improvement	16.5	III	III	Instructional materials; district memberships, GED diploma certificates.
125	DOE	Alaska Career Info System	214.3	III	III	Software, Training and Services
126	DOE	Commissioner's Office	4.8	III	III	Compiled School Laws and AK Education Regulations
127	DOE	Administrative Services	14.2	III	III	UACN Network Access
128	DOE	Teacher Certification Fees	300.4	III	III	
129	DOE	Centralized Correspondence Study	117.1	III	III	Sale of course materials.
130	DOE	PTPC - Teacher Certification Fees	188.2	III	III	
131	DOE	Council on the Arts	4.0	III	III	Eskimo Doll Catalog Sales
132	DOE	Mt. Edgecumbe - Instruction Program	4.4	III	III	Employee Housing Rental
133	DOE	Mt. Edgecumbe - Residential Program	27.0	III	III	Travel fees
134	DOE	Voc Rehab - Americans w/Disabilities	25.0	III	III	Workshops/training sessions
135	DOE	Library Operations	61.8	III	III	Publications
136	DOE	Museum Operations	145.9	III	III	Admission Fees
137	DOL	Employment Security - Unemployment Insurance	21.3	III	III	Data base information requests.
138	DOL	Unemployment Appeals	7.2	III	III	Information Requests.
139	DOL	Employment Services Counselor Program	18.7	III	III	GATB test materials
140	DOL	Employment & Training Services	32.0	III	III	Reimbursement from Munic of Anchorage for Services
141	DOL	Committee on People w/Disabilities	4.9	III	III	Participant fees
142	DOL	Labor Market Information	2.0	III	III	specialized info requests
143	DOL	Workers' Compensation	29.6	III	III	Information requests, publications.
144	DOL	Mechanical Inspections	608.3	III	III	
145	DOL	Occupational Safety & Health	52.8	III	III	Certificates for explosive handlers and asbestos abatement
146	DOL	Alaska Safety Advisory Council	106.8	III	III	Annual Conference fees

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
147	DOT/PF	Rural Airport leasing, parking, concessions, fuel flowage fees (Multiple components)	2,160.7	III	III	If leasing and administrative costs were not covered by receipts, airport maintenance would be funded fully by general funds.
148	DOT/PF	Sale/Lease of Excess Right of Way	148.7	III	III	Dept. must manage right-of-way parcels acquired in connection w/federal projects. Revenues are utilized to pay for costs to administer program.
149	DOT/PF	Utility Permits/Inspections	318.1	III	III	Receipts partially offset operations of permit program - fees paid by utilities.
150	DOT/PF	Tourist Oriented Directional Signs	1.0	III	III	Private business bear cost for encroachments of directional signs placed within areas managed by department.
151	DOT/PF	Employee Housing	205.0	III	III	Receipts from employees are used to maintain structures.
152	DOT/PF	Damages Recovered	88.6	III	III	Private users pay for damage to transportation structures.
153	DOT/PF	Road Maintenance Services	204.3	III	III	Maintenance services provided for roads not on the state system.
154	DOT/PF	Misc. Services	97.2	III	III	Fees for documents, encroachment permits, scrap metal recycling etc. help cover cost to dept.
155	DPS	Fire Prevention Operations	215.5	I	III	Building Plan Review fees - fees are charged but not required to cover cost of program.
156	DPS	Fire Prevention Operations	3.0	I	III	Hazardous Materials placarding
157	DPS	Motor Vehicles - Driver Services, Field Services & Admin	5,099.2	III	III	Excess receipts go to unrestricted general fund.
158	DPS	AST/Detachments	50.6	I	III	Fees are collected for licensing private security guards; only partially offset costs
159	DPS	AST/Detachments	676.3	I	III	Fees charged for concealed weapon permits; receipts only partially offset costs
160	DPS	AST/Criminal Investigations Bureau	31.0	I	III	Fees charged to sexual offenders and to public for information
161	DPS	AST/Judicial Services	51.1	I	III	Fees charged for civil process by Court Services; cover portion of costs
162	DPS	AST/Rural Trooper Housing	161.9	I	III	Employee housing receipts
163	DPS	AST/Narcotics Task Force	598.0	I	III	Receipts from sales of seized assets; then used for federal match
164	DPS	Alaska Police Standards Council	14.9	I	III	Fees for processing applications for certifications.

PROGRAM RECEIPT CATEGORIZATIONS

DRAFT

	A	B	C	D	E	H
	Department	Program	FY 95 Authorized	Department Categorization	DBR Categorization	Comments
165	DPS	Training Academy	20.4	I	III	Receipts from non-state agencies for delivery of training; department already is responsible for developing and delivering training.
166	DPS	APSIN	56.5	I	III	Fees charged for hook-up costs and access to the network
167	DPS	AK Criminal Records & ID	189.0	I	III	Criminal History fees - charges for copies; basic service that should be provided but not required.
168	DPS	AK Criminal Records & ID	323.7	I	III	Concealed weapon permit fees; fees are based on actual costs incurred but may not exceed \$125 for applic processing and initial issuance of a permit; nor \$60.00 for renewal or replacement. No designation that receipts be used for program.
169	LAW	Legal Services - Operations	322.3	III	III	Unpaid criminal fines, costs and penalties in criminal and civil penalties.
170	LAW	Legal Services - Admin and Support	49.7	III	III	Unpaid criminal fines, costs and penalties in criminal and civil penalties.
171	LAW	Legal Services - Medicaid Provider Fraud	41.5	III	III	Retention of monies recovered from defendants.
172	REV	Alcohol Beverage Control Board	639.3	III	III	License and application fees - deposited into GF under AS 04.11.590(b)&(c).
173	REV	Charitable Gaming/Gaming	1,076.1	III	III	Excess receipts are deposited into general fund.
174	REV	Income & Excise Audit/Unclaimed Property	156.6	III	III	Excess receipts are deposited into general fund.
175	DCED	Alaska Seafood Marketing Assessment	2,947.2	I	III	There is no statutory requirement that receipts be used for program, but there is a concern that it would be "politically" unacceptable to use for other purposes.
176		Category III Total	44,881.0			
177						
178		Total	82,404.9			
179						

SCOMM

101:96

REVENUE SOURCES BOOK

FORECAST & HISTORICAL DATA

SPRING 1995



STATE OF ALASKA

Tony Knowles, Governor

DEPARTMENT OF REVENUE

Wilson L. Condon, Commissioner

STATE OF ALASKA

DEPARTMENT OF REVENUE

OIL AND GAS AUDIT DIVISION

TONY KNOWLES, GOVERNOR

550 WEST 7TH AVENUE, SUITE 570
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-1363
(907) 277-5627

April 14, 1995

The Honorable Tony Knowles
Governor
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Knowles:

Declining oil production on the North Slope and potentially volatile oil prices continue to be the key factors in looking ahead at the State's future revenue stream. Oil prices during FY 1995 have been exceptionally stable averaging just over \$16.50/bbl since last July. Lower-than-expected production from Prudhoe Bay has resulted in a downward revision in our production forecast by .067 million bbl/day in FY 1995 and .092 million bbl/day in FY 1996. The results are a FY 1995 base case scenario projection of \$1,885.2 million in General Fund unrestricted revenues, down \$67.6 million from our last forecast and a FY 1996 projection of \$1,774.7 million in General Fund unrestricted revenues down \$184.6 million.

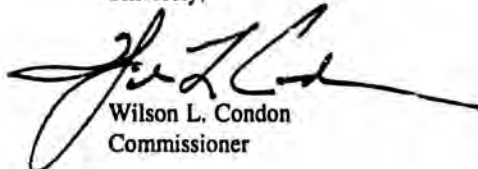
The global demand for crude oil increased substantially last year as the global economy followed the U.S. economy into recovery. OPEC member countries continue to produce at close to quota levels although higher non-OPEC production has absorbed the biggest share of increased consumption. The result has been a relatively stable oil price situation with prices so far this spring hovering around the \$17/bbl level.

Oil production from Alaska's North Slope briefly jumped above 1.7 million bbl/day with the gas handling project GHX-2 fully operational at Prudhoe Bay last December, but output has been running closer to 1.6 million bbl/day since January. As a result, we have revised our near-term estimates for production downward from previously assumed levels. Over the long run, however, recently announced new developments including those planned for both Kuparuk and Milne Point actually make our long-term oil production forecast look better than before. Our latest assessment in our base case is that production through the Trans-Alaska Pipeline System (TAPS) will not fall below 1.0 million bbl/day until FY 2007.

Oil taxes and royalties continue to provide most of the revenue stream (78 percent in FY 1994 and a projected 82 percent in FY 1995). As the oil stream dries up, so will this tax base. Our current long-term forecast suggests that in general we expect this to happen slowly, but surely. Obviously, it will be a bigger problem sooner if oil prices turn out to be as low as they were in FY 1994.

This forecast is based on conservative assumptions about future enhancements of petroleum reserves and economic development of Alaska's resources. We have used a three scenario approach to deal with the very real oil price risks we face. Actual oil prices will follow a much more chaotic path than any of the scenarios taken by themselves. We feel confident that the scenarios depict a range which will include most of the likely future outcomes. It should be noted that the General Fund unrestricted revenues, as outlined in this forecast booklet, constitute only one part of the total revenue picture in terms of what is available for appropriation.

Sincerely,



Wilson L. Condon
Commissioner

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REVENUE FORECAST SUMMARY

Outlook for Short Term (FY 1995 - FY 1997)

With a good part of FY 1995 already elapsed, oil prices continue to average around \$16.50/bbl, \$.11/bbl higher than our base case assumption last fall. Relatively stable prices can be attributed to production discipline by the Organization of Petroleum Exporting Countries (OPEC) in the face of major increases in non-OPEC production and robust growth in world oil consumption. OPEC production has been averaging close to 25 million bbl/day compared to its official quota of 24.5 million bbl/day established in September 1993. World oil consumption in 1994 grew at the rate of 2 percent per year according to data compiled by the International Energy Administration.

The base case scenario for this forecast is essentially the same as that used for the fall 1994 forecast with only minor changes in price outlook. Two alternative price scenarios are presented in this revenue forecast. The scenarios are summarized as follows:

Base Case Scenario: Continued robust global economic growth results in increasing worldwide oil consumption. OPEC holds the line on overall member production levels and non-OPEC production grows only modestly. As a result, oil prices remain relatively stable with a moderate upward trend going into FY 1996.

Low Price Alternative: Global oil consumption grows very slowly as global economic activity begins to taper off. The embargo on Iraqi production is partially lifted and non-OPEC production exceeds expectations resulting in persistent downward pressure on oil prices.

High Price Alternative: Oil consumption increases rapidly in response to a strong global economy. Increased consumption puts pressure on available supply, and consequently, on oil prices.

Table 1

General Fund Unrestricted Revenues and ANS Lower 48 Price

	Base Case		Low Price Alternative		High Price Alternative	
	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)
FY 1994 Actual	1,652.5	14.21	1,652.5	14.21	1,652.5	14.21
FY 1995	1,885.2	16.45	1,780.7	16.20	1,986.4	16.63
FY 1996	1,774.7	16.52	1,566.4	15.29	2,014.7	17.97
FY 1997	1,828.6	16.62	1,563.0	15.03	2,108.4	18.20

Outlook for Long Term (FY 1998 - FY 2010)

The long-term outlook for State revenues assumes that the current fiscal system remains the same in the future with respect to State taxes and royalties. Given Alaska's dependence on petroleum revenues, Alaska's revenue future closely tracks the continued depletion of petroleum reserves, in particular, the mammoth Prudhoe Bay oil field. Although higher oil prices would offset some of the negative impact of anticipated lower production levels, ultimately revenues will fall barring some unknown oil discovery.

The current oil production forecast scenarios project total Alaska oil production to be one-half current levels (approximately .8 million bbl/day) by FY 2010 in the base case scenario. Clearly, Alaska will be a major oil producing region for years to come; however, keeping oil prices the same, the halving of production will reduce State oil revenues by one-half. For the base case, real or after-inflation adjusted oil prices are assumed to increase at .5 percent per year. For the low price alternative, real oil prices are estimated to decrease at 1.1 percent per year. And, for the high price alternative, real prices will grow at 1.1 percent per year.

This forecast is inherently conservative since it does not include any revenues from new oil fields which may be discovered and developed, such as the Arctic National Wildlife Refuge (ANWR), nor does it factor in any allowance for technological developments which will increase production from Alaska's older fields.

Table 2

General Fund Unrestricted Revenues and ANS Lower 48 Price

	Base Case		Low Price Alternative		High Price Alternative	
	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)
FY 1998	1,907.5	17.42	1,548.2	15.06	2,297.0	19.61
FY 1999	1,948.2	17.97	1,522.1	15.16	2,436.5	20.69
FY 2000	1,971.6	18.64	1,472.8	15.31	2,598.6	21.89

Figure 1

General Fund Unrestricted Revenues
FY 1994 Actual and FY 1995 - FY 2010 Estimates

