

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECTS 8672

614 SCOMM18: HOUSE SPECIAL COMM. ON PERMANENT FUND 1978-80

basis for discriminating between classes of state residents. This rational basis standard was announced by the United States Supreme Court in F.S. Royster Guano Co. v. Virginia, 253 U.S. 412, 415 (1920). In that case the Court explained that for a statute to survive judicial scrutiny.

[It must] be reasonable not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the object of the legislation, so that all persons similarly circumstanced shall be treated alike.

Alaska Equal Protection Determinations

The Alaska Supreme Court has adopted a standard of review for alleged equal protection violations which differs from the federal standards. The Court announced the state standard in State v. Erickson, 574 P.2d 1 (Alaska 1978). The Court explained its standard of review as follows:

Such a test will be flexible and dependent upon the importance of the rights involved. Based on the nature of the right, a greater or lesser burden will be placed on the state to show that the classification has a fair and substantial relation to a legitimate governmental objective. Where fundamental rights or suspect categories are involved, the results of this test will be essentially the same as requiring a "compelling state interest"; but, by avoiding outright categorization of fundamental and non-fundamental rights, a more flexible, less result-oriented analysis may be made.

State courts apply the equal protection test adopted in Erickson by

- (1) determining the purposes for which the challenged legislation is intended and whether those purposes are within the power of the state to promote;
- (2) examining the means used to achieve the purpose of the legislation and whether the means directly achieve the purpose; and
- (3) balancing the importance of the state's interest in the means used to accomplish the legislative purpose against the nature of the personal right which is impaired.

Alaska Durational Residency Cases

The Alaska Supreme Court has had more than one occasion to test the validity of durational residency requirements. A brief summary of these cases follows:

- (1) State v. Van Dort, 502 P.2d 453 (Alaska 1972), -- a 75-day durational residency requirement for voting in state elections was found to be unconstitutional as a violation of the fundamental right of interstate travel and a 30-day residency requirement for voting was expressly approved;
- (2) State v. Lylie, 516 P.2d 142 (Alaska 1973) -- a one-year state residency preference for state employment was found to be unconstitutional as a violation of the fundamental right of interstate travel;
- (3) State v. Adams, 522 P.2d 1125 (Alaska 1974) -- a one-year durational residency requirement for the initiation of divorce proceedings was found to be a violation of the state constitution;
- (4) Gilbert v. State, 526 P.2d 1131 (Alaska 1974) -- a three-year durational residency requirement for legislative office was upheld as supported by the compelling state interest of assuring that legislators are well acquainted with state conditions and the needs of the voters; the court also found that less restrictive alternatives to achieve these interests were unavailable;
- (5) Hicklin v. Orbeck, 565 P.2d 159 (Alaska 1977), rev'd on other grounds, 437 U.S. 518, 57 L.Ed.2d 397 (1978) -- a one-year durational residency requirement for pipeline jobs was found to be unconstitutional as an unjustified impairment of the right to interstate travel; and
- (6) Castner v. City of Homer, 592 P.2d 953 (Alaska 1979) -- a one-year durational residency requirement for seeking municipal office was found to be constitutional. The Court relied heavily on Gilbert v. State, supra.

It is difficult to predict the outcome of a case involving a challenge to a classification of state residents determined by length of residency in the state similar to those contained in CSSB 122 (Rules) and CSMB 696 (State Affairs). Essentially, these two bills establish five separate classes of state residents who receive varying amounts as a refund of taxes (CSSB 122) or a residency payment (CSMB 696) determined by years of residency of the person receiving the refund or payment.

The Alaska Supreme Court was presented with a challenge to an extended durational residency requirement in Thomas v. Bailey, 595, P.2d 1 (Alaska 1979). That case involved the Eelrue Homestead Initiative which created four classes of residents consisting of (1) those persons who have resided in the state for less than three years and who were ineligible for state land; (2) those persons who have resided in the state for more than three years but less than five years who were entitled to one grant of forty acres of land; (3) persons who have resided in the state for more than five years but less than ten years, who were entitled to two forty-acre grants of state land totalling eighty acres; and (4) residents of ten years or longer who were entitled to receive four grants of forty acres each, or a total of 160 acres of state land.

The validity of the durational residency classification was argued before the Court. However, the Court chose to rest its decision on a determination that a conveyance of land by initiative is an appropriation and barred by Article XI, Section 7 of the state Constitution. The majority of the Court did not reach the durational residency issue because the finding of a violation of the initiative process was sufficient to dispose of the case.

However, Justice Rabinowitz authored a separate concurring opinion in which he concluded that the residency classifications in the Eelrue Initiative were in violation of the equal protection requirements of Article I, Section 1 of the state Constitution. He expressed his conclusion as follows:

In light of the consistent pronouncements by this court concerning the fundamental nature of the right to travel under our state constitution in prior cases, I believe there is a strong case presented in favor of continuing

to apply the most stringent standard of review to durational residency classifications under the new, flexible equal protection test adopted in State v. Erickson, 574 P.2d 1 (Alaska 1978). However, even starting from the premise that the least intensive scrutiny available under Erickson applies, I do not think that the classification of Alaska residents into four groups of dissimilarly treated individuals based on duration of residency for purposes of disbursing grants of state land is "reasonable, not arbitrary" and "rest[s] upon some ground of difference having a fair and substantial relation to the object of the legislation, so that all persons similarly circumstanced [are] treated alike."

(Citing Isakson v. Rickey, 550 P.2d 359, 366 (Alaska 1976)).
(footnotes omitted)

The view of Justice Rabinowitz may foreshadow the possible conclusion of the Alaska Supreme Court on the question of durational residency classifications.

Application to Pending Legislation

Two arguments have been proposed to support a classification of state residents by length of residence. They are:

- (1) a state benefit based on the number of past years of state residency equalizes the cost of government between short-term and long-term residents; and
- (2) the state has broad authority to pay benefits derived from the permanent fund because the permanent fund represents revenue from natural resources exclusively owned by the state.

The first argument set out above will fail unless some direct relationship exists between the governmental cost and the contributions of state residents. An example of a durational residency requirement which achieves a proper cost equalization is a durational residency requirement for resident tuition at state universities and colleges. Starns v. Malkerson, 326 F.Supp. 234 (D. Minn. 1970) aff'd, 401 U.S. 985, 28 L.Ed 2d 527 (1971). Starns upheld a one-year residency requirement for resident tuition at the University of Michigan. In that

case the Court reasoned that the residency requirement was justified as a partial cost equalization since the challenged statute required nonresidents to be taxpayers for a reasonable period before they become eligible for resident tuition while attending public educational institutions. However, it should be noted that (1) there is a direct connection between the payment of taxes and the cost of public education which is partially supported by taxes; (2) nonresident students are not prevented from attending state educational institutions if they pay nonresident tuition; and (3) after the required period has elapsed, nonresidents may become eligible for resident tuition. I have difficulty finding a direct connection between state benefits paid from the permanent fund and any public costs associated with the accumulation or distribution of the permanent fund. I conclude from Starns that something more than glittering generalities about the past suffering of long-term residents is needed to support a cost equalization argument. The legislature must develop a cost analysis of the actual dollars that are recovered for state residents through a durational residency requirement.

The second argument set out above is grounded on the ancient case of McCready v. Virginia, 94 U.S. 391, 24 L.Ed. 248 (1877) which involved a law limiting commercial fishing in intra-state waters to state residents. The challenged law was upheld in McCready on the ground that the fishery was not an interstate activity; i.e. solely in intra-state waters -- and that a state may limit the use of its resources to its own residents. The proponents of this argument claim that the state may deny benefits to nonresidents and may distribute income from the permanent fund to residents unequally because this income is derived from petroleum resources owned by the state. The Alaska Supreme Court relied on McCready in the Hicklin case and stated at page 169 of that opinion

Accepting the premise that the United States has and should have one common economy, we do not accept the offered conclusion that the government of Alaska can never make benefits available to citizens of Alaska in preference to citizens of other states.

Hicklin was appealed to the U.S. Supreme Court. There the appellant job seekers argued that the state's discrimination against nonresidents in hiring for petroleum related jobs violated the Privileges and Immunities Clause contained in

Article IV, section 2 of the U.S. Constitution and that the state ownership of petroleum resources did not justify this discrimination. The Supreme Court reversed the holding of the Alaska Supreme Court and expressed the current law regarding the McCready doctrine as follows:

"We do not agree that the fact that a state owns a resource, of itself, completely removes a law concerning that resource from the prohibitions of the [privileges and immunities] clause. Although some courts, including the [Alaska Supreme] court below, have read McCready as creating an 'exception' to the Privileges and Immunities Clause, we have just recently confirmed that '[i]n more recent years . . . the Court has recognized that the States interest in regulating and controlling those things they claim to "own" . . . is by no means absolute."

(Citing Baldwin v. Montana Fish and Game Comm'n, 436 U.S. at 335, 56 L Ed. 2d 354) Nicklin v. Orbeck, 437 U.S. 518, 523 57 L Ed. 2d 397, 406 (1979)

The Alaska Supreme Court's interpretation of McCready only supports certain preferences for residents as against non-residents. It does not support classifications which create inequalities among classes of state residents determined by length of residence. It is unlikely that a state court will cite McCready as justification for unequal treatment of state residents especially in light of the equal protection guarantee for the disposal of natural resources contained in Article VIII, section 17 of the state Constitution which provides:

Laws and regulations governing the use or disposal of natural resources shall apply equally to all persons similarly situated with reference to the subject matter and purpose to be served by the law or regulation.

It is my opinion that classifications of state residents by length of residency are of questionable constitutional validity and that the Alaska Supreme Court will uphold a durational residency classification which discriminates against nonresidents if

(1) there is a compelling state interest which justifies the discrimination;

Representative Hugh Malone
Page 6
March 10, 1980

(2) the length of residency is reasonable; and

(3) the personal right of nonresidents which is impaired by the residency requirement is not a privilege of national citizenship under the U. S. Constitution.

JLB:jda

July 5, 1977

Hon. Terry Gardiner
Alaska State Legislature
P. O. Box 6092
Ketchikan, Alaska 99901

Re: Permanent Fund

Dear Terry:

We have finally come out from under long enough to give you a short answer to your questions on this. In order of your inquiries, the answers are as follows:

(1) The creation of the permanent fund did not legally obligate the legislature to keep the income of the fund abreast of inflation. There almost certainly is an implied obligation to manage as a prudent person, which means that reasonable efforts to make profitable investments with an eye on inflation are probably a legal requirement. We confess that we cannot be sure. We will have to compare the language establishing our permanent fund with that of others and see what the cases say.

(2) Appropriations made to the permanent fund by law may not be withdrawn even though they are in excess of the amount required by the constitution. Only the income of the fund is available from the fund. Of course, a standing appropriation could be repealed, and if so, no further money would go into the fund from it.

Please advise if you require more on this. We realize that there will be hundreds of questions. We cannot conduct unlimited research on all of them. For the most part, we believe it will be best to limit our research to the issues which are of practical application. Even then, we will be stretched.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By:

Rodger M. Pegues
Assistant Attorney General

RWP:chp

cc: Clark Gruening
Fran Ulmer

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

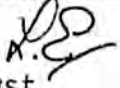
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 15, 1979

SUBJECT: Permissible General Fund Investments (W.O. #6681)

TO: The Honorable Russ Meekins
Chairman, House Finance Committee

FROM: Larry Eppenbach 
Senior Policy Analyst

What are permissible general fund investments? The short answer; almost anything.

