

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

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EXECUTIVE SUMMARY

FALL 1997 REFERENCE CASE

Short-Term Outlook (FY 1997-1999)

Thanks to prices that averaged \$20.85/barrel for Alaska North Slope oil, FY 1997 General Fund unrestricted revenue amounted to \$2,498 million. FY 1997 was the best year for state revenue since FY 1991. So far in FY 1998, ANS oil prices have averaged just over \$18/barrel and that is about what we expect for the rest of this fiscal year and for FY 1999 as well. We expect oil production to decline slightly through FY 1999 but pick up again in FY 2000. Given the uncertainties with respect to the oil market, and given the state's reliance on oil production revenue, we recommend that the reader examine the petroleum revenue sensitivity matrices on Page 32 to understand the effects that different oil prices and production have on state revenue.

Highlights from our fall 1997 forecast are:

- * Oil prices are expected to continue to fluctuate around the \$18/barrel level as continued strong demand absorbs increasing world production both outside and within OPEC.
- * General Fund unrestricted revenue will exceed \$2 billion through FY 1999.
- * Oil production revenue will continue to dominate the General Fund unrestricted revenue picture.
- * ANS production will increase in FY 2000 as the result of the combined production of a number of new oil fields including Alpine, Northstar, Tarn, Badami and West Sak.
- * Non-petroleum revenue will decrease from \$477 million in FY 1998 to \$446.8 million in FY 1999. This decrease is mostly the result of a one-time payment of \$25 million that the state will receive in FY 1998 from an agreement with TAPS owners. Non-petroleum revenue will level off in FY 1999.

Table 1.

SHORT-TERM REFERENCE CASE
Fall 1997 Forecast Projections

FY	Net Disposable		ANS Market Price (\$/Barrel)	ANS Production (Million Barrels/ Day)
	General Fund	General Fund		
	Unrestricted Revenue (\$ Million)	Unrestricted Revenue (\$ Million)		
Prelim ACTUAL 1997	2498.1	2494.9	20.85	1.405
1998	2124.0	2080.9	18.11	1.325
1999	1987.6	2000.4	18.22	1.310

Long-Term Outlook (FY 2000-2020)

Our long-term outlook for revenue assumes no changes are made in the current fiscal system. As a result, oil revenue will continue to dominate Alaska's General Fund revenue picture. Our reference case for long-run oil prices is a composite of two alternative scenarios. One scenario is that demand will tend to outpace supply with the result that oil prices grow at a rate close to that of dollar inflation. The other scenario is that oil-demand growth over the long haul will moderate as energy consumption technologies improve and higher-emissions targeted taxes make oil more expensive to consumers. Alaska oil production is projected to increase in FY 2000-2001 before starting to decline in FY 2002. This forecast does not include the revenue effect of a major North Slope gas sale or the opening of the Arctic National Wildlife Refuge (ANWR) or the National Petroleum Reserve-Alaska (NPR-A).

- * New oil field development will result in a significant increase in oil production in FY 2000-2001. Oil production is projected to decline over the long term at roughly 6 percent per year.
- * Oil prices drift up slowly as increasing oil consumption puts pressure on available global supplies.
- * Increasing transportation costs due to the new hull requirements for tankers, and impact of current production tax rate will dampen the revenue effect of the higher production in FY 2000 and beyond.
- * Non-petroleum General Fund revenue grows at about 1 percent per year.

Table 2.

LONG-TERM REFERENCE CASE Fall 1997 Forecast Projections

FY	Net Disposable		ANS Market Price (\$/Barrel)	ANS Production (Million Barrels/ Day)
	General Fund	General Fund		
	Unrestricted Revenue (\$ Million)	Unrestricted Revenue (\$ Million)		
2000	1962.6	1976.1	18.34	1.355
2001	1965.7	1979.0	18.93	1.354
2002	1946.4	1959.7	19.50	1.326
2003	1906.5	1919.8	20.12	1.264
2004	1857.8	1871.1	20.75	1.198
2005	1755.7	1769.0	21.39	1.129
2010	1449.1	1462.4	25.08	0.772
2015	1317.6	1330.9	29.72	0.553
2020	1208.2	1221.5	35.55	0.394

Figure 1.

FALL 1997 REFERENCE CASE GENERAL FUND UNRESTRICTED REVENUE
Actual (FY 1978-1997) and Projected (FY 1998-2020)

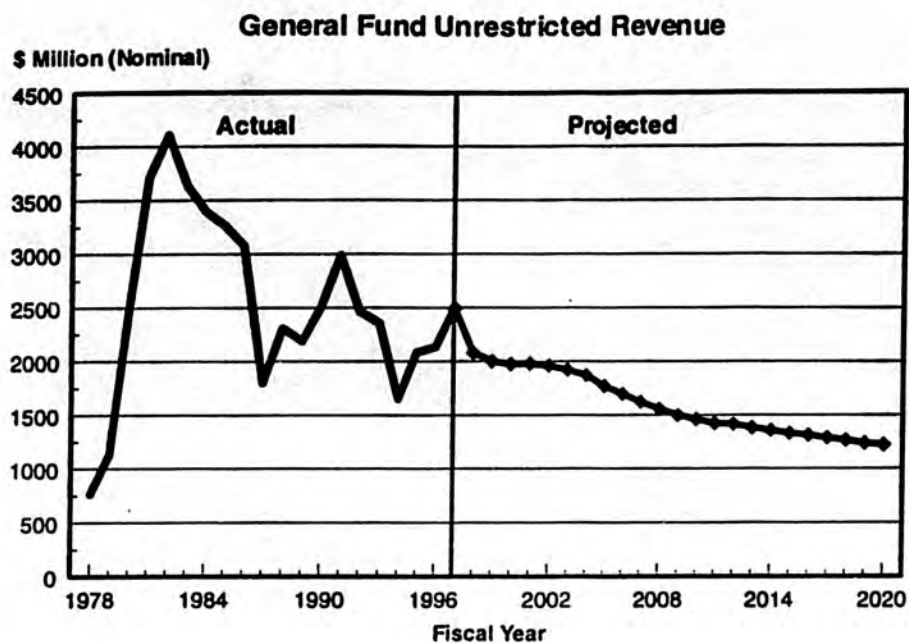


Figure 2.

ECONOMIC LIMIT FACTOR (ELF)
FOR FIELDS WITH CURRENT ELF GREATER THAN ZERO
Actual (FY 1978-1997) and Projected (FY 1998-2020)

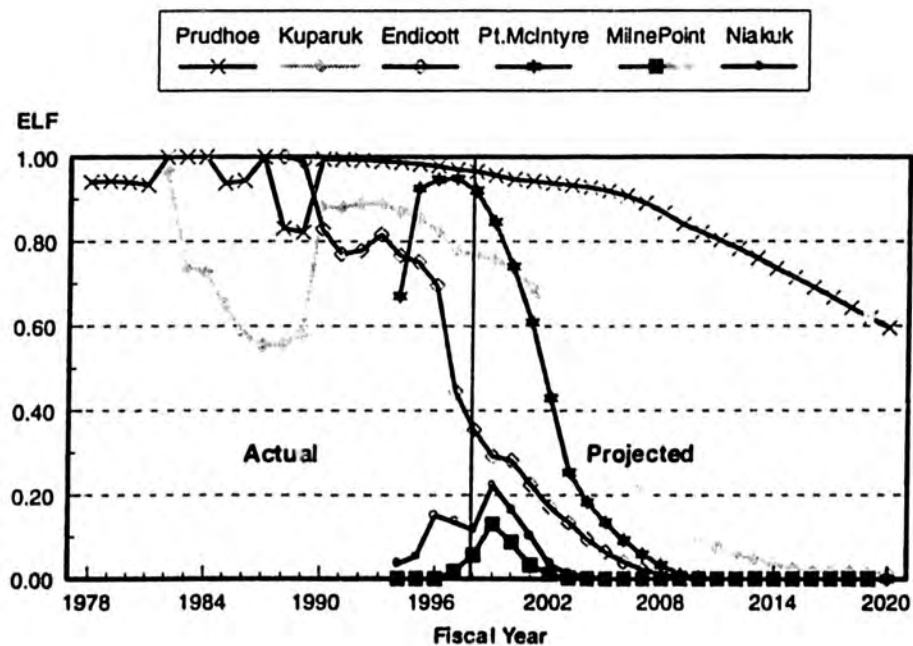


Figure 3.

FALL 1997 REFERENCE CASE ANS MARKET PRICE
Actual (FY 1978-1997) and Projected (FY 1998-2020)

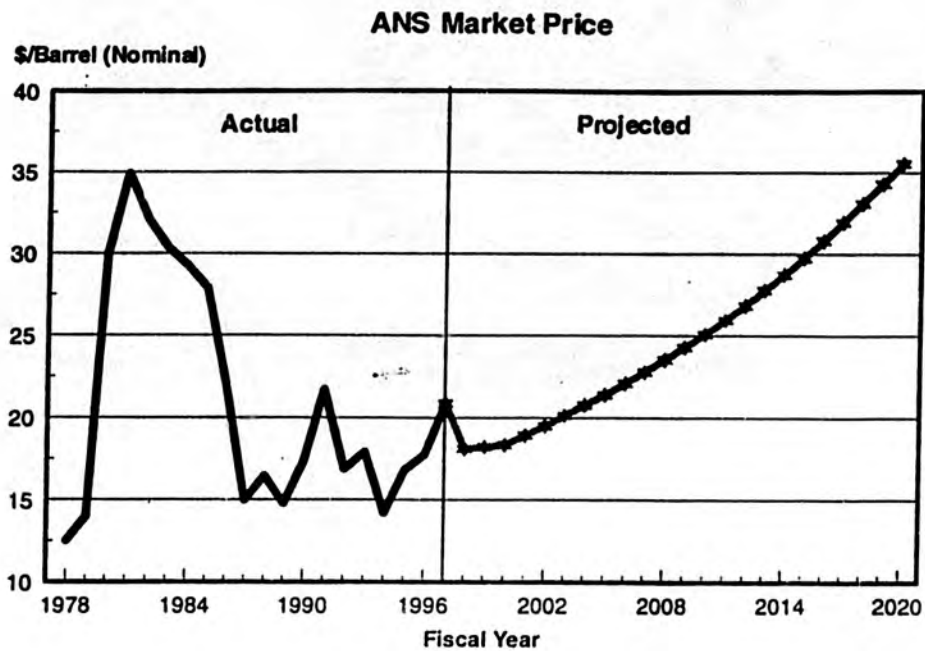
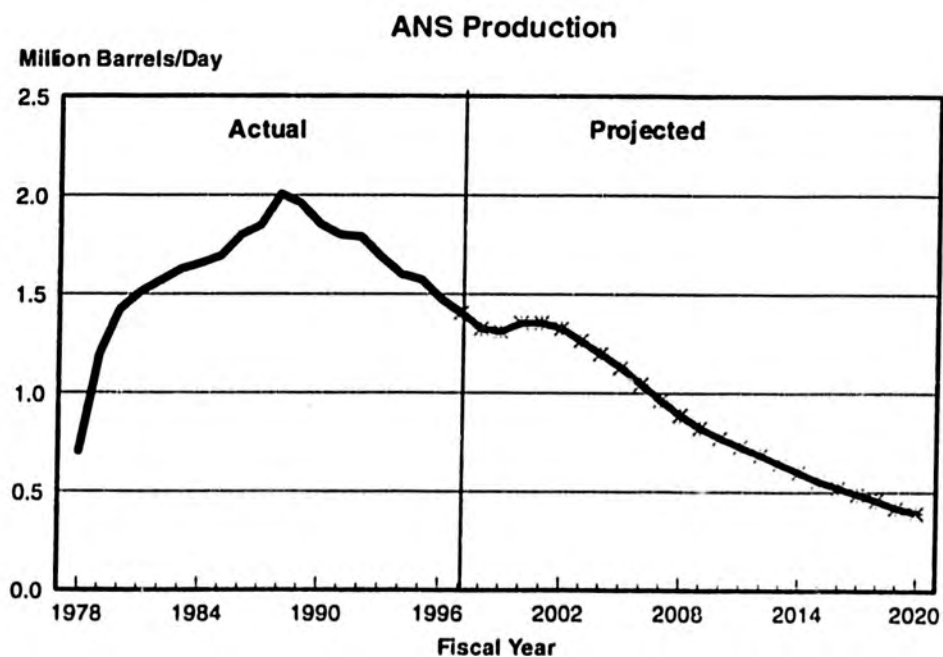


Figure 4.

FALL 1997 REFERENCE CASE ANS PRODUCTION
Actual (FY 1978-1997) and Projected (FY 1998-2020)



REVENUE FORECAST

SHORT-TERM OUTLOOK, FY 1997-1999

The pages that follow summarize the Alaska revenue forecast by source.

The Department of Revenue has historically forecast an amount of General Fund unrestricted revenue that includes all the unrestricted revenue items in the state accounting system (AKSAS) together with certain program receipts that are accounted for as restricted revenue in AKSAS. We now include all program receipts in our projections (except for statutory designated program receipts, Alaska Public Utilities Commission, and test fisheries program receipts) of the General Fund unrestricted revenue because these revenues are not restricted to any particular use.

Both the Governor's Office of Management and Budget and the Alaska State Legislature make a series of adjustments to the Department of Revenue's forecast of General Fund unrestricted revenue to derive a forecast of net disposable General Fund unrestricted revenue. Reductions include: (1) earmarking revenue for specific programs like the Marine Highway System; (2) pass-through revenue for qualified regional aquaculture associations; and (3) revenue shared with qualified local governments and organizations (e.g. fisheries taxes). Additions include: (1) transfer payments from state-owned entities like the Alaska Housing Finance Corporation and the Alaska Industrial Development and Export Authority; and (2) settlements of legal disputes that are not subject to deposit into the Constitutional Budget Reserve Fund (CBRF).

Table 4 reflects the derivation of net disposable General Fund unrestricted revenue. The total revenue reflected in this table is the amount generally used for budget and budget planning purposes. Net disposable General Fund unrestricted revenue does not include settlements from disputes over mineral taxes and royalties, or funds in the CBRF.

Table 5 reflects revenue sources that are annually appropriated under the Executive Budget Act. Much of the revenue is restricted to specific use or may be appropriated only in certain circumstances (e.g. the CBRF).

Table 6 summarizes forecast revenue and fund balances for the Constitutional Budget Reserve Fund and the Alaska Permanent Fund.

Table 3.

GENERAL FUND UNRESTRICTED REVENUE
(\$ Million)

This table presents the General Fund unrestricted revenue forecast that conforms to the account structure of the State accounting system (AKSAS). All General Fund program receipts (reflected in AKSAS) are included.

	Prelim ACTUAL			
	FY 1997	FY 1998	FY 1999	FY 2000
TAXES				
<u>Property Tax - Oil and Gas (1)</u>	53.8	54.0	49.3	47.5
<u>Sales/Use Tax</u>				
Alcoholic Beverage	11.6	11.9	12.0	12.1
Tobacco Products	13.7	14.7	15.2	15.2
Insurance Premium	28.4	28.6	28.9	29.2
Electric and Telephone Cooperative (2)	2.7	2.7	2.7	2.8
Motor Fuel Tax-Aviation (3)	8.1	5.3	5.4	5.4
Motor Fuel Tax-Highway	19.9	24.9	25.1	25.4
Motor Fuel Tax-Marine	7.3	7.3	7.4	7.4
Total	91.7	95.4	96.7	97.5
<u>Income Tax</u>				
Corporation General	48.4	51.6	52.1	52.6
Corporation Petroleum	269.4	216.0	216.0	216.0
Total	317.8	267.6	268.1	268.6
<u>Severance Tax</u>				
Oil and Gas Production	907.0	697.0	657.0	625.0
Oil and Gas Conservation	1.7	1.7	1.6	1.7
Oil and Gas Hazardous Release	12.9	12.4	12.2	12.6
Total	921.6	711.0	670.9	639.4
<u>Other Natural Resource Tax</u>				
Salmon and Seafood Marketing (4)	6.6	5.6	3.0	3.0
Salmon Enhancement (5)	4.2	4.0	4.1	4.1
Fisheries Business (6)	31.0	24.6	25.6	25.6
Fishery Resource Landing (7)	8.3	7.0	7.0	7.0
Mining	0.4	0.8	1.0	1.5
Total	50.5	42.0	40.7	41.2
<u>Other Tax</u>				
Estate	1.7	1.7	1.7	1.7
Charitable Gaming	1.9	1.9	1.9	1.9
Total	3.6	3.6	3.6	3.7
TOTAL TAXES	1438.8	1170.6	1129.3	1097.9

(1) Amounts represent the state's share of the total oil and gas property taxes collected. Estimated total property taxes and the municipalities' share are as follows (\$ Million): FY 1997: \$293.3 and \$239.7; FY 1998: \$284 and \$233; FY 1999: \$283.2 and \$233.9, and FY 2000: \$279.6 and \$232.1. Note that these tax revenues are not reflected as shared taxes in Table 4 because the State never receives the municipal portion of this tax.

(2) 100 percent of the tax is subject to sharing with qualified municipalities (AS 10.25.570). See Table 4.

(3) 60 percent of taxes attributable to aviation fuel sales at municipally owned or operated airports are subject to sharing with qualified municipalities (AS 43.40.010). See Table 4.

(4) Provides annual funding for the Alaska Seafood Marketing Institute (AS 16.51.120 and AS 43.76.120). The salmon marketing tax sunsets on June 30, 1998. Does not include \$1 million transferred from the Fishery Resource Landing Tax to the Alaska Seafood Marketing Institute in FY 1997.

(5) Provides annual funding for qualified regional aquaculture associations (AS 43.76.025). See Table 4.

(6) 50 percent is subject to sharing with qualified municipalities (AS 43.75.130). See Table 4.

(7) 50 percent is subject to sharing with qualified municipalities (AS 43.77.060). See Table 4.

	Prelim ACTUAL			
	FY 1997	FY 1998	FY 1999	FY 2000
LICENSES AND PERMITS				
Motor Vehicle	35.6	33.0	29.4	29.7
Other (8)	33.4	31.0	31.0	31.3
TOTAL LICENSES AND PERMITS	69.0	64.0	60.4	61.0
INTERGOVERNMENTAL RECEIPTS	2.0	1.5	1.5	1.5
CHARGES FOR SERVICES				
Marine Highways (9)	38.6	37.5	41.0	41.6
Airports/Other (10)	39.5	31.5	31.8	32.1
TOTAL CHARGES FOR SERVICES	78.1	69.0	72.8	73.7
FINES AND FORFEITURES	8.2	10.6	9.1	9.2
RENTS AND ROYALTIES				
Mineral Bonuses and Rents (11)(12)	6.4	3.3	3.0	3.0
Oil and Gas Royalties (11)	759.2	622.6	614.4	619.6
Timber Sales	1.9	1.8	1.8	1.7
Coal Rent and Royalties (11)	1.0	1.2	1.2	2.2
Other Resource Revenue	8.6	8.0	8.1	8.2
TOTAL RENTS AND ROYALTIES	777.1	636.9	628.5	634.7
INVESTMENT EARNINGS (13)	77.1	65.6	62.6	61.9
OTHER MISCELLANEOUS (14)	44.6	62.7	36.2	36.2
TOTAL GENERAL FUND UNRESTRICTED REVENUE (15)	2494.9	2080.9	2000.4	1976.1

(8) Includes amounts from coin-operated devices (AS 43.35.050) and liquor licenses (AS 04.11.610) shared to qualified municipalities. See Table 4.

(9) The gross revenue of the state ferry system is deposited in the Alaska Marine Highway Fund (AS 19.65.06) and may then be appropriated for system operating and capital expenditures.

(10) Includes miscellaneous receipts for services, park fees and land-disposal fees. Projections do not include health insurance premiums, statutory designated program receipts, Alaska Public Utilities Commission or test fisheries receipts.

(11) Net of Permanent Fund and Public School Fund contributions.

(12) The first North Slope areawide lease sale is scheduled for June 1998. Other future sales include a re-offer of Cook Inlet leases, Sale 85A-W, in February 1998 and a Beaufort Sea Sale, Sale 86, in November 1997. 50 percent of the bonuses are deposited into the Permanent Fund.

(13) Earnings include investment income from the General Fund and funds within the General Fund group. Additionally, includes interest income from state loans and royalty and severance taxes.

(14) Includes \$25 million and \$1.5 million from one-time payments per agreements between TAPS owners and the state. The \$25 million payment will be received by the state on February 4, 1998, per the Alaska Department of Law. Projections do not include statutory designated program receipts, Alaska Public Utilities Commission or test fisheries program receipts.

(15) This includes all revenue that is collected by the state and is not restricted in its use. Federal and other grants are restricted revenue and are excluded from this table.

Table 4.

NET DISPOSABLE GENERAL FUND UNRESTRICTED REVENUE
(\$ Million)

Each year the Governor's Office of Management and Budget and the Legislature must make adjustments to our forecast of General Fund unrestricted revenue to derive net disposable General Fund unrestricted revenue. First, the amount of the tax and license revenues collected by the state that are passed through to municipalities must be deducted. Second, certain pass through and earmarked General Fund revenue items that the Legislature treats as restricted must also be deducted. Third, certain miscellaneous other revenue must be added.