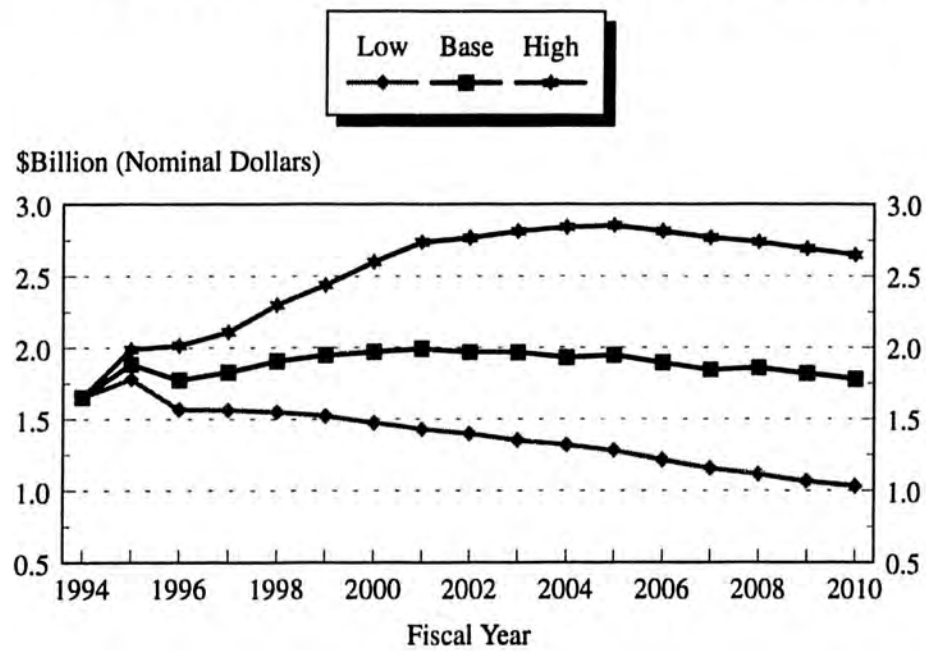


Figure 2

ANS Lower 48 Spot Prices FY 1994 Actual and FY 1995 - FY 2010 Estimates

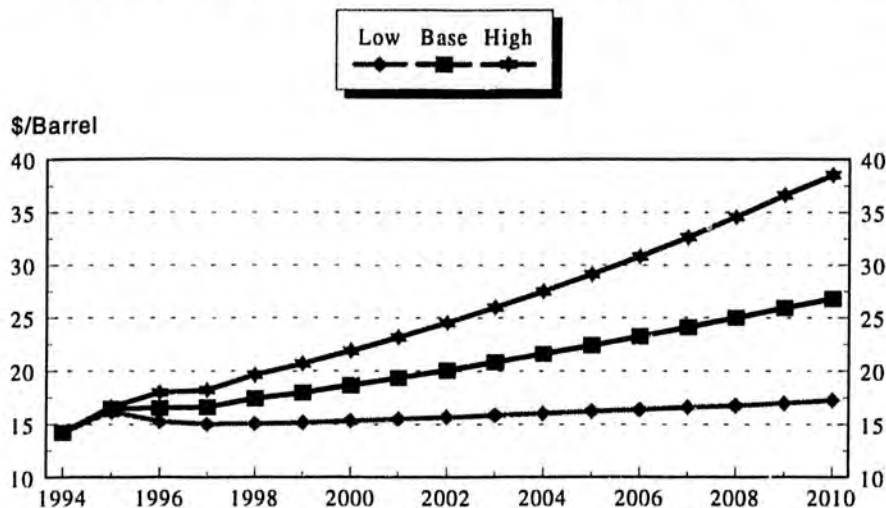
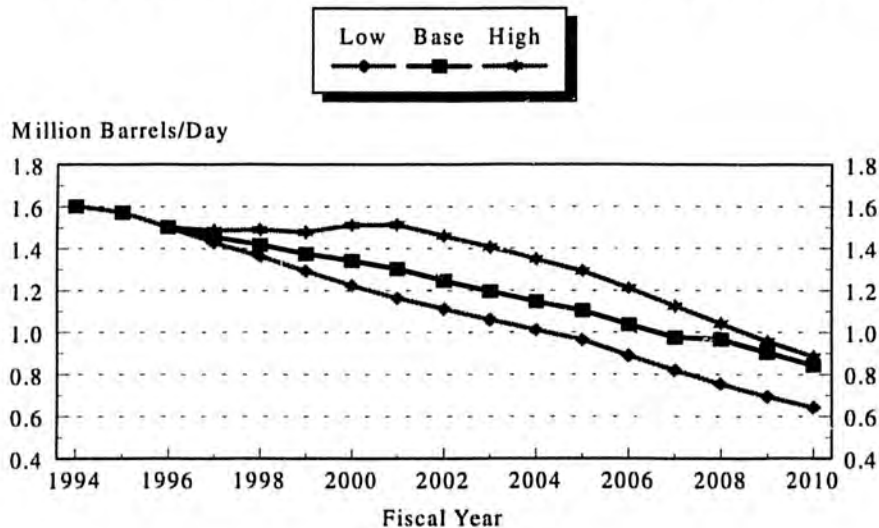


Figure 3

ANS Production: Black Oil and NGLs FY 1994 Actual and FY 1995 - FY 2010 Estimates



REVENUE FORECAST: SHORT-TERM OUTLOOK (FY 1995 - FY 1997)

General Fund Unrestricted and Restricted Revenues

This section analyzes unrestricted revenues through the remainder of FY 1995 to the end of FY 1997. Both unrestricted and restricted revenues flow into the General Fund, the account which finances most of the State budget. The difference between these two types of revenues is in how the Alaska State Legislature can use them. Unrestricted revenues have no restrictions on their use; restricted revenues carry some restriction. For most restricted revenues, the restriction comes from the federal government.

Because restricted revenues are specific in their use, discussions of revenues in this publication focus on unrestricted revenues. Restricted revenues designated in the State's budgeting process are not included in this forecast.

The table on the next pages shows sources of and actual General Fund unrestricted revenues for FY 1994. Additionally, General Fund unrestricted revenues are projected for FY 1995 through FY 1997 for the spring 1995 base case scenario and low and high price alternatives.

Table 3

GENERAL FUND UNRESTRICTED REVENUES

(Millions of Dollars)

		Base Case			Low Price Alternative			High Price Alternative		
	FY94									
TAXES	Actual	FY95	FY96	FY97	FY95	FY96	FY97	FY95	FY96	FY97
Income	44.3	45.0	45.0	40.0	35.0	30.0	30.0	55.0	55.0	50.0
Corporate - General	17.8	80.0	80.0	90.0	40.0	40.0	50.0	130.0	130.0	140.0
Corporate - Petroleum	62.1	125.0	125.0	130.0	75.0	70.0	80.0	185.0	185.0	190.0
Total (1)(2)										
Severance	662.8	775.6	703.4	727.9	752.2	631.2	620.9	792.8	792.9	841.3
Oil & Gas Production	2.3	2.1	1.9	1.8	2.1	1.9	1.8	2.1	1.9	1.9
Oil & Gas Conservation	27.0	21.9	14.1	13.8	21.9	14.1	13.5	21.9	14.1	14.0
Oil & Hazardous Release (3)	692.1	799.6	719.4	743.5	776.2	647.2	636.2	816.8	808.9	857.2
Total										
Property (4)	61.5	57.9	53.9	50.2	57.9	53.9	50.2	57.9	53.9	50.2
Oil & Gas										
Sale/Use	12.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Alcoholic Beverages	6.9	7.0	7.5	7.5	7.0	7.5	7.5	7.0	7.5	7.5
Fuel Taxes - Aviation (5)(6)	25.5	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Fuel Taxes - Highway (5)	8.1	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Fuel Taxes - Marine (5)	14.1	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Tobacco Products	66.6	66.5	67.0	67.0	66.5	67.0	67.0	66.5	67.0	67.0
Total										
Miscellaneous - Other Taxes	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Business License (7)	33.9	29.0	29.0	29.0	21.0	21.0	21.0	37.0	37.0	37.0
Fish (8)	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Salmon Enhancement (9)	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Seafood Marketing (10)	3.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Salmon Marketing (11)	0.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Fish Landing (12)	26.1	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Insurance Companies	2.6	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Electric & Telephone Coop (13)	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Gaming (14)	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Mining License Tax	1.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Estate	77.2	74.6	74.6	74.6	66.6	66.6	66.6	82.6	82.6	82.6
Total										
TOTAL TAXES	959.5	1123.6	1039.9	1065.3	1042.2	904.7	900.0	1208.8	1197.4	1247.0

LICENSES & PERMITS

Business (7)(15)	5.6	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Non-Business	<u>30.1</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>
Total	<u>35.7</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>

INTERGOVERNMENTAL RECEIPTS

Federal Shared Revenues (16)(17)	4.2	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Section 8(g) Funds (16)(18)	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total	<u>4.3</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>	<u>4.1</u>

RESOURCE SALES AND ROYALTIES**Sale/Use**

Bonus Sales (16)(19)(20)	0.6	0.8	0.0	0.0	0.8	0.0	0.0	0.8	0.0	0.0
Rents (16)(20)	4.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Royalties (16)	512.1	615.6	600.2	628.7	597.5	537.1	538.4	629.3	678.1	722.2
Sale of State Property (7)	9.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Gravel, Timber, etc. (7)	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total	<u>526.7</u>	<u>625.9</u>	<u>609.7</u>	<u>638.2</u>	<u>607.8</u>	<u>546.6</u>	<u>547.9</u>	<u>639.6</u>	<u>687.6</u>	<u>731.7</u>

INVESTMENT EARNINGS

	<u>31.7</u>	<u>38.6</u>	<u>28.0</u>	<u>28.0</u>	<u>33.6</u>	<u>18.0</u>	<u>18.0</u>	<u>40.9</u>	<u>32.6</u>	<u>32.6</u>
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FACILITIES RELATED CHARGES

Airports	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Ferry System (21)	40.4	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Other	<u>6.1</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	<u>47.0</u>	<u>41.5</u>	<u>41.5</u>	<u>41.5</u>	<u>41.5</u>	<u>41.5</u>	<u>41.5</u>	<u>41.5</u>	<u>41.5</u>	<u>41.5</u>

SERVICES RELATED CHARGES

Court System	6.6	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Other	<u>4.8</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total	<u>11.4</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>

MISCELLANEOUS REVENUE

	<u>36.2</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
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**TOTAL UNRESRICTED
REVENUE (22)**

	1652.5	1885.2	1774.7	1828.6	1780.7	1566.4	1563.0	1986.4	2014.7	2108.4
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MENTAL HEALTH TRUST102.1

FOOTNOTES

- (1) Tax settlements in FY 94 that must be paid to the Constitutional Budget Reserve Fund (CBRF) are not included in actual revenues.
- (2) Amounts include that portion (\$39.9 million in FY 94) annually shared through the municipal assistance program (AS 29.60.350).
- (3) Reflects enactment of the modified conservation surcharge on oil which reduces the surcharge to \$.03/bbl when the 470 Fund reached \$50 million (Ch. 128, SLA 1994).
- (4) Amounts represent the State's share of total oil and gas property taxes collected. Estimated total property taxes and the municipalities' share are as follows (millions \$): FY 94: \$315.1 and \$253.5; FY 95: \$309.1 and \$251.2; FY 96: \$291.9 and \$238.1; FY 97: \$279.7 and \$229.5.
- (5) The accounting approach prior to FY 93 was to subtract all refunds from the highway fuel account. The current approach commencing with FY 93 is to allocate refunds to their respective fuel types which are reflected in the numbers for FY 94 as well as the forecast.
- (6) Includes amounts annually shared to qualified municipalities (AS 43.40.010).
- (7) Most fees charged by various agencies are restricted program receipts and not General Fund unrestricted revenues.
- (8) The amount of \$33.9 million for FY 94 is the remainder after tax credits have been applied. Amounts collected after tax credits are subject to municipal revenue sharing (AS 43.75.130). In FY 94 the shared revenues were \$17.2 million.
- (9) Provides annual funding, based on collections, for qualified regional aquaculture associations (AS 43.76 and AS 29.60.450).
- (10) Provides annual funding, based on collections, for the Alaska Seafood Marketing Institute (AS 16.51.160).
- (11) The salmon marketing tax applies to permit holders per AS 43.76 and became effective July 1, 1993.
- (12) The fish landing tax per AS 43.77 became effective January 1, 1994. Revenue collections will not occur until FY 95.
- (13) Amounts include that portion (\$2.6 million for FY 94) annually refunded to local taxing authorities (AS 10.25.570).
- (14) Reflects enactment of the Gaming Reform Act (AS 05.15).
- (15) Amounts include that portion of amusement and gaming licenses (AS 43.35.050) and liquor licenses (AS 04.11.610) annually shared to qualified municipalities.
- (16) Net of Permanent Fund and Public School Fund contributions.
- (17) National forest receipts transferred to organized and unorganized boroughs per Chapter 37, SLA 1991.
- (18) The OCS "8(g)" monies normally deposited in the General Fund are now transferred to the budget reserve fund (CBRF) based on the Alaska Supreme Court opinion of April 4, 1994.
- (19) Figures for FY 94 reflect the State's unrestricted General Fund share of actual State lease sales: FY 94 (Sale 57, North Slope Foothills, September 1993, \$0—Sale 75A, Colville, September 1993, \$449,846.80); FY 95 (Sale 78, Cook Inlet, October 31, 1994, \$1,654,136.94).
- (20) The Department of Natural Resources projects the following tentative FY 96 and FY 97 state lease sales: FY 96 (Sale 79, Yakataga, September 1995—Sale 67A-W2, Cook Inlet, October 1995—Sale 74W, Cook Inlet, October 1995—Sale 76W, Cook Inlet, October 1995—Sale 78W, Cook Inlet, October 1995—Sale 80, Shaviovik, November 1995); FY 97 (Sale 85A, Cook Inlet, September 1996—Sale 86, Central Beaufort Sea, April 1997). Amounts from bonus bids are impossible to anticipate prior to sales; therefore, no estimates are provided.
- (21) Chapter 193, SLA 1990, established the Alaska Marine Highway System Fund and provided that gross revenues of the State ferry system be deposited in the fund which may then be appropriated for operating and capital expenditures.
- (22) The State, per AS 38.05.180, may grant incentive credits against royalties, severance taxes and rentals to companies for drilling exploratory wells. Credits granted for FY 94 have not been deducted from total unrestricted revenues. Additional credits are anticipated in subsequent years.

Petroleum Revenues

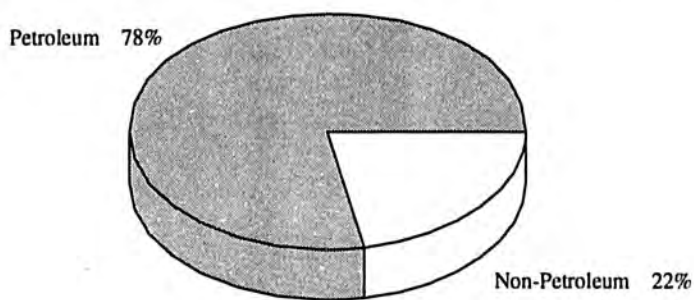
This section underlines the importance of petroleum revenues to Alaska's total revenues; discusses the current oil markets; sets out the petroleum forecast assumptions; describes the non-oil revenue source assumptions; and finally, concludes with a note on methodology.

Importance of Petroleum Revenues

Petroleum revenues accounted for 78 percent of all General Fund unrestricted revenues in FY 1994. The majority of total State petroleum production revenues continues to come from the Alaska North Slope (96 percent in FY 1994). The figure below shows the relationship of petroleum revenues to all revenues for FY 1994.

Figure 4

FY 1994 General Fund Unrestricted Revenues

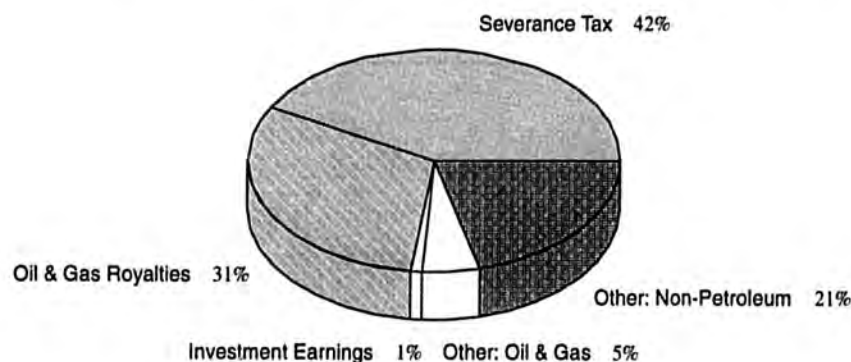


Petroleum revenues come from: (1) severance taxes (also called production taxes); (2) royalties on oil and gas the State owns; (3) corporate income taxes on corporations producing and transporting oil and gas; (4) oil and gas property taxes; and (5) other oil and gas revenues (rents and bonuses).

Together, these petroleum revenues accounted for 78 percent of State revenues in FY 1994. The State also collects revenues in the form of interest earned on money invested in the State Treasury, which accounted for another 1 percent of the total General Fund unrestricted revenues. (Most of the earnings come from interest earned on petroleum revenues.) The figure below illustrates detailed petroleum revenues as percentages of the total.

Figure 5

FY 1994 General Fund Unrestricted Revenues



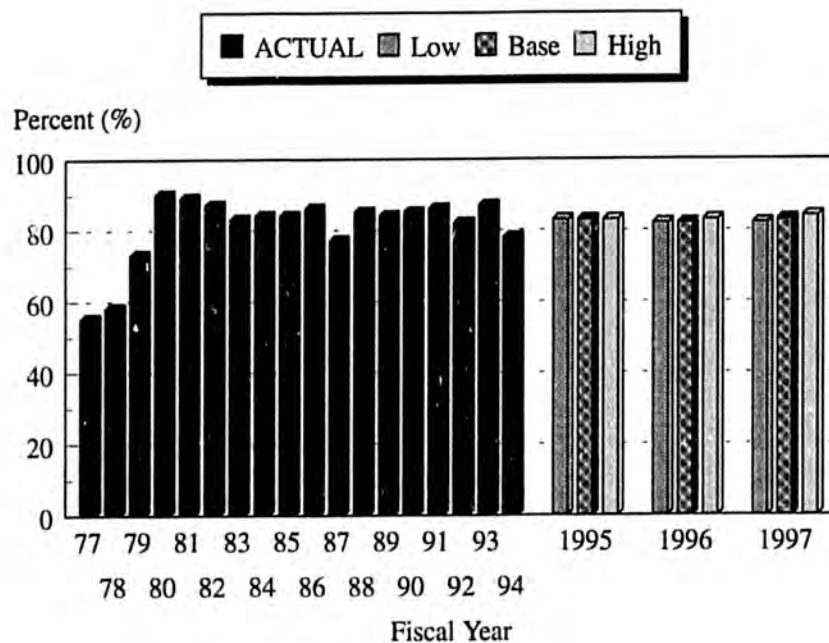
Petroleum revenues will continue to dominate Alaska's General Fund unrestricted revenues in the short term under all three scenarios as shown in Table 4 below.