Section 37.10.070 of the Alaska Code currently lists 13 categories in which the Commissioner of Revenue may invest surplus funds (surplus = general funds). Some of these categories specifically identify single investments such as "(3) notes issued by the Farmer's Home Administration." Some specifically identify a class of investments such as "(1) obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States."

One category, however, opens the door to almost any potential investment. It reads "(6) other securities, including corporate securities." Securities are defined in this section as "... bonds, notes, debentures and all other forms of indebtedness; common stock, preferred stock and all other forms of equity capital; investments in stocks and equity capital may not exceed 33-1/3% of the unappropriated surplus as of the end of the previous fiscal year."

Personal IOU's and similar examples of unsecured indebtedness may qualify as a legal investment under this category since the definition of security includes the expression "all other forms of indebtedness". The actual meaning of this expression is ambiguous and invites a case-by-case legal opinion with respect to new investments. That may have been the objective of the 1971 legislature which added this category to the list of qualifying investments. Another and more likely interpretation is that in an attempt to make common stock a qualifying investment for the general fund, this language was written into the Code not realizing the range of possible investments that it would qualify.

The attached list briefly describes the amount held in each of the investment categories listed in AS 37.10.070. If you would like additional comments about this list, or our suggestions for revision to it, we would be pleased to provide them.

LE:lmk
Attachments

Sec. 37.10.070. INVESTMENT OF SURPLUS FUNDS. (a) When the commissioner of revenue determines that there is in the state treasury a surplus above an amount sufficient to meet current cash expenditure needs, the surplus shall be invested in any of the following:

(1) obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States;

U. S. Treasury bills, U.S. notes and bonds, and the notes and bonds of federal agencies are all included in this category. In addition, state treasury places repurchase agreements in this category. Repurchase agreements or "repos" are short-term investments purchased under an agreement to resell the security -- usually the next day. The repo is collateralized or secured by the delivery of a U.S. or corporate note or bond. As of January 1, 1979, a total of 125.5 million dollars was invested in investment instruments described by this category. An additional \$28.5 million was invested in repurchase agreements secured by collateral which fit in this category.

(2) obligations secured by reserves paid in by the United States or agencies or instrumentalities of the United States or obligations of corporations in which the United States is a shareholder or member;

The notes and bonds of organizations such as the International Bank for Reconstruction, the InterAmerican Bank and the Asian Development Bank, each of which the United States is a member, are covered in this category. Currently there are no investments of surplus funds in this category.

(3) notes issued by Farmer's Home Administration;

The Farmer's Home Administration is a federal agency which has in the past offered notes which were unique because they had an annual interest payment and a variable amortization pay back. None of these investments have been held for many years and further this entire category appears to be redundant with Category (1).

(4) bank certificates of deposit which are secured as to the payment of principal and interest in accordance with Alaska law;

This category includes both deposits in Alaska banks and those in banks outside the state. The Alaska bank deposits are secured by collateral (notes, bonds, municipal bonds, and

Alaska mortgages) as determined by the Commissioner of Revenue. Deposits in banks outside the state are typically not collateralized. By policy, the treasury has limited such deposits outside the state to major banks in the U.S. issuing time certificates of deposit that are freely traded in a secondary market. As of January 31 a total of \$56.9 million of surplus funds were invested in short-term TCD's of major outside banks. Another \$26.9 million of surplus funds were deposited in Alaska banks under this category. (These amounts are in addition to \$27.8 million of bond construction funds and \$17.8 from the International Airport Revenue Fund, also on deposit with Alaska banks.)

(5) corporate obligations of prime or equivalent quality, as rated by a nationally recognized rating organization;

This category includes both corporate notes and bonds and also short-term general obligations of corporations called "commercial paper". Prime is an obsolete term once used to describe first quality commercial paper. Notes and bonds are rated by Standard and Poors, Moodys, and possibly Fitch (although there is some question to Fitch's national recognition) on an ABC rating scale. Although the rating requirements are ambiguous, the treasury interprets them to limit investment to "investment grade" securities. At the present time there are no surplus general funds invested in these corporate obligations.

(6) other securities, including corporate securities;

This is the catch-all category that invites a case-by-case legal ruling on each investment. It is always a matter of opinion as to which investment may qualify and only a judgment can be made about the amount of present state funds so invested. First, a number of loan programs, such as, commercial fishing, fisheries enhancement, small business, tourism, and child care facilities, are likely in this category and these now total \$96.3 million as of January 31, 1979. In addition, all investments in the Bank Loan Incentive Program not covered in other categories would fall here (this is an old program by treasury to increase Alaska bank mortgage lending now totals \$7.5 million dollars.) Finally, the obligations of state corporations held in the general fund may also be in this category and such obligations now total an additional \$36.0 million for a grand total of \$139.8 million.

(7) Federal Housing Administration mortgages;

These are mortgages guaranteed by the Federal Housing Administration and, by policy decision of the treasury, are limited to Alaska mortgages. However, nothing in the code imposes that limitation. Some of these mortgages exist in the Bank Loan Incentive Program and some are obligations that are now pledged to the Alaska Housing Finance Corporation (AHFC) to secure

their bonds. A total of \$12.5 million of these mortgages in the general fund are currently pledged to the AHFC.

(8) Federal Veterans Administration mortgages;

See Category (7) above.

(9) loans made under the provisions of AS 03.10 and AS 26.15;

AS 03.10 is the Agricultural Loan Act and refers to loans made in amounts up to \$200,000. As of January 31, 1979 a total of \$683,700 of the state's surplus funds were invested in these loans. AS 26.15 refers to the major veterans' loan program administered by the Division of Veteran's Affairs. As of January 1, 1979 a total of \$278.6 million dollars were invested here.

(10) conventional residential mortgages if the offering financial institution retains at least 25 per cent of the mortgage;

Alaska banks selling conventional mortgages to the general fund are required under this provision to retain a quarter of the mortgage in their own portfolio. At the present time no conventional residential mortgages are held in the general fund.

(11) other secured loans if the offering financial institution retains at least 33-1/3 per cent of the mortgage;

Similar to Category (10) this category refers to business loans rather than residential loans. Currently there are no such loans in the general surplus funds.

(12) mortgages of the Alaska Rural Rehabilitation Corporation which secure agricultural loans, agricultural business loans and agricultural processing loans;

The Alaska Rural Rehabilitation Corporation is unknown to personnel in the state treasury and may no longer be in operation. In any case, to their knowledge, no such mortgages have ever been purchased.

(13) bankers acceptances drawn on and accepted by banks with a combined capital and surplus aggregating at least \$200 million.

Bankers acceptances are notes issued by banks to finance international shipments. These notes are secured by the value of the shipments as well as the assets of the bank. Limiting the bank to those with \$200 million dollars of capital and surplus effectively limits the investment to the top 25 banks in the country.

June 6, 1975

"June 4, 1975"

CSHD
324
am S

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

The Alaska Legislature has adopted and sent to me for action Committee Substitute for House Bill No. 324 amended Senate, an Act establishing a permanent Mineral Lease Bonus Fund. The bill requires that 50 per cent of the receipts paid the State from all mineral lease bonuses be deposited in the Fund. The deposits are to be invested as surplus state funds or in state loan programs which are eligible for permanent fund investments. Only the income from the investment fund would be subject to general appropriation.

The purpose of the bill is, in my view, laudatory. I personally believe that we have an obligation to insure that we do not waste the State's non-renewable resources, which belong to all Alaskans present and future, to meet the obligations of present-day government. My feeling is magnified by the experience the State has undergone with the 900 million dollar bonus fund from the North Slope. This enormous sum has been expended for a vastly increased state government and now, but six years after that mineral wealth was leased, the bonus fund is nearly gone.

I would like to sign HB 324 into law. But were I to do that, I would have to flatly ignore the Alaska Constitution and the advice of my Attorney General, who deems it clearly unconstitutional. Article IX, Section 7, of the Constitution provides:

"The proceeds of any state tax or license shall not be dedicated to any special purpose, except when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this constitution by the people of Alaska."

I have been advised by the Attorney General that this provision applies to proceeds from lease bonus sales and that accordingly, HB 324 is contrary to the Constitution. In light of that opinion, I have reluctantly concluded from the minutes of the Constitutional Convention that the framers of the Constitution did intend that mineral lease bonuses be covered by the Constitutional proscription.

This decision of the framers of our Constitution was not made in a vacuum. The question of dedicated funds was discussed extensively at the Constitutional Convention. Advocates for dedicating state proceeds used many of the same arguments as are being used today--that the state government would be profligate and that resources belonging to all state residents, present and future, should not be used to fund present government expenses. These arguments were rejected. The Convention over-

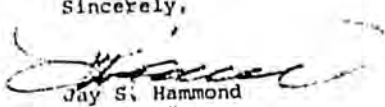
June 6, 1975

whelmingly concluded that neither the governor nor the legislature should be deprived of real control over the finances of the State. It expressly sought to avoid the situation in which many states now find themselves--the situation where an ever-increasing percentage of revenues is tied up and an ever-decreasing amount of revenue is available for appropriation to ongoing state programs.

The situation the Convention sought to avoid is precisely the situation which seems to be developing in Alaska. HB 324, the proposed fund for parks and recreation (SB 147), and the proposed funds for hydroelectric projects (HB 171 and 185) demonstrate a trend toward dedication of an ever-increasing percentage of the State's revenues. The trend toward dedication of funds is particularly glaring at this time when the State is going through difficult financial times and maximum flexibility should be permitted in the planning and expenditure of our finances.

It may be that the policies considered persuasive by the Constitutional Convention when it determined to prohibit dedicated funds are less persuasive now that the citizens of the State have seen the actual operation of the state government. Certainly, the expenditure of the 900 million dollars has caused more than a few people to question the prohibition against dedicated funds. But it is a question which, once having been resolved by the people in their Constitution, can only be changed by the people through a Constitutional amendment. My personal preference, while recognizing the original arguments against dedication, is to favor a Constitutional change which would permit the legislature to establish such permanent funds from mineral lease bonus monies. In any event, the question is one which should be and must legally be submitted to the people. I have, accordingly, today introduced a Constitutional amendment which, if enacted by the legislature, will be placed before the people at the next general election in 1976. That amendment would authorize the legislature to do what they have unsuccessfully attempted to do in HB 324. I can assure you that if the amendment is adopted by the people and similar legislation is again adopted by the legislature, I will sign it willingly. In the absence of such a Constitutional amendment and legal authorization for a fund such as that established by HB 324, I must reluctantly veto the measure.

Sincerely,


Jay S. Hammond
Governor"

HJR HOUSE JOINT RESOLUTION NO. 39 by the Rules Committee by
39 request of the Governor

Proposing an amendment to the Constitution of the State of Alaska to authorize an additional exception for a dedication of revenues

was introduced, read the first time and referred to the Committee on Finance.

The Governor's transmittal letter on HOUSE JOINT RESOLUTION NO. 39 appears as follows:

"June 5, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

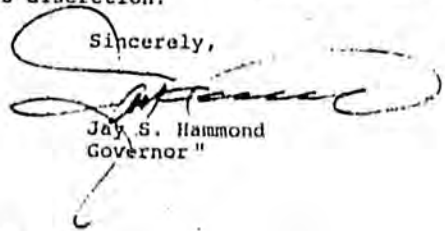
Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a joint resolution for an amendment to the State Constitution.

The proposed amendment would change Article IX, Section 7, of the Constitution to provide an additional exception from the prohibition against dedicated funds to allow the dedication of proceeds from mineral lease bonuses or so-called royalty bonuses.