	Prelim ACTUAL			
	FY 1997	FY 1998	FY 1999	FY 2000
UNRESTRICTED TO RESTRICTED				
Taxes Shared With Municipal Government (1)				
Electric and Telephone Cooperative	(2.6)	(2.7)	(2.7)	(2.8)
Fuel Tax-Aviation	(0.1)	(0.2)	(0.2)	(0.2)
Fisheries Business	(15.4)	(12.3)	(12.8)	(12.8)
Fishery Resource Landing (2)	(4.1)	(3.5)	(3.5)	(3.5)
Liquor Licenses and Coin-Operated Devices	(0.9)	(0.9)	(0.9)	(0.9)
Total	(23.1)	(19.6)	(20.1)	(20.2)
Pass-Throughs (3)				
Salmon Enhancement	(4.2)	(4.0)	(4.1)	(4.1)
Earmarked (4)				
Marine Highways	(38.6)	(37.5)	(41.0)	(41.6)
TOTAL UNRESTRICTED TO RESTRICTED	(65.9)	(61.1)	(65.2)	(65.9)
RESTRICTED TO UNRESTRICTED				
Unclaimed Property Payments	1.3	1.5	1.5	1.5
Deposit Excess Loan Funds	2.8	0.9	0.9	0.9
Trans-Alaska Pipeline Liability Fund (5)	0.0	15.8	0.0	0.0
AHFC Dividend Payment	50.0	50.0	50.0	50.0
AHFC Bond Insurance Fund Closeout (6)	0.0	20.0	0.0	0.0
AIDEA Dividend Payment (7)	15.0	16.0	0.0	0.0
TOTAL RESTRICTED TO UNRESTRICTED	69.1	104.2	52.4	52.4
NET ADJUSTMENTS TO GENERAL FUND UNRESTRICTED REVENUE	3.2	43.1	(12.8)	(13.5)
UNRESTRICTED GENERAL FUND REVENUE (from Table 3)	2494.9	2080.9	2000.4	1976.1
NET DISPOSABLE GENERAL FUND UNRESTRICTED REVENUE	2498.1	2124.0	1987.6	1962.6

(1) These taxes and fees are collected by the state and some or all of the taxes or fees are paid to municipalities.

(2) Because the 1996 landing tax has not yet been shared in FY 1997, the \$4.1 million is an estimate. Although the 1996 landing tax will not be shared until FY 1998, it is shown as FY 1997 revenue.

(3) This tax is collected by the state but has always been appropriated to provide funding for qualified regional aquaculture associations.

(4) These charges for services are unrestricted General Fund revenue, but for budget planning are treated as restricted revenue.

(5) Estimated year of payment.

(6) An additional \$7.6 million is included under corporation receipts in Table 5 for FY 1998 (for a total AHFC Insurance Fund Closeout payment of \$27.6 million).

(7) The projected AIDEA dividends of \$16 million in FY 1999 and FY 2000 are assumed to be restricted corporation receipts.

Table 5.

TOTAL REVENUE RECOGNIZED BY THE EXECUTIVE BUDGET ACT
(\$ Million)

Many restricted and non-General Fund revenue sources are annually appropriated under the Executive Budget Act. Much of this revenue is restricted for specific uses (e.g. most federal funds) or may only be appropriated under certain conditions (e.g. the Constitutional Budget Reserve Fund). Permanent Fund net income may be legally appropriated in the same manner as unrestricted revenue, but the established practice has been to treat Permanent Fund net income as if it were restricted. Other revenue sources are either constitutionally dedicated or automatically deposited into a specific account, such as undistributed Permanent Fund net income.

The table below shows all of the state's revenue sources except for pension fund earnings, municipal bond proceeds, inter-fund transfers where the state has received no new net revenue, and earnings from the Alaska Railroad. Data for FY 1999 will be available in our spring forecast.

RESTRICTED GENERAL FUND AND OTHER REVENUE SOURCES

	Prelim ACTUAL	
	FY 1997	FY 1998
Appropriated		
Federal Funds	1093.3	1113.9
Mental Health Trust Authority (MHTA)	7.2	8.0
Corporate Receipts Subject to Executive Budget Act (1)	107.2	133.9
Other Sources Net of Duplication (2)	378.2	354.2
Permanent Fund Dividends and Inflation Proofing	<u>1235.0</u>	<u>1335.1</u>
Appropriated Total	2820.9	2945.1
Non-Appropriated or Appropriated Under Special Conditions		
Dedicated Funds (3)	355.0	299.8
Constitutional Budget Reserve (CBR) Earnings and Estimated Settlements (4)	722.0	533.8
Permanent Fund Undistributed Net Income (5)	<u>829.2</u>	<u>288.4</u>
Non-Appropriated Total	1906.2	1122.0
TOTAL RESTRICTED AND OTHER FUNDS	4727.1	4067.1
NET DISPOSABLE GENERAL FUND UNRESTRICTED REVENUE	2498.1	2124.0
TOTAL REVENUES FROM ALL FUND SOURCES	7225.2	6191.1

(1) All quasi-independent corporations are subject to the Executive Budget Act except the Alaska Railroad Corporation.

(2) Includes University of Alaska receipts, international airport and marine highway receipts, and retirement fund distributions. FY 1998 includes statutory designated program receipts, Alaska Public Utilities Commission and test fisheries receipts.

(3) Funds include: the School Fund, Public School Trust Fund, Fish and Game Fund, Fisherman's Sick and Disabled Fund, Second Injury Fund, University of Alaska Trust Fund, FICA Administration Fund and Permanent Fund dedication.

(4) Constitutional Budget Reserve Fund (CBRF) revenue projections include \$270 million in estimated petroleum tax and royalty settlements for FY 1998.

(5) Source: FY 1997, Alaska Permanent Fund Corporation 1997 Annual Report; FY 1998 Alaska Department of Revenue Permanent Fund model projections.

Table 6.

CONSTITUTIONAL BUDGET RESERVE FUND AND ALASKA PERMANENT FUND
(\$ Million)

The fall 1997 revenue forecast for the Constitutional Budget Reserve Fund and the Alaska Permanent Fund are summarized below.

	<u>Prelim Actual</u>		
	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
CONSTITUTIONAL BUDGET RESERVE FUND SUMMARY			
Beginning Balance (1)	2,518.0	3,171.7	3,475.9
Earnings (2)	155.4	263.8	256.8
Petroleum Tax and Royalty Settlements (3)	566.6	270.0	270.0
General Fund Surplus/ Deficit (appropriated to fill gap) (4)	66.4	(229.6)	(400.0)
Ending Balance	3,171.7	3,475.9	3,602.7
ALASKA PERMANENT FUND SUMMARY (5)			
<u>Principal</u>			
Beginning Balance (Cost Basis)	16,176.5	17,795.0	18,595.8
Dedicated Petroleum Revenue	308.4	231.4	232.4
Inflation Proofing	485.7	545.4	569.7
Deposits to Principal (6)	824.4	24.0	25.0
End-of-Year Balance (Cost Basis)	17,795.0	18,595.8	19,422.9
<u>Earnings and Earnings Reserve</u>			
ERA Beginning Balance (Cost Basis)	103.9	106.9	371.2
Net Income (7)	2,064.2	1,623.4	1,710.7
Dividend Payout	(749.3)	(789.7)	(852.5)
Inflation Proofing	(485.7)	(545.4)	(569.8)
Deposits to Principal (6)	(824.4)	(24.0)	(25.0)
Other Appropriations (8)	(1.8)	0.0	0.0
ERA End-of-Year Balance (Cost Basis)	106.9	371.2	634.6
<u>Market Value</u>			
Principal End-of-Year (Cost Basis)	17,795.0	18,595.8	19,422.9
ERA End-of-Year Balance (Cost Basis)	106.9	371.2	634.6
End-of-Year Unrealized Earnings	3,153.1	3,295.4	3,452.0
End-of-Year Balance (Market Value)	21,055.0	22,262.4	23,509.5

(1) FY 1997 beginning balance reconciled to the Annual Financial Report. Subsequent years are estimates.

(2) Earnings rate assumed to be 7.16 percent.

(3) Settlement estimates provided by the Department of Revenue and Department of Law.

(4) FY 1997 surplus appropriated to the General Fund in the FY 1998 budget. FY 1999 deficit is a plug number. The Governor's preliminary budget plan will be issued on December 15, 1997. FY 1997 Ending Balance does not equal column total due to sweep provisions.

(5) Source: FY 1997, Alaska Permanent Fund Corporation 1997 Annual Report; subsequent years, Alaska Department of Revenue Permanent Fund model projections.

(6) Includes legislative appropriations from the Earnings Reserve Account (ERA) plus certain earnings derived from royalty litigation settlement payments that cannot legally be used to pay Permanent Fund dividends.

(7) Rate of return assumed to be 8.4 percent per capital market assumption developed by Callan's, the Permanent Fund Corporation's investment advisor.

(8) Includes escrow for Beaufort Sea litigation and Department of Law.

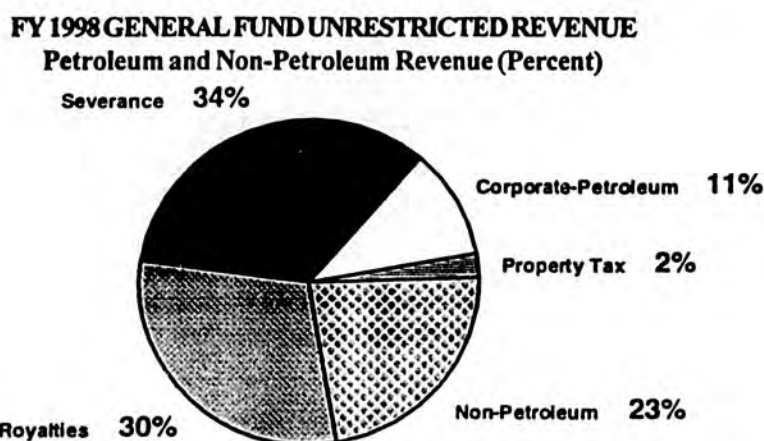
PETROLEUM REVENUE OVERVIEW

Petroleum revenue has provided over 75 percent of the state's General Fund unrestricted revenue for the past nineteen years, and accounted for 81 percent of total General Fund unrestricted revenue in FY 1997. We project petroleum revenue continuing to comprise the majority of Alaska's General Fund unrestricted revenue: 77 percent in FY 1998, 78 percent in FY 1999, and 77 percent in FY 2000.

The majority of General Fund revenue will continue to come from petroleum in the form of: (1) severance (or production) taxes; (2) oil and gas royalties on state and federal land; (3) petroleum corporation income tax; (4) petroleum property tax; and (5) petroleum rents and lease bonuses. Alaska's North Slope contributes the majority of the state's petroleum revenue, generating 96 percent of total petroleum revenue in FY 1997.

The figure below shows the break-out of FY 1998 projected petroleum and non-petroleum General Fund unrestricted revenue.

Figure 5.



Traditionally, state revenue has been primarily stated in General Fund terms since these are the funds the legislature exercises complete discretion over. The total revenue picture includes other sources such as federal funds and dedicated revenues. Figure 6 shows a total fund perspective that yields a different view of the proportion of state revenue derived from all sources. In total funds terms, investment earnings (32 percent) are the largest source of state revenue. Investment earnings include Permanent Fund net income, CBRF earnings, and General Fund interest. The various petroleum revenues (29 percent) and federal revenue (18 percent) make up the bulk of the remainder.

Figure 6.

FY 1998 TOTAL REVENUE RECOGNIZED BY THE EXECUTIVE BUDGET ACT
All Revenue Sources (Percent)



CURRENT MARKET SITUATION

Alaska North Slope (ANS) crude oil prices have averaged roughly \$18/barrel over the first four months of FY 1998. Concern over the adequacy of oil stockpiles and heightened tension in the Persian Gulf due to Iranian fly-overs of the Iraqi no-fly zone have kept ANS oil prices over the \$19/barrel mark for most of October. Iraq continues to export roughly 900,000 barrels/day of "humanitarian" oil. Future oil prices over the near term will depend in large measure on the severity of the winter in the Northern Hemisphere.

This forecast assumes that oil prices will move down from current levels through the winter and bottom out by spring, with ANS averaging \$18/barrel again by next March. We assume in this forecast that the partial embargo on Iraqi exports remains in place. The future of the Iraqi embargo is the subject of ongoing United Nations discussions.

Organization of Petroleum Exporting Countries (OPEC)

OPEC is currently estimated to be producing 27.8 million barrels/day of crude oil. This is 2.8 million barrels/day over its quota of 25 million barrels/day. Venezuela, Nigeria and Iraq account for almost 1.7 million barrels/day of the over-quota production.

OPEC will meet in Jakarta, Indonesia, on November 26, when the issue of increasing quotas will no doubt be considered. So far, even with increased production from non-OPEC producers, robust crude oil demand has absorbed the increase in OPEC production. The severity of this winter's weather and the size of the anticipated increases in non-OPEC production will dictate the extent to which OPEC may need to act to prevent a serious decline in oil prices. This forecast assumes that Iraq will continue to be constrained to exporting \$1 billion worth of crude oil every three months.

Table 7.

OPEC PRODUCTION (Million Barrels /Day)

Country	September 1997	1997 Quota	Over/(Under) Quota
Algeria	0.845	0.750	0.095
Indonesia	1.493	1.330	0.163
Iran	3.700	3.600	0.100
Iraq	1.600	1.200	0.400
Kuwait (1)	2.100	2.000	0.100
Libya	1.420	1.390	0.030
Nigeria	2.250	1.865	0.385
Qatar	0.660	0.378	0.282
Saudi Arabia (1)	8.200	8.000	0.200
UAE	2.300	2.161	0.139
Venezuela	3.250	2.359	0.891
TOTAL	27.818	25.033	2.785

(1) Share output in Neutral Zone.

Source: Platts Oilgram Price Report, October 14, 1997

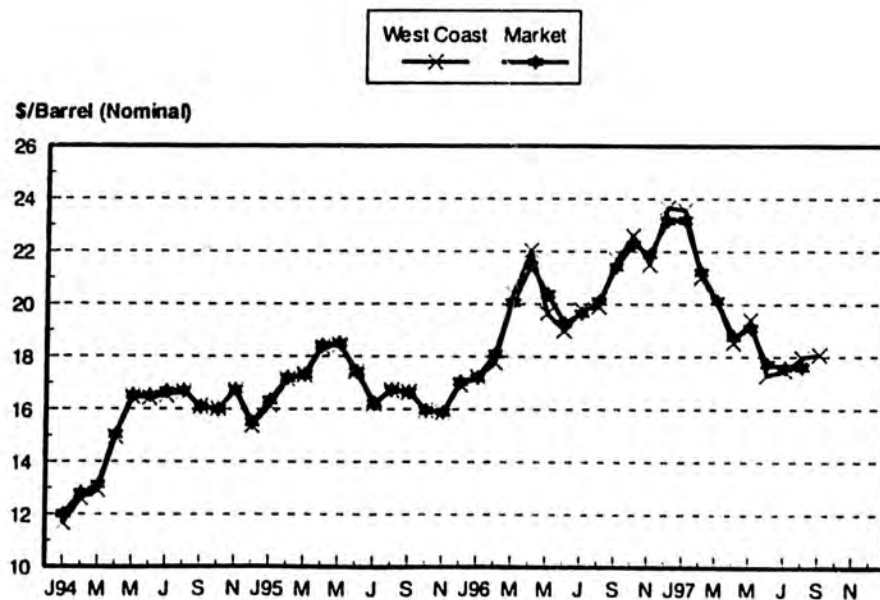
Alaska North Slope

FY 1997 ANS West Coast spot oil prices averaged \$20.85/barrel. Prices began to fall dramatically last February, from a January average of \$23.57/barrel to a June average of \$17.28/barrel. FY 1998 prices have averaged roughly \$18/barrel through October 1997. Currently, roughly 95 percent of ANS production is sold either in Alaska or for West Coast or Hawaii delivery. Most of the remaining 5 percent is exported to Asia.

The ANS export market has turned out to be seasonal, with sales peaking in the winter heating months and declining in the summer. This meshes well with the U.S. West Coast consumption pattern, where the summer driving season is the high demand time of the year. This forecast assumes that exports will average between 70,000 and 80,000 barrels/day over the next three years. We assume that the export price will average roughly \$.20/barrel less than the ANS West Coast spot price. Diverting sales from U.S. Gulf Coast markets to the closer Asian market will continue to enhance the netback value of ANS production. We estimate that the ability to export will mean an additional \$10 million per year to the state treasury in transportation cost savings alone. Econometric analysis suggests that the export ban may also be worth an additional \$40 million annually in terms of higher West Coast oil prices. As ANS production falls, so will exports. With the assumed rate of higher production in this forecast, exports will continue to be economically attractive through FY 2003.

Figure 7.

HISTORICAL ANS SPOT PRICES (\$/Barrel)



METHODOLOGY

ANS OIL PRICE AND PRODUCTION FORECAST ASSUMPTIONS

The Department of Revenue uses a variety of models and techniques to prepare the revenue forecast. The main petroleum forecasting model is a marketing and production model that projects severance taxes and royalties on a field-by-field basis.

Key assumptions for our fall 1997 forecast are represented in Table 8 on Page 24. Inflation rates were developed by the Department of Revenue, Department of Labor, and Office of Management and Budget. Production assumptions were developed by the Department of Revenue from information provided by the producing companies, the Alaska Department of Natural Resources, and the Alaska Oil and Gas Conservation Commission. Trans-Alaska Pipeline Systems (TAPS) tariffs are the result of the application of the Taps-Settlement Methodology (TSM) and are based on the most recent TAPS filings. Oil price assumptions were developed by the Department of Revenue with the assistance of state economists and investment professionals from the Department of Natural Resources, Department of Labor, Office of Management and Budget, and the University of Alaska.

In this forecast, we discuss only one of the many possible future price and production scenarios: the reference case. To assist in examining other possible outcomes, we have developed a revenue matrix to provide estimates for state General Fund unrestricted revenue for various alternative ANS price and production levels in FY 1998-2000. These sensitivity matrices are provided on Page 32.

Market Price

The Department of Revenue relies on spot oil prices as reported in *Platt's Oilgram Price Report*. Currently, prices reported by the North Slope producers for severance tax and royalty purposes closely track spot oil prices. Actual royalties are paid based on a value that is determined by a market basket of crude oil prices that includes the ANS spot price.

Our fall 1997 reference case projections for ANS market prices (the average of sales prices to the U.S. West Coast, U.S. Gulf Coast and Asian market destinations) are listed in Table 8 on Page 22.

Transportation Costs

Marine transportation costs to ship ANS production to markets are expected to increase over time due to the phase-in of new tanker hull requirements under the federal Oil Pollution Act of 1990. We expect a roughly \$.15/barrel increase in tanker costs starting in FY 2000 and \$.60/barrel in FY 2005 as a result of this required new capital investment. At the same time, we expect that ANS shipments over time will increasingly be for strictly West Coast destinations, which will eliminate the higher-cost shipping requirements for export and U.S. Gulf Coast markets.

Trans-Alaska Pipeline System (TAPS) Tariffs

The TAPS tariff is determined according to the TAPS Settlement Methodology, a rate-making method approved by the Federal Energy Regulatory Commission that allows the TAPS owners to recover their costs, including an allowance for profit.

TAPS tariffs are filed on a calendar year basis with new tariffs taking effect January 1 each year. The expected tariff filing for calendar year 1998 is \$2.78/barrel. Table 8 on the next page contains projected tariffs for FY 1999-2020.

Feeder Pipeline Costs

Table 8 also contains projected pipeline costs. Certain additional transportation costs are also incurred to move the various crude oils that comprise ANS to the trans-Alaska pipeline system. These include both feeder pipeline charges and other cost adjustments to account for the different qualities of oil entering the pipeline.

Wellhead Price

The combination of ANS wellhead value and production by field is the basis for both state severance taxes and royalties. The wellhead value by field is calculated by subtracting the relevant pipeline tariff and marine transportation costs (as well as adjustments for North Slope feeder pipelines and pipeline quality bank) from the sales price.

Table 8.

FALL 1997 REFERENCE CASE FORECAST ASSUMPTIONS

	Inflation Rate (Percent)	ANS Market (\$/ Barrel)	Marine Transportation (\$/ Barrel)	TAPS Tariff (\$/ Barrel)	Feeder Pipeline (\$/ Barrel)	ANS Wellhead (\$/ Barrel)
Prelim ACTUAL 1997	2.8	20.85	1.64	2.76	0.03	16.43
1998	2.8	18.11	1.73	2.66	0.07	13.64
1999	2.8	18.22	1.69	2.71	0.14	13.68
2000	2.8	18.34	1.95	2.63	0.19	13.57
2001	2.8	18.93	1.93	2.60	0.19	14.21
2002	2.8	19.50	1.88	2.70	0.19	14.73
2003	2.8	20.12	1.78	2.81	0.18	15.35
2004	2.8	20.75	1.81	2.95	0.18	15.81
2005	2.8	21.39	2.44	3.12	0.18	15.65
2006	2.8	22.08	2.49	3.31	0.18	16.10
2007	2.8	22.79	2.54	3.49	0.18	16.58
2008	2.8	23.53	2.59	3.67	0.18	17.09
2009	2.8	24.29	2.64	3.82	0.18	17.65
2010	2.8	25.08	2.69	3.99	0.18	18.22
2011	2.8	25.94	2.74	4.24	0.17	18.79
2012	2.8	26.83	2.79	4.01	0.17	19.86
2013	2.8	27.76	2.85	4.28	0.17	20.46
2014	2.8	28.72	2.91	4.57	0.17	21.07
2015	2.8	29.72	2.96	4.94	0.17	21.65
2016	2.8	30.79	3.02	5.27	0.17	22.33
2017	2.8	31.91	3.09	5.66	0.17	22.99
2018	2.8	33.07	3.15	6.07	0.17	23.68
2019	2.8	34.28	3.21	6.65	0.14	24.28
2020	2.8	35.55	3.28	7.13	0.14	25.00

Production

The production assumptions for Alaska's North Slope were developed on a field-by-field specific basis. Long-term production assumptions are made for all discoveries currently under development or being evaluated for future development. The production forecast is based on company-assessed proven and probable reserves, development plans where available, and assessments by technical personnel at the Department of Revenue, Department of Natural Resources, and the Alaska Oil and Gas Conservation Commission with respect to enhanced recovery opportunities.