Table 4 **General Fund Unrestricted Revenues
Petroleum Revenues as a Percentage of the Total**

	Total G.F. Unrestricted from Petroleum	Total G.F. Unrestricted Revenues	Percent
<u>FY 1994</u> Actual	1,292.7	1,652.5	78
<u>Base Case</u>			
FY 1995	1,562.5	1,885.2	83
FY 1996	1,462.1	1,774.7	82
FY 1997	1,521.0	1,828.6	83
<u>Low Price Alternative</u>			
FY 1995	1,481.0	1,780.7	83
FY 1996	1,286.8	1,566.4	82
FY 1997	1,283.4	1,563.0	82
<u>High Price Alternative</u>			
FY 1995	1,643.4	1,986.4	83
FY 1996	1,679.5	2,014.7	83
FY 1997	1,788.2	2,108.4	84

The State of Alaska has received most of its revenues from petroleum for a substantial period. Petroleum revenues comprised more than 77 percent of General Fund unrestricted revenues in FY 1994 for the fifteenth year in a row.

Figure 6 **Percentage of General Fund Unrestricted Revenues
Which Come From Petroleum**
(FY 1977 - FY 1997)



Current Oil Market Situation

World Market

So far, FY 1995 has proven to be one of the most stable periods for the oil market since 1986. Crude oil demand has continued to grow at about 2 percent per year with OPEC and non-OPEC countries roughly sharing the increase.

The base case scenario for FY 1996 suggests that OPEC market share should grow by roughly .7 million bbl/day. This level of call on OPEC leaves some room for increased production by members at current or slightly higher prices.

Given the hardline stance by the U.S., it is unlikely that the embargo on Iraqi production will be lifted any time soon. However, the Iraqis have succeeded in building significant support among U.N. members, particularly Security Council members France and Russia, for lifting the sanctions in place since the Persian Gulf War in 1990.

Figure 7 OPEC Production

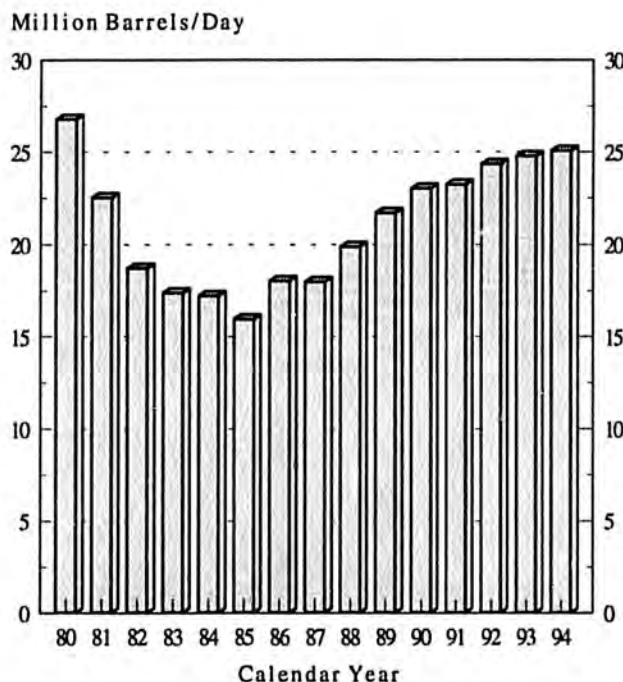


Table 5 OPEC Production
(Thousand bbls/day)

Country	Production	
	January 1995	1995 Quota
Algeria	750	750
Gabon	330	287
Indonesia	1,325	1,330
Iran	3,600	3,600
Iraq	670	400
Kuwait*	2,000	2,000
Libya	1,390	1,390
Nigeria	1,860	1,865
Qatar	420	378
Saudi Arabia*	8,000	8,000
UAE	2,225	2,161
Venezuela	2,450	2,359
TOTAL	25,020	24,520

Source: Platt's Oilgram News (2/8/95).

*Share Neutral Zone output.

Alaska North Slope Market

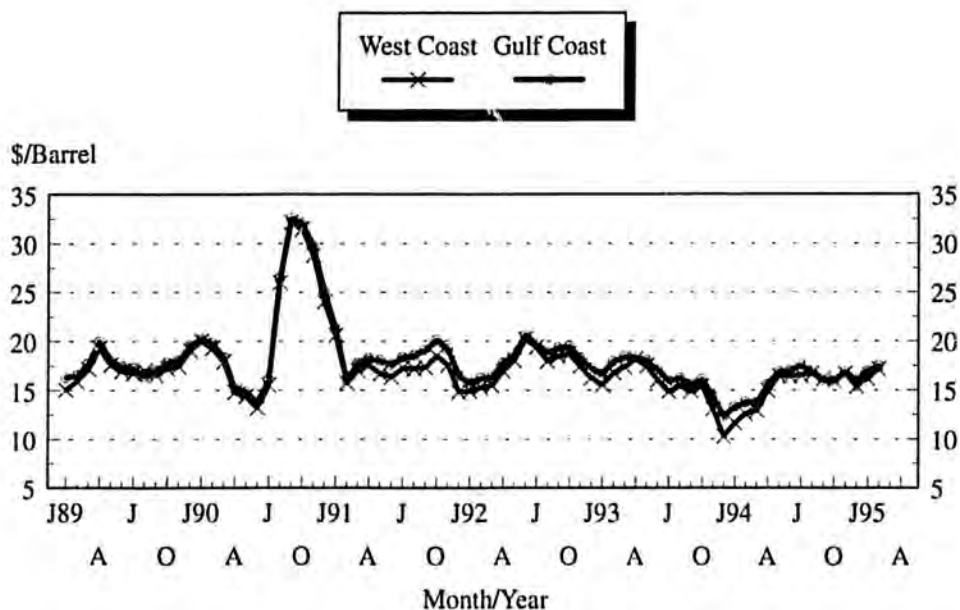
So far in FY 1995, ANS oil prices have averaged \$16.50/bbl—just slightly higher than the \$16.39/bbl used for our fall 1994 base case forecast. West Coast ANS prices have been particularly strong, suggesting that the recession-plagued California market may be turning around.

BP Exploration announced its official selling prices for March 1995 as \$17.16/bbl on the West Coast and \$17.42/bbl on the Gulf Coast. The price difference between West and Gulf Coast has narrowed considerably over the last eight months. The average difference was \$.28/bbl over this time period which included the three-month period of October, November, and December when prices were essentially the same in both markets. Prices at parity can be expected to occur more often in the future as ANS production declines and the most expensive transportation route to the Gulf Coast via Panama loses tanker traffic.

Roughly 85 percent of ANS production is sold on the West Coast, while 15 percent is marketed in the eastern half of the U.S. and Caribbean. As ANS production declines, it is expected that shipments via Panama to eastern U.S. destinations will cease after 1995. Greater transportation costs to the more distant markets result in a Gulf Coast-derived wellhead price which is lower than the West Coast price. Historical ANS spot prices are graphed below.

Figure 8

ANS Spot Price January 1989 - March 1995



Forecast Assumptions

ANS Lower 48 Prices

The oil price assumptions used in this forecast are based on spot oil prices as reported in Platt's Oilgram Price Report. Future ANS oil prices are developed subjectively to reflect the economic fundamentals depicted in the alternative oil market scenarios. The relative price relationships between ANS sold in the West Coast market and ANS sold in the Gulf Coast market are based on the last twelve months of market data.

Over the next few years, as demand on the West Coast grows and ANS production declines, ANS will not be sold for delivery to the Gulf Coast. At that time, West Coast ANS prices will be determined by the price of foreign sour crude oil imported into that market. The assumed forecast for ANS prices is contained in the table below.

Table 6
Scenarios for ANS Oil Price
West Coast and Gulf Coast
(\$/bbl)

Fiscal Year	Base Case		Low Price Alternative		High Price Alternative	
	West	Gulf	West	Gulf	West	Gulf
1995	16.39	16.84	16.14	16.58	16.57	17.02
1996	16.50	17.07	15.27	15.80	17.95	18.57
1997	16.62	16.62	15.03	15.03	18.21	18.21
2000	18.64	18.64	15.31	15.31	21.89	21.89
2005	22.30	22.39	16.20	16.20	29.12	29.12

Currently, prices reported by the producers for both severance tax and royalty purposes closely track spot prices. Royalties are reported using a value which is determined by a market basket of crude oils which includes ANS spot price.

The wellhead price determines the value of production, and thus the State's severance tax and royalty income. The discussion that follows describes the assumptions for the various cost deductions from the market price which determine the wellhead value.

Over the long run, demand on the West Coast will increase while ANS production is in decline; the oil glut on the West Coast will then disappear. In this forecast, West Coast and Gulf Coast oil prices are assumed to converge when the West Coast surplus disappears (this forecast assumes that prices converge in FY 1997). If the ANS export ban were lifted, the West Coast crude surplus would disappear immediately. West Coast oil prices would then rise to world oil price levels.

Figure 9

ANS at the U. S. West Coast

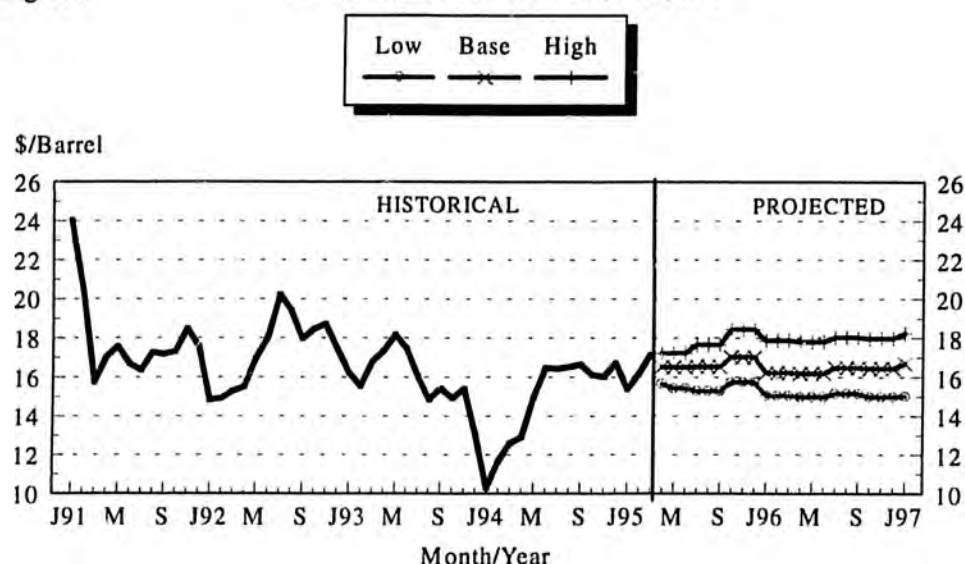
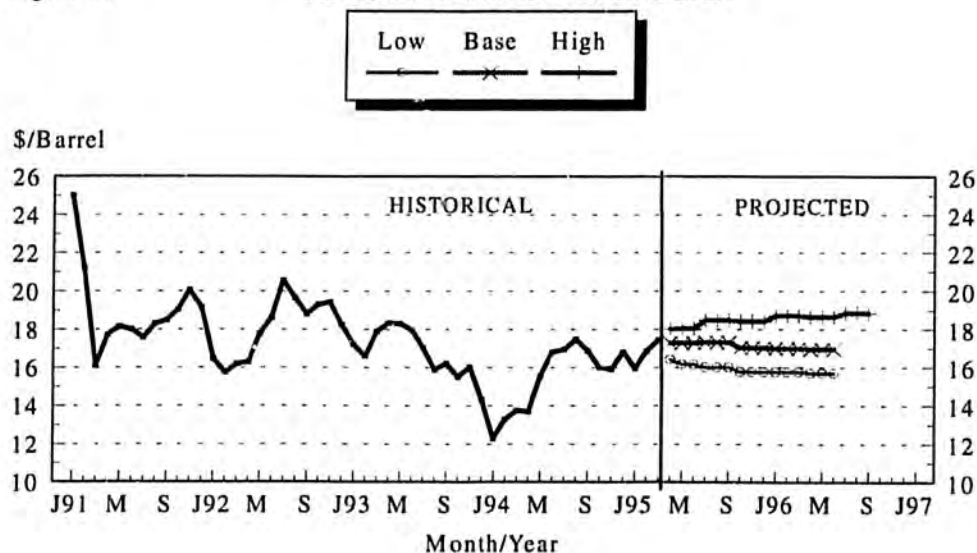


Figure 10

ANS at the U. S. Gulf Coast



Transportation Costs to Lower 48 Markets

The weighted average Lower 48 shipping cost averaged \$1.57/bbl in FY 1994, \$.03/bbl higher than in FY 1993. This increase can be attributed to tight markets in the higher cost Gulf trade. Also, the Oilspill Pollution Act of 1990 (OPA90) has added to transportation costs.

As ANS production declines and West Coast petroleum demand increases, shipments to the Gulf Coast will diminish which will free up excess tonnage and increase the proportion of tonnage going to the lower cost West Coast. Consequently, average shipping costs are expected to decrease over the next few years. In the long term, the double hulling requirements of OPA90 will result in increased shipping costs.

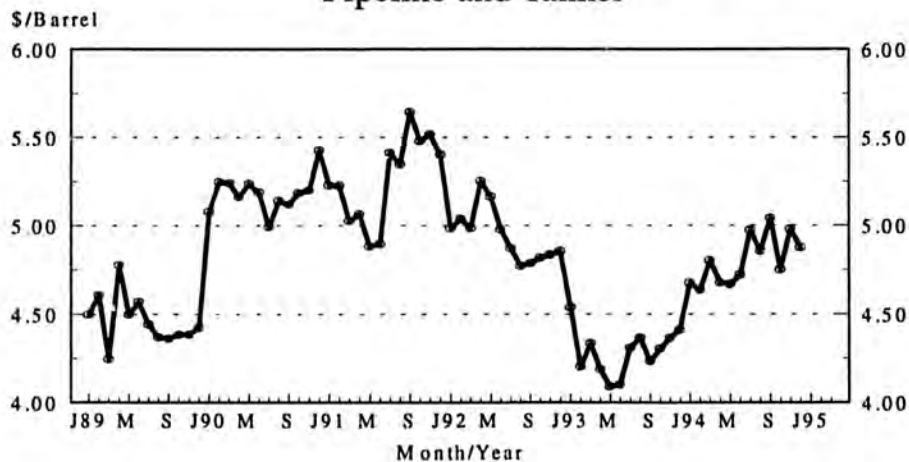
Table 7

Marine Transportation Costs Valdez to Lower 48

Fiscal Year	(\$/bbl)		
	Base Case	Low Price Alternative	High Price Alternative
1995	1.62	1.63	1.62
1996	1.46	1.46	1.46
1997	1.39	1.39	1.39
2000	1.54	1.51	1.59
2005	2.00	1.89	2.17

Figure 11

Total Transportation Costs to Lower 48 Pipeline and Tanker



Trans-Alaska Pipeline System Tariff

The Trans-Alaska Pipeline System (TAPS) tariff is determined according to the TAPS Settlement Method, a ratemaking agreement of the pipeline owners and the State of Alaska. This method of ratemaking allowed an accelerated recovery of the construction costs, operating costs, taxes, and a fixed profit of an inflation adjusted \$.35/bbl. This resulted in higher tariffs from 1977 through 1985 in exchange for lower tariffs in the late 1980's and 1990's.