The effect of the proposed amendment would be to allow the legislature to provide for the dedication of a single source of revenue. It will give the legislature a free hand to establish special funds and provide for their administration. Subsequent legislatures will, of course, be able to alter the funds' administration or purposes as new needs arise or old needs disappear. The per cent of the proceeds to be dedicated is left to the legislature's discretion.

Sincerely,


Jay S. Hammond
Governor

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE RESOLUTIONS

HOUSE CONCURRENT RESOLUTION NO. 61 (paving of a certain portion of the Denali Highway) was read the second time with the State Affairs Committee report (page 1178 of the Journal) and the Finance Committee report (page 1638 of the Journal).

HCR
61

The question being: "Shall HOUSE CONCURRENT RESOLUTION NO. 61 pass the House?" On voice vote, it passed the House and was referred to the Chief Clerk for engrossment.

HOUSE JOINT RESOLUTION NO. 34 (state and federal fishery management arrangements) was read the second time with the Resources Committee report (page 1318 of the Journal).

HJR
34

Mr. Miller moved and asked unanimous consent that HOUSE JOINT RESOLUTION NO. 34 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered and the resolution was read the third time.

The question being: "Shall HOUSE JOINT RESOLUTION NO. 34 pass the House?" The roll was taken with the following result:

Yeas: 33 Anderson, H. Beirne, M. Beirne, Bowman, Bradner, Brown, Buchholdt, Cotten, Cowper, Davis, Duncan, Eliason, Gardiner, Gruening, Guy, Hackney, Hershberger, Itta, McKinnon, Malone, Miller, Naughton, Osterback, Ostrosky, Parker, Parr, Rhode, Smith, Specking, Sullivan, Swanson, Urion, Wallis.

Nays: 0

Excused: 7 Bradley, Fischer, Freeman, Haugen, Huntington, Kelley, Ose.

And so, it passed the House and was referred to the Chief Clerk for engrossment.

HOUSE JOINT RESOLUTION NO. 35 (child support programs under P.L. 93-647) was read the second time with the Finance Committee report (page 1283 of the Journal) and the Judiciary Committee report (page 1626 of the Journal).

HJR
35

Mr. Miller moved and asked unanimous consent that HOUSE JOINT RESOLUTION NO. 35 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered and the resolution was read the third time.

High: OK both with AC's office
Berrier and
STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

January 16, 1980

SUBJECT: Appropriations to the Permanent Fund
TO: Representative Oral Freeman
FROM: Billy G. Berrier *BGB*
Director
Division of Legal Services

You have asked whether money appropriated to the permanent fund in excess of the amount required to be deposited in the fund under sec. 15, Art. IX of the Alaska Constitution could later be withdrawn from the fund.

In my opinion money appropriated to the fund becomes fund principal in the same manner as money deposited in the fund under sec. 15. Neither can be withdrawn or used other than as provided in that section without an authorizing amendment to the constitution.

Section 15 reads:

SECTION 15. At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

Effectively, this does two things. It requires that a specified minimum percentage of certain state receipts be deposited in a permanent fund. It then limits the use of the principal of the fund and provides for use of the income.

Representative Oral Freeman
Page 2
January 16, 1980

It is very clear from the amendment language that there is no intent to preclude money in excess of the minimum required amount from becoming a part of the permanent fund and there is no language in the section which suggests either that the principal of the fund be limited to amounts required to be deposited or that the limitations on the principal be so limited.

The term "permanent" as used three times in the body of the amendment and in the title of the fund would be read in the normal sense of that word since the reading is consistent with the context, with the legislative and public discussion of the amendment proposing the fund and with the understanding that the voters would be presumed to have had in approving the amendment. There can be no legitimate question that the objective of the permanent fund is preservation of the principal of the fund for the long term use of the state and its people.

The section distinguishes between principal of the fund and income from the fund; in my opinion no further distinction between one type of principal and another depending on how the money came to the fund can be implied from the language. Further, such a distinction would be incompatible with the objective of the fund.

In my opinion once money from whatever source is placed in the permanent fund by deposit or by appropriation, the money becomes part of the principal subject to the constraints of the section. Therefore, the money could not be withdrawn.

The Department of Law examined this question and in an opinion dated August 31, 1977, reached the same conclusion. A copy of that opinion is enclosed.

BGB:jdn

Enclosure

August 31, 1977

Hon. Clark Gruening
Chairman
House Special Committee on
the Permanent Fund
528 West Fifth, Suite 270
Anchorage, Alaska 99501

Re: Permanent fund, irretrievability
of money appropriated to;
our file J-66-106-78

Dear Representative Gruening:

You have asked whether money appropriated to the permanent fund in excess of the amount required by the constitution is irretrievable.

Section 15 of article IX of the Alaska Constitution, as added by the 1976 amendment to the constitution, reads as follows (emphasis added):

At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

Your question really is whether the limiting language of section 15 applies not only to the mandatory 25 percent of mineral revenues placed in the permanent fund but also to any additional money placed in the fund.

We believe that the answer is yes.

The language of the amendment providing for the permanent fund is clear enough. There is to be a permanent fund. At least 25 percent of the enumerated mineral revenues are to be placed in it. The use of the words "[a]t least" clearly contemplates that additional monies may well be placed in the fund. Once there, they form the fund's principal. That principal "shall be used only" for income-producing investments. Hence, on its face, what becomes a part of the principal may no longer be withdrawn for another purpose. Only the income from investments of the principal is available.

It is a universal principle that the legislature's law-making power is plenary except as limited by the state or federal constitutions. In order to hold that the legislature may not appropriate additional monies to the permanent fund and also provide for their subsequent withdrawal, the courts must find an express or implied prohibition against its doing so. Facially, the constitution's restriction on the use of the fund's principal seems to constitute such an implied restriction, i.e., the principal may be invested but nothing else, including a withdrawal, may be done with it.

It could be possible, one might argue, for the legislature to make appropriations to the fund by law and specify that they are made on the condition that they are intended to be retrievable and are null and void ab initio if ruled not to be. The problem is that the courts would likely rule that the condition itself is so inconsistent with the provisions of section 15 that it is absolutely void, i.e., that the legislature is prohibited from withdrawing from the principal both directly and indirectly.

Or the legislature could appropriate to the fund and specify that the monies appropriated are not to be considered a part of the fund's "principal" in the sense of the constitution, i.e., as monies available solely for investment, but rather are to be considered as a temporary addition to the fund which is to be used for investment but which shall be accounted for separately and may be withdrawn. Again, the problem is that the courts would likely rule that such legislation is so inconsistent with the provisions of section 15 that it is void. Either there is a permanent fund or there is not.

We are dealing here with a peculiar--perhaps unique--quasi-trust. Unlike most trusts, the principal may not be reached whatever, either now or in the future. No one has a future right to the principal. Instead, the principal is to be invested in perpetuity to produce income.

Hon. Clark Gruening
August 31, 1977
Page 3

Only the income from investments may be reached. Absent still another constitutional amendment, we see no way around this result. A permanent fund was intended, and a permanent fund appears to have been achieved.

Accordingly, we doubt very much that any money appropriated to the permanent fund may subsequently--without a constitutional amendment--be withdrawn.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By:

Rodger W. Pegues
Assistant Attorney General

RWP:chp

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

SUBJECT: Permanent fund

TO:

FROM: Billy G. Berrier, Director
Division of Legal Services

You have requested my comments on the legal implications of the words "permanent" and "income producing" as used in the constitutional amendment authorizing the permanent fund on the legal standards and guides the legislature may wish to establish in legislation.

The relevant provision is Section 15, of Article IX which reads:

"Section 15 ALASKA PERMANENT FUND. At least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State of Alaska shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law".

It is clear from the wording of the amendment itself and from the surrounding context that the concept is that a fund be created in which a portion of the mineral revenues of the state would be set aside in order to insure preservation for the future of that portion of the revenue. There can be no legitimate question that the objective is preservation of that portion as capital for the long term use of the state and its people and prevention of uses which are expedient in the short term but which would dissipate the capital of the fund. The paramount consideration must be the probable safety of the capital of the fund to be invested.

The term "permanent" as used three times in the body of the amendment and in the title of the fund would be read in the normal sense of that word since that reading is consistent with the context of the amendment, with the legislative and public discussion of the amendment, and with the understanding that the voters would be presumed to have in approving the amendment.

While the permanent fund is not a trust in the technical legal meaning of the term, the protection of capital required has substantial similarities to the requirements binding upon a trustee. This requirement is commonly referred to as the prudent-man rule. There have been numerous cases on this rule and many commentators have set out reasonable similar statements of the rule. A good statement is found in Scott on Trusts 3rd Ed in Sec. 227 (pages 1805 - 1806) which reads:

"The only general rule which can be laid down as to investments is that the trustee is under a duty to make such investments as a prudent man would make of his own property having primarily in view the preservation of the estate and the amount and regularity of the income to be derived. In various forms this rule has been stated in innumerable cases. It involves three elements, namely care and skill and caution. The trustee must exercise a reasonable degree of care in selecting investments. He must exercise a reasonable degree of skill in making the selection. He must, in addition, exercise the caution which a prudent man would exercise where a primary consideration is the preservation of the funds invested."

This rule would seem to adequately set out the general parameters constitutionally required for permanent fund investments of principal. It would apply at two stages of the process. The legislature would be bound to apply it in exercising the duty to circumscribe and delineate investments required under the limitation in the constitution reading:

"...the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investment. (emphasis added)

The managers of the fund are given no constitutional discretion under this clause. The discretion is lodged exclusively in the legislature; and, if the objectives of the permanent fund are to be attained, investments specifically designated by law as eligible for permanent fund investment must also meet the criteria of having as a primary consideration the preservation of the funds invested.

The legislation, however, would not be expected to detail the permissible investments. It would presumably designate specific investment categories and create a management structure for the fund which would make the specific decisions as to which investments are to be made. Here again, the prudent-man rule would be applicable. In addition to designating specific categories of investment, any legislation should also establish guidelines for the fund management which are consistent with the objective of the fund. The need for this arises because within a class which as a class meets the objectives of preservation of the funds invested, some specific investments would still not be made by a prudent man. Possibly this could be largely avoided by using an ultra restrictive approach to allowable categories of investment but this approach would create or exacerbate other problems.

The primary difficulty with an ultra restrictive approach to allowable investments is that, as a matter of law, the problem of inflation would not be a factor in investment decisions. It can be reasonably assumed that inflation to some degree may be anticipated.

The argument has been made that inflation can realistically be anticipated to occur, that if principal is not increased in an amount to compensate for inflation the real value of the principal will decline even though the nominal value is maintained and that the duty of a prudent investor is to maintain the real value of the principal. Therefore, failure to account for inflation in investment policy violates the prudent-man rule of investment. I have found no authority to support this argument as a legal requirement. Factually, the argument would fail here. The constitutional amendment makes a clear distinction between principal which is permanent and income which is subject to expenditure by the normal appropriation process unless the legislature directs otherwise. At the time the amendment was adopted, inflation had occurred at an extremely high rate in the immediate past so it must be assumed that both the legislature and the public were conscious of inflationary effect. It would therefore, to support this argument, require assuming that investments which would have a capital appreciation, entirely apart from income earned, which is at least equal to inflation are the only permissible investments. This does not seem reasonable.

The argument that inflation must be taken into account does not seem valid here but that does not mean that inflation may not, or even that it should not, be taken into account. There is no reason that legislation establishing the management of the permanent fund and the disposition of fund income should not address this problem directly. I have suggested earlier that the legislation needs to establish standards for investments to avoid having to specify only ultra restrictive investments. The legislation could also require that the possible effects of inflation be a consideration in investment decisions made by the fund managers.