The fall forecast includes detailed projections for oil discoveries announced by the industry during the past year. These discoveries represent nearly one-fourth of the total ANS production projected by FY 2002. The new fields include Alpine, Badami, Northstar, Tarn, Liberty, West Sak, Sourdough and the various satellite discoveries at or near Prudhoe Bay and Kuparuk. Production from some of these fields is anticipated in the next two months.

FY 1998 production has been revised to account for delays in satellite field development, warmer than expected ambient temperatures on the North Slope so far this year, downtime associated with decommissioning two TAPS pump stations, and delays in hooking up new wells at the Milne Point Unit. Most of the 48,000 barrels/day reduction from our spring forecast represents deferred production that will be picked up in FY 1999 and beyond.

Over the long term, we expect that ANS production will increase to 1.355 million barrels/day in FY 2000 and then begin to decline again by FY 2002, declining at an average rate of roughly 6 percent annually.

We have assumed that the Economic Limit Factor (ELF) will continue to decrease as our large oil fields are depleted (see Figure 2 on Page 11). The average oil production tax rate is forecast to fall from 12 percent in FY 1998 to 10.5 percent by FY 2000 and to 7.6 percent FY 2005.

Figure 8.

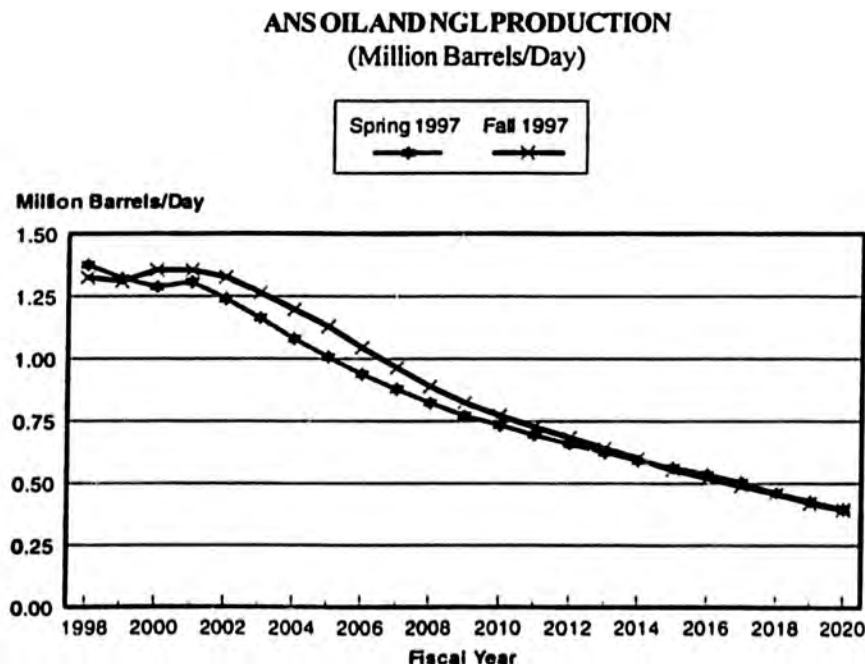


Table 9.

ALASKA OIL AND NGL PRODUCTION
(Million Barrels/Day)

		Prelim ACTUAL		
		FY 1997	FY 1998	FY 1999
Alaska North Slope				
Oil	Prudhoe Bay	0.7412	0.6793	0.6305
	Kuparuk	0.2667	0.2643	0.2600
	Milne Point	0.0471	0.0537	0.0623
	Endicott/ Sag Delta	0.0647	0.0595	0.0541
	Lisburne	0.0110	0.0081	0.0098
	Alpine	0.0000	0.0000	0.0200
	North Star	0.0000	0.0000	0.0000
	Niakuks (1)	0.0284	0.0312	0.0278
	West Sak	0.0000	0.0013	0.0070
	Point McIntyre	0.1630	0.1508	0.1205
	Prudhoe Bay and Kuparuk Satellites	0.0003	0.0003	0.0100
	Tarn	0.0000	0.0000	0.0100
	Schrader Bluff	0.0039	0.0044	0.0055
	West Beach	0.0014	0.0008	0.0019
	Badami	0.0000	0.0000	0.0175
	Sag River	0.0013	0.0018	0.0060
	Total ANS Oil	1.3290	1.2554	1.2428
NGLs	Prudhoe Bay	0.0679	0.0608	0.0585
	Endicott/ Sag Delta	0.0032	0.0041	0.0039
	Lisburne	0.0016	0.0010	0.0014
	Niakuks (1)	0.0003	0.0005	0.0005
	Point McIntyre	0.0025	0.0029	0.0023
	West Beach	0.0001	0.0001	0.0002
	Total ANS NGLs	0.0755	0.0693	0.0668
Liquids	Prudhoe Bay	0.8091	0.7400	0.6890
	Kuparuk	0.2667	0.2643	0.2600
	Milne Point	0.0471	0.0537	0.0623
	Endicott/ Sag Delta	0.0678	0.0635	0.0580
	Lisburne	0.0126	0.0091	0.0111
	Alpine	0.0000	0.0000	0.0200
	North Star	0.0000	0.0000	0.0000
	Niakuks (1)	0.0287	0.0317	0.0283
	West Sak	0.0000	0.0013	0.0070
	Point McIntyre	0.1655	0.1538	0.1228
	Prudhoe Bay and Kuparuk Satellites	0.0003	0.0003	0.0100
	Tarn	0.0000	0.0000	0.0100
	Schrader Bluff	0.0039	0.0044	0.0055
	West Beach	0.0015	0.0009	0.0021
	Badami	0.0000	0.0000	0.0175
	Sag River	0.0013	0.0018	0.0060
	Total ANS Oil	1.4045	1.3247	1.3095
Cook Inlet		0.0369	0.0320	0.0282
TOTAL ALASKA		1.4414	1.3567	1.3377

(1) Includes Niakuk, West Niakuk (27), Niakuk 28, and Niakuk 29.

OTHER PETROLEUM AND NON-PETROLEUM REVENUE FORECAST ASSUMPTIONS

The non-petroleum revenues are projected based on trend extrapolation, econometric analysis and assessment by state economists and resource and financial managers.

Petroleum Corporation Income Tax

The projected decrease of \$53.4 million from FY 1997 (\$269.4 million) to FY 1998 (\$216 million) is a result of assumed lower crude oil prices in FY 1998. Alaska petroleum income tax revenue is a function of two factors: (1) the size of the oil and gas corporations' Alaska petroleum activity relative to their activity worldwide, and (2) their total net worldwide earnings. Petroleum income tax revenue will stay flat through FY 2000 and decline slowly till FY 2005. After FY 2005, Alaska petroleum income tax revenue will decline at a more rapid pace because of larger reductions in the relative size of Alaska oil and gas corporation activity compared with their worldwide activity.

General Corporation Income Tax

The non-petroleum income tax revenue of \$48.4 million in FY 1997 is \$3.7 million higher than the five-year average (FY 1992-1996) of \$44.7 million. General corporation income taxes are a function of two factors: (1) the relative size of corporations' Alaska-versus-U.S. activity, and (2) their total U.S. net earnings. General corporation income tax collections are projected to show an increase of \$3.2 million in FY 1998 and then grow at the same pace as the Alaska economy.

Petroleum Property Tax

Oil and gas property tax is levied at 20 mills on the full and true value of taxable property. The amount of this tax will continue to decline as new investments in oil facilities fail to keep pace with the depreciation of existing facilities. The table below shows the distribution of the petroleum property tax between local communities and the state for FY 1997.

Table 10.

FY 1997 PETROLEUM PROPERTY TAX
(\$ Million)

Borough	Gross Tax	Local Tax	State Tax
North Slope	229.30	212.22	17.08
Unorganized	30.56	N/A	30.56
Valdez	13.85	13.79	0.06
Kenai	11.68	7.43	4.26
Fairbanks	6.00	4.66	1.34
Anchorage	0.89	0.84	0.06
Matanuska-Susitna	0.10	0.08	0.03
Cordova	0.06	0.04	0.02
Whittier	0.01	0.00	0.01
TOTAL	292.47	239.06	53.41

Total cashflow collections may not match final accounting in AKSAS.

Excise Tax

slightly in FY 1997 due to a decrease in the number of gallons of
return to just below its five-year (from FY 1992-1996) average of \$12
over the long term.

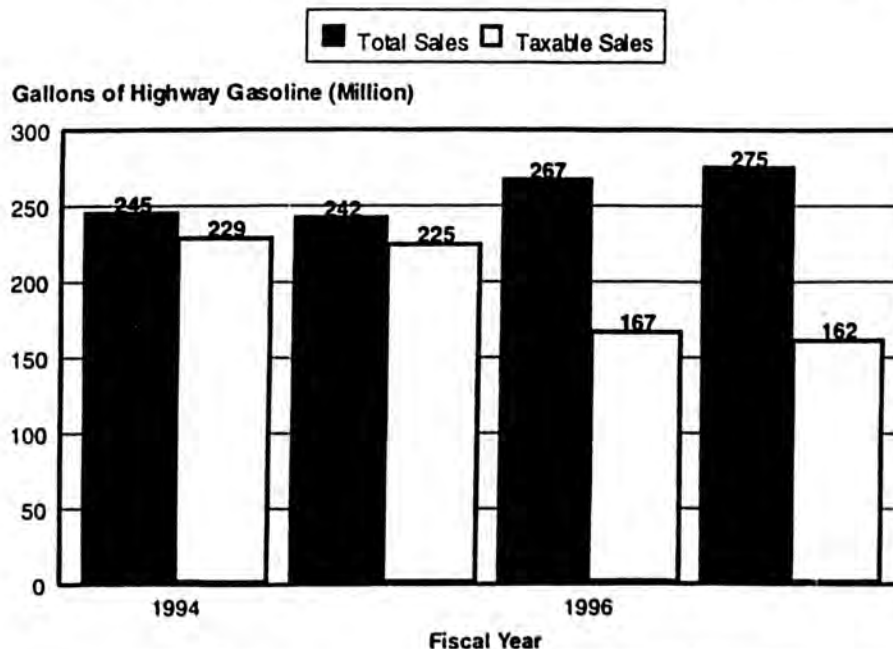
cigarette tax rate increased from \$.29 to \$1/pack (for 20 cigarettes), and the tax
products (e.g. cigars and smokeless) increased from 25 percent to 75 percent of the
revenue from the \$.71 cigarette tax rate increase will go to the School Fund and is
restricted revenue (Table 5). The direct effect on the General Fund from the tax increase is
General Fund revenue collected from cigarettes will decline by \$1.6 million in FY 1999 due to a
decrease in the consumption of cigarettes. This decrease will occur as a result of the large price increase.
Revenue from the other tobacco products tax rate increase goes into the General Fund and is estimated to be
\$2.6 million in FY 1999. We estimate that the net result will be a small increase in General Fund revenue from
tobacco taxes. Over the long term the trend for tobacco revenue will be a small increase.

Motor Fuel

In July 1997, the following three changes were made to the Alaska motor fuel statute: (1) the gasohol exemption was repealed, (2) an exemption for marine bunker fuel was passed, and (3) the foreign flight exemption was expanded. The gasohol exemption resulted in approximately 90 million gallons of fuel being exempt from tax in FY 1997 (see Figure 9). With the repeal of this exemption, all of this fuel will now be taxed. However, during the months when gasohol use is mandated in the Anchorage area (November-February) the tax will drop from \$.08/gallon to \$.02/gallon. The net result is a projected increase in revenue from the highway motor fuel tax of \$5 million in FY 1998. However, aviation fuel and marine fuel revenue is projected to decrease by \$3.4 million due to the expansion of the foreign flight exemption and the exemption for marine bunker fuel. The net gain in motor fuel tax revenue in FY 1998 is projected to be \$1.6 million. The long-term outlook is for continued slow growth in motor fuel tax revenue.

Figure 9.

TOTAL GALLONS OF GASOLINE SOLD VS. TAXABLE GALLONS



CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

Excise Tax

Alcohol and Tobacco

Alcohol tax collections were down slightly in FY 1997 due to a decrease in the number of gallons of liquor sold. We project that revenue will return to just below its five-year (from FY 1992-1996) average of \$12 million in FY 1998 and then grow slowly over the long term.

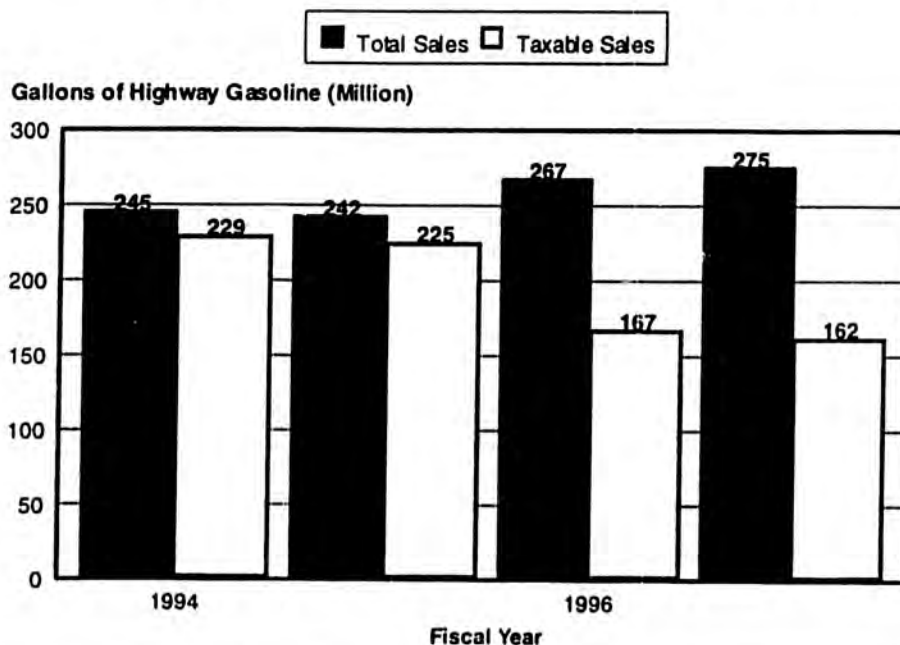
On October 1, 1997, the cigarette tax rate increased from \$.29 to \$1/pack (for 20 cigarettes), and the tax rate on other tobacco products (e.g cigars and smokeless) increased from 25 percent to 75 percent of the wholesale price. The revenue from the \$.71 cigarette tax rate increase will go to the School Fund and is included under restricted revenue (Table 5). The direct effect on the General Fund from the tax increase is small. The General Fund revenue collected from cigarettes will decline by \$1.6 million in FY 1999 due to a decrease in the consumption of cigarettes. This decrease will occur as a result of the large price increase. Revenue from the other tobacco products tax rate increase goes into the General Fund and is estimated to be \$2.6 million in FY 1999. We estimate that the net result will be a small increase in General Fund revenue from tobacco taxes. Over the long term the trend for tobacco revenue will be a small increase.

Motor Fuel

In July 1997, the following three changes were made to the Alaska motor fuel statute: (1) the gasohol exemption was repealed, (2) an exemption for marine bunker fuel was passed, and (3) the foreign flight exemption was expanded. The gasohol exemption resulted in approximately 90 million gallons of fuel being exempt from tax in FY 1997 (see Figure 9). With the repeal of this exemption, all of this fuel will now be taxed. However, during the months when gasohol use is mandated in the Anchorage area (November-February) the tax will drop from \$.08/gallon to \$.02/gallon. The net result is a projected increase in revenue from the highway motor fuel tax of \$5 million in FY 1998. However, aviation fuel and marine fuel revenue is projected to decrease by \$3.4 million due to the expansion of the foreign flight exemption and the exemption for marine bunker fuel. The net gain in motor fuel tax revenue in FY 1998 is projected to be \$1.6 million. The long-term outlook is for continued slow growth in motor fuel tax revenue.

Figure 9.

TOTAL GALLONS OF GASOLINE SOLD VS. TAXABLE GALLONS



Fisheries Business Tax

The downward trend in fisheries business tax revenue (\$31 million in FY 1997) is projected to continue through FY 1998 (see Table 11 below). The projected FY 1998 decrease is a result of low salmon prices and harvests. Additionally, herring prices dropped by over 70 percent in 1997. The long-term outlook for salmon prices and quantities is down from FY 1997, due to increased growth in salmon farms and hatcheries outside Alaska and increased international development and use of wild runs. The long-term outlook for shellfish is also poor because tanner crab will be in the downward portion of its natural cycle for the next three to four years.

Table 11.

FISHERIES BUSINESS TAX (\$ Million)

	FY 1997 ACTUAL		FY 1998 Projected		FY 1999-2000 Projected Change from FY 1998
	Value of Catch	Tax Revenue	Value of Catch	Tax Revenue	
Halibut	73	2.1	90	2.8	Catch Same/ Unit Value Same
Salmon	373	14.1	270	10.2	Catch Up/ Unit Value Up
Herring	60	2.3	15	0.6	Catch Same/ Unit Value Same
Shellfish	160	5.7	140	4.6	Catch Down/ Unit Value Up
Groundfish	213	6.8	200	6.4	Catch Same/ Unit Value Same
TOTAL	879	31.0	715	24.6	

FALL 1997 REFERENCE CASE FORECAST

The following key assumptions about the economic fundamentals underpinning the oil market are the foundation for the oil price forecast. In this forecast we consider a single scenario for the short term (FY 1998-1999) and two scenarios for the long term (FY 2000-2020).

Short-Term Oil Market Assumptions, FY 1998-1999

We assume that over the period FY 1998-1999, there is a continuation of the global economic expansion in both the developed and developing countries. As a result, we assume that global consumption of oil will increase by 1.4 million barrels/day in FY 1998 and 1.6 million barrels/day in FY 1999.

Non-OPEC production over this period is also assumed to continue to increase, growing by 1.1 million barrels/day in FY 1998 and FY 1999. As a result, the production required from OPEC under this scenario increases by 0.3 million barrels/day in FY 1998 and 0.5 million barrels/day in FY 1999. How OPEC manages to allocate this relatively modest increase in demand for its oil production will have important consequences for oil prices. There are two important issues that make OPEC's production allocation decision difficult. The first is the increase in production capacity in OPEC countries like Venezuela and the second is the return of Iraq to the marketplace with United Nations sanctioned exports of \$2 billion of oil every six months. Our specific key market assumptions follow:

1. OECD (developed countries) oil consumption grows by 0.4 million barrels/day in FY 1998 and FY 1999. Non-OECD oil consumption grows by 1 million barrels/day in FY 1998 and by 1.2 million barrels/day in FY 1999.
2. Non-OPEC production grows by 1.1 million barrels/day in both FY 1998 and FY 1999.
3. The demand for OPEC black oil averages 26.6 million barrels/day in FY 1998 and 27.1 million barrels/day in FY 1999. OPEC oil production over FY 1997 averaged 26.6 million barrels/day with Iraq exporting in the second half of the year.
4. The key uncertainties in this forecast are the severity of the winter in the Northern Hemisphere and the extent to which the added production from Iraq puts downward pressure on oil prices. We assume that the added production from Iraq will insure that oil prices stay below \$20/barrel for ANS quality crude oil. It is further assumed that Middle East tensions and periodic non-OPEC supply disruptions will keep the price from falling below \$17/barrel.

Table 12.

**FALL 1997 SHORT-TERM REFERENCE CASE
Key ANS Revenue, Price, and Production Projections**

FY	General Fund	ANS Market	ANS
	Unrestricted Revenue (\$ Million)	Price (\$/Barrel)	Production (Million Barrels/ Day)
Prelim ACTUAL 1997	2494.9	20.85	1.405
1998	2080.9	18.11	1.325
1999	2000.4	18.22	1.310

Long-Term Oil Market Assumptions. FY 2000-2020

The fall 1997 reference case forecast considers two scenarios: a low price (Constrained Demand) and a high-price scenario (Constrained Supply). The low-price scenario assumes that demand growth slows due to a combination of new carbon taxes, greater efficiencies in consumption, and increased consumer awareness of the global warming issue. The high-price scenario assumes that the demand for oil continues to grow robustly, putting modest pressure on supply availability, which results in increasing oil prices.

Constrained Demand Scenario

1. A \$50/ton carbon tax is imposed on fossil fuels.
2. OECD oil consumption grows at .5 percent per year, averaging 47.2 million barrels/day by 2020. Non-OECD consumption grows at 2.7 percent per year, averaging 57.8 million barrels/day by 2020.
3. Non-OPEC production grows at a rate of 1.3 percent per year reaching 60.4 million barrels/day by 2020.
4. As a result, OPEC production hits 44.7 million barrels/day by 2020.