As Table 8 below indicates, TAPS tariffs have increased since 1989 due to corrosion repairs, other unexpected maintenance costs, lower-than-expected TAPS throughput, and oil spill mitigation expenditures due to the Exxon Valdez accident.

The average tariff filed in FY 1995 was \$3.59/bbl. Historical and forecasted tariffs are represented below. New tariffs take effect January 1 of each year.

Table 8

Scenarios for TAPS Tariff (\$/bbl)

Fiscal Year	Actual	Base Case	Low Price Alternative	High Price Alternative
1985	6.04	.	.	.
1986	5.29	.	.	.
1987	4.20	.	.	.
1988	3.54	.	.	.
1989	3.12	.	.	.
1990	3.48	.	.	.
1991	3.75	.	.	.
1992	3.60	.	.	.
1993	3.24	.	.	.
1994	3.16	.	.	.
1995	3.59	.	.	.
1996	.	3.41	3.41	3.41
1997	.	2.84	2.85	2.85
1998	.	2.37	2.35	2.40
2000	.	2.35	2.33	2.40
2005	.	2.81	2.73	3.03

Wellhead Price for ANS

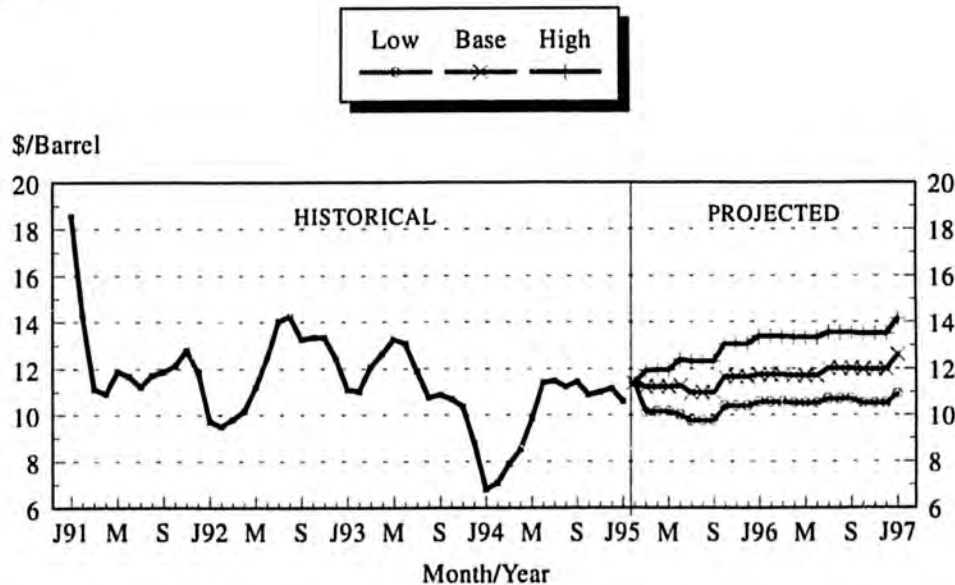
The wellhead value of ANS, along with production, is the basis for both State severance taxes and royalties. The wellhead value is calculated by subtracting the pipeline and marine transportation costs from the sales price (or transfer price at the refinery gate in the case of oil run through a producer's own refinery).

Table 9 Alternatives for ANS Wellhead Price
(\$/bbl)

Fiscal Year	Base Case	Low Price Alternative	High Price Alternative
1995	11.17	10.78	11.45
1996	11.51	10.30	13.02
1997	12.34	10.74	13.92
2000	14.69	11.42	17.70
2005	17.47	11.53	23.62

Figure 12

ANS at the Wellhead



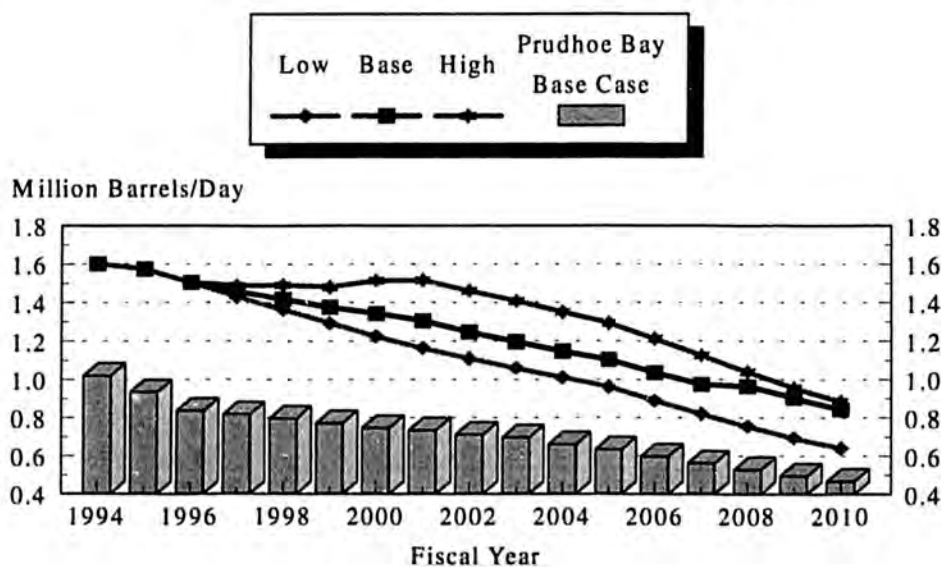
Oil Production

North Slope production accounts for 97 percent of statewide production. North Slope production for FY 1995 is projected to total approximately 575 million barrels, down 4.8 percent from the prior fiscal year. This decline is heavily influenced by greater-than-expected production downtime attributed to weather-induced tanker delays and unplanned winter maintenance at Prudhoe Bay. It is projected that total North Slope production will continue to decline at the more moderate average annualized rate of 3 percent throughout FY 2000.

Ongoing rig activity at Prudhoe Bay, Kuparuk, Endicott, and Point McIntyre; continued development of new and existing resources in the vicinity of Milne Point; and a successful expansion of the enhanced oil recovery project at Kuparuk are paramount in insuring the projected soft decline in production on the North Slope.

Figure 13

Simulated Oil Production Total Alaska and Base Case Prudhoe Bay



Other Non-Oil Revenue Sources Assumptions

Oil Corporate Taxes

Oil corporate taxes for FY 1994 generated \$17.8 million compared to \$834.7 million collected in FY 1993. Settlements of disputes over prior years' taxes resulted in the collection of a large part of the FY 1993 monies. The remaining large shortfall can be attributed to three factors: lower oil prices, large refunds, and deductibility of interest for tax settlements.

Non-Oil Corporate Taxes

Non-petroleum corporate taxes generated \$44.3 million in FY 1994 compared to \$37.6 million in FY 1993. The increase in non-petroleum corporate tax revenue can be attributed to enhanced business activity.

Property Taxes

Revenues from current oil and gas property tax, which are levied at 20 mills on the full and true value of oil and gas property, are expected to continue to decline. The decrease for FY 1992, FY 1993, and FY 1994 as compared to previous forecasts, is due in part to adjustments for investment delays and increased mill levies by the North Slope Borough, the Kenai Peninsula Borough, and the City of Valdez. The municipalities in which taxable oil and gas property exist continue to receive the bulk of the property tax assessment.

Alcoholic Beverage Taxes

Alcohol consumption has been fairly steady over the last five years in all categories. Current consumption trends for liquor, and wine and beer, given population growth, demographics, and income levels, are expected to continue generating revenues of between \$12 and \$13 million per year.

Intergovernmental Receipts

Federal Shared Revenues, which consist of several categories, totaled \$12.8 million in FY 1991 but dropped to \$6.7 million in FY 1992, to \$5.6 million in FY 1993, and to \$4.2 million in FY 1994. This is due primarily to the fact that the U.S. Forest Service (USFS) monies for timber sales were formerly allocated to only organized boroughs. The USFS has since notified the State that additional monies will be set aside for the unorganized borough as well (Chapter 37, SLA 1991). The monies are intended to support roads and schools affected by national forest activities.

Section 8(g) funds are the result of a negotiated settlement between the State and federal governments several years ago with a specific payment schedule. The bulk of this money, formerly going to General Fund unrestricted revenues, is now being transferred to the Constitutional Budget Reserve Fund (CBRF).

Investment Earnings

The projections are based on projected outgoing expenditures and incoming revenues with an assessment of yield on instruments and the length of maturity for the funds invested by the Treasury Division. FY 1994 investment earnings were \$31.7 million.

Facilities and Related Charges

The main revenue item in this category is ferry system receipts which amounted to \$40.4 million in FY 1994. The legislature established the Alaska Marine Highway System Fund (Chapter 193, SLA 1990) which provides that the gross revenue of the State ferry system be deposited into the fund and then may be appropriated for operating and capital expenditures.

Methodology

The Department of Revenue uses a variety of models and techniques to forecast petroleum severance taxes and royalties and non-petroleum revenue sources. The main petroleum forecasting model is a marketing and production simulation model which projects severance taxes and royalties on a company-by-company, field-by-field specific basis through the year 2010.

In this forecast we discuss only three of the many possible future price and production outcomes affecting Alaska oil revenues: the base case, the low price alternative, and the high price alternative.

To assist in examining a greater number of possible future oil revenue outcomes, a revenue matrix has been developed for both FY 1995 and FY 1996. The Alaska State Revenue Matrices on pages 28 and 29 provide an estimate of State General Fund unrestricted revenues for various alternative ANS price and production levels.

Table 10

Global Market Assumptions
Base Case Scenario

	Actual		Projected				1995	Q196	Q296	Q396	Q496	1996
	1993	1994	Q195	Q295	Q395	Q495						
DEMAND												
OECD												
North America	19.2	19.7	19.8	19.6	20.1	20.3	19.9	19.9	19.7	20.1	20.3	20.0
Europe	13.5	13.7	14.0	13.4	13.8	14.2	13.9	14.1	13.5	13.9	14.4	14.0
Pacific	6.3	6.6	7.3	6.2	6.3	7.0	6.7	7.4	6.3	6.3	7.1	6.8
Total	39.1	39.9	41.1	39.2	40.1	41.5	40.5	41.4	39.4	40.3	41.8	40.7
Non-OECD												
CIS*	5.6	4.8	5.2	4.7	4.4	4.0	4.6	4.9	4.4	4.1	3.8	4.3
China	3.0	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3
Eastern Europe	1.3	1.4	1.4	1.4	1.3	1.4	1.4	1.4	1.4	1.3	1.4	1.4
West Hemisphere	5.6	5.7	5.7	5.9	6.0	5.9	5.9	5.9	6.1	6.2	6.1	6.1
Africa	2.1	2.0	2.1	2.1	2.0	2.1	2.1	2.1	2.1	2.1	2.2	2.1
Middle East	3.8	3.9	4.1	4.1	4.2	4.1	4.1	4.3	4.3	4.4	4.4	4.3
Asia	6.8	7.3	7.6	7.5	7.3	8.1	7.6	8.0	7.8	7.7	8.6	8.0
Total	28.2	28.2	29.3	28.7	28.4	29.0	28.8	29.9	29.3	29.1	29.7	29.5
TOTAL DEMAND	66.7	68.1	70.4	67.9	68.5	70.5	69.3	71.3	68.8	69.4	71.5	70.2
SUPPLY												
Non-OPEC												
OECD	16.8	17.6	18.4	17.9	18.0	18.6	18.2	18.6	18.1	18.2	18.8	18.4
CIS*	7.8	7.2	7.1	7.0	6.7	6.6	6.8	6.7	6.6	6.4	6.3	6.5
China	2.9	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.0
Eastern Europe	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
LDCs	11.2	11.7	11.9	11.8	11.9	12.1	11.9	12.2	12.1	12.2	12.4	12.2
Processing Gain	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	40.6	41.2	42.2	41.5	41.4	42.2	41.8	42.4	41.7	41.6	42.3	42.0
OPEC	24.7	25.0	25.0	24.7	25.3	26.9	25.5	25.7	25.4	26.0	27.7	26.2
OPEC NGLs	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
TOTAL PRODUCTION	67.5	68.5	69.5	68.5	69.0	71.4	69.6	70.4	69.3	69.9	72.4	70.5
INVENTORY CHANGE	0.8	0.4	(0.9)	0.6	0.5	0.9	0.3	(0.9)	0.6	0.5	0.9	0.3

*Commonwealth of Independent States (formerly the Soviet Union)

Short-Term Oil Price Scenarios

Base Case Scenario

SUMMARY: *The base case scenario assumes modest growth in global oil consumption over the next two years as the economy slows in the U.S. and picks up in Japan and Europe with continued decline in the economy of the Commonwealth of Independent States (CIS). Little growth in non-OPEC production results in a small increase in OPEC market share. This puts mild upward pressure on oil prices as long as the Iraqi oil embargo continues.*

Table 10, on the adjacent page, contains specific assumptions about the global fundamentals (barrels produced and barrels consumed) used to develop the base case scenario. The basis for these assumptions is as follows:

1. OECD oil consumption is assumed to grow by .6 million bbl/day as the Japanese and German economies begin to pick up. Non-OECD consumption also increases by .2 million bbl/day in 1995 and .5 million bbl/day in 1996, and would have been even greater but for the projected decline in consumption in the CIS from .6 million bbl/day in 1995 to .4 million bbl/day in 1996.
2. Non-OPEC oil production increases by .6 million bbl/day in 1995 and grows by .2 million bbl/day in 1996. Production outside the CIS grows by 1.0 million bbl/day in 1995 and .6 million bbl/day in 1996, but this is offset by the continued decline of production in the CIS of .4 million bbl/day in both 1995 and 1996.
3. Although there is considerable sentiment in the U.N. to lift the embargo on Iraq, the United States has made it very clear that it will resort to veto if necessary to see that the embargo remains in place.
4. The modestly growing OPEC market share will allow the cartel to accommodate slightly higher production by members rather than prevailing on membership to hold the line. The result is that oil prices for ANS quality oil should stay above \$15/bbl, but not move for long above \$17/bbl over the period.

Table 11	Unrestricted	ANS Lower 48	ANS Production
	General Fund Revenues (\$million)	Price (\$/bbl)	(million bbl/day)
FY 1995	1,885.2	16.45	1.574
FY 1996	1,774.7	16.52	1.503
FY 1997	1,828.6	16.62	1.457

The alternative price scenarios to the base case scenario are developed around a subjective assessment of the risks which would cause oil prices to be higher or lower. The risk factors that were identified in developing these alternatives are as follows: (1.) events pertaining to Iraq; (2.) global economic activity; (3.) impact of economic changes in the CIS; and (4.) political events in OPEC countries.

Also, no explicit attempt is made to account for the impact of weather; however, very short-term (weeks rather than months) impacts can be expected. Changes in weather will add to market volatility.