The term "income-producing" as used in the amendment presents serious conceptual difficulties. In context, this could simply be a restatement of the normal duty to make productive investments. In relation to trusts this has been stated:

"It is the duty of a trustee to preserve the trust property and make it productive. It is ordinarily his duty to invest trust funds in such a way as to receive an income without improperly risking the loss of principal." (Scott on Trusts 227 p. 1805)

However, as stated earlier, the permanent fund is not a trust in the technical legal sense. Simply carrying over the trustee's duty could be misleading.

The term "income-producing" is not a term of art and has no fixed legal meaning differing from the conventional meaning of the term. It is possible that a court would hold that the term implies that maximum income consistent with safety of principal must be the exclusive criteria for investment. This would be consistent with trust law but it appears that the amendment contemplates broader considerations as well. It would appear more likely that other considerations, such as the effect particular investments would have on furthering public purposes other than maximization of income, could also be given weight. Some examples of other public purposes are providing jobs, improvement of the Alaskan economy and economic diversification.

It is clear that production of income is a necessary goal of each investment; it is probably that maximization of income consistent with safety of principal must be a major goal, ; but it appears unlikely that a court would hold that this must be the exclusive goal of permanent fund investment policy.

While the investment of the permanent fund differs from investment of state treasury surplus funds in several respects including the specific requirement of income producing investment of permanent fund principal, both have as major goals protection of principal and production of income. It is interesting to note that state treasury surplus fund investment specifies policy goals additional to the primary goals. On this point AS 37.10.075(f) provides:

(f) Investment policy shall be formulated by the commissioner of revenue who shall be advised by a committee appointed by the governor which shall contain representation from the legislature. In formulating investment policy they shall consider maximum income and safety as governed by the prudent-man rule and the benefit to the private and public sectors of the economy in terms of increased housing and commercial credit, stimulated business activity, increased employment, support of the market for state and local bonds, increased public revenue together with the possible inflationary effect of the investment, and (h) and (i) of this section.

The question of what the term means as a matter of law will almost certainly be decided by the courts on a case by case basis. The questions involved are complex and change over time. In reasonably similar instances, the courts have refused to provide a general definition. For example the Alaska court in dealing with the term "capital improvements" as used in the Alaska Constitution said:

"We believe it would be unwise for this court to attempt to provide an abstract definition of "capital improvements." We have concluded that it is beyond human ability to permanently circumscribe with mere words at a given point in time a concept which though limiting in aspect, is otherwise intended to provide a broad, permanent and continuing authority for municipalities to finance present as well as unforeseeable future needs." (Juneau v. Hixon 373 P2d 743 (Alaska 1962))

While it is my opinion the courts will be liberal in sustaining the reasonable expectations of the legislature and the fund managers, they are unlikely to allow investments which cannot reasonably be anticipated to produce maximum current income consistent with safety of principal modified by application of other permissible public policy considerations. It appears certain that investments which cannot reasonably be anticipated to produce direct income would not be allowed.

BGB:jpd



LAWS OF ALASKA

1977

Source

Chapter No.

HB 210

6

AN ACT

Providing for interim management of the Alaska Permanent Fund; and providing for an effective date.

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

* Section 1. AS 37.10 is amended by adding a new section in art. 3 to read:

Sec. 37.10.065. INVESTMENT OF THE ALASKA PERMANENT FUND. (a) The Alaska Permanent Fund consists of 25 per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the state. The commissioner of revenue shall deposit in the Alaska Permanent Fund 25 per cent of the receipts from these sources at least once each month. The commissioner of revenue shall invest the money in the Alaska Permanent Fund in income-producing investments of the following types:

(1) obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States;

(2) obligations secured by reserves paid in by the United States or agencies or instrumentalities of the United States or obligations of corporations in which the United States is a shareholder or member;

(3) certificates of deposits issued by United States domestic banks which are members of the Federal Deposit Insurance Corporation and secured as to the payment of principal and interest in accordance with Alaska law;

(4) corporate investment-grade securities;

(5) bankers' acceptances drawn on and accepted by United States banks which each have a combined capital and surplus aggregating at least \$100,000,000;

(6) repurchase agreements, the securities underlying the agreements being any of the items in (1) - (5) of this subsection;

(7) deposits of federally insured savings and loan associations not to exceed 10 per cent of each savings and loan association's deposits exclusive of federal, state, and municipal deposits;

(8) fixed-term certificates of debentures of federally insured credit unions not to exceed 10 per cent of each credit union's shares.

(b) The commissioner of revenue may enter into contracts providing for custody of securities and execution of transactions.

(c) The commissioner of revenue shall transfer to whatever agency is established for the express purpose of managing and investing the Alaska Permanent Fund all or part of the securities and money in the Alaska Permanent Fund in accordance with Alaska law no later than two weeks after receipt of written notice from that agency.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

LEGISLATIVE HEARING - STATE OF ALASKA PERMANENT FUNDS

What are the Primary Considerations involving the role of the Permanent Fund in Alaska's future?

1. Preserve as much of the incoming oil wealth as possible in a permanent investment program for the benefit of future Alaskans.

What this does

- A) Changes a depletable asset (development of oil) into a permanent benefit for all citizens of the State.
- B) Provides stability when looking at the future. The availability of income from investments allowing better long term planning.
- C) The availability of the permanent fund should help minimize future economic problems.

What it can't do

- A) Be spent currently for tourism and business development, building homes and other buildings.
2. Need for a Permanent Fund to be separate from day-to-day activities of running the State's affairs.

Want to Avoid

- A) Permanent Fund being used to cover day-to-day operating costs
- B) Confusing Permanent Fund with Development or Enterprise Fund.
- C) Having the proceeds from the "oil receipts" readily available to cover fiscal shortfalls.
- D) Confusing the Permanent Fund with other activities of the State Government.

Want to Achieve

- A) Lower future costs of State Government through improved and stable credit standing.
 - B) Long term program that will improve the living and working style of the State.
 - C) A legacy for future Alaskans and treated as a permanent fund in trust for the future.
3. The objectives of the Permanent Fund and its relationship with other programs need to be understood by all citizens of Alaska.

Robert E. Greeley
Vice President
Merrill Lynch White Weld
One Liberty Plaza
New York, New York 10080

SCUDOS

#18:23

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDINGFINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Honorable Clark Gruening DATE: September 22, 1977
Chairman
House Permanent Fund Committee

FROM: Milt Barker *MB* SUBJ: Permanent & General
Fiscal Analyst Fund Projections
Legislative Finance

At your request, I am enclosing six computer scenarios which display projected budget surpluses or deficits, followed by end-of-year permanent fund and general fund balances, and finally a column entitled "revenue required for general fund balance of \$0 million". This last column may also be interpreted as the required reduction in expenditures for a zero general fund balance.

However, visualizing it as additional required revenue, Table 1 was developed. In this table, the required permanent fund balance is determined by dividing the required revenue from the computer report by .07, the earnings rate on the permanent fund, to find the additional fund principal required to produce this revenue, and adding that to the projected balance. However, in those cases where 50% of the permanent fund earnings go to Alaska, Inc., the additional required principal will be twice as large.

The required Alaskan economy in terms of personal income to continue funding the budget is determined by dividing the additional required revenue by .079 and adding this additional personal income base required to the projected base shown on Table 1. The projected base was determined by dividing "other revenue" shown in the assumptions by .079; "other revenue" consists of all unrestricted revenue less severance taxes, property taxes, state and federal resource revenue, and Prudhoe income taxes. In other words, all those items which may relate somewhat to personal income. In FY 76, "other revenue" was roughly \$286.1 million which was 7.9% of the FY 76 personal income of \$3.6 billion.

The first scenario is a best guess of what will be with no statutory changes. It assumes 25% of royalty goes to the permanent fund and 5% to the renewable resources fund. Conceivably, the 5% could stop once \$250 million is reached. In all scenarios 2% of royalty goes to native claims until \$500 million is reached. The required general fund balance of \$0 million assumes the sale, transfer to the permanent fund, or liquidation of the state's unmarketable loan portfolio; this is one assumption you might want changed.

Scenario 2 adds Alaska Inc. at 50% of permanent fund earnings which moves forward the date of insolvency by one year. However, increasing the royalty contribution to 50% moves insolvency forward five years as in Scenario 3. If the rate were then cut back to 30%, the permanent fund would stand \$489.3 million higher in 1982, providing an additional \$17 million a year in revenue after deducting Alaska, Inc. Looking back to Scenario 2, it is clear that this will not cover the projected deficits beyond 1982. With 100% of royalties put in the permanent fund, as in Scenario 3A, the situation only gets worse.

As long as deficits or borderline surpluses are envisioned, it makes no sense to sock away a greater proportion of royalties, since in the mid-term at budget growth rates of 15%, we are relying on royalties to fund such budgets. If we could hold budget growth to some lower level, a greater proportion of royalties could be put in the permanent fund, thus reducing deficits in the long run when oil revenue halts.

A lower growth rate than 15% may be necessary anyway since, as table one indicates, the required permanent fund, or Alaskan economy given the present tax structure, to sustain such growth appears unrealistic. Yet, the compound growth rate from FY 68's general fund appropriation of \$103 million to FY 78'3 of \$819 million has been 23% per annum.

Scenarios 4 and 5 allow none of the permanent fund earnings to be used to support the budget, 4 by retaining all earnings in the permanent fund, 5 by paying all earnings to Alaska, Inc. Of course, the idea with 4 would be at some point to begin putting the earnings back in the general fund. If this is done at the point at which the general fund balance reaches zero, scenario 4 is then essentially the same as scenario 1, except that earnings and surplus are carried in the permanent fund rather than the general fund and, as a consequence of locking up these amounts, the general fund reaches zero a little sooner.

Honorable Clark Gruening

-3-

September 22, 1977

Scenario 6 retains 10% of the budget appropriation in the general fund balance where surpluses permit, all the rest of the general fund balance being transferred to the permanent fund. If you would rather the program maintain the general fund balance at the specified percentage of budget, regardless of surpluses or deficits, showing the additional revenue required to do so, this modification could be made.

Please let me know if you desire any additional scenarios using different assumptions.