Constrained Supply Scenario

1. Oil consumption continues to grow on a one-for-one basis with global economic growth.
2. OECD oil consumption grows at 2 percent per year, averaging 63.5 million barrels/day by 2020. Non-OECD consumption grows at 4.4 percent per year, averaging 79.8 million barrels/day by 2020.
3. Non-OPEC production grows at a rate of 1.9 percent per year, averaging 68.6 million barrels/day by 2020.
4. As a result, OPEC production averages 74.7 million barrels/day in 2020.

The oil prices in our reference case were developed by assuming that these two scenarios were representative (in a broad way) of future oil markets. The oil prices assumed for each of these two scenarios were then weighted (the Constrained Demand, low price scenario, was given a 55 percent weight and the Constrained Capacity, high price scenario, was given a 45 percent weight) and averaged to reflect the likelihood that either one or the other of the two scenarios would occur.

Table 13.

**FALL 1997 LONG-TERM REFERENCE CASE
Key ANS Revenue, Price, and Production Projections**

FY	General Fund Unrestricted Revenue (\$ Million)	ANS Market Price (\$/Barrel)	ANS Production (Million Barrels/ Day)
2000	1976.1	18.34	1.355
2001	1979.0	18.93	1.354
2002	1959.7	19.5	1.326
2003	1919.8	20.12	1.264
2004	1871.1	20.75	1.198
2005	1769.0	21.39	1.129
2006	1696.8	22.08	1.045
2007	1623.8	22.79	0.964
2008	1558.8	23.53	0.889
2009	1499.3	24.29	0.823
2010	1462.4	25.08	0.772
2011	1425.6	25.94	0.726
2012	1416.7	26.83	0.684
2013	1383.5	27.76	0.640
2014	1359.5	28.72	0.599
2015	1330.9	29.72	0.553
2016	1310.2	30.79	0.520
2017	1286.0	31.91	0.488
2018	1265.5	33.07	0.458
2019	1237.1	34.28	0.419
2020	1221.5	35.55	0.394

Table 14.

REFERENCE CASE GLOBAL MARKET ASSUMPTIONS
(Million Barrels/Day)

	ACTUAL					CONSTRAINED DEMAND (Low Growth)					CONSTRAINED CAPACITY (High Growth)				
	1996	1997	1998	1999	2000	2005	2010	2015	2020	2000	2005	2010	2015	2020	
DEMAND															
OECD															
North America	20.3	20.7	21.0	21.3	21.4	21.9	22.4	23.0	23.6	21.7	23.9	26.4	29.2	32.2	
Europe	14.2	14.3	14.4	14.6	14.7	15.0	15.4	15.8	16.2	14.9	16.4	18.1	20.0	22.1	
Pacific	6.7	6.7	6.7	6.7	6.7	6.9	7.1	7.3	7.5	6.8	7.3	7.9	8.5	9.2	
Total OECD	41.2	41.7	42.1	42.5	42.8	43.8	44.9	46.1	47.2	43.4	47.7	52.5	57.7	63.5	
Non-OECD															
CIS	4.3	4.2	4.2	4.2	4.2	4.3	4.4	4.5	4.7	4.4	5.3	6.5	7.9	9.6	
China	3.6	3.8	4.0	4.2	4.3	5.0	5.7	6.7	7.7	4.3	5.3	6.4	7.8	9.5	
Eastern Europe	1.4	1.5	1.5	1.5	1.5	1.6	1.7	1.8	1.9	1.6	1.7	1.9	2.1	2.3	
W. Hemisphere	6.4	6.6	6.8	7.1	7.4	8.5	9.9	11.5	13.3	7.4	9.0	11.0	13.4	16.3	
Africa	2.3	2.4	2.5	2.6	2.7	3.1	3.6	4.1	4.8	2.7	3.3	4.0	4.8	5.9	
Middle East	4.2	4.3	4.4	4.5	4.5	5.0	5.5	6.1	6.8	4.6	5.3	6.2	7.1	8.3	
Asia	8.6	9.1	9.6	10.1	10.4	12.0	13.9	16.1	18.7	10.6	13.5	17.2	22.0	28.0	
Total Non-OECD	30.8	31.9	32.9	34.1	35.0	39.5	44.8	50.9	57.8	35.5	43.4	53.1	65.1	79.8	
TOTAL DEMAND	72.0	73.6	75.1	76.7	77.7	83.4	89.8	96.9	105.1	78.9	91.1	105.6	122.8	143.3	
SUPPLY															
Non-OPEC															
OECD	18.4	18.7	19.0	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	
CIS	7.1	7.2	7.2	7.2	7.3	7.7	8.1	8.5	8.9	7.6	9.7	12.4	13.0	13.0	
China	3.1	3.2	3.3	3.4	3.4	3.7	4.0	4.3	4.6	3.4	3.7	4.0	4.3	4.6	
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	0.3	0.3	
LDCs	13.2	13.7	14.1	14.6	14.9	16.5	18.2	20.1	22.2	15.2	18.5	22.5	26.4	26.4	
Processing Gain	1.5	1.6	1.7	1.8	1.9	2.4	3.0	3.9	4.9	1.9	2.4	3.0	3.9	4.9	
Total NonOPEC	43.6	44.6	45.7	46.8	47.3	50.0	53.0	56.5	60.4	47.8	54.0	61.7	67.2	68.6	
OPEC															
Oil	25.8	26.6	26.6	27.1	27.6	30.5	33.7	37.4	41.5	28.2	34.2	40.9	52.5	71.5	
NGLs	2.6	2.8	2.8	2.8	2.8	2.9	3.0	3.1	3.1	2.8	2.9	3.0	3.1	3.1	
Total OPEC	28.4	29.4	29.4	29.9	30.5	33.4	36.7	40.5	44.7	31.0	37.1	43.9	55.5	74.7	
Inventory Change		0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL SUPPLY	72.0	74.0	75.1	76.7	77.7	83.4	89.8	96.9	105.1	78.9	91.1	105.6	122.8	143.3	

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

Table 14.

REFERENCE CASE GLOBAL MARKET ASSUMPTIONS
(Million Barrels/Day)

	ACTUAL				CONSTRAINED DEMAND (Low Growth)					CONSTRAINED CAPACITY (High Growth)				
	1996	1997	1998	1999	2000	2005	2010	2015	2020	2000	2005	2010	2015	2020
DEMAND														
OECD														
North America	20.3	20.7	21.0	21.3	21.4	21.9	22.4	23.0	23.6	21.7	23.9	26.4	29.2	32.2
Europe	14.2	14.3	14.4	14.6	14.7	15.0	15.4	15.8	16.2	14.9	16.4	18.1	20.0	22.1
Pacific	6.7	6.7	6.7	6.7	6.7	6.9	7.1	7.3	7.5	6.8	7.3	7.9	8.5	9.2
Total OECD	41.2	41.7	42.1	42.5	42.8	43.8	44.9	46.1	47.2	43.4	47.7	52.5	57.7	63.5
Non-OECD														
CIS	4.3	4.2	4.2	4.2	4.2	4.3	4.4	4.5	4.7	4.4	5.3	6.5	7.9	9.6
China	3.6	3.8	4.0	4.2	4.3	5.0	5.7	6.7	7.7	4.3	5.3	6.4	7.8	9.5
Eastern Europe	1.4	1.5	1.5	1.5	1.5	1.6	1.7	1.8	1.9	1.6	1.7	1.9	2.1	2.3
W. Hemisphere	6.4	6.6	6.8	7.1	7.4	8.5	9.9	11.5	13.3	7.4	9.0	11.0	13.4	16.3
Africa	2.3	2.4	2.5	2.6	2.7	3.1	3.6	4.1	4.8	2.7	3.3	4.0	4.8	5.9
Middle East	4.2	4.3	4.4	4.5	4.5	5.0	5.5	6.1	6.8	4.6	5.3	6.2	7.1	8.3
Asia	8.6	9.1	9.6	10.1	10.4	12.0	13.9	16.1	18.7	10.6	13.5	17.2	22.0	28.0
Total Non-OECD	30.8	31.9	32.9	34.1	35.0	39.5	44.8	50.9	57.8	35.5	43.4	53.1	65.1	79.8
TOTAL DEMAND	72.0	73.6	75.1	76.7	77.7	83.4	89.8	96.9	105.1	78.9	91.1	105.6	122.8	143.3
SUPPLY														
Non-OPEC														
OECD	18.4	18.7	19.0	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4
CIS	7.1	7.2	7.2	7.2	7.3	7.7	8.1	8.5	8.9	7.6	9.7	12.4	13.0	13.0
China	3.1	3.2	3.3	3.4	3.4	3.7	4.0	4.3	4.6	3.4	3.7	4.0	4.3	4.6
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	0.3	0.3
LDCs	13.2	13.7	14.1	14.6	14.9	16.5	18.2	20.1	22.2	15.2	18.5	22.5	26.4	26.4
Processing Gain	1.5	1.6	1.7	1.8	1.9	2.4	3.0	3.9	4.9	1.9	2.4	3.0	3.9	4.9
Total NonOPEC	43.6	44.6	45.7	46.8	47.3	50.0	53.0	56.5	60.4	47.8	54.0	61.7	67.2	68.6
OPEC														
Oil	25.8	26.6	26.6	27.1	27.6	30.5	33.7	37.4	41.5	28.2	34.2	40.9	52.5	71.5
NGLs	2.6	2.8	2.8	2.8	2.8	2.9	3.0	3.1	3.1	2.8	2.9	3.0	3.1	3.1
Total OPEC	28.4	29.4	29.4	29.9	30.5	33.4	36.7	40.5	44.7	31.0	37.1	43.9	55.5	74.7
Inventory Change		0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL SUPPLY	72.0	74.0	75.1	76.7	77.7	83.4	89.8	96.9	105.1	78.9	91.1	105.6	122.8	143.3

Table 15.

GENERAL FUND UNRESTRICTED REVENUE
Sensitivity Matrices for Annual Price and Production
(\$ Million)

FY 1998

ANS Market (\$/ Barrel)	ANS Production (Million Barrels/ Day)					
	1.200	1.250	1.300	1.350	1.400	1.450
\$15	1699	1733	1767	1800	1834	1868
\$16	1783	1821	1860	1898	1937	1975
\$17	1866	1910	1953	1996	2039	2083
\$18	1950	1998	2046	2094	2142	2190
\$19	2033	2086	2139	2192	2245	2297
\$20	2117	2175	2232	2290	2347	2405
\$21	2200	2263	2325	2388	2450	2512

FY 1999

ANS Market (\$/ Barrel)	ANS Production (Million Barrels/ Day)					
	1.200	1.250	1.300	1.350	1.400	1.450
\$15	1632	1668	1704	1740	1776	1812
\$16	1715	1754	1794	1833	1873	1912
\$17	1798	1841	1883	1926	1969	2012
\$18	1880	1927	1973	2019	2066	2112
\$19	1963	2013	2063	2113	2163	2212
\$20	2046	2099	2153	2206	2259	2313
\$21	2129	2185	2242	2299	2356	2413

FY 2000

ANS Market (\$/ Barrel)	ANS Production (Million Barrels/ Day)					
	1.200	1.250	1.300	1.350	1.400	1.450
\$15	1575	1609	1642	1676	1709	1742
\$16	1654	1691	1728	1764	1801	1838
\$17	1733	1773	1813	1853	1893	1933
\$18	1811	1855	1898	1942	1985	2028
\$19	1890	1937	1983	2030	2077	2123
\$20	1969	2019	2069	2119	2169	2219
\$21	2048	2101	2154	2207	2261	2314

Figure 10.

GENERAL FUND UNRESTRICTED REVENUE, Nominal Dollars
Actual (FY 1982-1997) and Projected (FY 1998-2020)

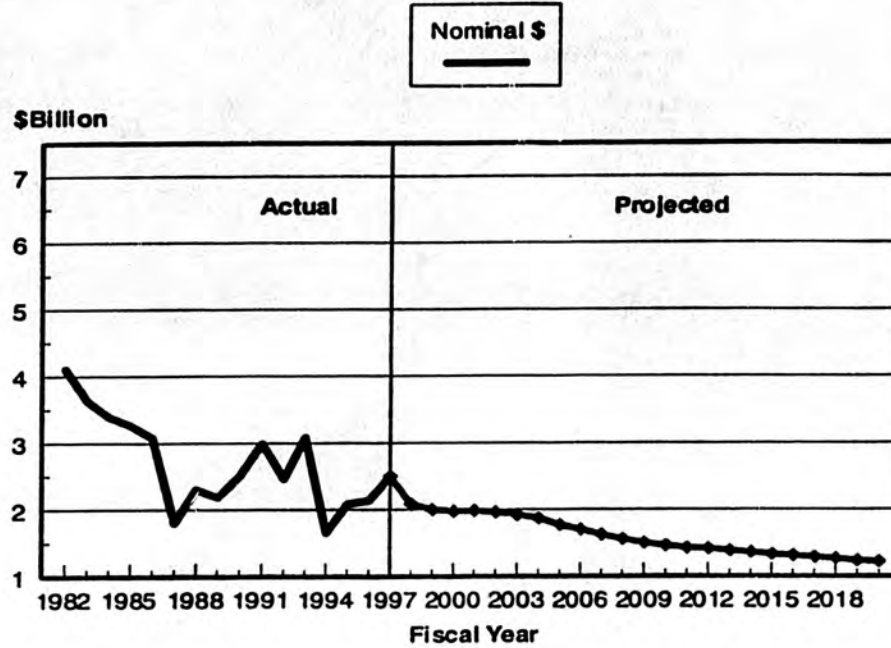


Figure 11.

GENERAL FUND UNRESTRICTED REVENUE, Real 1997 Dollars
Actual (FY 1982-1997) and Projected (FY 1998-2020)

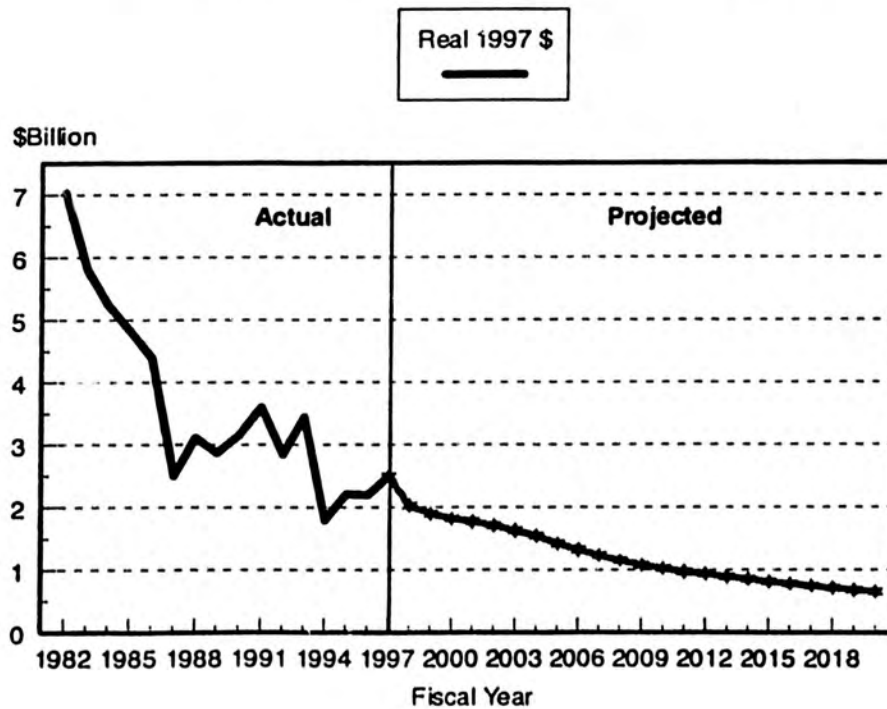


Table 16.

PETROLEUM SEVERANCE TAX AND ROYALTY REVENUE FORECAST
(\$ Million)

ALASKA NORTH SLOPE								COOK INLET							
FY	Oil Royalty	Oil Severance	Conserv Tax	Hazardous Release	Gas Royalty	Gas Severance	TOTAL ANS	Oil Royalty	Oil Severance	Conserv Tax	Hazardous Release	Gas Royalty	Gas Severance	COOK INLET TOTAL	ALASKA TOTAL
Prelim ACTUAL 1997	713.4	884.6	1.7	12.6	1.1	4.1	1630.0	22.3	0.0	0.1	0.3	22.4	18.2	50.8	1680.8
1998	580.5	676.1	1.6	12.0	0.7	1.9	1273.0	16.5	0.0	0.1	0.3	24.9	18.9	60.6	1333.6
1999	569.7	634.4	1.6	11.9	0.7	1.6	1219.9	16.3	0.0	0.1	0.3	27.7	21.0	65.4	1285.3
2000	574.0	601.6	1.6	12.3	0.7	1.5	1191.9	15.9	0.0	0.1	0.3	29.0	21.9	67.1	1259.0
2001	591.6	590.9	1.6	12.3	0.7	1.6	1198.8	15.1	0.0	0.1	0.3	30.3	22.8	68.6	1267.4
2002	616.1	551.7	1.6	12.2	0.7	1.6	1184.0	14.3	0.0	0.0	0.3	31.8	23.8	70.2	1254.2
2003	618.2	514.9	1.5	11.6	0.8	1.7	1148.8	13.7	0.0	0.0	0.2	33.2	24.9	72.1	1220.9
2004	608.5	480.9	1.5	11.0	0.8	1.7	1104.4	13.0	0.0	0.0	0.2	34.8	26.0	74.1	1178.5
2005	566.3	425.4	1.4	10.3	0.8	1.7	1005.9	12.5	0.0	0.0	0.2	36.4	27.1	76.3	1082.2
2006	541.4	387.5	1.3	9.6	0.9	1.7	942.4	11.9	0.0	0.0	0.2	38.2	28.4	78.7	1021.0
2007	515.0	349.4	1.2	8.8	0.9	1.7	876.9	11.4	0.0	0.0	0.2	40.0	29.6	81.3	958.2
2008	490.6	316.2	1.1	8.1	0.9	1.7	818.5	11.0	0.0	0.0	0.2	41.9	31.0	84.1	902.6
2009	467.1	286.6	1.0	7.4	1.0	1.7	764.7	10.6	0.0	0.0	0.1	43.9	32.4	87.1	851.8
2010	451.0	271.1	0.9	6.9	1.0	1.7	732.6	10.2	0.0	0.0	0.1	46.1	33.9	90.3	822.9
2011	431.4	258.3	0.9	6.4	1.1	1.8	699.7	9.8	0.0	0.0	0.1	48.4	35.4	93.8	793.5
2012	431.8	252.1	0.8	6.0	1.1	1.9	693.6	9.5	0.0	0.0	0.1	50.8	37.1	97.4	791.1
2013	415.6	237.5	0.7	5.6	1.1	1.9	662.4	9.1	0.0	0.0	0.1	53.3	38.8	101.4	763.8
2014	407.1	223.2	0.7	5.2	1.2	1.9	639.3	8.8	0.0	0.0	0.1	56.0	40.6	105.6	744.9
2015	391.2	210.9	0.6	4.8	1.2	2.0	610.8	8.6	0.0	0.0	0.1	58.8	42.6	110.0	720.8
2016	380.4	200.3	0.6	4.5	1.3	2.0	589.1	8.3	0.0	0.0	0.1	61.8	44.6	114.8	703.9
2017	366.3	188.8	0.6	4.2	1.3	2.1	563.3	8.1	0.0	0.0	0.1	64.9	46.7	119.9	683.2
2018	354.3	178.1	0.5	4.0	1.4	2.1	540.4	7.8	0.0	0.0	0.1	68.3	49.0	125.2	665.7
2019	333.7	167.3	0.5	3.6	1.5	2.2	508.8	7.6	0.0	0.0	0.1	71.9	51.4	130.9	639.7
2020	323.5	157.8	0.5	3.4	1.5	2.2	488.9	7.4	0.0	0.0	0.1	75.6	53.9	137.0	625.9

Table 17.