Low Price Alternative Scenario

SUMMARY: *The low price alternative scenario assumes that any one or all of the following events may occur which would cause oil prices to turn out to be lower than our base case.*

1. The embargo on Iraqi production is partially and then totally lifted by the end of 1996.
2. The U.S. economy begins to plunge rather rapidly as we enter 1996 which drags down global oil consumption growth.
3. Oil production levels in the CIS are arrested with the result that much more non-OPEC oil is moved into global markets.
4. Islamic upheaval in key OPEC countries increases the political pressure to produce beyond member quotas.

Table 12	Unrestricted General Fund Revenues (\$million)	ANS Lower 48 Price (\$/bbl)	ANS Production (million bbl/day)
FY 1995	1,780.7	16.20	1.574
FY 1996	1,566.4	15.29	1.503
FY 1997	1,563.0	15.03	1.429

High Price Alternative Scenario

SUMMARY: *The high price alternative scenario assumes that any one or all of the following events may occur which would cause oil prices to turn out to be higher than our base case.*

1. The embargo on Iraqi oil stays in place.
2. Economic growth continues at a high pace in the U.S. and in the major world economies resulting in extremely rapid oil consumption growth.
3. Oil production in the CIS continues to slide through 1996.
4. Serious political unrest occurs in key OPEC countries which disrupts the flow of oil to world markets.

Table 13	Unrestricted		
	General Fund	ANS Lower 48	ANS Production
	<u>Revenues (\$million)</u>	<u>Price (\$/bbl)</u>	<u>(million bbl/day)</u>
FY 1995	1,986.4	16.63	1.574
FY 1996	2,014.7	17.97	1.503
FY 1997	2,108.4	18.20	1.487

Table 14

Alaska State Revenue Matrix¹
Unrestricted General Fund
(Millions of Dollars)

FY 1995

Alaska North Slope Production
 Millions of barrels/day

Avg ANS ² Lower 48	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70
\$10.00	1,415	1,427	1,439	1,452	1,464	1,476	1,489	1,501	1,513
\$11.00	1,415	1,428	1,440	1,452	1,464	1,476	1,489	1,501	1,513
\$12.00	1,418	1,431	1,443	1,456	1,469	1,481	1,494	1,506	1,519
\$13.00	1,449	1,465	1,481	1,498	1,514	1,531	1,547	1,564	1,580
\$14.00	1,485	1,505	1,526	1,547	1,567	1,588	1,609	1,630	1,650
\$15.00	1,553	1,582	1,612	1,642	1,671	1,701	1,730	1,760	1,789
\$16.00	1,623	1,662	1,700	1,739	1,777	1,816	1,855	1,893	1,932
\$17.00	1,693	1,741	1,788	1,836	1,884	1,931	1,979	2,027	2,074
\$18.00	1,763	1,820	1,877	1,933	1,990	2,047	2,104	2,160	2,217
\$19.00	1,833	1,899	1,965	2,031	2,096	2,162	2,228	2,294	2,360
\$20.00	1,903	1,978	2,053	2,128	2,203	2,278	2,353	2,427	2,502
\$21.00	1,973	2,057	2,141	2,225	2,309	2,393	2,477	2,561	2,645
\$22.00	2,043	2,136	2,229	2,322	2,415	2,509	2,602	2,695	2,788
\$23.00	2,113	2,215	2,318	2,420	2,522	2,624	2,726	2,828	2,930
\$24.00	2,183	2,295	2,406	2,517	2,628	2,739	2,851	2,962	3,073
\$25.00	2,253	2,374	2,494	2,614	2,735	2,855	2,975	3,095	3,216
\$26.00	2,323	2,453	2,582	2,712	2,841	2,970	3,100	3,229	3,358
\$27.00	2,394	2,532	2,670	2,809	2,947	3,086	3,224	3,363	3,501
\$28.00	2,464	2,611	2,759	2,906	3,054	3,201	3,349	3,496	3,644
\$29.00	2,534	2,690	2,847	3,003	3,160	3,317	3,473	3,630	3,786
\$30.00	2,604	2,769	2,935	3,101	3,266	3,432	3,598	3,763	3,929

¹ Assumptions other than price and production are based on the Department of Revenue's base case scenario spring 1995 forecast.

² The average ANS price for all Lower 48 sales is approximately \$0.38/barrel less than the U.S. Gulf price in FY 1995.

Table 15

Alaska State Revenue Matrix¹
Unrestricted General Fund
(Millions of Dollars)

FY 1996

Avg ANS Lower 48 ²	Alaska North Slope Production Millions of barrels/day								
	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70
\$10.00	989	1,009	1,028	1,048	1,067	1,087	1,106	1,126	1,145
\$11.00	1,065	1,087	1,110	1,132	1,154	1,176	1,199	1,221	1,243
\$12.00	1,163	1,189	1,215	1,241	1,267	1,293	1,319	1,345	1,371
\$13.00	1,261	1,291	1,321	1,350	1,380	1,410	1,440	1,470	1,500
\$14.00	1,359	1,393	1,427	1,460	1,494	1,527	1,561	1,595	1,628
\$15.00	1,458	1,495	1,533	1,570	1,607	1,645	1,682	1,719	1,757
\$16.00	1,556	1,597	1,639	1,680	1,721	1,762	1,803	1,844	1,885
\$17.00	1,655	1,700	1,744	1,789	1,834	1,879	1,924	1,969	2,014
\$18.00	1,753	1,802	1,850	1,899	1,948	1,996	2,045	2,094	2,142
\$19.00	1,852	1,904	1,956	2,009	2,061	2,114	2,166	2,219	2,271
\$20.00	1,950	2,006	2,062	2,119	2,175	2,231	2,287	2,343	2,400
\$21.00	2,048	2,108	2,168	2,228	2,288	2,348	2,408	2,468	2,528
\$22.00	2,147	2,211	2,274	2,338	2,402	2,466	2,529	2,593	2,657
\$23.00	2,245	2,313	2,380	2,448	2,515	2,583	2,650	2,718	2,785
\$24.00	2,344	2,415	2,486	2,558	2,629	2,700	2,771	2,843	2,914
\$25.00	2,442	2,517	2,592	2,667	2,742	2,817	2,892	2,967	3,042
\$26.00	2,541	2,619	2,698	2,777	2,856	2,935	3,013	3,092	3,171
\$27.00	2,639	2,722	2,804	2,887	2,969	3,052	3,134	3,217	3,300
\$28.00	2,737	2,824	2,910	2,996	3,083	3,169	3,256	3,342	3,428
\$29.00	2,836	2,926	3,016	3,106	3,196	3,286	3,377	3,467	3,557
\$30.00	2,934	3,028	3,122	3,216	3,310	3,404	3,498	3,591	3,685

¹ Assumptions other than price and production are based on the Department of Revenue's base case scenario spring 1995 forecast.

² The average ANS price for all Lower 48 sales is approximately \$0.55/barrel less than the U. S. Gulf price in FY 1996.

REVENUE FORECAST: LONG-TERM OUTLOOK (FY 1998 - FY 2010)

This section focuses on the long term from FY 1998 through FY 2010. It provides revenue projections for this period and also sets out the assumptions behind those projections for the base case scenario, and low and high price alternatives.

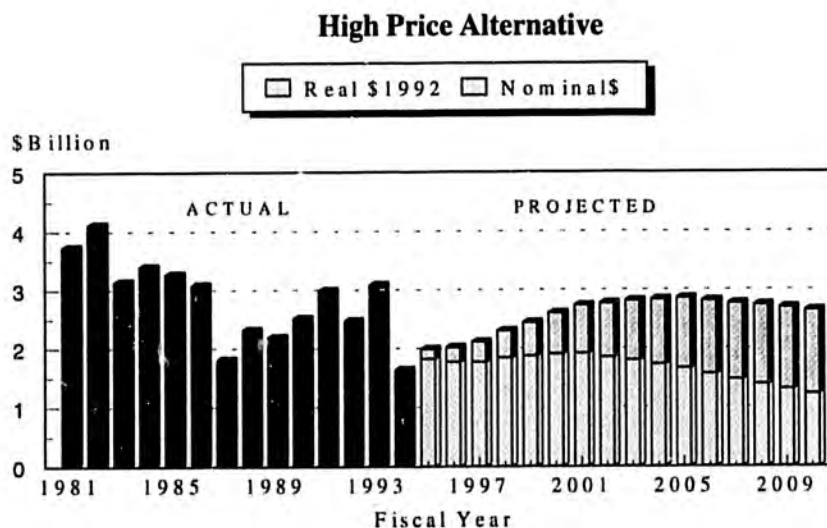
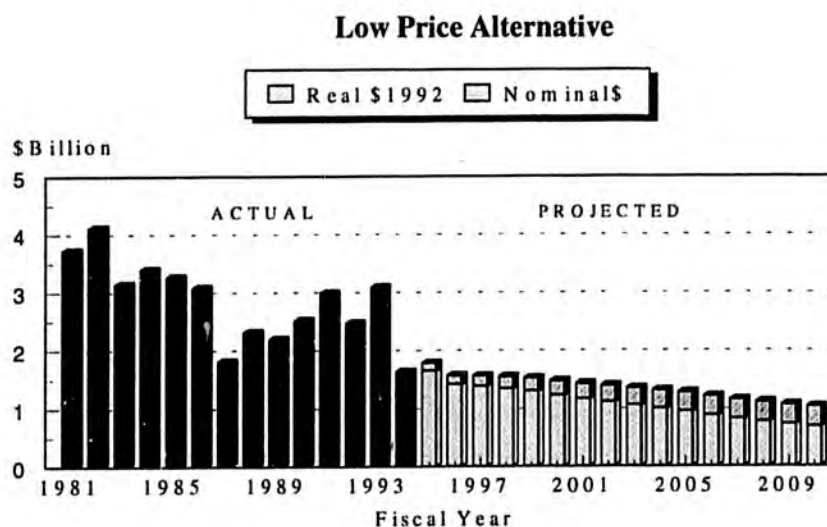
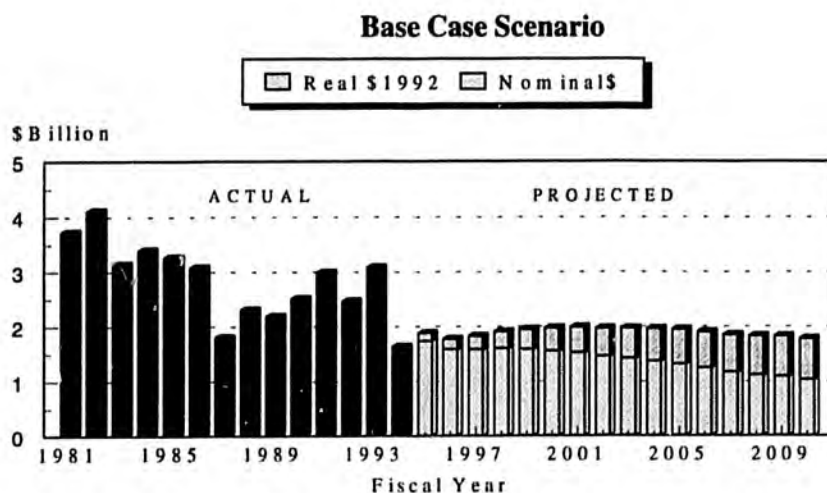
The graphs on the adjacent page show the actual General Fund unrestricted revenues from FY 1981 through FY 1994 and revenue projections from FY 1995 through 2010 for the three alternatives provided in this forecast. Projections are provided in both nominal and real dollars.

The assumptions used for the spring 1995 forecast for inflation rate, Alaska oil production, the TAPS tariff, and average ANS Lower 48 price are available on page 32. On subsequent pages, the following tables are provided for the base case scenario, and low and high price alternatives:

1. North Slope and Cook Inlet petroleum production revenues.
2. Detailed revenue projections for each category of revenues.
3. The historical and expected prices for West Texas Intermediate (WTI) and ANS Wellhead from FY 1982 - FY 2010 in 1992 constant dollars.
4. Simulated oil production by field.

Figure 14

General Fund Unrestricted Revenue Projections FY 1981 - FY 2010



Spring 1995 Forecast Assumptions

The following tables are part of the output from the Department of Revenue's simulation model, the Long-Run Fiscal Model (LRFM). All pertinent assumptions and footnotes are presented below:

- 1) Investment earnings are a function of expenditures and the resulting general investment fund balance.
(Note: Permanent Fund earnings are excluded from the long-range revenue forecast.)
Expenditures were assumed to increase at the scenario-specific inflation rate from the FY 1995 base year.
The real rate of return for investment earnings was assumed at 3 percent for all cases.
- 2) Non-petroleum/non-interest revenues beyond FY 1995 were assumed to increase at the scenario-specific inflation rate.

Table 16

	INFLATION RATE (percent)			ANS PRODUCTION (Millions of Barrels/day)			TAPS TARIFF (\$/bbl)			AVERAGE LOWER 48 PRICE (\$/bbl)		
<u>FY</u>	<u>Base</u>	<u>Low</u>	<u>High</u>	<u>Base</u>	<u>Low</u>	<u>High</u>	<u>Base</u>	<u>Low</u>	<u>High</u>	<u>Base</u>	<u>Low</u>	<u>High</u>
1995	2.91	2.29	3.64	1.574	1.574	1.574	3.59	3.59	3.59	16.45	16.20	16.63
1996	2.99	2.14	4.43	1.503	1.503	1.503	3.41	3.41	3.41	16.52	15.29	17.97
1997	2.99	2.14	4.43	1.457	1.429	1.487	2.84	2.85	2.85	16.62	15.03	18.20
1998	3.18	2.07	4.64	1.418	1.363	1.491	2.37	2.35	2.40	17.42	15.06	19.61
1999	3.18	2.07	4.64	1.375	1.293	1.479	2.36	2.34	2.41	17.97	15.16	20.69
2000	3.18	2.07	4.64	1.342	1.224	1.513	2.35	2.33	2.40	18.64	15.31	21.89
2001	3.18	2.21	4.71	1.304	1.163	1.515	2.44	2.42	2.50	19.34	15.49	23.17
2002	3.18	2.21	4.71	1.246	1.110	1.459	2.54	2.50	2.63	20.06	15.66	24.54
2003	3.18	2.21	4.71	1.195	1.059	1.406	2.62	2.56	2.74	20.81	15.84	25.98
2004	3.18	2.21	4.71	1.146	1.011	1.349	2.72	2.64	2.88	21.59	16.02	27.51
2005	3.18	2.21	4.71	1.103	0.963	1.292	2.81	2.73	3.03	22.39	16.20	29.12
2006	3.18	2.21	4.71	1.037	0.889	1.211	2.94	2.86	3.21	23.23	16.38	30.83
2007	3.18	2.21	4.71	0.974	0.819	1.124	3.05	2.96	3.38	24.10	16.57	32.64
2008	3.18	2.21	4.71	0.965	0.755	1.040	3.10	3.08	3.57	25.00	16.76	34.56
2009	3.18	2.21	4.71	0.904	0.694	0.955	3.18	3.16	3.74	25.93	16.95	36.59
2010	3.18	2.21	4.71	0.843	0.642	0.884	3.26	3.23	3.90	26.82	17.23	38.53

Table 17

Base Case Scenario Petroleum Production Revenue Forecast
(Millions of Dollars)