MB:bf

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

1

21-SEP-77

COMMENTS

SLCAN

TAPS BUILDUP RESUMES MARCH 78

MEDIUM REVENUES (HAGGART CASE 11)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 7.00%

% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%

% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 30.00%

ANNUAL % INCREASE IN BUDGET APPROPRIATION = 15.00%

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL. SO VIL
1977										4.0	652.7	
1978	794.0	56.4	850.4	853.8	0.0	0.0	119.0	972.8	-122.5	81.6	530.2	0.0
1979	1100.8	60.3	1161.1	981.9	0.0	0.0	206.9	1188.8	-27.7	216.6	502.6	0.0
1980	1269.1	70.7	1339.8	1129.2	0.0	0.0	237.8	1367.0	-27.2	374.9	475.4	0.0
1981	1523.2	87.7	1670.9	1298.5	0.0	0.0	261.4	1559.9	110.9	548.5	588.3	0.0
1982	1745.4	109.7	1855.1	1493.3	0.0	0.0	283.9	1777.2	78.0	738.0	664.3	0.0
1983	1925.9	130.2	2056.1	1717.3	0.0	0.0	327.6	2044.9	11.2	954.4	675.5	0.0
1984	2069.7	150.1	2219.8	1974.9	0.0	0.0	242.5	2217.4	2.4	1189.9	677.9	0.0
1985	2251.2	167.7	2418.9	2271.1	0.0	0.0	254.9	2526.0	-107.1	1444.8	570.9	0.0
1986	2403.9	176.6	2580.5	2611.8	0.0	0.0	274.5	2886.3	-305.8	1719.3	264.9	0.0
1987	2563.4	182.0	2745.4	3003.6	0.0	0.0	295.1	3298.7	-553.3	2014.4	-0.0	286.3
1988	2732.3	200.5	2932.8	3454.1	0.0	0.0	316.7	3770.8	-838.1	2331.1	-0.0	838.1
1989	2910.2	230.7	3140.9	3972.2	0.0	0.0	339.4	4311.6	-1170.7	2670.5	-0.0	1170.7
1990	3096.8	263.6	3360.4	4568.0	0.0	0.0	363.3	4931.3	-1570.9	3033.8	-0.0	1570.9

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

2

21-SEP-77

COMMENTS

ALCAN

TAPS BUILDUP RESUMES MARCH 78

MEDIUM REVENUES (HAGGART CASE II)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 7.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 30.00%
ANNUAL % INCREASE IN BUDGET APPROPRIATION = 15.00%
% OF PERMANENT FUND EARNINGS TO ALASKA INC = 50.00%

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLY- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL. SO MIL.
1977										4.0	652.7	
1978	794.0	56.3	850.3	853.8	0.0	0.0	120.5	974.3	-124.0	81.6	528.7	0.0
1979	1100.8	60.0	1160.8	981.9	0.0	0.0	212.2	1194.0	-33.2	216.5	495.5	0.0
1980	1269.1	69.8	1338.9	1129.2	0.0	0.0	248.2	1377.3	-39.4	374.9	457.1	0.0
1981	1583.2	85.7	1668.9	1298.5	0.0	0.0	277.6	1576.1	92.9	548.5	550.0	0.0
1982	1745.4	106.2	1851.6	1493.3	0.0	0.0	306.4	1799.7	52.0	738.0	601.0	0.0
1983	1925.9	124.6	2050.5	1717.3	0.0	0.0	357.2	2074.5	-24.0	954.4	577.9	0.0
1984	2069.7	141.6	2211.3	1974.9	0.0	0.0	280.0	2254.9	-43.6	1189.9	534.4	0.0
1985	2251.2	155.6	2406.8	2271.1	0.0	0.0	301.0	2572.1	-165.3	1444.8	369.0	0.0
1986	2403.9	160.2	2564.1	2611.8	0.0	0.0	329.9	2941.7	-377.5	1719.3	0.0	5.5
1987	2563.4	172.7	2736.1	3003.6	0.0	0.0	360.5	3364.0	-627.9	2014.4	0.0	627.9
1988	2732.3	200.5	2932.8	3454.1	0.0	0.0	392.8	3846.9	-914.1	2331.1	0.0	914.1
1989	2910.2	230.7	3140.9	3972.2	0.0	0.0	426.9	4399.1	-1258.2	2670.5	-0.0	1258.2
1990	3096.8	263.6	3360.4	4568.0	0.0	0.0	463.1	5031.1	-1670.7	3033.8	0.0	1670.7

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

3

21-SEP-77

COMMENTS

ALCAN

TAPS BUILDUP RESUMES MARCH 78

MEDIUM REVENUES (HAGGART CASE II)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 7.00%

% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%

% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%

ANNUAL % INCREASE IN BUDGET APPROPRIATION = 15.00%

% OF PERMANENT FUND EARNINGS TO ALASKA INC = 50.00%

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR "G.F. BAL" SO MIL
1977										4.0	652.7	
1978	744.0	56.3	800.3	853.8	0.0	0.0	173.2	1027.0	-176.7	133.4	478.0	0.0
1979	1100.8	54.8	1155.6	981.9	0.0	0.0	305.5	1287.4	-126.7	358.3	349.3	0.0
1980	1269.1	69.3	1338.4	1124.2	0.0	0.0	360.6	1489.7	-151.3	622.2	197.9	0.0
1981	1523.2	84.5	1607.7	1298.5	0.0	0.0	404.0	1702.5	-34.8	911.5	163.1	0.0
1982	1745.4	104.0	1849.4	1493.3	0.0	0.0	447.6	1940.9	-91.5	1227.3	71.6	0.0
1983	1925.9	125.1	2051.0	1717.3	0.0	0.0	521.2	2238.5	-187.5	1588.1	-0.0	115.9
1984	2069.7	152.5	2222.2	1974.9	0.0	0.0	461.9	2436.8	-214.5	1980.5	0.0	214.5
1985	2251.2	185.3	2436.5	2271.1	0.0	0.0	501.6	2772.7	-336.2	2405.4	0.0	336.2
1986	2403.9	221.0	2624.9	2611.8	0.0	0.0	549.7	3161.5	-536.6	2862.4	0.0	536.6
1987	2563.4	259.7	2823.1	3003.6	0.0	0.0	600.7	3604.2	-781.2	3354.7	0.0	781.2
1988	2732.3	301.7	3034.0	3454.1	0.0	0.0	654.5	4108.6	-1074.6	3892.6	0.0	1074.6
1989	2910.2	347.2	3257.4	3972.2	0.0	0.0	711.4	4683.6	-1426.2	4448.2	-0.0	1426.2
1990	3096.5	396.5	3493.3	4568.0	0.0	0.0	771.7	5339.8	-1846.5	5053.6	-0.0	1846.5

ΔT.C ΔN

TAPS BUILDUP RESINES MARCH 79
MEDION - REVENUES -- (HAGGART-CASE IT)

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 7.00%

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 7.00%

3 OF CURRENT YEAR EXPEND. IN G.F. CASH BAL. = 20.00%

OF ROYALTIES LEASES AND HOMES DEPOSITED IN PERMANENT FUND--3--100--

ANNUAL % INCREASE IN BUDGET APPROPRIATION = 15.00%

PERMANENT FUND EARNINGS TO ALASKA INC = 50.00%

YEAR END	NON		TOTAL REVENUE	INVESTMENT INTEREST	BUDGET APPROPRIATION	SUPPLY- MENTALS SERVICE	DEBT	PAYMENTS		TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR OF	REVENUE REC- FOR GEN- RAL
	INVESTMENT	REVENUE						FUNDS	TO					
1977													652.7	
1978	764.0		850.2	853.8	0.0	0.0	0.0	304.8		1158.6	-308.4	252.7	344.3	0.0
1979	1100.8		1160.7	981.9	0.0	0.0	0.0	539.9		1520.7	-360.0	712.5	-0.0	15.7
1980	1269.1		1353.3	1129.2	0.0	0.0	0.0	641.5		1770.6	-417.4	1240.3	-0.0	472.4
1981	1553.2		1708.5	1298.5	0.0	0.0	0.0	720.0		2018.6	-310.1	1819.0	-0.0	310.1
1982	1765.4		1915.7	1493.3	0.0	0.0	0.0	800.6		2293.9	-378.2	2450.5	-0.0	378.2
1983	1625.9		2146.7	1717.3	0.0	0.0	0.0	931.1		2648.4	-501.7	3172.1	-0.0	501.7
1984	2060.7		2346.9	1974.9	0.0	0.0	0.0	916.7		2891.6	-544.7	3957.0	-0.0	544.7
1985	2251.2		2550.7	2271.1	0.0	0.0	0.0	1003.1		3274.2	-604.5	4806.7	-0.0	604.5
1986	2403.0		2609.0	2611.8	0.0	0.0	0.0	1099.2		3711.0	-902.1	5721.7	-0.0	902.1
1987	2563.4		3050.4	3003.6	0.0	0.0	0.0	1201.2		4204.7	-1164.3	6705.4	-0.0	1164.3
1988	2732.3		3287.0	3454.1	0.0	0.0	0.0	1308.9		4763.0	-1476.0	7761.1	-0.0	1476.0
1989	2910.2		3548.7	3972.2	0.0	0.0	0.0	1422.6		5394.8	-1846.2	8892.3	-0.0	1846.2
1990	3086.8		3825.6	4568.0	0.0	0.0	0.0	1543.3		6111.4	-2285.8	10103.2	0.0	2285.8

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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21-SFP-77

COMMENTS

ALCAN

TAPS BUILDUP RESUMES MARCH 78

MEDIUM REVENUES (HAGGART CASE 11)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 7.00%

% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%

% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 30.00%

ANNUAL % INCREASE IN BUDGET APPROPRIATION = 15.00%

% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

% OF SURPLUS TO PERMANENT FUND = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPL- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR OF	REVENUE REQ FOR GF BAL. SO MIL.
1977										4.0	652.7	
1978	744.0	56.2	800.2	853.8	0.0	0.0	122.0	975.8	-125.6	84.6	527.1	0.0
1979	1100.8	59.9	1160.7	981.9	0.0	0.0	217.6	1199.5	-38.7	230.2	468.4	0.0
1980	1269.1	69.9	1339.0	1129.2	0.0	0.0	259.5	1388.6	-49.6	410.2	438.8	0.0
1981	1583.2	86.3	1669.5	1298.5	0.0	0.0	296.2	1594.7	74.8	693.4	438.8	0.0
1982	1745.4	107.5	1852.9	1493.3	0.0	0.0	339.0	1832.3	20.6	958.6	438.8	0.0
1983	1925.9	127.1	2053.0	1717.3	0.0	0.0	402.3	2119.6	-66.5	1249.7	372.2	0.0
1984	2069.7	146.0	2215.7	1974.9	0.0	0.0	338.2	2313.1	-97.4	1580.9	274.9	0.0
1985	2251.2	162.5	2413.7	2271.1	0.0	0.0	374.5	2645.6	-231.9	1955.4	43.0	0.0
1986	2403.9	184.6	2588.5	2611.8	0.0	0.0	421.0	3032.8	-444.3	2376.4	-0.0	401.4
1987	2563.4	218.7	2782.1	3003.6	0.0	0.0	471.8	3475.3	-693.2	2848.2	-0.0	693.2
1988	2732.3	258.8	2991.1	3454.1	0.0	0.0	527.2	3981.3	-990.1	3375.4	-0.0	990.1
1989	2910.2	303.8	3214.0	3972.2	0.0	0.0	587.5	4559.7	-1345.8	3962.9	-0.0	1345.8
1990	3096.8	354.1	3450.9	4568.0	0.0	0.0	653.4	5221.4	-1770.6	4616.3	-0.0	1770.6

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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21-SEP-77