DETAILED REVENUE PROJECTIONS
(\$ Million)

FY	TOTAL (1) (2)										UNRESTRICTED	
	Production	Property	Petroleum	Gross	TOTAL	Mineral	TOTAL	Before PF & PSF	PF (1)	PSF (2)	GENERAL FUND	
	Tax	Tax	Corp Tax	Royalties	PETROLEUM	Rents/Bonuses	NonPETRO	Dedication	Dedication	Dedication	NOMINAL	REAL \$97
Prelim ACTUAL 1997	921.6	53.6	269.4	1065.1	2309.7	14.3	484.7	2808.6	308.4	5.3	2494.9	2494.9
1998	711.0	51.0	216.0	854.5	1832.5	8.3	475.8	2316.6	231.4	4.3	2080.9	2024.2
1999	670.9	49.3	216.0	847.6	1783.8	7.7	445.6	2237.1	232.4	4.2	2000.4	1892.9
2000	639.4	47.5	216.0	864.6	1767.5	9.0	448.4	2224.9	244.5	4.3	1975.1	1819.0
2001	629.6	45.4	209.5	896.7	1781.2	9.0	451.5	2241.8	258.3	4.5	1979.0	1772.0
2002	591.3	43.1	203.2	926.9	1764.6	9.1	453.9	2227.6	263.2	4.6	1959.7	1706.9
2003	555.0	40.9	197.1	926.8	1719.8	9.1	455.6	2184.5	260.1	4.6	1919.8	1626.6
2004	521.3	38.7	191.2	911.7	1663.0	9.1	457.4	2129.5	253.9	4.6	1871.1	1542.2
2005	466.2	36.7	185.5	852.7	1541.1	9.2	459.3	2009.5	236.3	4.3	1769.0	1418.3
2006	428.6	34.7	174.4	818.8	1456.5	9.2	461.4	1927.0	226.1	4.1	1696.8	1323.4
2007	390.9	32.8	163.9	783.3	1370.8	9.2	463.5	1843.6	215.9	3.9	1623.8	1231.9
2008	358.2	31.0	154.1	751.4	1294.6	9.3	465.7	1769.6	207.1	3.8	1558.8	1150.4
2009	329.2	29.2	144.8	720.9	1224.2	9.3	468.1	1701.5	198.7	3.6	1499.3	1076.4
2010	314.7	27.3	136.1	700.9	1179.0	9.3	470.6	1659.0	193.0	3.5	1462.4	1021.3
2011	302.9	25.6	128.0	677.3	1133.8	9.4	473.1	1616.2	187.2	3.4	1425.6	968.5
2012	298.0	24.0	120.3	680.1	1122.4	9.4	475.9	1607.7	187.5	3.4	1416.7	936.3
2013	284.7	22.5	113.1	660.3	1080.6	9.4	478.6	1568.6	181.8	3.3	1383.5	889.4
2014	271.8	21.2	106.3	650.1	1049.4	9.5	481.6	1540.5	177.7	3.3	1359.5	850.1
2015	261.0	20.0	99.9	630.5	1011.4	9.5	484.7	1505.6	171.5	3.2	1330.9	809.6
2016	252.1	18.8	93.9	619.2	984.1	9.5	487.9	1481.5	168.3	3.1	1310.2	775.3
2017	242.5	17.7	88.3	603.6	952.1	9.6	491.2	1452.9	163.9	3.0	1286.0	740.2
2018	233.9	16.5	83.0	591.1	924.5	9.6	494.7	1428.7	160.3	3.0	1265.5	708.6
2019	225.1	15.4	78.0	564.3	882.8	9.6	498.3	1390.8	150.8	2.8	1237.1	673.8
2020	217.9	14.4	73.3	555.0	860.6	9.7	502.2	1372.4	148.2	2.8	1221.5	647.2

(1) Permanent Fund.

(2) Public School Fund.

Table 18.

PROJECTED AND HISTORICAL CRUDE OIL PRICES
 (\$/Barrel-Nominal and Real \$1997)

	ANS Market		ANS West Coast		ANS Wellhead		West Texas Intermediate	
	Nominal	Real97	Nominal	Real97	Nominal	Real97	Nominal	Real97
1985	27.89	41.24	N/A	N/A	17.37	25.69	28.15	41.63
1986	22.03	31.44	N/A	N/A	12.41	17.71	23.11	32.98
1987	14.98	20.82	N/A	N/A	7.84	10.90	16.14	22.43
1988	16.45	22.19	16.12	21.74	10.68	14.40	18.53	24.99
1989	14.80	19.41	14.61	19.16	9.55	12.52	16.93	22.20
1990	17.34	21.81	17.22	21.66	11.89	14.96	20.06	25.23
1991	21.72	26.23	21.57	26.05	15.38	18.57	24.95	30.13
1992	16.88	19.47	16.64	19.19	11.20	12.92	20.69	23.86
1993	17.93	20.06	17.83	19.95	12.80	14.32	20.69	23.15
1994	14.22	15.45	14.05	15.26	9.57	10.40	16.69	18.13
1995	16.83	17.84	16.77	17.77	11.51	12.20	18.46	19.57
1996	17.77	18.30	17.74	18.27	12.60	12.98	19.20	19.77
1997	20.85	20.85	20.90	20.90	16.43	16.43	22.54	22.54
1998	18.11	17.62	18.24	17.74	13.64	13.27	19.79	19.25
1999	18.22	17.24	18.23	17.25	13.68	12.95	19.78	18.72
2000	18.34	16.88	18.35	16.89	13.57	12.49	19.91	18.32
2001	18.93	16.95	18.93	16.95	14.21	12.72	20.53	18.39
2002	19.50	16.99	19.51	17.00	14.73	12.83	21.17	18.44
2003	20.12	17.05	20.12	17.05	15.35	13.00	21.83	18.50
2004	20.75	17.10	20.75	17.10	15.81	13.03	22.51	18.55
2005	21.39	17.15	21.39	17.15	15.65	12.55	23.21	18.61
2006	22.08	17.22	22.08	17.22	16.10	12.56	23.96	18.69
2007	22.79	17.29	22.79	17.29	16.58	12.58	24.73	18.76
2008	23.53	17.37	23.53	17.36	17.09	12.61	25.53	18.84
2009	24.29	17.44	24.29	17.44	17.65	12.67	26.35	18.92
2010	25.08	17.52	25.08	17.51	18.22	12.73	27.21	19.00
2011	25.94	17.62	25.94	17.62	18.79	12.76	28.14	19.12
2012	26.83	17.73	26.83	17.73	19.86	13.12	29.11	19.24
2013	27.76	17.85	27.76	17.84	20.46	13.15	30.12	19.36
2014	28.72	17.96	28.72	17.96	21.07	13.18	31.16	19.48
2015	29.72	18.08	29.72	18.08	21.65	13.17	32.24	19.61
2016	30.79	18.22	30.79	18.22	22.33	13.22	33.41	19.77
2017	31.91	18.37	31.91	18.37	22.99	13.24	34.62	19.93
2018	33.07	18.52	33.07	18.52	23.68	13.26	35.88	20.09
2019	34.28	18.67	34.28	18.67	24.28	13.22	37.20	20.26
2020	35.55	18.84	35.55	18.84	25.00	13.25	38.57	20.44

Table 19.

PROJECTED ALASKA OIL AND NGL PRODUCTION
(Million Barrels/Day)

	Prudhoe		Milne	Schrader	Sag	Endicott	(1)	Point	West	West		Satellite		Northstar		Known	TOTAL	Cook	TOTAL
	Bay	Kuparuk	Point	Bluff	River	Lisburne	Niakuk	McIntyre	Beach	Sak	Alpine	Tam	(2)	Badami	Liberty	Onshore	ANS	Inlet	ALASKA
1998	0.740	0.264	0.054	0.004	0.002	0.064	0.009	0.032	0.154	0.001	0.001	0.000	0.000	0.000	0.000	0.000	1.325	0.032	1.357
1999	0.689	0.260	0.062	0.005	0.006	0.058	0.011	0.028	0.123	0.002	0.007	0.020	0.010	0.010	0.018	0.000	1.310	0.028	1.338
2000	0.659	0.252	0.058	0.007	0.006	0.057	0.011	0.026	0.099	0.002	0.017	0.065	0.020	0.017	0.035	0.025	1.355	0.024	1.380
2001	0.633	0.236	0.052	0.008	0.005	0.053	0.010	0.023	0.082	0.002	0.026	0.070	0.018	0.029	0.032	0.050	1.354	0.021	1.375
2002	0.601	0.218	0.045	0.009	0.004	0.049	0.009	0.020	0.067	0.002	0.036	0.070	0.016	0.035	0.029	0.050	1.326	0.019	1.344
2003	0.577	0.199	0.039	0.010	0.004	0.045	0.008	0.018	0.057	0.001	0.045	0.070	0.015	0.034	0.026	0.042	1.264	0.016	1.281
2004	0.559	0.180	0.035	0.012	0.003	0.041	0.008	0.016	0.050	0.001	0.055	0.063	0.014	0.036	0.024	0.036	1.198	0.014	1.213
2005	0.531	0.164	0.031	0.012	0.003	0.038	0.007	0.015	0.046	0.001	0.064	0.057	0.012	0.038	0.022	0.031	1.129	0.012	1.141
2006	0.498	0.149	0.028	0.012	0.002	0.035	0.007	0.013	0.042	0.001	0.064	0.052	0.011	0.035	0.020	0.027	1.043	0.011	1.056
2007	0.464	0.134	0.026	0.011	0.002	0.032	0.006	0.012	0.038	0.001	0.063	0.047	0.010	0.032	0.018	0.024	0.964	0.010	0.974
2008	0.430	0.123	0.024	0.010	0.002	0.030	0.006	0.011	0.035	0.001	0.061	0.043	0.010	0.029	0.017	0.021	0.889	0.009	0.898
2009	0.400	0.113	0.022	0.009	0.002	0.028	0.005	0.010	0.031	0.001	0.059	0.040	0.009	0.026	0.015	0.019	0.823	0.008	0.831
2010	0.381	0.105	0.019	0.009	0.001	0.026	0.005	0.009	0.029	0.001	0.057	0.037	0.008	0.023	0.014	0.017	0.772	0.007	0.778
2011	0.366	0.097	0.017	0.008	0.001	0.024	0.004	0.008	0.026	0.001	0.055	0.034	0.008	0.020	0.013	0.015	0.726	0.006	0.732
2012	0.351	0.089	0.016	0.008	0.001	0.022	0.004	0.007	0.024	0.001	0.052	0.031	0.007	0.020	0.013	0.014	0.684	0.006	0.689
2013	0.332	0.082	0.014	0.007	0.001	0.021	0.004	0.007	0.022	0.001	0.050	0.029	0.007	0.018	0.012	0.012	0.640	0.005	0.645
2014	0.314	0.075	0.013	0.007	0.001	0.019	0.004	0.006	0.020	0.000	0.047	0.027	0.006	0.017	0.011	0.011	0.599	0.004	0.603
2015	0.299	0.069	0.012	0.006	0.001	0.018	0.003	0.005	0.018	0.000	0.045	0.025	0.006	0.015	0.011	0.010	0.553	0.003	0.556
2016	0.283	0.064	0.010	0.006	0.001	0.017	0.003	0.005	0.017	0.000	0.043	0.023	0.006	0.014	0.010	0.009	0.520	0.003	0.523
2017	0.269	0.061	0.009	0.006	0.001	0.016	0.003	0.004	0.015	0.000	0.041	0.022	0.006	0.011	0.010	0.008	0.488	0.002	0.490
2018	0.255	0.058	0.008	0.005	0.001	0.015	0.002	0.004	0.014	0.000	0.039	0.020	0.005	0.008	0.009	0.007	0.458	0.002	0.460
2019	0.242	0.055	0.007	0.005	0.001	0.014	0.002	0.004	0.012	0.000	0.037	0.019	0.000	0.008	0.000	0.007	0.419	0.002	0.421
2020	0.230	0.052	0.006	0.005	0.001	0.013	0.002	0.003	0.011	0.000	0.035	0.018	0.000	0.007	0.000	0.006	0.394	0.002	0.396

(1) Includes Niakuk, West Niakuk (27), Niakuk 28, and Niakuk 29.

(2) Includes Prudhoe Bay and Kuparuk Satellite fields.

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HISTORICAL OVERVIEW

REVENUE, PRICES AND PRODUCTION

The pages that follow contain historical revenue, price and production data. Table 20 on Pages 40-41 shows General Fund unrestricted revenue by type from FY 1983-1997.

Table 21 on Page 42 shows historical petroleum revenue by type from FY 1965-1997.

Finally, this section concludes with Tables 22 and 23 on Page 43 with historical crude oil prices (FY1981-1997) and production for the North Slope and Cook Inlet (FY 1978-1997).

Table 20.

HISTORICAL GENERAL FUND UNRESTRICTED REVENUE

(\$ Million)

	TAX PORTION													(1)	(1)
	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
TAXES															
Property Tax	152.6	131.0	128.4	113.5	102.5	96.2	89.7	89.8	85.0	69.0	66.9	61.5	57.3	56.0	53.6
Sales/Use															
Alcoholic Beverages	10.4	13.0	13.9	13.3	12.6	12.1	11.8	12.0	12.2	12.0	11.9	12.0	12.0	12.0	11.6
Tobacco Products	2.0	2.0	2.0	4.9	6.6	6.1	6.4	11.0	14.0	14.3	14.0	14.1	14.4	14.2	13.7
Insurance Premium	13.8	16.2	17.5	21.1	23.7	23.7	19.4	22.7	24.4	25.5	26.3	26.1	27.9	28.2	28.4
Motor Fuel Tax-Aviation	8.7	8.1	8.0	8.1	8.5	9.0	10.1	9.4	10.7	10.7	6.4	6.9	8.0	8.2	8.1
Motor Fuel Tax-Highway	23.7	20.2	23.7	22.7	18.3	19.3	20.0	22.9	19.1	23.2	25.6	25.5	24.0	21.0	19.9
Motor Fuel Tax-Marine	4.3	3.9	4.3	5.3	5.4	5.3	7.2	9.2	10.0	9.4	8.8	8.1	7.6	8.5	7.3
Total	62.9	63.4	69.4	75.4	75.1	75.5	74.9	87.2	90.4	95.1	93	92.7	93.9	92.1	89.0
Income Tax															
Corporation General	30.3	39.5	36.0	11.2	20.5	23.4	38.0	45.3	37.9	33.7	25.1	44.3	67.0	53.3	48.4
Corporation Petroleum	236.0	265.1	168.6	133.9	120.4	158.0	166.0	117.2	185.1	165.5	117.6	17.8	128.5	173.7	269.4
Total	266.3	304.6	204.6	145.1	140.9	181.4	204.0	162.5	223.0	199.2	142.7	62.1	195.5	227.0	317.8
Severance Tax															
Oil and Gas Production	1493.0	1392.4	1388.7	1107.4	647.3	816.4	696.4	972.3	1253.8	1022.2	989.4	662.8	769.8	771.7	907.0
Oil and Gas Conservation	0.7	0.7	0.7	0.5	1.2	2.3	2.4	2.4	2.3	2.3	2.1	2.3	2.0	1.8	1.7
Oil and Gas Hazard Release	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.9	28.0	28.7	26.1	27.0	22.1	13.7	12.9
Total	1493.7	1393.1	1389.4	1107.9	648.5	818.7	698.8	1001.6	1284.1	1053.2	1017.6	692.1	793.9	787.2	921.6
Other Natural Resource Tax															
Salmon and Seafood Marketing	0.9	1.1	1.0	1.1	1.4	2.7	3.3	3.3	3.3	2.8	3.6	5.8	7.9	8.6	7.6
Salmon Enhancement	2.6	2.2	2.6	4.3	4.4	5.8	9.5	6.5	6.2	4.2	6.8	5.0	5.7	5.2	4.2
Fisheries Business	20.5	19.0	18.7	21.1	26.5	22.5	26.7	25.1	31.1	30.1	42.2	33.9	39.0	38.2	31.0
Fish Landing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	7.3	7.1	7.3
Total	24.0	22.3	22.3	26.5	32.3	31.0	39.5	34.9	40.6	37.1	52.6	44.8	59.9	59.1	50.1
Other Tax															
Estate	0.7	0.7	0.5	0.7	1.1	0.3	0.7	1.1	3.3	1.0	0.9	1.6	1.2	1.7	1.7
Other	8.5	21.9	40.9	4.3	3.8	3.8	4.2	4.7	4.1	4.1	4.1	4.7	4.8	4.9	5.0
Total	9.2	22.6	41.4	5.0	4.9	4.1	4.9	5.8	7.4	5.1	5.0	6.3	6.0	6.6	6.7
TOTAL TAXES	2008.7	1937.0	1855.5	1473.4	1004.2	1206.9	1111.8	1381.8	1730.5	1458.7	1377.8	959.5	1206.5	1228.0	1438.8

(1) Starting in FY 1996, all program receipts are included in General Fund unrestricted revenue. FY 1996 also includes payment from the TAPS Liability Fund.

NON-TAX PORTION

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	(1) FY 96	(1) FY 97
Licenses and Permits	25.7	26.7	28.9	29.3	29.2	28.3	28.3	27.8	29.1	32.4	32.7	35.7	34.7	60.9	69.0
Intergovernmental Receipts															
Federal Shared Revenues	33.3	14.0	10.5	14.5	9.7	6.9	6.1	10.0	14.8	11.4	10.3	4.3	14.2	1.0	2.0
Charges for Services															
Marine Highways	30.4	32	33.4	32.3	31.3	29.8	33.1	34	40.7	42.3	40.8	40.4	41.5	38.5	38.6
Other	17.0	14.7	19.2	15.9	15.7	10.0	10.5	12.2	16.5	44.1	14.3	18.0	18.1	36.9	39.5
Total	47.4	46.7	52.6	48.2	47.0	39.8	43.6	46.2	57.2	86.4	55.1	58.4	59.6	75.4	78.1
Fines and Forefeitures	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	0.4	8.2
Rents and Royalties															
Mineral Bonuses, Rents,															
Royalties	40.5	16.1	16.6	40.9	6.5	11.6	16.7	5.3	24.8	6.5	44.3	5.2	5.6	6.9	7.4
Oil and Gas Royalties	1078.4	1047.5	1034.0	830.7	439.3	694.8	605.9	747.4	951.6	702.4	711.3	512.1	628.3	642.2	759.2
Timber Sales	4.0	2.9	3.1	2.9	7.2	1.1	0.5	0.8	0.4	0.6	0.6	0.4	0.6	1.5	1.9
Sale of State Property	6.3	7.0	8.5	8.7	7.0	3.8	4.9	4.3	4.7	1.0	4.0	9.0	21.8	8.1	8.6
Total	1129.2	1073.5	1062.2	883.2	460	711.3	628	757.8	981.5	710.5	780.2	528.7	656.3	658.7	777.1
Investment Earnings	375.8	282.7	233.5	195.2	161.9	132.6	100.7	117.9	125.0	101.8	70.9	31.7	72.4	64.1	77.1
Miscellaneous Revenue	10.9	9.5	16.8	13.0	16.9	16.1	10.0	10.9	14.9	61.4	45.0	36.2	49.2	35.8	44.6
Sub-Total NON-TAX REVENUE	1622.3	1453.1	1404.5	1183.4	724.7	935.0	816.7	970.6	1222.5	1003.9	974.2	693.0	876.4	905.3	1056.1
Plus: Income from prior years	0.0	0.0	0.0	418.7	70.5	163.9	257.7	154.8	33.6	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL NON-TAX REVENUE	1622.3	1453.1	1404.5	1602.1	795.2	1098.9	1074.4	1125.4	1256.1	1003.9	974.2	693.0	876.4	905.3	1056.1
TOTAL TAX REVENUE	2008.7	1937.0	1855.5	1473.4	1004.2	1206.9	1111.8	1381.8	1730.5	1458.7	1377.8	959.5	1206.6	1228.0	1438.8
TOTAL GENERAL FUND UNRESTRICTED REVENUE	3631.0	3390.1	3260.0	3075.5	1799.4	2305.8	2186.2	2507.2	2986.6	2462.6	2352.0	1652.5	2082.9	2133.3	2494.9

(1) Starting in FY 1996, all program receipts are included in General Fund unrestricted revenue. FY 1996 also includes payment from the TAPS Liability Fund.

Table 21.

HISTORICAL PETROLEUM REVENUE (\$ Million)

FY	Petroleum				(1)(2)			(3)		Total		Total GF		Petroleum Revenue to Unrestricted GF
	Corporation Petroleum Tax	Severance Tax	Property Tax	Reserve Tax	Royalties	Bonuses and Rents	Special Settlements	Petroleum Revenue	Petroleum Revenue	Unrestricted Revenue	Unrestricted Revenue	Revenue	Revenue	
1965	.	0.3	.	.	8.4	7.8	.	16.5	83.0	83.0	20%	20%	20%	20%
1966	.	0.3	.	.	8.0	13.3	.	21.6	86.5	86.5	25%	25%	25%	25%
1967	.	0.5	.	.	9.6	11.4	.	21.5	86.6	86.6	25%	25%	25%	25%
1968	0.1	10.2	.	.	17.0	24.7	.	52.0	112.7	112.7	46%	46%	46%	46%
1969	0.1	5.6	.	.	24.7	4.1	.	34.5	112.4	112.4	31%	31%	31%	31%
1970	0.4	7.9	.	.	27.5	903.1	.	938.9	1067.3	1067.3	88%	88%	88%	88%
1971	0.9	10.5	.	.	32.5	3.1	.	47.0	220.4	220.4	21%	21%	21%	21%
1972	1.2	11.4	.	.	32.5	3.3	.	48.4	219.2	219.2	22%	22%	22%	22%
1973	0.9	12.0	.	.	30.2	7.2	.	50.3	208.2	208.2	24%	24%	24%	24%
1974	1.2	14.8	.	.	35.8	28.4	.	80.2	264.9	264.9	31%	31%	31%	31%
1975	2.5	26.6	6.6	.	49.8	4.9	.	90.4	333.4	333.4	27%	27%	27%	27%
1976	4.9	28.0	83.4	223.1	48.4	3.7	.	391.5	709.8	709.8	55%	55%	55%	55%
1977	5.0	23.8	139.1	270.6	36.3	2.8	.	477.6	874.3	874.3	55%	55%	55%	55%
1978	8.4	107.7	173.0	.	150.6	1.8	.	441.5	764.9	764.9	58%	58%	58%	58%
1979	232.6	173.8	163.4	.	250.2	1.6	.	821.6	1133.0	1133.0	73%	73%	73%	73%
1980	547.5	506.5	168.9	.	689.4	344.2	.	2256.5	2501.2	2501.2	90%	90%	90%	90%
1981	860.1	1170.2	143.0	.	1119.7	11.3	.	3304.3	3718.0	3718.0	89%	89%	89%	89%
1982	668.9	1581.7	142.7	.	1174.4	7.1	.	3574.8	4108.4	4108.4	87%	87%	87%	87%
1983	236.0	1493.7	152.6	.	1105.6	38.7	.	3026.6	3631.0	3631.0	83%	83%	83%	83%
1984	265.1	1393.1	131.0	.	1058.5	13.9	.	2861.6	3390.1	3390.1	84%	84%	84%	84%
1985	168.6	1389.4	128.4	.	1042.2	14.9	.	2743.5	3260.0	3260.0	84%	84%	84%	84%
1986	133.9	1107.9	113.5	.	845.0	38.9	418.2	2657.4	3075.5	3075.5	86%	86%	86%	86%
1987	120.4	648.5	102.5	.	448.3	4.3	70.5	1394.5	1799.4	1799.4	77%	77%	77%	77%
1988	158.0	818.7	96.2	.	701.5	11.3	163.9	1949.6	2305.8	2305.8	85%	85%	85%	85%
1989	166.0	698.8	89.7	.	611.5	16.7	257.7	1840.4	2186.2	2186.2	84%	84%	84%	84%
1990	117.2	1001.6	89.8	0.0	753.7	4.2	154.8	2121.3	2507.2	2507.2	85%	85%	85%	85%
1991	185.1	1284.8	85.0	0.0	958.7	24.7	33.5	2571.8	2986.6	2986.6	86%	86%	86%	86%
1992	165.5	1053.2	69.0	0.0	708.2	6.8	4.7	2007.4	2462.6	2462.6	82%	82%	82%	82%
1993	117.6	1017.6	66.9	0.0	716.7	44.3	4.7	1967.8	2352.0	2352.0	84%	84%	84%	84%
1994	17.8	692.1	61.5	0.0	516.1	5.1	0.1	1292.7	1652.5	1652.5	78%	78%	78%	78%
1995	128.5	793.9	57.3	0.0	631.8	5.0	0.7	1617.2	2082.9	2082.9	78%	78%	78%	78%
1996	173.7	787.2	56.0	0.0	642.2	5.7	0.0	1664.8	2133.3	2133.3	78%	78%	78%	78%
1997	269.4	921.6	53.6	0.0	759.2	6.4	0.0	2010.2	2949.9	2949.9	81%	81%	81%	81%

- (1) These categories are primarily composed of petroleum revenue; however, they include some additional revenue from other minerals (mostly coal).
- (2) Since FY 1997, royalties and bonuses and rents are net of Permanent Fund contribution and Constitutional Budget Reserve Fund (CBRF) deposits.
- (3) Not subject to CBRF deposits.