Alaska North Slope								Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1995	686.6	680.2	1.9	23.1	29.3	14.7	1435.7	25.5	0.0	0.1	0.4	26.1	14.6	66.7	1502.4
1996	729.2	673.3	1.8	22.8	30.7	15.6	1473.4	27.7	0.0	0.1	0.5	27.7	14.5	70.4	1543.8
1997	770.7	699.0	1.7	22.2	27.6	13.7	1535.0	26.5	0.0	0.1	0.4	26.5	15.2	68.6	1603.6
1998	834.5	737.3	1.7	21.7	29.8	14.7	1639.6	26.6	0.0	0.1	0.4	26.6	16.0	69.6	1709.2
1999	888.2	732.1	1.6	20.9	32.1	15.8	1690.7	25.6	0.0	0.0	0.4	25.6	16.8	68.4	1759.1
2000	904.6	738.8	1.5	20.5	33.4	16.4	1715.1	24.9	0.0	0.0	0.3	24.9	17.5	67.6	1782.7
2001	906.0	755.1	1.4	15.6	33.3	16.5	1727.8	23.5	0.0	0.0	0.3	23.5	18.4	65.7	1793.5
2002	895.9	747.5	1.3	11.4	32.7	16.3	1705.2	22.7	0.0	0.0	0.3	22.7	19.3	65.2	1770.4
2003	886.7	736.7	1.3	10.9	32.8	16.3	1684.7	22.1	0.0	0.0	0.3	22.1	20.3	64.8	1749.5
2004	880.9	728.3	1.2	10.5	33.0	16.3	1670.3	21.5	0.0	0.0	0.2	21.5	21.2	64.4	1734.7
2005	872.0	714.7	1.2	10.1	32.8	16.3	1647.1	20.0	0.0	0.0	0.2	20.0	22.2	62.5	1709.6
2006	844.6	676.6	1.1	9.5	32.1	15.9	1579.7	19.4	0.0	0.0	0.2	19.4	23.1	62.1	1641.8
2007	819.0	640.7	1.0	8.9	31.2	15.4	1516.2	18.7	0.0	0.0	0.2	18.7	24.1	61.8	1578.0
2008	856.3	621.3	0.9	8.9	30.7	15.2	1533.2	18.1	0.0	0.0	0.2	18.1	25.1	61.5	1594.7
2009	830.8	593.1	0.8	8.3	29.8	14.8	1477.7	17.5	0.0	0.0	0.2	17.5	26.1	61.3	1539.0
2010	802.9	564.4	0.8	7.7	29.1	14.4	1419.2	16.9	0.0	0.0	0.1	16.9	27.1	61.1	1480.3

Table 18

Low Price Alternative Petroleum Production Revenue Forecast (Millions of Dollars)

Alaska North Slope								Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1995	663.3	657.5	1.9	23.1	28.1	14.0	1387.8	25.5	0.0	0.1	0.4	26.1	14.6	66.7	1454.5
1996	650.0	603.3	1.8	22.8	26.7	13.4	1318.0	25.3	0.0	0.1	0.5	27.2	14.5	67.5	1385.5
1997	655.8	594.6	1.7	21.8	23.3	11.3	1308.5	23.6	0.0	0.1	0.4	28.4	15.0	67.5	1376.0
1998	654.1	580.4	1.7	20.8	23.8	11.3	1291.9	22.5	0.0	0.1	0.4	29.8	15.6	68.4	1360.3
1999	668.2	542.4	1.6	19.6	24.7	11.6	1268.2	21.1	0.0	0.1	0.4	31.0	16.2	68.6	1336.8
2000	638.8	512.2	1.5	18.6	24.8	11.4	1207.4	19.9	0.0	0.1	0.3	32.1	16.7	69.1	1276.5
2001	602.9	492.7	1.4	16.0	23.8	10.9	1147.6	18.2	0.0	0.1	0.3	34.4	17.4	70.4	1218.1
2002	575.1	472.7	1.3	10.1	22.5	10.4	1092.1	17.2	0.0	0.1	0.3	36.6	18.1	72.3	1164.4
2003	548.9	453.2	1.3	9.6	21.8	10.0	1044.8	16.3	0.0	0.0	0.3	38.8	18.9	74.2	1119.0
2004	524.2	435.8	1.2	9.2	21.1	9.6	1001.1	15.4	0.0	0.0	0.2	40.9	19.6	76.1	1077.2
2005	495.9	415.7	1.2	8.7	20.1	9.2	950.9	14.0	0.0	0.0	0.2	42.9	20.2	77.4	1028.3
2006	454.4	378.5	1.1	8.1	19.8	8.5	869.5	13.1	0.0	0.0	0.2	44.9	20.9	79.2	948.7
2007	416.3	344.3	1.0	7.4	17.6	7.9	794.5	12.4	0.0	0.0	0.2	46.8	21.6	81.0	875.5
2008	386.1	317.8	0.9	6.9	16.5	7.4	735.7	11.7	0.0	0.0	0.2	48.7	22.3	82.9	818.6
2009	354.6	289.6	0.8	6.3	15.5	6.9	673.7	11.0	0.0	0.0	0.2	50.6	23.0	84.8	758.5
2010	331.8	267.9	0.8	5.8	14.7	6.6	627.6	10.4	0.0	0.0	0.1	52.5	23.7	86.7	714.4

Table 19

High Price Alternative Petroleum Production Revenue Forecast

(Millions of Dollars)

Alaska North Slope								Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1995	704.5	696.9	1.9	23.1	30.2	15.2	1471.8	25.5	0.0	0.1	0.4	26.1	14.6	66.7	1538.4
1996	826.9	760.0	1.8	22.8	35.6	18.3	1665.5	30.46	0.0	0.1	0.5	27.8	14.6	73.4	1738.9
1997	889.8	809.7	1.8	22.7	31.9	16.1	1772.0	29.35	0.0	0.1	0.4	29.7	15.5	75.1	1847.1
1998	1021.3	904.4	1.8	22.8	35.4	17.8	2003.4	30.38	0.0	0.1	0.4	32.1	16.6	79.6	2083.0
1999	1138.1	949.2	1.8	22.6	39.0	19.7	2170.4	30.00	0.0	0.1	0.4	34.2	17.6	82.3	2252.7
2000	1252.2	1016.2	1.9	23.2	41.6	21.1	2356.0	29.73	0.0	0.1	0.3	36.4	18.7	85.2	2441.2
2001	1325.4	1090.0	1.9	15.1	42.5	21.9	2496.8	28.63	0.0	0.1	0.3	39.9	19.9	88.9	2585.7
2002	1351.2	1104.2	1.8	13.4	42.7	22.1	2535.5	28.39	0.0	0.1	0.3	43.5	21.2	93.5	2629.0
2003	1378.0	1110.5	1.7	12.9	43.9	22.7	2569.7	28.16	0.0	0.0	0.3	47.2	22.6	98.3	2668.0
2004	1400.1	1113.2	1.7	12.4	45.1	23.3	2595.8	27.96	0.0	0.0	0.2	51.0	24.0	103.2	2699.0
2005	1411.8	1108.8	1.6	11.9	46.1	23.9	2604.0	26.62	0.0	0.0	0.2	54.8	25.4	107.1	2711.1
2006	1395.8	1072.9	1.5	11.1	46.0	23.8	2551.1	26.26	0.0	0.0	0.2	58.7	26.9	112.2	2663.2
2007	1368.4	1039.4	1.4	10.3	45.8	23.7	2489.0	25.91	0.0	0.0	0.2	62.8	28.5	117.4	2606.4
2008	1345.8	1016.5	1.3	9.6	45.8	23.7	2442.6	25.59	0.0	0.0	0.2	67.0	30.1	122.8	2565.5
2009	1307.6	987.8	1.2	8.8	45.5	23.6	2374.5	25.27	0.0	0.0	0.2	71.3	31.7	128.5	2502.9
2010	1273.9	960.0	1.1	8.1	45.2	23.3	2311.6	24.83	0.0	0.0	0.1	75.7	33.5	134.2	2445.7

Table 20

Base Case Scenario Detailed Revenue Projections
(Millions of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
FY	SEVERANCE TAX	PROPERTY TAX	OIL & GAS INCOME TAX	GROSS ROYALTIES	MINERAL RENTS	BONUS SALES	INCOME FROM PRIOR YEARS	TOTAL PETROLEUM REVENUES	NON-PETRO NON-INTEREST REVENUES	GEN FUND INTEREST REVENUES	TOTAL REVS W/ PERM FUND DEDICATION
1995	799.60	57.90	80.00	834.70	17.77	0.80	9.40	1800.17	273.55	38.60	2112.32
1996	719.40	53.90	80.00	814.90	16.88	0.00	9.40	1694.48	273.25	28.00	1995.73
1997	743.50	50.20	90.00	853.70	16.03	0.00	13.40	1766.83	264.80	28.00	2059.63
1998	783.20	47.10	86.00	921.50	15.23	0.00	13.40	1866.43	272.74	27.07	2166.25
1999	779.20	43.20	84.00	978.20	14.47	0.00	13.40	1912.47	280.93	28.43	2221.83
2000	786.90	39.90	81.00	996.60	13.75	0.00	13.40	1931.55	289.35	29.03	2249.93
2001	803.80	36.60	78.00	999.30	13.06	0.00	13.40	1944.16	298.03	29.38	2271.57
2002	798.50	33.80	75.00	990.70	12.41	0.00	0.00	1908.41	306.98	29.68	2245.07
2003	785.90	31.20	74.00	983.60	11.79	0.00	0.00	1886.49	316.19	29.52	2232.19
2004	778.00	28.60	72.00	980.00	11.20	0.00	0.00	1869.80	325.67	29.35	2224.82
2005	764.90	26.30	70.00	972.10	10.64	0.00	0.00	1843.94	335.44	29.26	2208.63
2006	726.60	24.10	68.00	945.90	10.10	0.00	0.00	1774.70	345.50	29.05	2149.25
2007	690.50	22.10	65.00	921.50	9.60	0.00	0.00	1708.70	355.87	28.26	2092.82
2008	671.80	20.40	62.00	960.40	9.12	0.00	0.00	1723.72	366.55	27.51	2117.78
2009	643.50	18.70	59.00	936.10	8.66	0.00	0.00	1665.96	377.54	27.75	2071.26
2010	614.80	17.00	58.00	909.50	8.23	0.00	0.00	1607.53	388.87	27.14	2023.54

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FY	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES		
							NOMINAL\$	REAL 1992\$	
1995	2112.32	4.27	0.30	0.00	222.55	0.00	1885.20	1735.30	
1996	1995.73	4.16	0.10	0.00	216.76	0.00	1774.71	1586.21	
1997	2059.63	4.35	0.00	0.00	226.65	0.00	1828.63	1586.99	
1998	2166.25	4.68	0.00	10.00	244.11	0.00	1907.46	1604.46	
1999	2221.83	4.96	0.00	10.00	258.69	0.00	1948.18	1538.29	
2000	2249.93	5.05	0.00	10.00	263.30	0.00	1971.58	1557.90	
2001	2271.57	5.06	0.00	10.00	263.82	0.00	1992.69	1526.13	
2002	2245.07	5.02	0.00	10.00	261.41	0.00	1998.64	1461.31	
2003	2232.19	4.98	0.00	0.00	259.40	0.00	1967.81	1415.74	
2004	2224.82	4.96	0.00	0.00	258.31	0.00	1961.55	1367.81	
2005	2208.63	4.91	0.00	0.00	256.10	0.00	1947.62	1316.31	
2006	2149.25	4.78	0.00	0.00	249.13	0.00	1895.34	1241.55	
2007	2092.82	4.66	0.00	0.00	242.64	0.00	1845.52	1171.72	
2008	2117.78	4.85	0.00	0.00	252.66	0.00	1860.27	1144.74	
2009	2071.26	4.72	0.00	0.00	246.21	0.00	1820.33	1085.69	
2010	2023.54	4.59	0.00	0.00	239.16	0.00	1779.79	1028.84	

Table 21

Low Price Alternative Detailed Revenue Projections
(Millions of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
FY	SEVERANCE TAX	PROPERTY TAX	OIL & GAS INCOME TAX	GROSS ROYALTIES	MINERAL RENTS	BONUS SALES	INCOME FROM PRIOR YEARS	TOTAL PETROLEUM REVENUES	NON-PETRO NON-INTEREST REVENUES	GEN FUND INTEREST REVENUES	TOTAL REVS W/ PERM FUND DEDICATION
1995	776.20	57.90	40.00	810.10	17.77	0.80	9.40	1712.17	254.56	33.60	2000.33
1996	647.20	53.90	40.00	729.10	16.88	0.00	9.40	1496.48	249.30	18.00	1763.78
1997	636.20	50.20	50.00	731.00	16.03	0.00	13.40	1496.83	245.68	18.00	1760.51
1998	621.90	47.10	59.00	730.10	15.23	0.00	13.40	1486.73	253.05	15.46	1755.25
1999	583.80	43.20	57.00	745.00	14.47	0.00	13.40	1456.87	260.64	15.44	1732.95
2000	553.30	39.90	56.00	715.60	13.75	0.00	13.40	1391.95	268.46	15.18	1675.59
2001	533.40	36.60	54.00	679.30	13.06	0.00	13.40	1329.76	276.52	14.68	1620.95
2002	513.10	33.80	51.00	651.40	12.41	0.00	0.00	1261.71	284.81	14.23	1560.75
2003	493.30	31.20	49.00	625.70	11.79	0.00	0.00	1210.99	293.35	13.64	1518.18
2004	475.80	28.60	46.00	601.50	11.20	0.00	0.00	1163.10	302.16	13.48	1478.73
2005	455.30	26.30	42.00	572.90	10.64	0.00	0.00	1107.14	311.22	13.15	1431.51
2006	417.40	24.10	39.00	531.30	10.10	0.00	0.00	1021.90	320.56	12.75	1355.21
2007	382.40	22.10	37.00	493.10	9.60	0.00	0.00	944.20	330.17	12.10	1286.47
2008	355.40	20.40	36.00	463.10	6.12	0.00	0.00	884.02	340.08	11.51	1235.61
2009	326.80	18.70	33.00	431.70	8.66	0.00	0.00	818.86	350.28	11.08	1180.23
2010	305.00	17.00	31.00	409.40	8.23	0.00	0.00	770.63	360.79	10.61	1142.03

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FY	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES		
							NOMINAL\$	REAL 1992\$	
1995	2000.33	4.14	0.30	0.00	215.15	0.00	1780.74	1649.19	
1996	1763.78	3.73	0.10	0.00	193.51	0.00	1566.44	1420.29	
1997	1760.51	3.74	0.00	0.00	193.78	0.00	1562.99	1387.43	
1998	1755.25	3.73	0.00	10.00	193.34	0.00	1548.18	1346.39	
1999	1732.95	3.80	0.00	10.00	197.01	0.00	1522.14	1296.88	
2000	1675.59	3.65	0.00	10.00	189.19	0.00	1472.75	1229.34	
2001	1620.95	3.46	0.00	10.00	179.60	0.00	1427.89	1166.07	
2002	1560.75	3.32	0.00	10.00	172.19	0.00	1375.24	1098.75	
2003	1518.18	3.19	0.00	0.00	165.36	0.00	1349.63	1054.93	
2004	1478.73	3.06	0.00	0.00	158.93	0.00	1316.74	1006.92	
2005	1431.51	2.92	0.00	0.00	151.37	0.00	1277.22	955.54	
2006	1355.21	2.71	0.00	0.00	140.44	0.00	1212.06	887.15	
2007	1286.47	2.51	0.00	0.00	130.40	0.00	1153.56	826.04	
2008	1235.61	2.36	0.00	0.00	122.49	0.00	1110.76	778.16	
2009	1180.23	2.20	0.00	0.00	114.23	0.00	1063.80	729.12	
2010	1142.03	2.09	0.00	0.00	108.33	0.00	1031.61	691.74	