COMMENTS

ALCAN

TAPS BUILDUP RESUMES MARCH 78

MEDIUM REVENUES (HAGGART CASE II)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL & PERMANENT FUNDS = 7.00%

% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL. = 20.00%

% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 30.00%

ANNUAL % INCREASE IN BUDGET APPROPRIATION = 15.00%

% OF PERMANENT FUND EARNINGS TO ALASKA INC = % 100 %

% OF SURPLUS TO PERMANENT FUND = % 100 %

YEAR	NON FUND INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLIE- MENTALS	DEPT. SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR OF	REVENUE REQ FOR GF BAL SO MIL.
1977										4.0	642.7	
1978	704.0	56.2	850.2	853.8	0.0	0.0	122.0	975.8	-125.6	81.6	527.1	0.0
1979	1100.8	59.7	1160.5	981.9	0.0	0.0	217.4	1199.2	-38.7	216.6	488.4	0.0
1980	1269.1	69.0	1338.1	1129.2	0.0	0.0	258.5	1387.7	-49.6	374.9	438.8	0.0
1981	1583.2	83.8	1667.0	1298.5	0.0	0.0	293.7	1592.3	74.8	623.3	438.8	0.0
1982	1745.4	102.6	1848.0	1493.3	0.0	0.0	334.1	1827.4	20.6	833.3	438.2	0.0
1983	1925.9	118.3	2044.2	1717.3	0.0	0.0	393.5	2110.8	-66.5	1049.8	372.2	0.0
1984	2069.7	132.0	2201.7	1974.9	0.0	0.0	324.2	2299.1	-97.4	1285.3	274.9	0.0
1985	2251.2	141.8	2393.0	2271.1	0.0	0.0	353.8	2624.9	-231.9	1540.2	43.0	0.0
1986	2403.9	155.5	2559.4	2611.8	0.0	0.0	391.9	3003.7	-444.3	1814.7	0.0	401.4
1987	2563.4	179.4	2742.8	3003.6	0.0	0.0	432.5	3436.0	-693.2	2109.8	0.0	693.2
1988	2732.3	207.1	2939.4	3454.1	0.0	0.0	475.5	3929.6	-990.1	2426.5	0.0	990.1
1989	2910.2	237.3	3147.5	3972.2	0.0	0.0	521.1	4493.3	-1345.8	2765.9	0.0	1345.8
1990	3096.8	270.3	3367.1	4568.0	0.0	0.0	569.6	5137.6	-1770.6	3129.1	-0.0	1770.6

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STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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21-SEP-77

COMMENTS

ALCAN
TAPS RAILROAD PRESUMES MARCH 78
MEDIUM REVENUES (HAGGART CASE II)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 7.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL. = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 30.00%
ANNUAL % INCREASE IN BUDGET APPROPRIATION = 15.00%
% OF PERMANENT FUND EARNINGS TO ALASKA INC = 50.00%
PRESERVE AS % OF BUDGET ADDED TO REQUIRED CF BALANCE = 10.00%

YEAR END	NOV INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEPT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT		GENERAL FUND		REVENUE REQ FOR CF BAL 50 MIL
										FUND	END OF YEAR OF	FUND	END OF YEAR OF	
1977										4.0	652.7			
1978	794.0	56.3	850.3	853.8	0.0	0.0	120.5	974.3	-124.0	524.9	85.4			0.0
1979	1100.8	59.5	1160.3	981.9	0.0	0.0	227.7	1209.5	-49.3	659.9	36.1			0.0
1980	1269.1	68.2	1337.9	1129.2	0.0	0.0	263.7	1392.9	-55.0	818.2	0.0			18.9
1981	1553.2	84.2	1637.4	1298.5	0.0	0.0	293.1	1591.6	75.8	991.8	75.8			0.0
1982	1745.4	103.4	1848.8	1493.3	0.0	0.0	321.9	1815.2	33.7	1181.3	109.4			0.0
1983	1925.9	120.4	2046.3	1717.3	0.0	0.0	372.7	2090.0	-43.7	1397.7	65.8			0.0
1984	2049.7	136.1	2205.8	1974.9	0.0	0.0	295.5	2270.4	-64.6	1633.2	1.1			0.0
1985	2251.2	154.1	2405.3	2271.1	0.0	0.0	316.5	2587.7	-181.4	1888.1	0.0			180.2
1986	2403.9	178.3	2582.2	2611.8	0.0	0.0	345.4	2957.2	-374.9	2162.6	0.0			371.9
1987	2563.4	203.8	2767.2	3003.6	0.0	0.0	376.0	3379.5	-612.4	2457.7	9			612.4
1988	2732.3	231.5	2963.8	3454.1	0.0	0.0	408.3	3862.4	-898.6	2774.4	-0.0			898.6
1989	2910.2	261.7	3171.9	3972.2	0.0	0.0	442.4	4414.6	-1242.7	3113.8	-0.0			1242.7
1990	3066.8	294.6	3361.4	4568.0	0.0	0.0	478.6	5046.7	-1685.2	3477.1	0.0			1685.2

TABLE 1

PROJECTED ECONOMY (\$ MILLION PERSONAL INCOME)	FY	SCENARIO 1		SCENARIO 2		SCENARIO 3		SCENARIOS 4 & 5		SCENARIO 6	
		REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME)	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME)	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME)	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME)	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME)
2,345.6	78										
3,120.2	79										
3,550.6	80										
3,860.7	81									1,358.2	3,789.8
3,932.9	82										
4,073.4	83										
4,392.4	84					4,899.5	5,540.4				
4,770.8	85					8,109.0	4,695.6				
5,003.8	86			1,952.1	5,116.3	12,011.1	9,026.5			7,036.6	7,051.8
5,259.8	87	6,133.0	8,909.2	19,954.4	13,207.9	18,194.3	11,801.2	Not	10,089.8	12,874.0	9,754.3
5,522.7	88	14,303.9	16,131.5	28,448.2	17,093.6	25,674.7	15,148.4	Applicable	14,034.4	19,954.8	13,011.6
5,798.9	89	19,394.7	20,617.8	38,619.1	21,725.4	34,585.4	19,125.2		18,055.6	28,448.6	16,897.3
6,088.8	90	25,475.2	25,973.6	50,768.1	27,236.9	45,196.7	23,852.1		22,834.3	38,619.5	21,529.2
						57,810.7	29,462.2		28,501.4	50,768.5	27,040.6

ASSUMPTIONS

	1	2	3	4	5	6	7	8	9	10	11	12
FY	LA PRICE \$	LOWER 48 TRANSPORT \$	TAPS TARRIF \$	INCOME TAX PRUDHOE (\$ MILLION)	PRUDHOE PRODUCTION MMB	OIL & GAS PROPERTY TAX (\$ MILLION)	\$ FLOOR PRICE FOR OIL SEVERANCE TAX	OTHER REVENUE (\$ MILLION)	GAS SALES MM/MCF	GAS SALE PRICE ¢/MCF	COOK INLET OIL ROYALTY (\$ MILLION)	COOK INLET OIL SEVERANCE (\$ MILLION)
78	13.75	1.50	5.40	35.0	262.5	157.3	6.53	225.8	17.0	39.8	33.1	16.3
79	14.44	2.00	5.40	51.0	474.5	170.6	6.53	346.5	20.4	39.8	31.3	14.4
80	15.16	2.50	5.40	54.0	547.5	193.2	7.18	280.5	26.4	41.6	29.5	12.7
81	15.92	2.50	5.40	55.0	547.5	226.7	7.18	305.0	34.0	44.2	27.9	10.9
82	16.71	2.50	5.40	56.0	547.5	251.8	7.90	310.7	37.6	46.8	26.4	9.1
83	17.55	2.50	4.90	58.0	547.5	257.0	7.90	321.8	111.6	50.9	24.6	7.3
84	18.43	2.50	4.90	59.0	547.5	261.4	8.69	347.0	117.4	73.1	22.9	5.5
85	19.35	2.50	4.90	60.0	547.5	295.9	8.69	376.9	122.0	77.1	21.2	3.7
86	20.31	2.50	4.90	62.0	547.5	310.7	9.55	395.7	122.0	77.1	19.7	1.9
87	21.33	2.50	4.90	63.0	547.5	326.2	9.55	415.5	122.0	77.1	18.4	.1
88	22.40	2.50	4.90	64.0	547.5	342.5	10.51	436.3	122.0	77.1	17.1	--
89	23.52	2.50	4.90	66.0	547.5	359.7	10.51	458.1	122.0	77.1	16.0	--
90	24.70	2.50	4.90	67.0	547.5	377.6	11.56	481.0	122.0	77.1	14.9	--

FOOTNOTES:

1. Haggart Case II (5% annual increase) July 14, 1977 Memo
2. Haggart Case II
3. Haggart Case II as revised for FY 78-82 in his July 15, 1977 memo for pump station no. 8 slowdown
- 4, 5. Haggart Case II revised for FY 78 for pump station no. 8 slowdown
6. Haggart Case II revised for FY 78 for missing pump station no. 8
7. Haggart (10% increase every two years)
8. Department of Revenue; "Alaska's Oil & Gas Tax Structure"; p. IV-32; Alcan scenario
- 9-12. Haggart

LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% REAL BUDGET GROWTH
1.42 PRUDHOE FIELD COSTS
1.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERH- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	582.4	1644.4	1235.8	504.4	1919.8	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	545.5	1769.5	1876.2	890.9	3795.9	0.0
1982	4383.0	601.9	4984.9	1637.5	0.0	0.0	527.2	2164.7	2820.3	1418.1	6616.2	0.0
1983	4778.0	929.1	5707.1	1883.1	0.0	0.0	618.5	2501.6	3205.5	2036.6	9821.7	0.0
1984	5215.0	1302.0	6517.0	2165.6	0.0	0.0	728.1	2893.7	3623.4	2764.6	13445.0	0.0
1985	6350.0	1756.4	8106.4	2470.5	0.0	0.0	924.7	3415.1	4691.3	3689.3	18136.3	0.0
1986	6187.0	2267.4	8454.4	2864.0	0.0	0.0	988.0	3852.0	4602.4	4677.3	22738.7	0.0
1987	6115.0	2778.7	8893.7	3293.6	0.0	0.0	1067.2	4360.9	4532.9	5744.5	27271.5	0.0
1988	5986.0	3286.4	9272.4	3787.7	0.0	0.0	1145.8	4933.5	4338.9	6890.3	31610.5	0.0
1989	5387.0	3759.0	9146.0	4355.8	0.0	0.0	1177.9	5533.7	3612.3	8068.2	35222.8	0.0
1990	4928.0	4170.4	9098.4	5009.2	0.0	0.0	1220.2	6237.4	2861.0	9296.4	38083.8	0.0
1991	4455.0	4512.2	8967.2	5760.6	0.0	0.0	1281.1	7041.7	1925.5	10577.5	40009.3	0.0
1992	4658.0	4799.5	9457.5	6624.7	0.0	0.0	1417.0	8041.7	1415.9	11994.4	41425.2	0.0
1993	4679.0	5039.4	9718.4	7618.4	0.0	0.0	1544.2	9162.6	555.8	13538.7	41981.0	0.0
1994	4853.0	5213.2	10066.2	8761.1	0.0	0.0	1703.6	10464.8	-398.6	15242.3	41582.4	0.0
1995	5072.0	5309.4	10381.4	10075.3	0.0	0.0	1886.5	11961.8	-1580.4	17128.8	40002.0	0.0
1996	4836.0	5284.3	10120.3	11586.6	0.0	0.0	2033.6	13620.2	-3499.9	19162.4	36502.2	0.0
1997	4785.0	5094.6	9879.6	13324.6	0.0	0.0	2234.2	15558.7	-5679.1	21396.5	30823.0	0.0
1998	4937.0	4720.6	9657.6	15323.3	0.0	0.0	2442.1	17765.4	-8107.7	23838.6	22715.3	0.0
1999	5082.0	4128.5	9210.5	17621.8	0.0	0.0	2666.2	20288.0	-11077.4	26504.8	11637.9	0.0
2000	5304.0	3405.3	8709.3	20265.0	0.0	0.0	2920.1	23185.1	-14475.8	29424.9	-0.0	2837.9

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

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

March 10, 1980

MEMORANDUM

TO: Honorable Ernie Haugen
House Finance Committee

FROM: Milt Barker, ^{MB} Fiscal Analyst
Legislative Finance Division

SUBJECT: Funds Available for Appropriation

As indicated by the attached projection of general fund balances from page 17 of the Governor's "Executive Budget" book, an estimated \$2,554.8 million in liquid general funds are estimated to be available for appropriation in excess of the Governor's budget. There are total new capital appropriations of \$220.1 million proposed in the Governor's budget, including the \$162.1 million supplemental capital budget.