Table 22. HISTORICAL CRUDE OIL PRICES
(\$/ Barrel)

FY	ANS West Coast Spot	ANS Gulf Coast Spot	ANS Average Reported Sales	WTI Spot
1981	.	34.92	34.10	.
1982	.	32.04	30.28	32.98
1983	.	30.31	28.04	32.52
1984	.	29.23	26.77	30.69
1985	.	27.89	26.27	28.15
1986	.	22.03	21.52	23.11
1987	.	15.05	13.43	16.14
1988	16.12	16.97	16.15	18.53
1989	14.61	15.21	14.36	16.93
1990	17.22	17.66	17.01	20.06
1991	21.57	22.21	20.93	24.95
1992	16.64	17.81	16.33	20.69
1993	17.83	18.53	17.58	20.69
1994	14.05	15.03	13.99	16.69
1995	16.77	17.10	16.39	18.46
1996	17.74	17.73	17.81	19.20
1997	20.90	.	20.85	22.54

Source: Platt's Oilgram Price Report.
Alaska Department of Revenue, Oil and Gas Audit Division.

Table 23. HISTORICAL CRUDE OIL PRODUCTION
(Million Barrels/Day)

FY	ANS	Cook Inlet	TOTAL
1978	0.702	0.144	0.846
1979	1.197	0.131	1.329
1980	1.422	0.109	1.531
1981	1.511	0.093	1.604
1982	1.570	0.080	1.650
1983	1.627	0.073	1.700
1984	1.657	0.065	1.722
1985	1.694	0.055	1.749
1986	1.802	0.045	1.847
1987	1.849	0.047	1.896
1988	2.005	0.043	2.048
1989	1.960	0.043	2.003
1990	1.853	0.033	1.886
1991	1.799	0.040	1.839
1992	1.791	0.042	1.833
1993	1.687	0.041	1.728
1994	1.601	0.038	1.639
1995	1.573	0.042	1.615
1996	1.474	0.042	1.516
1997	1.404	0.037	1.441

Source: Alaska Department of Revenue, Oil and Gas Audit.

In accordance with AS 37.07.060(b)(4), the Revenue Sources Book is compiled biannually by the Department of Revenue to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the state Legislature. Within the publication are shown prior year actuals, revised current year estimates, and future year projections.

Anticipated state income is projected through the use of a number of data sources: (1) econometric models developed by the Department of Revenue to forecast unrestricted non-petroleum revenues; (2) a petroleum revenue model created by the Department's Oil and Gas Audit Division; and (3) estimates from individual state agencies.

We thank the various state agencies for their cooperation in computing anticipated revenues for publication in this document.

The Department of Revenue complies with Title II of the Americans With Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact the Division's representative at (907) 465-3692 or (907) 465-3678 (TDD) to make necessary arrangements.

This publication was released by the Department of Revenue, Oil and Gas Audit, 550 West 7th, Suite 570, Anchorage, Alaska, 99501. (<http://www.revenue.state.ak.us>) It was produced at a cost of \$2.31 per copy to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the Alaska State Legislature, and printed in Anchorage, Alaska. This publication is required by AS 37.07.060.

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ALASKA STATE LEGISLATURE



DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

BUILDING ALASKA FOR THE 21ST CENTURY

REPORT TO THE GOVERNOR AND THE LEGISLATURE

HOUSE MEMBERS

ELDON MULDER, CO-CHAIR
KIM ELTON
RICHARD FOSTER
JEANNETTE JAMES
BEVERLY MASEK
GAIL PHILLIPS

SENATE MEMBERS

TIM KELLY, CO-CHAIR
LOREN LEMAN
GEORGIANNA LINCOLN
ROBIN TAYLOR
GARY WILKEN
MIKE MILLER

LEGISLATIVE STAFF:

DENNIS DEWITT, CHIEF-OF-STAFF
TIM BENINTENDI, MATT GILL, LARRY LABOLLE, AND SHEILA PETERSON

JANUARY 10, 1998

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

We have enclosed a copy of *Building Alaska for the 21st Century*, the Report to the Governor and the Legislature by the Deferred Maintenance Task Force.

The Task Force visited many communities and discussed the condition of state and educational assets with many community leaders. We worked diligently to identify public assets with deferred maintenance needs. As you will see, the report sets out a very aggressive plan to address deferred maintenance and school rehabilitation and construction. The six pieces of legislation recommended in Appendix G were introduced into both the House and the Senate.

The current trend in oil pricing, with its anticipated increased future draw on the Constitutional Budget Reserve may require a less comprehensive fix in resolving the entire problem with one approach. While we explore various options, it is important to note that the prevailing mood of the Legislature remains committed to addressing the deferred maintenance problems we identified.

We know these projects are important to both Alaska and your community. We share your concerns and remain committed to crafting an approach that begins a solution this session. In a major undertaking like this, we are aware that some projects were inadvertently overlooked, mis-prioritized, or inaccurately funded. We need your support and welcome your comments on this proposal as it moves through the legislative process.

Sincerely,

A handwritten signature in black ink, reading "Tim Kelly".

Senator Tim Kelly
Senate Co-Chair
Senate District K

A handwritten signature in black ink, reading "Eldon Mulder".

Representative Eldon Mulder
House Co-Chair
House District 23

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
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Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

January 12, 1998

The Honorable Tony Knowles
Governor
State Capitol Building
Juneau, Alaska 99811-0001

Dear Governor Knowles:

The Deferred Maintenance Task Force has completed its assigned task. It adopted the attached report to the Governor and the Legislature on January 10, 1998. You will receive a formal printed copy when they are completed.

The Task Force worked diligently to identify state assets with deferred maintenance needs. We have a proposal for financing the needed repairs. We have recommendations to prevent a reoccurrence of the problem we were called together to help resolve.

The House and Senate Rules Committees will introduce six pieces of legislation today at the request of the Deferred Maintenance Task Force. This will begin the formal legislative discussions on addressing the deferred maintenance needs we identified.

However, the current trend in oil pricing, and its future impact on the Constitutional Budget Reserve, may dictate a less ambitious approach to solving the entire problem at this time. Fiscal prudence may require the proposal to be scaled back to the most essential elements. We expect the Legislature, over the next several months, to assess this impact as it considers the legislative package.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tim Kelly".

Senator Tim Kelly
Senate Co-Chair
Senate District K

A handwritten signature in cursive script, appearing to read "Eldon Mulder".

Representative Eldon Mulder
House Co-Chair
House District 23

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CHAPTER ONE

INTRODUCTION

The Deferred Maintenance Task Force was established by House Concurrent Resolution No. 8. (Appendix A) It directed the Task Force to:

1. Review and evaluate publications from similar efforts in the past made by the executive branch, the legislative branch and other public and private individuals and organizations;
2. Identify and evaluate all current and deferred maintenance needs for public facilities;
3. Disseminate information and solicit public comment about its subject of consideration;
4. Submit a report of its findings and recommendations, including a funding plan, to the Governor and the Legislature by the convening of the Second Regular Session of the Twentieth Alaska State Legislature.

The Task Force first met in May 1997, in Juneau to organize and hear presentations from state agencies.

During the interim the Task Force held 14 days of public hearings in the communities of Kenai, Kotzebue, Nome, Kodiak, Wasilla, Ketchikan, Fairbanks, and Anchorage. The Task Force conducted over 60 hours of public testimony.

The Task Force also made site visits while in the various communities. It visited 20 communities and viewed:

- 18 schools,
- 3 University of Alaska campuses,
- 3 prisons,
- 1 community jail,
- 5 harbors,
- 8 airports,
- 15 other public buildings, and
- 100s of miles of roads and highways.

The Task Force, prior to every visit, notified each community of scheduled public hearings by newspaper advertisements, public service announcements and regular notice of legislative hearings. Every community had many citizens and designated officials present testimony to the Task Force. Most of the hearings exceeded the planned time, but the Task Force remained to hear from everyone who wished to testify. The Task Force also received written testimony from anyone unable to attend the several public hearings.

The Task Force presented representatives of each community with an inventory of deferred maintenance developed by the staff through its work with the state agencies. They had an opportunity to comment on its completeness and accuracy. Generally, communities found the information accurate.

During the term of the Task Force, the staff worked with state agencies to develop an inventory of deferred maintenance needs for state assets. A final compilation is included in this report with greater detail filed in the Legislative Library.

Staff also reviewed previous reports and activities in other states. The review of previous work in Alaska was marginally useful as most were catalogues of needs at a point in time. The review of other states found no particularly innovative approaches to solving this problem. There was, however, the Virginia example of the use of a financing authority the Task Force found useful in its deliberations.

After the extensive set of committee hearings, the Task Force met in Anchorage for a two day session in October focusing on financing options. The Task Force heard presentations from the Division of Legislative Finance, the Department of Revenue, the Department of Transportation and Public Facilities, the Department of Administration, The Alaska Municipal League, and bonding consultants. The committee held open discussions and gave tentative approval to recommend funding the deferred maintenance and educational replacement needs through the use of bonding. The interest earned on funds in the Build Alaska Fund will be designated corporate receipts, a restricted fund in the state general fund. These funds and the dedicated tobacco tax will increase general fund revenues by an amount that would allow the legislature to annually appropriate funding for payment of debt service on the proposed bond. This will assure that the five year plan to close the fiscal gap is maintained.

The Task Force met again for two days in November. It reviewed the proposed funding method, established the funding as a six year plan, adopted a process for prioritizing projects and adopted recommendations to prevent the recurrence of a deferred maintenance back log. At the final meeting staff was directed to secure bond counsel and an economist to review and comment on the proposal. Both were engaged and submitted opinions to the Task Force.

The economist chosen was Scott Goldsmith of the Institute of Social and Economic Research at the University of Alaska, Anchorage. He reported that the level of spending proposed by the Task Force would not overheat the Alaskan economy. (Appendix C)

Roger Davis, of the law firm of Orrick, Herrington & Sutcliffe LLP, was chosen as bond counsel. He reviewed the Task Force proposal to determine any unintended federal tax consequences. His advice is to make minor adjustments to the originally proposed legislation. With those adjustments, he finds no concern about adverse federal tax consequences. (Appendix I)

This report reflects the findings of the Deferred Maintenance Task Force and its recommendation for Legislative and Administrative action.

CHAPTER TWO

SUMMARY OF RECOMMENDATIONS

The Deferred Maintenance Task Force adopted the following recommendations.

1. Provide Funding over a Six Year Period for \$1,420,000,000 of Identified Deferred Maintenance Needs
2. Financing Plan
 - a) Create a Public Facilities Financing Corporation with a Build Alaska Fund
 - b) Appropriate \$1.5 billion from the Constitutional Budget Reserve to the Build Alaska Fund
 - c) Make interest on the Build Alaska Fund and the dedicated tobacco tax available to the general fund to increase funds available for annual appropriation to service bonds sold to finance deferred maintenance needs.
3. Authorize a November 1998, Statewide Advisory Vote to Approve the Plan and the New Corporation
4. Require Local School District Financial Participation in School Construction
 - a) 2% to 35% based on AS 14.11.008
5. Require Routine and Preventive Maintenance Programs
 - a) Require Preventive Maintenance Programs be in place prior to receiving funding from this program
 - b) Require Separate operating budget appropriations for routine and preventive maintenance
6. Encourage the Use of Prototypical Designs for Schools
7. Transfer Certain State Owned Harbors to Local Governments

8. Establish a Rent Structure for State Owned Facilities
9. Request Standing Committee Review of the Following Issues
 - a) Increase Oversight of School Site Selection and Design
 - b) Use of Regional High Schools and Distance Education
 - c) Road Maintenance Cost Caused by Hard Metal Studs in Tires
 - d) Regulatory Requirements that Increase Construction Costs
 - e) Transferring Ownership of Certain State Roads

CHAPTER THREE

GOALS, HEARINGS AND SITE VISITS

The Deferred Maintenance Task Force was established by House Concurrent Resolution No. 8. (Appendix A) It directed the Task Force to:

1. Review and evaluate state policy and strategy recommendations and assumptions from reports and publications from similar efforts in the past made by the executive branch, the legislative branch and other public and private individuals and organizations;
2. Identify and evaluate all current and deferred maintenance needs for public facilities, including their location, estimated costs, and priority with which they should be addressed; the task force shall coordinate with the University of Alaska, the principal state departments, municipalities, the office of management and budget, and other affected entities in order to ensure that the task force's work is comprehensive and complete as possible;
3. Disseminate information and solicit public comment about its subject of consideration;
4. Submit a report of its findings and recommendations to the Governor and the Legislature by the convening of the Second Regular Session of the Twentieth Alaska State Legislature concerning the scope of deferred maintenance for public facilities and, to the extent necessary, a plan for funding the expenses of the deferred maintenance needs identified by the task force.

Goals of the Deferred Maintenance Task Force

To carry out its mission, the Deferred Maintenance Task Force adopted four major goals to guide the group's discussion and, ultimately, its recommendations. The following are major goals of the Task Force:

- Identify and evaluate the deferred maintenance needs within the state
- Recommend a funding plan that addresses current and future deferred maintenance needs and conforms to the Legislative Majorities Five-Year Fiscal Plan
- Protect the integrity of the Permanent Fund and the Permanent Fund Dividend program
- Establish a plan to ensure state agencies and local school districts meet proper preventative maintenance standards

In addition to the four major goals stated above, the Task Force recognizes that several other equally important goals must be addressed. The Task Force must not only establish a funding proposal to adequately cope with the magnitude of the current deferred maintenance needs within the state, but also must ensure that no future legislature is faced with a \$1.5 billion backlog of deferred maintenance needs. The Task Force recognizes that several steps are necessary to achieve this goal. Satisfactory completion of these goals will help assure that the purpose of the Deferred Maintenance Task Force is accomplished.

- Establish a process to evaluate and prioritize current and future deferred maintenance needs
- Recommend a proposal to transfer responsibilities for certain local facilities to local government control such as harbors and local roads
- Consider the revenue of the School Fund (tobacco tax) as a source to fund the state's school construction and maintenance needs
- Recommend long-term solutions that cost-effectively address the state's current and future construction and maintenance needs
- Develop a six-year proposal that addresses the state's deferred maintenance capital needs, including a school debt reimbursement program
- Establish an optimum funding level for capital projects and avoid too many capital projects appropriations in any given year

- Identify a method to recognize and equitably fund local school districts and state agencies who have successfully maintained their facilities and have avoided costly deferred maintenance
- Review the successful implementation of prototypical designs for school construction projects and promote the expanded use of these plans
- Evaluate and recommend systemic changes to current construction and maintenance methods to reduce the overall costs
- Explore possible long-term solutions for revenue options

Task Force Activities

The Deferred Maintenance Task Force spent many hours and days visiting facilities in Alaska reviewing the condition and the need for deferred maintenance funding. In each community visited, the Task Force held public hearings to receive formal testimony. In addition, the Task Force visited many sites and had the opportunity to talk informally with thousands of citizens about the deferred maintenance needs and other needs and concerns. The following is a summary of the site visits and the formal public hearings conducted by the Deferred Maintenance Task Force.

At its initial meeting, May 6, 1997, the Task Force established its schedule and directed staff to prepare information and activities so the Task Force could accomplish its task. Task Force directed that staff:

- Work with the various state agencies over the summer to develop an inventory of state assets with deferred maintenance needs.

Staff worked with the administration, University of Alaska, and Court system and developed that inventory. Chapter 4 contains the inventory.

- Arrange site visits during the months of September and October. The Deferred Maintenance Task Force was willing to be very active and wanted to visit many areas of Alaska, both rural and urban.

Because Alaska is geographically large, it was impossible to visit every community. Staff scheduled eight site visits beginning August 25, 1997, and concluding on October 14, 1997. The areas visited were Kenai, the Kotzebue region, the Nome region, Kodiak Island, the Matanuska-Susitna Borough, the Ketchikan area, the Fairbanks area, and the

Municipality of Anchorage. The Task Force conducted over 60 hours of formal public testimony.

As a result of the site visits, the Task Force reviewed 18 schools, 3 University of Alaska campuses, 3 prisons, 1 community jail, 5 harbors, 8 airports, 15 other public buildings, and 100s of miles of roads and highways.

- Look to other states for innovative approaches to addressing the issue of deferred maintenance.

Staff, with the assistance of the Division of Legal & Research Services researched activities in other states to address the maintaining their state assets. A summary memo of this research is in Appendix E. The full report is in the legislative library. The research made two facts abundantly clear:

1. No matter how states organize or choose to fund their deferred maintenance projects, a substantial amount of money is required; and
2. Delaying maintenance ultimately translates into increased project costs.

Most states sell general obligation bonds to pay for the deferred maintenance needs of public facilities. In contrast to this general rule, the states of Idaho, Nebraska, Tennessee and Virginia established alternative funding methods.

Idaho established a Permanent Building Fund to make available resources for deferred maintenance projects. The fund receives dedicated funds from a portion of the liquor tax, cigarette tax, state lottery earnings, and a \$10 head tax on every personnel income tax filer.

Nebraska established a Task Force for Building Renewal that eventually became a permanent state agency. This state agency is responsible for deferred maintenance of facilities. Routine and preventive maintenance is the responsibility of a separate agency. Direct appropriations fund the task force and its activities.

Tennessee instituted a rental system that requires all state agencies pay market rate rents. The rent funds pay for maintenance, preventive, routine, and deferred. The state appropriation process has not kept appropriations for rent current with the general market. Thus the funds available for maintenance have not been sufficient to maintain all facilities.

Virginia established a Public Facilities Financing Corporation to bond for construction and maintenance of state facilities. The Corporation uses revenue bonds that are backed by a moral obligation and are dependent on annual appropriation by the legislature. (Appendix F)

Juneau Hearing

The Task Force convened its first meeting on May 6, 1997, in Juneau to organize and hear presentations from state agencies. The Court System, the University of Alaska, the Department of Transportation and Public Facilities, The Department of Administration, and the Department of Education made presentations. The state agencies shared that there is a significant amount of deferred maintenance in Alaska. They shared that there is a need to implement computerized maintenance management programs to inventory asset needs and to assure that maintenance was being performed on a regular basis.

Kenai Hearing

The Task Force met in Kenai on August 25 in the Kenai City Council Chambers. Testimony was received from the Borough of Kenai, and the cities of Seward, Kenai, Soldotna, Homer, and Seldovia. The municipalities focused on the need to repair schools and provide for expansion in communities with population growth. The City of Seward called attention to a proposal for the state to bring harbors the state currently owns up to standard then turn them over to municipalities for future ownership. They also discussed roads and other municipal facilities. The Alaska Municipal League presented general information on repair and maintenance needs from the perspective of municipalities in Alaska. They offered the "community dividend" as a means of paying for capital needs both new and deferred needs. They pointed out that there were needs for expanded capital projects as well as deferred needs for maintenance. Testimony from the general public was very light. It included Laborers, Local 71, and Ms. Joan Schrader. Members of the Task Force visited the public health facilities located in the Kenai municipal building. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Kotzebue Area Hearing and Site Visits

The Task Force visited the Kotzebue area from September 8, 1997, to noon on September 10, 1997. The Task Force toured the communities of Buckland, Noorvik, Shungnak, Kiana, and Kotzebue. It visited schools, municipal offices, water and sewer facilities, and a senior center. It also visited the Red Dog Mine as it is the principal economic resource in the area.