Table 22

High Price Alternative Detailed Revenue Projections (Millions of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
FY	SEVERANCE TAX	PROPERTY TAX	OIL & GAS INCOME TAX	GROSS ROYALTIES	MINERAL RENTS	BONUS SALES	INCOME FROM PRIOR YEARS	TOTAL PETROLEUM REVENUES	NON-PETRO NON-INTEREST REVENUES	GEN FUND INTEREST REVENUES	TOTAL REVS W/ PERM FUND DEDICATION
1995	816.80	57.90	130.00	853.40	17.77	0.80	9.40	1886.07	291.41	40.90	2218.38
1996	808.90	53.90	130.00	920.80	16.88	0.00	9.40	1939.88	291.30	32.60	2263.78
1997	857.20	50.20	140.00	980.80	16.03	0.00	13.40	2057.63	282.80	32.60	2373.03
1998	954.80	47.10	136.00	1119.10	15.23	0.00	13.40	2285.63	291.28	31.23	2608.14
1999	1002.30	43.20	131.00	1241.30	14.47	0.00	13.40	2445.67	300.02	34.26	2779.95
2000	1072.00	39.90	129.00	1359.90	13.75	0.00	13.40	2627.95	309.02	36.33	2973.30
2001	1147.90	36.60	125.00	1436.50	13.06	0.00	13.40	2772.46	318.29	38.75	3129.51
2002	1163.10	33.80	124.00	1465.80	12.41	0.00	0.00	2799.11	327.84	40.77	3167.72
2003	1170.80	31.20	121.00	1497.20	11.79	0.00	0.00	2831.99	337.68	41.41	3211.07
2004	1174.90	28.60	119.00	1524.20	11.20	0.00	0.00	2857.90	347.81	41.93	3247.64
2005	1171.80	26.30	115.00	1539.30	10.64	0.00	0.00	2863.04	358.24	42.37	3263.65
2006	1136.40	24.10	111.00	1526.80	10.10	0.00	0.00	2808.40	368.99	42.55	3219.94
2007	1103.50	22.10	108.00	1502.90	9.60	0.00	0.00	2746.10	380.06	41.94	3168.09
2008	1081.20	20.40	105.00	1484.20	9.12	0.00	0.00	2699.92	391.46	41.26	3132.64
2009	1053.20	18.70	103.00	1449.70	8.66	0.00	0.00	2633.26	403.21	40.80	3077.27
2010	1026.20	17.00	99.00	1419.60	8.23	0.00	0.00	2570.03	415.30	40.11	3025.44

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FY	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES		
							NOMINAL\$	REAL 1992\$	
1995	2218.38	4.36	0.30	0.00	227.34	0.00	1986.38	1815.55	
1996	2263.78	4.69	0.10	0.00	244.26	0.00	2014.73	1763.37	
1997	2373.03	4.98	0.00	0.00	259.67	0.00	2108.38	1767.08	
1998	2608.14	5.67	0.00	10.00	295.49	0.00	2296.98	1839.73	
1999	2779.95	6.28	0.00	10.00	327.13	0.00	2436.54	1864.93	
2000	2973.30	6.87	0.00	10.00	357.83	0.00	2598.60	1900.72	
2001	3129.51	7.25	0.00	10.00	377.61	0.00	2734.65	1910.18	
2002	3167.72	7.39	0.00	10.00	385.07	0.00	2765.26	1844.60	
2003	3211.07	7.54	0.00	0.00	393.09	0.00	2810.44	1790.34	
2004	3247.64	7.68	0.00	0.00	399.97	0.00	2839.99	1727.71	
2005	3263.65	7.75	0.00	0.00	403.76	0.00	2852.14	1656.99	
2006	3219.94	7.68	0.00	0.00	400.36	0.00	2811.90	1560.06	
2007	3168.09	7.56	0.00	0.00	394.01	0.00	2766.52	1465.78	
2008	3132.64	7.47	0.00	0.00	389.01	0.00	2736.16	1384.43	
2009	3077.27	7.29	0.00	0.00	379.90	0.00	2690.08	1299.84	
2010	3025.44	7.14	0.00	0.00	371.95	0.00	2646.35	1221.14	

Table 23

Projected and Historical Crude Oil Prices
Alaska North Slope Crude and Domestic Marker
In 1992 Constant \$/Barrel

	Base Case		Low Price Alternative		High Price Alternative	
Fiscal Year	WTI	ANS at Wellhead	WTI	ANS at Wellhead	WTI	ANS at Wellhead
1982	32.98	19.82	32.98	19.82	32.98	19.82
1983	35.52	17.60	35.52	17.60	35.52	17.60
1984	30.59	17.79	30.59	17.79	30.59	17.79
1985	28.15	17.37	28.15	17.37	28.15	17.37
1986	23.11	12.41	23.11	12.41	23.11	12.41
1987	16.14	7.84	16.14	7.84	16.14	7.84
1988	18.53	10.68	18.53	10.68	18.53	10.68
1989	16.93	9.55	16.93	9.55	16.93	9.55
1990	20.06	11.89	20.06	11.89	20.06	11.89
1991	24.95	15.38	24.95	15.38	24.95	15.38
1992	20.69	11.20	20.69	11.20	20.69	11.20
1993	20.69	12.80	20.69	12.80	20.69	12.80
1994	15.81	9.07	15.81	9.07	15.81	9.07
1995	16.74	10.28	16.61	9.96	16.78	10.46
1996	16.29	10.29	15.41	9.34	17.23	11.39
1997	15.91	10.71	14.85	9.53	16.69	11.66
1998	16.09	11.40	14.58	9.76	17.08	12.56
1999	16.04	11.47	14.37	9.63	17.14	12.78
2000	16.08	11.60	14.21	9.53	17.26	12.95
2001	16.12	11.66	14.05	9.35	17.38	13.11
2002	16.16	11.71	13.88	9.18	17.51	13.27
2003	16.20	11.77	13.72	9.02	17.64	13.43
2004	16.25	11.80	13.56	8.84	17.78	13.59
2005	16.29	11.81	13.40	8.62	17.91	13.72
2006	16.34	11.80	13.24	8.38	18.05	13.84
2007	16.39	11.80	13.09	8.15	18.20	13.98
2008	16.44	11.82	12.94	8.07	18.35	14.22
2009	16.48	11.89	12.79	7.94	18.51	14.44
2010	16.49	11.95	12.70	7.90	18.57	14.57

Table 24

Base Case Scenario Simulated Oil Production
(Millions of bbls/day)

Fiscal Year	NGL's	Prudhoe	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Cascade	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	West Beach	North Prudhoe	ANS Total	Cook Inlet	STATE TOTAL
1995	0.073	0.934	0.304	0.017	0.094	0.018	0.000	0.000	0.000	0.014	0.112	0.001	0.003	0.001	0.002	1.5736	0.044	1.618
1996	0.073	0.836	0.293	0.048	0.091	0.015	0.000	0.000	0.000	0.027	0.111	0.000	0.005	0.001	0.003	1.5028	0.047	1.550
1997	0.060	0.817	0.290	0.047	0.090	0.013	0.000	0.000	0.000	0.024	0.106	0.000	0.005	0.001	0.002	1.4567	0.044	1.500
1998	0.058	0.796	0.290	0.040	0.083	0.012	0.000	0.007	0.000	0.021	0.103	0.000	0.005	0.001	0.002	1.4178	0.041	1.459
1999	0.060	0.772	0.289	0.035	0.076	0.010	0.000	0.014	0.000	0.020	0.092	0.000	0.005	0.001	0.002	1.3747	0.038	1.413
2000	0.059	0.746	0.288	0.035	0.070	0.009	0.012	0.014	0.000	0.018	0.083	0.000	0.005	0.001	0.002	1.3420	0.035	1.377
2001	0.057	0.736	0.283	0.030	0.064	0.008	0.012	0.015	0.000	0.016	0.075	0.000	0.005	0.001	0.002	1.3040	0.032	1.336
2002	0.054	0.712	0.275	0.026	0.058	0.007	0.012	0.012	0.000	0.014	0.068	0.000	0.004	0.001	0.002	1.2464	0.029	1.276
2003	0.052	0.686	0.267	0.023	0.052	0.006	0.019	0.010	0.000	0.012	0.060	0.000	0.004	0.001	0.001	1.1950	0.027	1.222
2004	0.050	0.661	0.258	0.020	0.047	0.006	0.025	0.010	0.000	0.011	0.053	0.000	0.004	0.001	0.001	1.1464	0.025	1.172
2005	0.048	0.635	0.249	0.017	0.043	0.005	0.037	0.009	0.000	0.009	0.047	0.000	0.004	0.001	0.001	1.1033	0.023	1.126
2006	0.046	0.598	0.223	0.014	0.038	0.004	0.050	0.009	0.000	0.008	0.041	0.000	0.004	0.001	0.001	1.0365	0.021	1.057
2007	0.043	0.563	0.198	0.012	0.035	0.004	0.062	0.009	0.000	0.007	0.037	0.000	0.004	0.000	0.001	0.9737	0.019	0.993
2008	0.040	0.529	0.177	0.010	0.031	0.003	0.074	0.009	0.049	0.006	0.032	0.000	0.003	0.000	0.001	0.9652	0.018	0.983
2009	0.038	0.496	0.157	0.009	0.028	0.003	0.074	0.007	0.054	0.005	0.028	0.000	0.003	0.000	0.001	0.9036	0.017	0.920
2010	0.035	0.468	0.141	0.008	0.026	0.003	0.070	0.006	0.054	0.004	0.025	0.000	0.003	0.000	0.001	0.8431	0.015	0.859

Table 25

Low Price Alternative Simulated Oil Production
(Millions of bbls/day)

Fiscal Year	NGL's	Prudhoe	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Cascade	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	West Beach	North Prudhoe	ANS Total	Cook Inlet	STATE TOTAL
1995	0.073	0.934	0.304	0.017	0.094	0.018	0.000	0.000	0.000	0.014	0.112	0.001	0.003	0.001	0.002	1.574	0.044	1.618
1996	0.073	0.836	0.293	0.048	0.091	0.015	0.000	0.000	0.000	0.027	0.111	0.000	0.005	0.001	0.003	1.503	0.047	1.550
1997	0.060	0.794	0.287	0.047	0.089	0.013	0.000	0.000	0.000	0.024	0.106	0.000	0.005	0.001	0.002	1.429	0.044	1.473
1998	0.058	0.750	0.285	0.040	0.080	0.012	0.000	0.007	0.000	0.021	0.101	0.000	0.005	0.001	0.002	1.363	0.041	1.404
1999	0.060	0.705	0.282	0.034	0.072	0.010	0.000	0.014	0.000	0.019	0.089	0.000	0.005	0.001	0.002	1.293	0.038	1.331
2000	0.059	0.661	0.279	0.034	0.065	0.009	0.000	0.014	0.000	0.017	0.078	0.000	0.005	0.001	0.002	1.224	0.035	1.259
2001	0.057	0.632	0.273	0.029	0.058	0.008	0.000	0.015	0.000	0.016	0.069	0.000	0.004	0.001	0.001	1.163	0.032	1.194
2002	0.054	0.614	0.266	0.025	0.053	0.007	0.000	0.012	0.000	0.013	0.060	0.000	0.004	0.001	0.001	1.110	0.029	1.140
2003	0.052	0.594	0.257	0.021	0.047	0.006	0.000	0.010	0.000	0.011	0.053	0.000	0.004	0.001	0.001	1.059	0.027	1.086
2004	0.050	0.574	0.250	0.018	0.043	0.006	0.000	0.009	0.000	0.010	0.047	0.000	0.004	0.001	0.001	1.011	0.025	1.036
2005	0.048	0.553	0.241	0.015	0.038	0.005	0.000	0.008	0.000	0.008	0.041	0.000	0.004	0.001	0.001	0.963	0.023	0.985
2006	0.046	0.521	0.215	0.013	0.034	0.004	0.000	0.007	0.000	0.007	0.036	0.000	0.003	0.001	0.001	0.889	0.021	0.909
2007	0.043	0.490	0.191	0.011	0.031	0.004	0.000	0.006	0.000	0.006	0.032	0.000	0.003	0.000	0.001	0.819	0.019	0.838
2008	0.040	0.461	0.170	0.009	0.028	0.003	0.000	0.006	0.000	0.005	0.028	0.000	0.003	0.000	0.001	0.755	0.018	0.773
2009	0.038	0.432	0.151	0.008	0.025	0.003	0.000	0.005	0.000	0.004	0.025	0.000	0.003	0.000	0.001	0.694	0.017	0.711
2010	0.035	0.407	0.135	0.007	0.023	0.003	0.000	0.004	0.000	0.004	0.022	0.000	0.003	0.000	0.001	0.642	0.015	0.658

Table 26

High Price Alternative Simulated Oil Production

(Millions of bbls/day)

Fiscal Year	NGL's	Prudhoe	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Cascade	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	West Beach	North Prudhoe	ANS Total	Cook Inlet	STATE TOTAL
1995	0.073	0.934	0.304	0.017	0.094	0.018	0.000	0.000	0.000	0.014	0.112	0.001	0.003	0.001	0.002	1.574	0.044	1.618
1996	0.073	0.836	0.293	0.048	0.091	0.015	0.000	0.000	0.000	0.027	0.111	0.000	0.005	0.001	0.003	1.503	0.047	1.550
1997	0.060	0.834	0.301	0.047	0.092	0.013	0.000	0.000	0.000	0.024	0.106	0.000	0.005	0.001	0.002	1.487	0.044	1.530
1998	0.058	0.829	0.312	0.040	0.086	0.012	0.012	0.007	0.000	0.021	0.105	0.000	0.005	0.001	0.002	1.491	0.041	1.532
1999	0.060	0.820	0.321	0.037	0.081	0.010	0.012	0.014	0.000	0.020	0.096	0.000	0.005	0.001	0.002	1.479	0.038	1.517
2000	0.059	0.809	0.329	0.040	0.076	0.009	0.012	0.014	0.049	0.019	0.089	0.000	0.005	0.001	0.002	1.513	0.035	1.549
2001	0.057	0.811	0.333	0.037	0.072	0.008	0.019	0.015	0.054	0.018	0.082	0.000	0.005	0.001	0.002	1.515	0.032	1.547
2002	0.054	0.783	0.322	0.035	0.065	0.007	0.025	0.012	0.054	0.016	0.077	0.000	0.005	0.001	0.002	1.459	0.029	1.489
2003	0.052	0.754	0.310	0.034	0.059	0.006	0.037	0.010	0.054	0.015	0.068	0.000	0.005	0.001	0.002	1.406	0.027	1.434
2004	0.050	0.724	0.298	0.029	0.053	0.006	0.050	0.010	0.048	0.013	0.061	0.000	0.005	0.001	0.002	1.349	0.025	1.374
2005	0.048	0.694	0.286	0.025	0.048	0.005	0.062	0.010	0.042	0.011	0.054	0.000	0.005	0.001	0.001	1.292	0.023	1.314
2006	0.046	0.654	0.257	0.022	0.044	0.004	0.074	0.010	0.037	0.009	0.048	0.000	0.004	0.001	0.001	1.211	0.021	1.232
2007	0.043	0.615	0.231	0.019	0.039	0.004	0.074	0.010	0.033	0.008	0.042	0.000	0.004	0.001	0.001	1.124	0.019	1.143
2008	0.040	0.579	0.207	0.016	0.036	0.003	0.070	0.010	0.029	0.007	0.037	0.000	0.004	0.000	0.001	1.040	0.018	1.058
2009	0.038	0.543	0.185	0.014	0.032	0.003	0.063	0.008	0.025	0.006	0.033	0.000	0.004	0.000	0.001	0.955	0.017	0.972
2010	0.035	0.512	0.167	0.012	0.029	0.003	0.057	0.007	0.022	0.005	0.029	0.000	0.004	0.000	0.001	0.884	0.015	0.899

HISTORICAL REVENUES, PRICES, AND PRODUCTION

This section contains historical revenues, prices, and production. Table 27 on the next page shows historical petroleum revenues by type from statehood to the present (FY 1959 - FY 1994). Table 28 on pages 48 and 49 shows General Fund unrestricted revenues by type from FY 1980 - FY 1994. Historical crude oil prices (FY 1981 - FY 94) are depicted in Table 29, and finally, historical crude oil production for the North Slope and Cook Inlet (FY 1978 - FY 1994) is shown in Table 30.