If you assume the following:

- 1) \$900 million permanent fund appropriation
- 2) \$110 million native claims appropriation
(in excess of obligatory FY 80 and FY 81 payments)
- 3) \$220 million for suspension of income tax
as of January 1, 1980
- 4) \$200 million permanent fund dividends - FY 81
- 5) \$400 million additional illiquid loans - FY 80
(HCR 33)
- 6) \$585 million additional illiquid loans - FY 81
(continuation of HCR 33)

then approximately \$135 million in the general fund cash balance would still remain after these appropriations.

A \$1 billion capital appropriation to the power project revolving fund could thus not be totally paid over during FY 81 assuming that the other appropriations listed have priority. However, as a capital appropriation, it would not lapse but would remain on the books until the total \$1 billion was paid over.

The \$1 billion appropriation would fall within the limits of funds legally available for appropriation so long as the illiquid loans are held by the general fund and not appropriated to some other fund or entity. Adding the \$400 million and \$585 million additional illiquid investments listed above to the previous "total investments not readily saleable" shown on the attached projection of fund balances gives total illiquid investments of \$1,760 million at the end of FY 81. This plus the \$135 million general fund cash balance means \$1,895 million is legally available for appropriations in addition to those listed above.

These general fund balances reflect business as usual in the making of loans. Should a GNMA type program be established, it is conceivable that the cash requirements for loans could be reduced in FY 81 although that may be too soon to see the full implementation of such a program.

PROJECTED STATEMENT OF CHANGES IN
GENERAL FUND BALANCE AND
CASH AVAILABLE FOR APPROPRIATIONS
(MILLIONS OF DOLLARS)

	Column I GENERAL FUND BALANCE	Column II CASH AVAILABLE
<u>Total Available General Fund Balance 6/30/79</u>	\$ 684.3	\$ 684.3
Investments not readily saleable ⁽¹⁾		(485.3)
<u>Cash Available for new Approp. 6/30/79</u>		199.0
 FY 80 Operations through 6/30/80		
Revenues ⁽²⁾ 2,159.0		
Appropriations ⁽³⁾ 1,260.4		
To General Fund	898.6	898.6
Additional Investments not readily saleable ^{(4),(5)}	—	(173.5)
 <u>Total Available General Fund Balance 6/30/80</u>	 1,582.9	
<u>Cash Available for New Approp. 6/30/80</u>		924.1
 FY 81 Operations through 6/30/81		
Revenues ⁽²⁾ 2,987.7		
Appropriations ⁽³⁾ 1,240.0		
To General Fund	1,747.7	1,747.7
Additional Investments not readily saleable ⁽⁵⁾	—	(117.0)
 <u>Projected Total Available General Fund Balance 6/30/81</u>	 <u>3,330.6</u>	
 Cash Available for New Appropriation 6/30/81		2,554.8
 Total Investments not readily saleable		775.8
<u>Balance Locally Available for Appropriation</u>		<u>3,330.6</u>

STATE OF ALASKA

THE LEGISLATURE

1980

Source

SCS CSHCR 33

Legislative
Resolve No.

LR 1



Requesting the Governor to direct action relating to the investment and loan of the state general fund surplus and relating to the participation of financial institutions with the division of business loans in loan programs of benefit to the state's economy.

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

WHEREAS the state's economy, like that of the nation, is sluggish, with business and private investment at levels which are well below investment rates that characterized the second half of the 1970's; and

WHEREAS Congressional deliberation on the continued use of tax-exempt state and local government revenue bonds has halted issuance of bonds for purposes of financing housing construction and purchase; and

WHEREAS, while the Second Session of the Eleventh Legislature considers alternatives by which state government investment may overcome the economic slack and assist in making additional money for mortgages available at reasonable interest rates, an interim response to current conditions should be formulated and placed in operation;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the commissioner of revenue and the commissioner of commerce and economic development to take action that will, until the legislature completes action on a comprehensive economic assistance program during the Second Session of the Eleventh Legislature or until June 30, 1980, whichever is later,

(1) require that, in accordance with authority granted by AS 37.10.070(a)(10) and (11), the state purchase not more than \$35,000,000 of residential mortgages each month beginning with the month during which this resolution is adopted, subject to the following conditions:

(A) mortgage purchases should be made only from the state general fund;

(B) only mortgages on Alaska residences may be purchased;

(C) mortgage purchases shall include only loans entered into between a financial institution and a borrower after the date of adoption of this resolution, and may not include loans for purposes of refinancing existing loans;

(D) a mortgage loan may not be purchased from a financial institution on a basis other than the order in which loan applications were submitted to the state; and

(E) mortgage purchases should be made on terms so that net mortgage cost to the borrower may not exceed eight percent annual interest;

(2) require that in accordance with AS 37.10.075, the state immediately place on deposit or invest in federal credit unions doing business in Alaska not less than \$35,000,000 from the state general fund at the rates and terms which were applied to the placement of surplus state funds on November 15, 1979;

(3) waive the current loan policy of the Department of Commerce and Economic Development, division of business loans, by which financial institutions must participate with the division in the provision of loans;

(4) reopen as soon as possible regional offices of the division of veterans' affairs in Anchorage and Fairbanks to receive and process veterans' loans;

(5) require that mortgage loans purchased by the Department of Revenue from the division of veterans' affairs be made on terms so that net mortgage costs to the borrower do not exceed seven percent annual interest; and

(6) provide for making loans, not to exceed \$10,000,000, at interest rates not to exceed 10 percent, to financial institutions in Alaska which are insured by an agency or instrumentality of the federal government if the financial institution agrees to reissue at least 50 percent of the amount loaned to it by the state in the form of mortgage, commercial, and consumer loans to Alaskans.



Alaska State Legislature

1976

Source:

SCS CSSS HJR 39(Resources) am S

HOUSE JOINT RESOLUTION NO. 39

Proposing an amendment to the Alaska Constitution, establishing an Alaska Permanent Fund for certain proceeds derived from non-renewable resources.

and the election laws of the state.

* Sec. 4. The amendments proposed by this resolution if adopted by the voters at the next general election shall become effective 90 days after the certification of the election returns by the lieutenant governor.

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

* Section 1. Article IX, sec. 7, Constitution of the State of Alaska, is amended to read:

SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

* Sec. 2. Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

* Sec. 3. The amendments proposed by this resolution shall be placed before the voters at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska,

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

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

February 7, 1979

MEMORANDUM

TO: Representative Bill Miles
Co-Chairman
House Resources Committee

FROM: Milt Barker *MB*
Fiscal Analyst

SUBJECT: General & Permanent Fund Balance Projections

The attached projections are based on the following assumptions:

- Information
received after
4/29/80*
1. No gas line construction or gas production.
 2. Sadlerochit production remains at approximately 1.2 million BPD through 1990.
 3. No production other than Sadlerochit and currently producing Cook Inlet fields.
 4. Oil price increases at the refinery as scheduled by OPEC with annual increases of 6.5% beginning in January 1980 thereafter.
 5. 6.5% annual inflation in non-petroleum revenues and petroleum corporate income tax.
 6. No lease bonus revenue.
 7. Interest earned on permanent and general fund investments at 7%.
 8. No increase in illiquid general fund investments (Alaska loans) beyond \$500 million.

MBB:pw
Attachments

GENERAL FUND AND PERMANENT FUND PROJECTED BALANCES

<u>FISCAL</u> <u>YEAR</u>	<u>TOTAL</u> <u>REVENUE</u>	<u>BUDGET</u> <u>APPROPRIATION</u>	<u>TOTAL</u> <u>EXPENDITURE</u>	<u>SURPLUS</u> <u>OR</u> <u>DEFICIT</u>	<u>END OF YEAR</u> <u>PERMANENT</u> <u>FUND BALANCE</u>	<u>END OF YEAR</u> <u>GENERAL FUND</u> <u>BALANCE</u>	<u>BUDGET CUTS OR</u> <u>ADDITIONAL REVENUE</u> <u>REQUIRED TO</u> <u>MAINTAIN GF BALANCE</u> <u>AT \$500 MILLION</u>
1979					128.9	578.5	
1980	1249.1	1030.0	1195.7	53.4	219.0	631.9	0.0
1981	1480.2	1184.5	1380.3	99.8	325.4	731.7	0.0
1982	1663.6	1362.2	1581.3	82.3	444.5	814.0	0.0
1983	1801.4	1566.5	1810.2	- 8.8	576.9	805.2	0.0
1984	1940.1	1801.5	2071.6	-131.5	723.7	673.7	0.0
1985	2080.6	2071.7	2312.6	-232.0	885.8	500.0	58.4
1986	2238.2	2382.5	2596.5	-358.3	1064.2	500.0	358.3
1987	2412.4	2739.8	2974.8	-562.5	1260.1	500.0	562.5
1988	2600.0	3150.8	3408.2	-808.3	1474.6	500.0	808.3
1989	2810.8	3623.4	3904.7	-1093.9	1709.0	500.0	1093.9
1990	3034.4	4166.9	4473.6	-1439.2	1964.6	500.0	1439.2

1. Unrestricted revenues, including 100% of royalties.
2. FY 80 figure is the Governor's general fund request; subsequent years reflect 15% annual compound increase.
3. Total expenditure is budget appropriation plus permanent fund, renewable resources fund, and native claims fund contributions.

Prepared by:
Legislative Finance
February 7, 1979

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

projections

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

February 25, 1980

ADDENDUM to February 21, 1980 Memo

TO: Honorable Hugh Malone, Chairman
House Permanent Fund Committee

FROM: ^{MB} Milt Barker, Fiscal Analyst
Legislative Finance Division

SUBJECT: General and Permanent Fund Projections

Attached are additional projections requested by you which assume all of the permanent fund earnings are paid to the public rather than retained in the permanent fund as was the case with the projections in the February 21, 1980 memo. The scenarios presented here are done in both real and nominal dollars assuming 8% real (15% nominal) budget growth and 25%, 50%, and 75% dedication of mineral bonuses and royalties to the permanent fund.