Each of the communities showed the Task Force its facilities and explained why they were in poor repair and how they needed expansion to accommodate increased population. The School at Shungnak was a notable exception in that it was well maintained and seemed to have a focus on care of the plant and equipment. Kiana and Noorvik have old BIA era facilities that are simply wearing out. In Kotzebue the Task Force visited the Alaska Technical Center, senior center, elementary school, municipal offices, police station and community jail.

Testimony was from organized groups. Education was the focus of most presentations. Cominco Alaska, Inc. advocated the funding process found in HB 216 and SB 37. The proposal uses Constitutional Budget Reserve funds as a security, invested at taxable rates then using the return to service tax free bonds at a lower rate. The Northwest Arctic Borough, the Northwest Arctic Borough School District, The Bering Strait School District, the North Slope Borough, North Slope Borough School District all pointed to the need to repair and expand rural schools. They shared that many students were in facilities that were dangerous as a result of poor physical plants. They generally believed that the Alaska Constitution places responsibility for education on the state. While they were willing to continue to contribute to the costs, they believed the state needed to aggressively address the need for repair, renovation and replacement of local schools.

The City Manager of Kotzebue, suggested that municipal facilities should be included in funding any Task Force proposal. He suggested that a source of funding could be a return to global accounting for companies doing business in Alaska prior to 1983 when the tax formula was changed. Barbara Janitchenk from the Maniilaq Corporation spoke to the needs of the senior center building. John Evans from DOT/PF shared the needs of the airport, court building, roads and several needs in villages for road equipment. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Nome Area Hearing and Site Visits

The Task Force visited the Nome area from noon on September 10, 1997, through September 12, 1997. In Nome the Task Force visited the state office building, DOT/PF maintenance facility, the National Guard Armory, the

Nome municipal building, Anvil Mountain Correctional Facility, the youth facility, Beltz School facility, University of Alaska, Northwest Campus, Basin Creek and Munz airports, and parts of the Taylor Highway. It flew to Golovin to visit the school.

The Task Force received testimony from the Bering Strait School District, the Nome School District, City of Nome and the University of Alaska. They shared their deferred maintenance needs and the needs for replacing several facilities. Nome asked what the state is willing to fund. The City of Nome is willing to work to get the balance needed to make its projects work. There was significant discussion about the possibility of using the Beltz facility for a regional high school. If that were to work, there would be over \$8 million in needed renovation of electrical, water, heat and sewer systems. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Kodiak Island Hearing and Site Visits

The Task Force visited Kodiak Island on September 29, 1997. It toured several state roads and highways in need of repair, the DOT/PF maintenance facility, Coast Guard recreational facilities used by the community, St. Paul Harbor, St. Herman Harbor, two state office buildings, and the Municipal Building.

The Public hearing focused on the need to repair harbors and roads on Kodiak Island. The borough and the city presented a joint capital projects request list. Kodiak is willing to assume ownership of the harbors if the state will make funds available to repair the deferred maintenance. Several people from the surrounding villages made presentations asking for maintenance equipment. They indicated the equipment could be shared to maintain the assets in several communities. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Matanuska-Susitna Borough Hearing and Site Visits

The Task Force visited the Matanuska-Susitna Borough on October 1, 1997. The visit included schools in the communities of Talkeetna, Houston, Big Lake and Wasilla as well as the highway system between Anchorage and Talkeetna.

The Task Force received formal testimony from 24 people. They represented the Borough, the school district, several cities, and a group of students from Wasilla High School, as well as individuals representing themselves. The most pressing concern was education. The Mat-Su is growing at a fast rate and is out growing its schools and highways. Many of the existing schools and Highways are in need of significant repair. The Mat-su has approved several bond issues contingent on state match funds. Governmental representatives

noted that local voters are increasing their own taxes to provide services, but still need help in getting facilities back in repair. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Municipality of Anchorage Hearing and Site Visits

The Task Force visited the Municipality of Anchorage on October 2, 1997. It made site visits to the Sixth Avenue Correctional Center, Muldoon Elementary School, and the University of Alaska, Anchorage. During the site visits, the Task Force was able to discuss many of the needs of the Anchorage School District and the University of Alaska, Anchorage. Both are growing rapidly as a result of population growth in the Municipality. The enrollment at the University of Alaska, Anchorage is increasing. With new student housing, the enrollment will continue to grow. Many of the facilities are aging and need replacement or expansion to accommodate new populations.

The Task Force received formal testimony from the Municipality of Anchorage, the Anchorage School District, The Alaska Truckers Association, the Department of Transportation and Public Facilities, and the Department of Military and Veterans Affairs.

The Municipality, both the Mayor and the Assembly noted the need for school construction funding as well as highway funding. They encouraged the Task Force to include municipal facilities in the state financing program. The Replacement of the Sixth Avenue Correctional Facility is high on their agenda. The School District echoed the need for school funding, citing the age of many of their facilities and the growth in population.

The Alaska Truckers Association suggested that they were willing to pay, if the taxes were directed to repair and expansion of our road system. Further, Inspection and weight stations are the key to maintaining our highways. If those programs function as they should, roads experience less damage.

Roger Patch, Director of Alaska Air National Guard Installations, Department of Military and Veteran Affairs, made a special presentation at the request of the Task Force. Mr. Patch has been a strong advocate of preventive maintenance and has implemented it in DMVA facilities. He suggested that implementing a computerized system was key to success. He suggested that facility maintenance will not be a priority of program managers without facility management training. It is better to have the facility managed by someone trained to do so. Mr. Patch's testimony is included in this report in Appendix B. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Ketchikan Area Hearing and Site Visits

The Task Force visited the Ketchikan area on October 7, 1997. It visited the Airport, the public safety building, White Cliff Elementary School, Bar Harbor, the Ketchikan Correctional Center, the Saxman Seaport, and many miles of state highways and roads.

The Task Force received testimony from 15 people, most representing themselves. The borough, city and Chamber of Commerce were also represented. They expressed concern about the deteriorating condition of the ferry system, funding for education capital projects, and road maintenance. Ketchikan is interested in assuming ownership of the state harbor when the state provides funds to bring it up to standard. A recommendation was made that the state consider conversion of facilities that were over built in the 1980s. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Fairbanks Area Hearing and Site Visits

The Task Force visited the Fairbanks area on October 14, 1997. It visited the University of Alaska, Fairbanks, four schools, including prototype schools, many miles of roads to observe frost heaves, chip seal, and needs for repair and upgrades, the Fort Knox Mine, and several municipal facilities in need of repair.

The Task Force received over 6 hours of public testimony. The morning session included representatives of the University of Alaska, The City of Fairbanks, the Fairbanks North Star Borough, the Fairbanks North Star Borough School District, and the Northern Region of the Department of Transportation and Public Facilities. The afternoon session focused on individual testimony.

The morning session focused on the unique problems of maintenance in the northern region caused by temperature and distance. Most presenters echoed the caution that most historical funding has rewarded those who do not maintain their facilities and encouraged the Task Force to consider requirements that require and reward maintenance efforts. Cost sharing was strongly supported, requiring local communities to have an investment in facilities they use. The community requested flexibility in funding so that local communities would have the greatest ability to stretch the funding dollars as far as possible. They also noted that multi-year funding would offer certainty to projects. Currently, planning grants are no assurance of funding for the planned project. This certainty would allow design of something that would actually have funding at a known funding level. They suggested this would save design, construction and operating expenses.

The afternoon hearing provided an opportunity for individuals to address the Task Force. Representatives from Delta Junction and Deltana also made presentations. Eighteen individuals made presentations. Concern for educational funding was most often voiced, followed by concerns for highway maintenance. Several individuals spoke of the need to be aware of ADA requirements in repairing sidewalks and buildings. Other suggestions included funding maintenance as a separate appropriation and developing a revolving maintenance fund. Tape recordings of the hearing and all handouts are available in the Legislative Library.

Anchorage Hearing on Financing Options

The Task Force convened a hearing in Anchorage on October 21 and 22, 1997. The focus of the meeting was financing options. The Legislative Fiscal Analyst provided a review of state budget and financing issues, including revenue and expenditure information.

The State Debt Manager explained the relevant issues surrounding bonding. He reviewed the state's capacity to bond and issues that should be considered if the Task Force chose to bond to fund deferred maintenance. He indicated conservative projections indicate the state has significant bonding capacity available.

The Alaska Municipal League discussed its proposal to create a "community dividend". The proposal would use the earnings from the Permanent Fund to pay dividends to individuals and to communities. The community would receive a dividend on a population basis. The community dividend would be used to fund local projects.

The Department of Transportation and Public Facilities discussed the impact of fuel taxes and the amount that could be collected. They also discussed transportation maintenance needs.

The Department of Administration presented a concept that would require state agencies occupying space in state owned buildings to pay rent. The rent would be placed in a fund that would pay for maintaining the buildings.

Mr. Robert LeResche spoke to the committee about the concept of creating a facilities funding authority. The authority would issue revenue bonds and use arbitrage to fund construction needs.

The Task Force spent the second day working through its priorities for funding and addressing deferred maintenance. It developed a consensus on a bonding proposal, the creation of a corporation to let the bonds, and creation of a Build Alaska Fund to ongoing focus attention on the need to maintain

and improve Alaska's infrastructure. Tape recordings of both days of hearings and all handouts are available in the Legislative Library.

Anchorage Hearing to Adopt Recommendations

The Task Force met in Anchorage on November 5 and 6, 1997. The purpose was to review and adopt the final recommendations. The staff reviewed the recommendations contained in Chapter 6 of this report. The Task Force reviewed the recommendations and tentatively adopted them, pending final review of the text and prioritization on January 10, 1998. Staff was directed to draft the text of the final report consistent with the adoption of the recommendations.

Staff was directed to seek advice of bond counsel on the financing proposal. The Task Force feels confident that its recommendations will not jeopardize the nontaxable status of bonds it recommends be used. It acknowledges there are those who have reservations about the proposal. In order to resolve those concerns, the Task Force engaged bond counsel to provide a formal opinion on the proposal. Roger Davis, of the law firm of Orrick, Herrington & Sutcliffe LLP, was chosen as bond counsel. He reviewed the Task Force proposal to determine any unintended federal tax consequences. (Appendix I)

Staff was also directed to secure the opinion of an economist on the impact of \$1.4 million of new state spending. The Task Force was concerned that the proposal neither overheated the economy nor created a 'roller coaster' economy. The economic consultant chosen was Scott Goldsmith of the Institute of Social and Economic Research at the University of Alaska, Anchorage. he reported that the level of spending proposed by the Task Force would not overheat the Alaskan economy. (Appendix C)

Tape recordings of the hearing and all handouts are available in the Legislative Library.

CHAPTER FOUR

INVENTORY OF NEEDS

The Task Force requested state agencies and the University of Alaska to provide it with an inventory of deferred maintenance needs. For Schools, the Task Force expanded its definition of deferred maintenance to include the need to house students. Otherwise, the following definition was used by the Task Force to determine consideration of projects submitted.

Working Definition of Deferred Maintenance

The Task Force uses the following definition in collecting its data and considering projects for funding as deferred maintenance needs.

"The aggregation of unfunded routine maintenance and repair and replacement which was not performed in a timely manner due to lack of available funding, lower priority, management decisions to use maintenance funds for other purposes or other recognized delaying factors. "

The Task Force used the reports from the agencies as a beginning source of needs to be addressed. Task Force staff tallied the requests by agencies and developed the spreadsheet on the following page. These numbers formed the base for the Task Force as it deliberated the funding needs and options.

A complete copy of every report is on file in the Legislative Library. The individual agency reports were far too voluminous to include in this final report. They ranged from one page to almost 1,000 pages.

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INVENTORY OF NEEDS		
Agency	Subtotals	Totals
Department of Administration		\$15,134,240
Department of Corrections		\$22,685,863
Department of Education		\$6,478,162
Department of Fish & Game		
Buildings	\$4,631,878	
Vessels	\$63,500	
DFG Total		\$4,695,378
Department of Health & Social Services		\$17,145,452
Legislative Affairs Agency		\$2,501,528
Department of Military & Veterans Affairs		\$2,554,516
Department of Natural Resources		\$4,851,961
Department of Public Safety		\$1,240,215
Department of Transportation & Public Facilities		
DOT/PF Southeast Region Buildings	\$8,560,000	
DOT/PF Southeast Region Highway & Aviation	\$24,500,000	
DOT/PF Central Region Buildings	\$12,387,341	
DOT/PF Central Region Highway & Aviation	\$125,800,000	
DOT/PF Northern Region Buildings	\$29,950,311	
DOT/PF Northern Region Highway & Aviation	\$107,100,000	
Marine Highway System	\$42,264,300	
State Owned Harbors	\$34,999,394	
Additional Cost to Transfer Harbors (good condition)	\$19,678,311	
DOT&PF Total		\$405,239,657
University of Alaska		\$209,779,421
Schools K-12 - (Department of Education)		
Major Maintenance (Deferred)	\$121,523,721	
Construction (Deferred Maintenance)	\$174,563,503	
Schools K-12 Total		\$296,087,224
Court System		\$7,912,000
ADA Compliance		
Non University	\$32,812,324	
University	\$18,220,579	
ADA Total		\$51,032,903
All Agencies Total		\$1,047,338,520

CHAPTER FIVE

FUNDING RECOMMENDATIONS

The Task Force reviewed the identified needs over the course of its activities. Because of the shortness of time and available staff, the Task Force asked for assistance from the various agencies in prioritizing the projects. Task Force instructed its staff to use the following criteria to assist in the prioritization process.

Criteria For Consideration And Prioritization

The Deferred Maintenance will use the following criteria to prioritize over \$1.4 billion of deferred maintenance, renovation and replacement needs. The Task Force recommends the funding be over a six year period. The Task Force will use these criteria and work with the administration to create a list of projects to be funded by bonds to be issued by the Public Facilities Financing Corporation.

- Health and safety effects
- Preservation of educational programs
- Impact on program operation
- Economic development
- Feasibility, including public support and project readiness
- Existence and implementation of a maintenance program
- Historical maintenance of facility
- Use of available prototypical facilities
- Fiscal impacts on costs and revenues
- Distributional effects

- Ability to transfer ownership
- Advantages accruing from relationships to other project proposals

Task Force staff worked with the various agencies to develop prioritization of projects. The Court System submitted information describing life safety and other needs in each project. It also submitted its lists in prioritized order.

The University of Alaska submitted its list of deferred maintenance needs. It actively assisted in creating prioritization of its projects using many of the Task Force's criteria, especially health and safety, preservation of educational programs and relationship to other projects.

The administrative agencies were late in delivering any assistance in prioritization. The information was delivered to Task Force staff on December 22, 1997. The prioritization was limited to identifying the project on four criteria. The criteria were life safety, facility integrity, agency function and miscellaneous. Beyond this limited identification of reason for identifying the deferred maintenance need, the Administration provided no assistance in prioritization. The Task Force staff determined that priority would be in the following order: 1) Life Safety; 2) Facility integrity; 3) Agency Function; and 4) Miscellaneous.

The Department of Education provided school major maintenance and school construction needs based on the statutory process of priority. The Task Force staff used this prioritization along with a top priority for districts that bonded for school construction. Maintenance and construction projects are mixed with a heavier emphasis on maintenance needs in the early years. The maintenance needs are completed earlier than construction needs. In the latter years, the Task Force identified full funding for projects rather than planning funds. Funding designated four to six years out would signal that districts could begin the planning process. Districts can be prepared to begin the project when the funds are appropriated.

The school funding lists contained water, sewer and fuel spill clean up requests. While these appear on the school lists, they are very often funded separately using water, sewer and spill clean up funds. These projects were moved from the school category to the sewer, water and fuel spill clean up category. This allowed funding of more rural school projects in the school funding category while satisfying a critical rural need.

The Funding was developed to keep within the maximum amount recommended for annual appropriation by the Task Force. Relative funding was kept within the range of identified needs for each category of funding. It

should be noted that harbors received earlier funding because each project funded would relieve the state of ownership responsibility and future funding obligation.

Funding of deferred maintenance for the Motor Vessel Malaspina and Harborview Development Center are not included in this report. Current state policy retires these assets from state use. Further, the Administration has indicated it intends to introduce legislation to deal with their future use. That is a more appropriate place to have the legislative discussion on the future of these two assets.

Funding for deferred maintenance needs of the Alaska Psychiatric Institute is recommended for consideration late in the plan. The Mental Health Trust, the Department of Health and Social Services and the Legislature are continuing discussions on replacement of the facility. It makes little sense to invest in a facility that may be replaced within the next three to five years.

The following are the recommendations for prioritization and funding of identified deferred maintenance needs by the Deferred Maintenance Task Force. The amounts recommended for schools reflect the state's share of the project cost. The state's share was determined using the cost sharing percentages outlined in AS 14.11.008, consistent with Task Force Recommendation Number 4.

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Spending by Year*

Agency	FY 1999	FY 2000	FY 2001	FY 2002	FY2003	FY 2004	Total
Schools K-12	\$120,857.7	\$101,982.4	\$102,669.4	\$103,339.8	\$78,640.4	\$76,564.9	\$584,054.6
University	\$50,275.3	\$38,734.6	\$38,788.4	\$38,750.0	\$34,200.0	\$27,250.0	\$227,998.3
Highways & Airports	\$57,720.7	\$50,078.7	\$44,115.9	\$43,774.4	\$34,277.9	\$27,407.8	\$257,375.4
Marine Hwy	\$3,471.5	\$919.0	\$6,881.8	\$7,194.4	\$6,497.6	\$7,256.6	\$32,220.9
Harbors	\$18,203.0	\$9,684.4	\$9,681.1	\$9,679.3	\$6,349.1	\$0.0	\$53,596.9
Buildings	\$37,449.8	\$37,379.7	\$31,949.0	\$30,286.6	\$24,591.9	\$8,294.8	\$169,951.8
ADA	\$5,650.8	\$4,571.3	\$5,824.6	\$5,896.2	\$3,612.9	\$6,208.2	\$31,763.9
Water,Sewer,Fuel Spill	\$6,313.9	\$6,605.7	\$10,000.0	\$11,000.0	\$11,800.0	\$16,975.0	\$62,694.6
Total	\$299,942.8	\$249,955.8	\$249,910.1	\$249,920.7	\$199,969.7	\$169,957.3	\$1,419,656.4
Target	\$300,000.0	\$250,000.0	\$250,000.0	\$250,000.0	\$200,000.0	\$170,000.0	\$1,420,000.0
Difference	\$57.2	\$44.2	\$89.9	\$79.3	\$30.3	\$42.7	\$343.6
(*Numbers in Thousands)							

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SCHOOLS K - 12				
Type	Elect Dist	District Name	Project Name	Amount Appropriated
			FY 1999	
m	1	Ketchikan	Houghtaling Elem. Rehabilitation	\$2,418.6
m	1	Ketchikan	Schoenbar Jr High Rehabilitation	\$2,822.6
m	1	Ketchikan	Valley Park Elem. Rehabilitation	\$1,932.0
m	1	Ketchikan	White Cliff Elem Replacement	\$6,730.8
m	2	Sitka	Baranof Elementary Renovation	\$4,200.0
m	2	Sitka	High School Renovation	\$7,000.0
m	37	North Slope	Anaktuvuk Pass Renovation	\$520.0
m	37	North Slope	District Wide Facility & Fire System Upgrades	\$3,269.5
c	37	North Slope	Hopson Middle School upgrades & addition	\$2,770.0
c	37	North Slope	Ipalook upgrade and addition	\$1,445.0
m	37	North Slope	Kaktovik Utilidor Replacement	\$684.5
c	37	North Slope	Kaveolook School Gym	\$949.0
c	37	North Slope	Nuiqsut Trapper School addition	\$4,877.0
m	37	North Slope	Point Hope High & Elementary School Renovation	\$2,483.0
c	37	North Slope	Wainright School Addition	\$2,275.0
m	10-25	Anchorage	Fairview & No. Lights Replacement	\$2,100.0
c	10-25	Anchorage	Nunaka Valley Elem. Renewal	\$3,780.0
c	10-25	Anchorage	Ptarmigan Elementary Renewal	\$1,890.0
c	10-25	Anchorage	Scenic Park Elem. Renewal	\$2,800.0
c	10-25	Anchorage	Taku Elementary Rehab & Upgrade	\$4,340.0
m	10-25	Anchorage	District-wide maintenance & Rehab	\$17,927.0
c	26-28	Mat-Su	Alasta Middle School	\$22,526.0
c	26-28	Mat-Su	Meadow Lakes Elementary School	\$8,858.5
c	26-28	Mat-Su	Talkeetna School Renovation	\$4,277.0
m	29-34	Denali	Tri-Valley School Code Upgrade and Rehabilitation	\$4,082.5
c/m	99	Statewide	Development of 3 Regional Prototypical Schools	\$3,900.0
			FY 1999 Total	\$120,857.8
			FY 2000	
m	5	Annette Island	Districtwide Major Maintenance Renovation	\$3,302.8
m	5	Annette Island	Middle/High School Asbestos Abatement Project	\$113.2
m	2	Wrangell	Civil Site Development: Paving Parking Area	\$185.1
m	2	Wrangell	Civil Site Work: Drainage Upgrade	\$62.5
m	2	Wrangell	Major Mechanical Renovation: Air & Heating System Replacement	\$132.4
m	2	Petersburg	Middle/High School Roof Replacement	\$210.1
m	2	Wrangell	Wrangell Schools Window Replacement	\$115.9
m	5	Hoonah	Accessibility Upgrades Project	\$63.7
m	5	Hoonah	Auto Shop Renovation	\$297.0
m	5	Haines	High School Pool Roof Replacement	\$299.1