Table 27

Historical Petroleum Revenues (Millions of Dollars)

FY	Corporate Non-Petroleum	Corporate Petroleum	Severance Tax	Oil/Gas Property Tax	Reserve Tax	Fed. Min. Rents & Royalties (1)	Bonus Sales	Rents (1)	Royalties (1)	Oil/Gas ⁽²⁾ Special Settlements	Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total Unrestricted Revenues
59	1.4	.	.	.	.	3.1	.	.	.	.	3.1	25.4	12
60	1.7	.	.	.	.	5.8	4.0	0.1	.	.	9.9	48.0	21
61	1.4	.	.	.	.	2.4	1.6	0.2	.	.	4.2	40.5	10
62	1.8	.	0.2	.	.	4.5	20.3	1.0	.	.	26.0	68.9	38
63	2.2	.	0.3	.	.	8.6	17.9	1.0	.	.	27.8	71.6	39
64	1.8	.	0.3	.	.	8.7	4.7	1.2	.	.	14.9	67.0	22
65	1.9	.	0.3	.	.	8.3	5.9	1.9	0.1	.	16.5	83.0	20
66	4.1	.	0.3	.	.	7.7	10.8	2.5	0.3	.	21.6	86.5	25
67	3.5	.	0.5	.	.	7.7	8.6	2.8	1.9	.	21.5	86.6	25
68	3.8	0.1	10.2	.	.	7.5	21.8	2.9	9.5	.	43.0	112.7	38
69	4.2	0.1	5.6	.	.	7.8	0.8	3.3	16.9	.	34.5	112.4	31
70	4.9	0.4	7.9	.	.	8.2	900.0	3.1	19.3	.	938.9	1067.3	88
71	5.2	0.9	10.5	.	.	8.6	0.2	2.9	23.9	.	47.0	220.4	21
72	5.3	1.2	11.4	.	.	7.9	0.3	3.0	24.6	.	48.4	219.2	22
73	5.9	0.9	12.0	.	.	6.7	3.8	3.4	23.5	.	50.3	208.2	24
74	7.0	1.2	14.8	.	.	7.1	24.8	3.6	28.7	.	80.2	254.9	31
75	14.8	2.5	26.6	6.6	.	9.8	1.0	3.9	40.0	.	90.4	333.4	27
76	26.2	4.9	28.0	83.4	223.1	5.1	.	3.7	43.3	.	391.5	709.8	55
77	30.8	5.0	23.8	139.1	270.6	2.0*	.	2.8*	34.3*	.	477.6*	874.3	55
78	25.1	8.4	107.7	173.0	.	1.0*	.	1.8*	149.6*	.	441.5*	764.9	58
79	24.8	232.6	173.8	163.4	.	1.0*	.	1.6*	249.2*	.	821.6*	1133.0	73
80	17.9	547.5	506.5	168.9	.	1.2*	342.4*	1.8*	688.2*	.	2256.5*	2501.2	90
81	34.8	860.1	1170.2	143.0	.	1.2*	7.6*	3.7*	1118.5*	.	3304.3*	3718.2	89
82	34.8	668.9	1581.7	142.7	.	17.1*	5.0*	2.1*	1157.3*	.	3574.8*	4108.4	87
83	30.1	236.0	1493.7	152.6	.	27.2*	36.2*	2.5*	1078.4*	.	3026.6*	3631.0	83
84	39.5	265.1	1393.1	131.0	.	11.0*	10.1*	3.8*	1047.5*	.	2861.6*	3390.1	84
85	36.0	168.6	1389.4	128.4	.	8.2*	11.5*	3.4*	1034.0*	.	2743.5*	3260.0	84
86	11.2	133.9	1108.4	113.5	.	14.3*	34.7*	4.2*	830.7*	418.2*	2657.9*	3075.5	86
87	20.5	120.4	648.5	102.5	.	9.0*	0.5*	3.8*	439.3*	70.5*	1394.5*	1799.4	77
88	23.4	158.0	818.7	96.2	.	6.7*	5.6*	5.7*	694.8*	163.9*	1949.6*	2305.8	85
89	38.0	166.0	698.8	89.7	.	5.6*	11.4*	5.3*	605.9*	257.7*	1840.4*	2186.2	84
90	45.3	117.2	1001.6	89.8	0.0	6.3*	0.0*	4.2*	747.4*	154.8*	2121.4*	2507.2	85
91	37.9	185.1	1284.8	85.0	0.0	7.1*	18.9*	5.8*	951.6*	33.5*	2571.8*	2986.6	86
92	33.7	165.5	1053.2	69.0	0.0	5.8*	2.6*	4.2*	702.4*	4.7*	2007.4*	2462.6	82
93	37.6	834.7	1017.6	66.9	0.0	5.4*	38.3*	6.0*	711.3*	4.7*	2684.9*	3081.6	87
94	44.3	17.8	692.1	61.5	0.0	4.0*	0.6*	4.5*	512.1*	0.1*	1292.7*	1652.5	78

* Net of Permanent Fund contribution and Constitutional Budget Reserve Fund deposits.

(1) These categories are primarily composed of oil/gas revenues; however, they include some additional revenues from other minerals (mostly coal).

(2) Not subject to budget reserve fund.

Table 28

Historical General Fund Unrestricted Revenues -Tax Portion-

(\$ millions)	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY91	FY92	FY93	FY94
Corporate - General	17.9	34.8	34.8	30.3	39.5	36.0	11.2	20.5	23.4	38.0	45.3	37.9	33.7	37.6	44.3
Corporate - Petroleum	547.5	860.1	668.9	236.0	265.1	168.6	133.9	120.4	158.0	166.0	117.2	185.1	165.5	834.7	17.8
Fiduciary	0.1	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	0.0
Individual	<u>100.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Income	666.0	894.9	703.7	266.3	304.6	204.6	145.1	140.9	181.4	204.0	162.5	223.0	199.2	872.3	62.1
Alaska Business License	4.2	5.4	5.5	6.9	19.9	38.8	2.1	1.5	1.4	1.0	0.1	0.0	0.0	0.1	0.2
Fish	14.6	20.7	22.8	20.5	19.0	18.7	21.1	26.5	22.5	26.7	25.1	31.1	30.1	42.2	33.9
Salmon Enhancement	0.0	0.0	2.4	2.6	2.2	2.6	4.3	4.4	5.8	9.5	6.5	6.2	4.2	6.8	5.0
Seafood Marketing	0.0	0.0	0.0	0.9	1.1	1.0	1.1	1.4	2.7	3.3	3.3	3.3	2.8	3.6	2.1
Salmon Marketing	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	0.0	3.7
Fish Landing	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	0.0	0.1
Insurance Companies	10.4	10.6	12.5	13.8	16.2	17.5	21.1	23.7	23.7	19.4	22.7	24.4	25.5	26.3	26.1
Other	<u>2.1</u>	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>2.0</u>	<u>2.1</u>	<u>2.2</u>	<u>2.3</u>	<u>2.4</u>	<u>3.2</u>	<u>4.6</u>	<u>4.1</u>	<u>4.1</u>	<u>4.0</u>	<u>4.5</u>
Total Gross Receipts	31.3	37.9	44.6	46.3	60.4	80.7	51.9	59.8	58.5	62.1	62.3	69.1	66.7	83.0	75.6
Gravel, Timber, etc.	1.6	2.7	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
Oil & Gas Production	506.2	1169.9	1581.1	1493.0	1392.4	1388.7	1107.4	647.3	816.4	696.4	972.3	1253.8	1022.2	989.4	662.8
Oil & Hazardous Release	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.9	28.0	28.7	26.1	27.0
Oil & Gas Conservation	<u>0.3</u>	<u>0.3</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.5</u>	<u>1.2</u>	<u>2.3</u>	<u>2.4</u>	<u>2.4</u>	<u>2.3</u>	<u>2.3</u>	<u>2.1</u>	<u>2.3</u>
Total Severance	508.1	1172.9	1581.7	1493.7	1393.1	1389.4	1107.9	648.5	818.7	698.8	1001.6	1284.1	1053.2	1017.6	692.1
Oil & Gas Property	168.9	143.0	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7	89.8	85.0	69.0	66.9	61.5
Vehicle Registration	<u>0.1</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Property	169.0	143.2	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7	89.8	85.0	69.0	66.9	61.5
Alcoholic Beverages	7.4	8.3	9.0	10.4	13.0	13.9	13.3	12.6	12.1	11.8	12.0	12.2	12.0	11.9	12.0
Fuel Taxes - Aviation	4.0	4.1	6.3	8.7	8.1	8.0	8.1	8.5	9.0	10.1	9.4	10.7	10.7	6.4	6.9
Fuel Taxes - Highway	18.9	15.6	20.3	23.7	20.2	23.7	22.7	18.3	19.3	20.0	22.9	19.1	23.2	25.6	25.5
Fuel Taxes - Marine	3.2	3.5	3.7	4.3	3.9	4.3	5.3	5.4	5.3	7.2	9.2	10.0	9.4	8.8	8.1
Tobacco Products	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>4.9</u>	<u>6.6</u>	<u>6.1</u>	<u>6.4</u>	<u>11.0</u>	<u>14.0</u>	<u>14.3</u>	<u>14.0</u>	<u>14.1</u>
Total Sale/Use	35.1	33.2	41.2	49.1	47.2	51.9	54.3	51.4	51.8	55.5	64.5	66.0	69.6	66.7	66.6
Estate	0.2	0.5	0.3	0.7	0.7	0.5	0.7	1.1	0.3	0.7	1.1	3.3	1.0	0.9	1.6
School	<u>2.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Other	2.8	0.5	0.3	0.7	0.7	0.5	0.7	1.1	0.3	0.7	1.1	3.3	1.0	0.9	1.6
Total Taxes	1412.3	2282.6	2514.2	2008.7	1937.0	1855.5	1473.4	1004.2	1206.9	1111.8	1381.8	1730.5	1458.7	2107.4	959.5

- Non-Tax Portion-

(\$ millions)	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Business	8.1	9.1	10.8	10.8	10.8	11.9	11.3	10.0	8.6	8.1	6.7	5.8	5.3	6.9	5.6
Non-Business	<u>10.7</u>	<u>12.2</u>	<u>13.0</u>	<u>14.9</u>	<u>15.9</u>	<u>17.0</u>	<u>18.0</u>	<u>19.2</u>	<u>19.7</u>	<u>20.2</u>	<u>21.1</u>	<u>23.3</u>	<u>27.1</u>	<u>25.8</u>	<u>30.1</u>
Total Licenses & Permits	18.8	21.3	23.8	25.7	26.7	28.9	29.3	29.2	28.3	28.3	27.8	29.1	32.4	32.7	35.7
<u>Intergovernmental Receipts</u>															
Federal Shared Revenues	4.8	8.5	21.7	33.3	14.0	10.5	14.5	9.7	6.9	6.1	10.0	14.8	11.4	10.3	4.3
<u>State Resource Revenue</u>															
Bonus Sales	342.4	7.6	5.0	36.2	10.1	11.5	34.7	0.5	5.6	11.4	0.0	18.9	2.6	38.3	0.6
Investment Earnings	119.9	227.8	324.7	375.8	282.7	233.5	195.2	161.9	132.6	100.7	117.9	125.0	101.8	70.9	31.7
Rents	3.0	5.4	3.5	4.3	6.0	5.1	6.2	6.0	6.0	5.3	5.3	5.9	3.9	6.0	4.6
Royalties	688.2	1118.5	1157.3	1078.4	1047.5	1034.0	830.7	439.3	694.8	605.9	747.4	951.6	702.4	711.3	512.1
Sale of State Property	5.7	4.8	5.2	6.3	7.0	8.5	8.7	7.0	3.8	4.9	4.3	4.7	1.0	4.0	9.0
Gravel, Timber, etc.	<u>0.0</u>	<u>0.0</u>	<u>1.2</u>	<u>4.0</u>	<u>2.9</u>	<u>3.1</u>	<u>2.9</u>	<u>7.2</u>	<u>1.1</u>	<u>0.5</u>	<u>0.8</u>	<u>0.4</u>	<u>0.6</u>	<u>0.6</u>	<u>0.4</u>
Total Sale/Use	1159.2	1364.1	1496.9	1505.0	1356.2	1295.7	1078.4	621.9	843.9	728.7	875.7	1106.5	812.3	831.1	558.4
Airports	0.8	1.1	1.6	1.4	1.5	1.6	1.5	1.5	1.8	1.2	1.5	1.3	3.4	1.2	0.5
Ferry System	21.1	24.4	29.2	30.4	32.0	33.4	32.3	31.3	29.8	33.1	34.0	40.7	42.3	40.8	40.4
Other	<u>4.1</u>	<u>3.7</u>	<u>3.6</u>	<u>5.5</u>	<u>4.3</u>	<u>7.9</u>	<u>5.2</u>	<u>4.1</u>	<u>0.7</u>	<u>1.4</u>	<u>1.7</u>	<u>1.5</u>	<u>2.3</u>	<u>1.4</u>	<u>6.1</u>
Total Facilities Charges	26.0	29.2	34.4	37.3	37.8	42.9	39.0	36.9	32.3	35.7	37.2	43.5	48.0	43.4	47.0
Court System	2.8	2.9	3.5	4.2	4.1	4.5	5.1	5.3	5.5	6.0	5.8	6.4	6.2	6.8	6.6
Other	<u>2.0</u>	<u>4.1</u>	<u>6.1</u>	<u>5.9</u>	<u>4.8</u>	<u>5.2</u>	<u>4.1</u>	<u>4.8</u>	<u>2.0</u>	<u>1.9</u>	<u>3.2</u>	<u>7.3</u>	<u>32.2</u>	<u>4.9</u>	<u>4.8</u>
Total Services Charges	4.8	7.0	9.6	10.1	8.9	9.7	9.2	10.1	7.5	7.9	9.0	13.7	38.4	11.7	11.4
Total State Resource Revenue	1190.0	1400.3	1540.9	1552.4	1402.9	1348.3	1126.6	668.9	883.7	772.3	921.9	1163.7	898.7	886.2	616.8
Miscellaneous Revenue	6.7	5.5	7.8	10.9	9.5	16.8	13.0	16.9	16.1	10.0	10.9	14.9	61.4	45.0	36.2
Sub-Total Non-Tax Revenue	1220.3	1435.6	1594.2	1622.3	1453.1	1404.5	1183.4	724.7	935.0	816.7	970.6	1222.5	1003.9	974.2	693.0
Less: Native Claims	131.4														
Plus: Income from prior years							418.7	70.5	163.9	257.7	154.8	33.6			
Total Non-Tax Revenue	1088.9	1435.6	1594.2	1622.3	1453.1	1404.5	1602.1	795.2	1098.9	1074.4	1125.4	1256.1	1003.9	974.2	693.0
Total Tax Revenue	1412.3	2282.6	2514.2	2008.7	1937.0	1855.5	1473.4	1004.2	1206.9	1111.8	1381.8	1730.5	1458.7	2107.4	959.5
Total General Fund															
Unrestricted Revenue	2501.2	3718.2	4108.4	3631.0	3390.1	3260.0	3075.5	1799.4	2305.8	2186.2	2507.2	2986.6	2462.6	3081.6	1652.5