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SCHOOLS K - 12				
	Elect			Amount
Type	Dist	District Name	Project Name	Appropriated
m	5	Pelican	Major Maintenance Project: Roofs/Electrical/Misc.	\$410.6
m	5	Hoonah	Roof Replacement Project	\$1,178.7
m	5	Hoonah	Swimming Pool Sprinkler Project	\$221.9
m	5	Chatham	Tenakee Retaining Wall Replacement	\$240.9
m	5	Yakutat	Vocational Education Building Renovation	\$192.8
m	35	Delta/Greely	Delta Re-Roof/Fire Alarm Replacement/Gym Floor Repair	\$1,261.9
c	35	Copper River	Kenny Lake Elementary School Replacement	\$4,724.2
m	37	Northwest Arctic	Ambler High School Renovation Project	\$1,690.4
m	37	Northwest Arctic	Kiana High School Renovation Project	\$2,228.5
m	37	Northwest Arctic	Noorvik High School Renovation Project	\$2,319.6
c	38	Kashunamiut	Chevak School Replacement	\$15,680.5
m	38	Lower Yukon	Hooper Bay Major Maintenance	\$1,587.2
m	38	Nome	Nome High School Upgrade/Replacement	\$8,000.0
m	39	Southwest Region	Koliganek Foundation & Basement Repair	\$614.8
m	39	Bristol Bay	Naknek Sprinkler System - Library/Computer Room Relocation/Remodel	\$1,791.5
c	39	Southwest Region	Replacement of Togiak School	\$15,729.0
m	10-25	Anchorage	District wide upgrades, electrical, heating, life safety	\$7,800.0
c	10-25	Anchorage	Muldoon Elementary Renewal and Upgrades	\$6,300.0
m	29-34	Fairbanks	Barnette Elementary Renovation	\$3,348.1
m	29-34	Fairbanks	Denali Elementary School Renovation	\$6,010.1
m	29-34	Fairbanks	Nordale Elementary School Renovation	\$6,682.1
c	29-34	Denali	Tri-Valley High School Addition	\$3,541.1
m	3-4	Juneau	Auke Bay Roof Replacement	\$598.1
m	3-4	Juneau	Floyd Dryden Gym Floor Replacement	\$100.7
m	3-4	Juneau	High School Heating and Ventilation System Replacement	\$75.0
m	3-4	Juneau	Marie Drake Roof Replacement	\$857.5
m	7-9	Kenai Peninsula	ADA Districtwide Accessible Entries, Phase I	\$102.1
m	7-9	Kenai Peninsula	ADA Districtwide Accessible Parking	\$76.2
m	7-9	Kenai Peninsula	ADA Districtwide Accessible Restrooms, Phase I	\$257.8
m	7-9	Dept of Ed	AK Voc Tech Center Repair & Renovation	\$1,308.0
c	7-9	Kenai Peninsula	Central High: Reinsulate Exterior Walls	\$208.3
m	7-9	Kenai Peninsula	Homer Jr. High: Second Floor Handicapped Access	\$176.4
m	7-9	Kenai Peninsula	Kenai Middle: Lower Floor Handicapped Access	\$176.4
m	7-9	Kenai Peninsula	McNeil Canyon Elementary: Replace Septic System	\$808.6
m	7-9	Kenai Peninsula	Seward Middle/High: Pool Renovation	\$820.3
m	7-9	Kenai Peninsula	Soldotna High: Replace Upper Gym Floor	\$81.6
Total FY 2000				\$101,982.4
FY 2001				

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SCHOOLS K - 12				
	Elect			Amount
Type	Dist	District Name	Project Name	Appropriated
m	2	Sitka	Districtwide Major Maintenance	\$2,196.3
m	5	Chatham	Angoon High School Major Maintenance Project	\$304.0
m	5	Kake	High School Major Maintenance	\$2,859.6
m	5	Kake	High School Roof Replacement	\$207.8
c	5	South East Island	Howard Valentine School Construction	\$2,791.8
m	5	Klawock	Major Maintenance Project: Architectural, Electrical, Mechanical	\$1,984.6
c	5	Chatham	Recovery of Funds - Hobart Bay School Building Purchase	\$58.2
m	5	Skagway	Skagway Roof Replacement	\$519.3
m	5	Skagway	Skagway School Access/Egress	\$254.6
m	5	Yakutat	Yakutat High School Interior Renovation	\$178.6
m	35	Chugach	Districtwide Security and Handicapped Access Upgrades	\$47.2
m	35	Chugach	Tatitlek Generator Replacement	\$102.4
m	35	Chugach	Tatitlek Water Main Replacement	\$39.6
m	35	Chugach	Whittier Drainage/Snow Remediation Project	\$133.5
m	35	Cordova	Junior/Senior High School Renovation	\$3,574.6
m	36	Galena	Roofing and Sprinkler Renovation Galena City Schools	\$1,149.6
c	36	Yukon Flats	Arctic Village Addition/Renovation	\$2,112.2
m	36	Nenana	Handicapped Access Repairs and Improvements	\$86.2
m	36	Iditarod	Holy Cross Shower & Bathroom Upgrade	\$47.5
m	36	Nenana	Interior Lighting: Replace Fixtures & Install Suspended Ceiling	\$86.3
m	36	Iditarod	McGrath School Foundation and Floor Repairs	\$181.8
m	36	Tanana	Replacement of Lighting Fixtures and Kitchen Equipment and Appliances	\$278.4
m	36	Nenana	Sprinkler System Renovation	\$137.1
m	36	Tanana	Vocational Education Roof Replacement	\$39.4
c	37	Northwest Arctic	Buckland School Remediation Project, Phase II	\$10,800.0
m	37	Bering Strait	Shishmaref Plan Design to Consolidate, Renovate and Replace Roof, Phase I	\$390.6
m	37	Northwest Arctic	Shungnak Major Maintenance: Heating System/Siding	\$361.3
m	38	Lower Kuskokwim	Districtwide American's with Disabilities Act Upgrade	\$1,430.6
c	38	Bering Strait	Elim School Upgrade and Addition	\$9,000.0
c	38	Bering Strait	Golovin School Upgrade and Addition	\$9,000.0
c	38	Lower Yukon	Kotlik K-12 Expansion	\$9,000.0
c	38	Lower Kuskokwim	Newtok New School	\$4,173.9
c	38	Nome	Nome School Addition/Upgrade	\$5,340.8
m	38	Lower Kuskokwim	Districtwide Asbestos Abatement	\$2,402.7
m	39	Lower Kuskokwim	Districtwide Asbestos Abatement	\$2,402.7
m	39	Dillingham	K-12 Siding Project	\$224.4
m	39	Southwest Region	Weather Protection Project - 4 Buildings	\$617.0

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SCHOOLS K - 12				
	Elect			Amount
Type	Dist	District Name	Project Name	Appropriated
m	40	Lake & Peninsula	Districtwide School Sprinkler Systems	\$1,363.5
m	40	Unalaska	Multipurpose Room Roof Replacement	\$44.1
m	10-25	Anchorage	Bartlett High Roof Renewal	\$1,912.4
c	10-25	Anchorage	Baxter Elementary Renewal and Upgrades	\$6,790.0
c	10-25	Anchorage	Creekside Park Elementary Renewal and Upgrades	\$5,950.0
c	10-25	Anchorage	Southeast Anchorage Elementary	\$9,800.0
m	29-34	Fairbanks	Districtwide ADA Compliance	\$1,952.2
m	3-4	Juneau	Cover Stairs High School Overpass	\$142.7
m	3-4	Juneau	Gastineau Heating Coil Replacement	\$121.9
m	3-4	Juneau	High School Gym Floor Replacement	\$78.1
			Total 2001	\$102,669.4
			FY 2002	
m	2	Dept of Education	Mt Edgecomb Repair & Renovation	\$3,784.5
c	2	Petersburg	Vocational and Food Service Additions/Major Maintenance	\$1,433.0
c	5	Craig	Craig Elementary School Addition and Reroof	\$2,227.1
c	5	Craig	New Craig Secondary School	\$8,749.2
c	6	Kodiak	Peterson Elementary Addition	\$756.0
c	35	Delta/Greely	Healy Lake New School Construction Project	\$125.2
c	36	Yukon Flats	Circle K-12 School Replacement	\$2,200.7
m	36	Yukon/Koyukuk	Districtwide ADA Code Upgrades	\$803.3
m	36	Iditarod	Districtwide Fire Alarm Upgrade Project	\$9,800.0
m	36	Yukon/Koyukuk	Districtwide Roof Replacement	\$1,041.0
m	36	Yukon/Koyukuk	Districtwide Structural Repairs	\$394.3
c	38	Lower Yukon	Sheldon Point K-12 Expansion	\$8,295.8
c	38	Bering Strait	Teller Elementary Gym Renovation and Expansion	\$9,800.0
c	38	Bering Strait	White Mountain School Addition and Gym	\$9,800.0
m	40	Aleutians East	King Cove School Exterior Upgrade/Mechanical	\$1,562.4
m	40	Aleutians East	Sand Point School Remodel/Roof Replacement	\$632.5
c	10-25	Anchorage	Denali Elementary Renewal and Upgrades	\$2,100.0
c	10-25	Anchorage	Wendler Middle School Renewal and Upgrades	\$5,835.9
c	26-28	Mat-Su	New Greater Core Elementary School	\$7,333.8
c	26-28	Mat-Su	New Houston High School	\$12,860.6
c	29-34	Fairbanks	Danby Middle School Addition, Phase II	\$4,004.6
c	7-9	Kenai	New Kenai School	\$9,800.0
			TOTAL FY 2002	\$103,339.8
			FY 2003	
c	5	Southeast Island	Naukati School Construction	\$2,912.7

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SCHOOLS K - 12				
Type	Elect Dist	District Name	Project Name	Amount Appropriated
c	5	Southeast Island	Naukati, Port Protection, Whale Pass Covered PE Areas Project	\$314.3
m	36	Iditarod	Districtwide Fire Alarm Upgrade Project	\$8,526.0
c	36	Iditarod	Shageluk Voc Ed Shop Remodel	\$71.1
c	37	Northwest Arctic	Noorvik K-12 Expansion Project	\$11,966.0
c	38	Bering Strait	St. Michael Plan and Design Addition, Phase I	\$41.1
c	39	Yupit	Akiachak Elementary School Replacement and Renovation	\$12,625.0
c	39	Lower Kuskokwim	Chief Paul Memorial School Addition	\$9,800.0
c	39	Lower Kuskokwim	Dick R. Kiunya Memorial School Addition	\$6,829.3
c	39	Dillingham	Elementary School Addition	\$2,149.5
c	39	Southwest Region	Remodel and Expansion of Manokotak K-12 School	\$9,800.0
c	39	Southwest Region	Remodel and Expansion of New Stuyahok K-12 School	\$11,270.0
c	29-34	Denali	Anderson School Heating and Ventilation Upgrade	\$1,164.2
c	29-34	Denali	Cantwell School Sprinkler and Heating System Upgrade	\$1,171.2
TOTAL FY 2003				\$78,640.4
FY 2004				
c	5	Chatham	Angoon Elementary School Addition	\$756.2
c	5	Craig	Craig Elementary School Renovation/Multipurpose Addition, Phase II	\$2,301.3
c	5	Kake	Elementary School Addition	\$2,469.0
c	5	Southeast Island	Hollis School Construction	\$1,557.7
c	6	Kodiak	Kodiak High School Energy Code Upgrade	\$2,117.5
c	35	Copper River	Glennallen Elementary School Replacement	\$9,773.3
c	36	Lower Yukon	Pilot Station K-12 Replacement - planning	\$1,960.0
c	37	Northwest Arctic	Kiana K-12 Expansion Project	\$8,561.5
c	38	Bering Strait	Koyuk New K-12 School - planning	\$1,960.0
c	38	Lower Kuskokwim	Nightmute School Addition	\$3,390.1
c	38	Lower Yukon	Scammon Bay Master Site Plan	\$1,584.8
c	39	Lower Kuskokwim	Atmautluak Elementary School	\$5,336.8
c	39	Lower Kuskokwim	Kilbuck School Gymnasium Addition	\$3,470.2
c	39	Lower Kuskokwim	Kwethluk School Addition	\$6,863.7
c	39	Yupit	Consolidated District High School	\$7,785.3
c	39	Lower Kuskokwim	Quinhagak School Addition	\$6,677.4
c	7-9	Kenai	Kenai New School	\$10,000.0
FY 2004				\$76,564.9
TOTAL K-12 SCHOOL FUNDING				\$584,054.7

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SCHOOLS K - 12				
Type	Elect Dist	District Name	Project Name	Amount Appropriated
			Election District Totals	
		1	Ketchikan	\$13,904.0
		2	Petersburg, Sitka, Wrangell	\$19,319.7
		3-4	Juneau	\$1,973.8
		5	Southeast Islands	\$36,766.7
		6	Kodiak	\$2,873.5
		7-9	Kenai	\$23,815.5
		10-25	Anchorage	\$79,325.3
		26-28	Mat-Su	\$55,855.9
		29-34	Fairbanks	\$31,956.1
		35	Delta-Prince William Sound	\$19,782.0
		36	Interior	\$28,914.7
		37	Northwest Alaska	\$57,590.8
		38	Nome-Lower Yukon	\$100,487.5
		39	Bethel - Dillingham	\$103,986.8
		40	Aleutians	\$3,602.4
		99	Statewide	\$3,900.0
			Total	\$584,054.7

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University of Alaska				
Funding for Deferred Maintenance, Renovation, Replacement and ADA Code Compliance: Project Listing by Year				
ED			Allocation	Appropriation
FY99				
99	Systemwide ADA			3,750.0
	UAA - Deferred Maintenance/Code Compliance/Library			14,434.0
10-25	Anchorage Campus	CAS Building	370.0	
10-25	Anchorage Campus	Library	1,450.0	
10-25	Anchorage Campus	Allied Health Building	540.0	
10-25	Anchorage Campus	McDonald Building	485.0	
10-25	Anchorage Campus	Monserud Building	650.0	
10-25	Anchorage Campus	Williamson Building	475.0	
10-25	Anchorage Campus	Diplomacy Building	270.0	
10-25	Anchorage Campus	Hartlieb Building	495.0	
10-25	Anchorage Campus	7th & A	350.0	
10-25	Anchorage Campus	Science Building	250.0	
10-25	Anchorage Campus	Campus-wide Infrastructure	725.0	
10-25	Anchorage Campus	Admin Building	190.0	
10-25	Anchorage Campus	Campus Center	100.0	
10-25	Anchorage Campus	Sports Center	1,650.0	
10-25	Anchorage Campus	K Building	550.0	
10-25	Anchorage Campus	Arts Building	15.0	
10-25	Anchorage Campus	Aviation Complex	100.0	
10-25	Anchorage Campus	UAA Library Facility	2,600.0	
10-25	Anchorage Campus	Engineering Building	5.0	
10-25	Anchorage Campus	Warehouse	75.0	
26-28	Ma-Su College	Campus-wide	1,550.0	
7-9	Kenai Peninsula College	Campus-wide	800.0	
6	Kodiak College	Campus-wide	429.0	
35	Prince Wm. Sound CC	Campus-wide	310.0	
	UAF - Deferred Maintenance/Code Compliance			31,214.0
29-34	Fairbanks Campus	Duckering Building	3,737.8	
29-34	Fairbanks Campus	Rasmuson Library	11,801.4	
29-34	Fairbanks Campus	Fine Arts Building	8,473.0	
29-34	Fairbanks Campus	Brooks Building	4,180.5	
39	Bristol Bay Campus	Campus-wide	137.5	
37	Chukchi Campus	Campus-wide	265.8	
29-34	Interior Campus	Campus-wide	514.0	
39	Kuskowkim Campus	Campus-wide	1,756.0	
38	Northwest Campus	Campus-wide	348.0	

Building Alaska for the 21st Century

University of Alaska				
Funding for Deferred Maintenance, Renovation, Replacement and ADA Code Compliance: Project Listing by Year				
ED			Allocation	Appropriation
		UAS - Deferred Maintenance/Code Compliance		877.3
3-4	Juneau Campus	Marine Core Building	86.6	
3-4	Juneau Campus	Soboleff Building	123.9	
3-4	Juneau Campus	Anderson Building	146.4	
3-4	Juneau Campus	Hendrickson Building	20.3	
3-4	Juneau Campus	Bill Ray Center	108.8	
3-4	Juneau Campus	Campus-wide Infrastructure	137.5	
3-4	Juneau Campus	Novatney Building	61.4	
1	Ketchikan Campus	Campus-wide	107.6	
2	Sitka Campus	Campus-wide	84.8	
		Total FY99		50,275.3
		FY00		
99	Systemwide ADA			3,000.0
		UAA - Deferred Maintenance/Code Compliance		18,037.5
10-25	Anchorage Campus	Sports Center	2,500.0	
10-25	Anchorage Campus	Campus Center	115.0	
10-25	Anchorage Campus	CAS Building	1,685.0	
10-25	Anchorage Campus	Science Building	90.0	
10-25	Anchorage Campus	Engineering Building	412.5	
10-25	Anchorage Campus	Admin Building	235.0	
10-25	Anchorage Campus	UAA Library Facility	13,000.0	
		UAF - Deferred Maintenance/Code Compliance		17,410.3
29-34	Fairbanks Campus	Arctic Health Building	10,400.0	
29-34	Fairbanks Campus	O'Neill Building	4,110.3	
29-34	Fairbanks Campus	Irving Building - Phase I	2,900.0	
		UAS - Deferred Maintenance/Code Compliance		286.8
3-4	Juneau Campus	Marine Core Building	94.2	
1	Ketchikan Campus	Campus-wide	192.6	
		Total FY00		38,734.6
		FY01		

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University of Alaska				
Funding for Deferred Maintenance, Renovation, Replacement				
and ADA Code Compliance: Project Listing by Year				
ED			Allocation	Appropriation
99	Systemwide ADA			3,000.0
	UAA - Deferred Maintenance/Code Compliance			23,842.0
10-25	Anchorage Campus	Campus Center	220.0	
10-25	Anchorage Campus	Short Building	478.0	
10-25	Anchorage Campus	Science Building	35.0	
10-25	Anchorage Campus	Auto/Diesel	566.0	
10-25	Anchorage Campus	McDonald Building	932.0	
10-25	Anchorage Campus	Arts Building	65.0	
10-25	Anchorage Campus	Sports Center	125.0	
10-25	Anchorage Campus	K Building	70.0	
10-25	Anchorage Campus	Arts Building	67.0	
10-25	Anchorage Campus	Hartlieb Building	325.0	
10-25	Anchorage Campus	Allied Health Building	70.0	
10-25	Anchorage Campus	Monsurud Building	419.0	
10-25	Anchorage Campus	EM-1/2	150.0	
10-25	Anchorage Campus	UAA Library Facility	20,000.0	
6	Kodiak Campus	Campus-wide	115.0	
26-28	Mat-Su College	Campus-wide	180.0	
35	Prince Wm. Sound CC	Campus-wide	25.0	
	UAF - Deferred Maintenance/Code Compliance			11,630.2
29-34	Fairbanks Campus	Irving Building - Phase II	6,517.0	
29-34	Fairbanks Campus	Gruening Building	5,113.2	
	UAS - Deferred Maintenance/Code Compliance			316.2
3-4	Juneau Campus	Anderson Building	117.8	
3-4	Juneau Campus	Soboleff Building	20.6	
3-4	Juneau Campus	Bill Ray Center	45.0	
1	Ketchikan Campus	Campus-wide	132.8	
	Total FY01			38,788.4
	FY02			
99	Systemwide ADA			2,800.0
10-25	UAA - Deferred Maintenance/Code Compliance/Library			11,900.0

Building Alaska for the 21st Century

University of Alaska				
Funding for Deferred Maintenance, Renovation, Replacement				
and ADA Code Compliance: Project Listing by Year				
ED			Allocation	Appropriation
29-34	UAF - Deferred Maintenance/Code Compliance			23,500.0
3-4	UAS - Deferred Maintenance/Code Compliance			550.0
	Total FY02			38,750.0
FY03				
99	Systemwide ADA			2,800.0
10-25	UAA - Deferred Maintenance/Code Compliance/Library			9,000.0
29-34	UAF - Deferred Maintenance/Code Compliance			21,900.0
3-4	UAS - Deferred Maintenance/Code Compliance			500.0
	Total FY03			34,200.0
FY04				
99	Systemwide ADA			2,650.0
10-25	UAA - Deferred Maintenance/Code Compliance			6,400.0
29-34	UAF - Deferred Maintenance/Code Compliance			17,800.0
3-4	UAS - Deferred Maintenance/Code Compliance			400.0
	Total FY04			27,250.0
Summary FY99-FY04				
	Systemwide ADA			18,000.0
	UAA - Deferred Maintenance/Code Compliance/Library			83,613.5
	UAF - Deferred Maintenance/Code Compliance			123,454.5
	UAS - Deferred Maintenance/Code Compliance			2,930.3