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
1457 MIL. DEAFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL. CAPITAL G% BUDGET GROWTH
5.42 PRUDHOE FIELD COSTS
1.53 GAS CONDITIONING COSTS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL. = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERMANENT FUND	GENERAL FUND	REVENUE REQ FOR GF BAL
1979	2715.0	35.7	2750.7	998.0	0.0	0.0	559.6	1557.6	1193.1	475.5	1077.1	0.0
1980	3500.0	72.3	3572.3	1423.9	0.0	0.0	495.5	1919.4	1653.1	779.3	1180.2	0.0
1981	3650.0	114.6	3764.6	1537.9	0.0	0.0	376.1	1913.9	1850.9	1155.0	735.1	0.0
1982	3747.0	159.6	3906.6	1650.9	0.0	0.0	391.5	2052.4	1854.2	1520.5	531.1	0.0
1983	3038.0	204.4	4042.4	1793.8	0.0	0.0	412.2	2206.0	1836.5	1098.5	723.2	0.0
1984	4111.0	253.0	4364.0	1937.3	0.0	0.0	461.7	2398.9	2165.1	2318.0	1123.8	0.0
1985	3937.0	300.4	4237.4	2092.2	0.0	0.0	427.4	2519.6	1717.8	2655.2	12954.6	0.0
1986	3641.0	338.7	3979.7	2259.6	0.0	0.0	401.3	2661.0	1310.7	3039.3	14273.3	0.0
1987	3344.0	368.1	3712.1	2440.4	0.0	0.0	373.4	2813.8	098.3	3348.0	15171.6	0.0
1988	2823.0	306.0	3129.0	2635.6	0.0	0.0	319.7	2955.4	253.6	3597.0	15425.2	0.0
1989	2423.0	393.8	2816.8	2046.5	0.0	0.0	278.8	3125.3	211.4	3803.0	17113.0	0.0
1990	2055.0	303.5	2358.5	3074.2	0.0	0.0	240.7	3314.9	-876.4	3966.0	14237.4	0.0
1991	2010.0	367.1	2377.1	3320.1	0.0	0.0	238.9	3559.0	-1181.9	4124.0	13055.5	0.0
1992	1893.0	343.6	2236.6	3585.7	0.0	0.0	228.4	3814.2	-1577.6	4269.3	11477.9	0.0
1993	1835.0	312.3	2147.3	3672.6	0.0	0.0	226.3	4098.9	-1951.6	4408.0	9526.2	0.0
1994	1792.0	273.4	2065.4	4102.4	0.0	0.0	225.8	4409.2	-2343.8	4546.0	7102.5	0.0
1995	1600.0	224.0	1824.0	4517.0	0.0	0.0	210.1	4727.1	-2902.3	4664.0	4280.2	0.0
1996	1474.0	165.1	1639.1	4878.4	0.0	0.0	205.7	5085.0	-3446.0	4775.3	834.3	0.0
1997	1426.0	126.0	1552.0	5260.6	0.0	0.0	199.8	5468.4	-3916.5	4879.5	3082.2	0.0
1998	1331.0	121.3	1502.3	5690.1	0.0	0.0	193.0	5883.2	-4380.9	4974.0	4380.9	0.0
1999	1350.0	124.9	1474.9	6145.2	0.0	0.0	188.4	6333.7	-4858.7	5062.0	4058.7	0.0

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
2457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 3% BUDGET GROWTH
\$4.42 PRUDHOE FIELD COSTS
\$1.53 GAS CONDITIONING COSTS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = 2.100%

ASSUMPTIONS

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPL. MENTALS	DEFT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERMANENT FUND	GENERAL FUND	REVENUE REQ FOR GF BAL
END												
1979	2715.0	35.7	2750.7	998.0	0.0	0.0	900.5	1898.5	852.2	138.0	684.0	0.0
1980	3500.0	72.3	3572.3	1421.9	0.0	0.0	829.2	2251.2	1319.2	1460.5	2055.4	0.0
1981	3650.0	114.4	3764.4	1537.9	0.0	0.0	749.3	2287.2	1477.2	2173.5	4332.5	0.0
1982	3747.0	150.7	3905.7	1650.9	0.0	0.0	700.3	2441.2	1454.5	2293.0	5797.1	0.0
1983	3838.0	203.0	4041.0	1792.8	0.0	0.0	621.6	2615.4	1425.6	2659.0	7222.7	0.0
1984	4311.0	250.8	4561.8	1937.3	0.0	0.0	920.6	2857.8	1704.0	4490.0	8926.7	0.0
1985	3937.0	297.3	4234.3	2092.2	0.0	0.0	852.0	2944.2	1290.1	5252.5	10216.7	0.0
1986	3641.0	334.5	3975.5	2259.6	0.0	0.0	799.9	3059.6	915.9	5940.5	11132.6	0.0
1987	3344.0	362.6	3706.6	2440.4	0.0	0.0	744.0	3184.4	522.2	6559.5	11654.9	0.0
1988	2823.0	379.1	3202.1	2635.6	0.0	0.0	636.7	3272.3	-70.2	7060.0	11584.7	0.0
1989	2423.0	382.4	2805.4	2846.5	0.0	0.0	554.8	3401.3	-595.9	7469.5	10988.8	0.0
1990	2055.0	373.5	2428.5	3074.2	0.0	0.0	478.7	3552.8	-1124.4	7795.5	9864.5	0.0
1991	2010.0	355.3	2365.3	3320.1	0.0	0.0	475.1	3795.2	-1429.9	8111.5	8434.6	0.0
1992	1893.0	330.0	2223.0	3585.7	0.0	0.0	454.1	4039.9	-1016.9	8400.5	6617.7	0.0
1993	1835.0	296.7	2131.7	3872.6	0.0	0.0	449.8	4322.4	-2190.7	8679.5	4427.1	0.0
1994	1792.0	255.8	2047.8	4182.4	0.0	0.0	450.8	4633.2	-2505.5	8954.0	1841.6	0.0
1995	1600.0	217.9	1817.9	4517.0	0.0	0.0	417.4	4934.4	-3116.5	9190.0	0.0	1274.9
1996	1474.0	205.6	1679.6	4878.4	0.0	0.0	410.5	5288.9	-3609.3	9414.5	0.0	3609.3
1997	1426.0	211.4	1637.4	5268.6	0.0	0.0	396.9	5665.5	-4028.1	9621.0	0.0	4028.1
1998	1381.0	217.1	1598.1	5690.1	0.0	0.0	383.3	6073.4	-4475.4	9810.0	0.0	4475.4
2000	1350.0	222.5	1572.5	6145.3	0.0	0.0	374.0	6519.3	-4946.7	9986.0	0.0	4946.7

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 75.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1977										138.0	681.0	
1980	2715.0	35.7	2750.7	998.0	0.0	0.0	1241.4	2239.4	511.3	1150.5	1195.3	0.0
1981	3500.0	72.2	3572.2	1423.9	0.0	0.0	1163.0	2586.9	985.3	2121.3	2180.5	0.0
1982	3650.0	113.9	3763.9	1537.9	0.0	0.0	1122.6	2660.5	1103.4	3191.3	3284.0	0.0
1983	3747.0	157.8	3904.8	1660.9	0.0	0.0	1169.0	2829.9	1074.9	4285.5	4358.9	0.0
1984	3838.0	201.6	4039.6	1793.8	0.0	0.0	1231.1	3024.8	1014.7	5419.5	5373.6	0.0
1985	4311.0	248.6	4559.6	1937.3	0.0	0.0	1379.5	3316.7	1242.9	6678.0	6616.5	0.0
1986	3937.0	294.2	4231.2	2092.2	0.0	0.0	1276.6	3368.9	862.3	7809.8	7478.9	0.0
1987	3641.0	330.3	3971.3	2259.6	0.0	0.0	1198.5	3458.1	513.1	8841.8	7992.0	0.0
1988	3344.0	357.2	3701.2	2440.4	0.0	0.0	1114.6	3555.0	146.2	9770.3	8138.2	0.0
1989	2823.0	372.3	3195.3	2635.6	0.0	0.0	953.7	3589.3	-394.0	10521.0	7744.1	0.0
1990	2423.0	374.0	2797.0	2846.5	0.0	0.0	830.8	3677.3	-880.3	11135.3	6863.9	0.0
1991	2055.0	363.4	2418.4	3074.2	0.0	0.0	716.6	3790.8	-1372.3	11624.3	5491.5	0.0
1992	2010.0	343.6	2353.6	3320.1	0.0	0.0	711.2	4031.4	-1677.8	12098.3	3813.7	0.0
1993	1993.0	316.4	2209.4	3585.7	0.0	0.0	679.8	4265.5	-2056.2	12531.8	1757.6	0.0
1994	1835.0	287.9	2122.9	3872.6	0.0	0.0	673.3	4545.9	-2423.0	12950.3	0.0	665.5
1995	1792.0	279.9	2071.9	4182.4	0.0	0.0	674.9	4857.3	-2785.4	13362.0	0.0	2785.4
1996	1600.0	288.8	1888.8	4517.0	0.0	0.0	624.8	5141.8	-3252.9	13716.0	0.0	3252.9
1997	1474.0	297.2	1771.2	4878.4	0.0	0.0	614.4	5492.8	-3721.6	14052.8	0.0	3721.6
1998	1426.0	305.2	1731.2	5268.6	0.0	0.0	593.9	5862.5	-4131.3	14362.5	0.0	4131.3
1999	1381.0	312.8	1693.8	5690.1	0.0	0.0	573.6	6263.7	-4569.9	14646.0	0.0	4569.9
2000	1350.0	320.1	1670.1	6145.3	0.0	0.0	559.6	6704.9	-5034.7	14910.0	0.0	5034.7

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

7% INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% REAL BUDGET GROWTH
\$4.42 PRUDHOE FIELD COSTS
\$1.53 GAS CONDITIONING COSTS

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPL.-MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM-ANENT FUND	GENERAL FUND	REVENUE REQ FOR GF BAL \$0 MIL
1979	2715.0	165.7	2880.7	996.0	0.0	0.0	581.1	1579.1	1301.6	138.0	684.0	0.0
1980	3500.0	346.4	3846.4	1423.9	0.0	0.0	540.1	1964.1	1802.3	475.5	1985.6	0.0
1981	4383.0	595.8	4978.8	1637.5	0.0	0.0	514.2	2151.8	2827.0	799.3	3867.9	0.0
1982	4778.0	911.9	5689.9	1883.2	0.0	0.0	593.9	2477.0	3242.9	1222.5	6695.0	0.0
1983	5215.0	1268.8	6483.8	2165.6	0.0	0.0	686.7	2852.4	3631.5	1685.5	9207.8	0.0
1984	6350.0	1701.2	8051.2	2490.5	0.0	0.0	860.6	3351.1	4700.1	2197.5	13535.3	0.0
1985	6187.0	2183.0	8370.0	2864.1	0.0	0.0	893.9	3757.9	4612.1	2831.8	18239.4	0.0
1986	6115.0	2357.2	8472.2	3293.7	0.0	0.0	935.1	4228.7	4543.4	3443.3	22851.5	0.0
1987	5986.0	3119.2	9105.2	3787.7	0.0	0.0	967.0	4754.7	4350.5	4041.5	27394.9	0.0
1988	5387.0	3537.0	8924.0	4355.9	0.0	0.0	943.2	5299.0	3625.0	4618.8	31745.4	0.0
1989	4928.0	3084.1	8012.1	5009.3	0.0	0.0	928.0	5937.2	2874.9	5123.5	35370.4	0.0
1990	4455.0	4151.8	8606.8	5760.7	0.0	0.0	905.5	6666.1	1940.7	5570.3	38245.3	0.0
1991	4658.0	4354.6	9012.6	6624.8	0.0	0.0	955.4	7580.2	1432.4	5957.0	40186.0	0.0
1992	4679.0	4428.6	9107.6	7618.5	0.0	0.0	985.3	8603.7	573.9	6358.3	41618.4	0.0
1993	4853.0	4564.2	9417.2	8761.2	0.0	0.0	1034.7	9795.9	-378.8	6753.5	42192.3	0.0
1994	5072.0	4538.4	9610.4	10075.4	0.0	0.0	1093.7	11169.1	-1558.7	7591.8	40254.8	0.0
1995	4836.0	4376.3	9212.3	11586.7	0.0	0.0	1101.8	12688.5	-3470.2	7992.3	36778.6	0.0
1996	4785.0	4033.2	8818.2	13324.8	0.0	0.0	1146.7	14471.5	-5653.2	8401.3	31125.4	0.0
1997	4937.0	3487.9	8424.9	15323.5	0.0	0.0	1180.9	16504.4	-8079.4	8807.8	23045.9	0.0
1998	5082.0	2705.0	7787.0	17622.0	0.0	0.0	1211.5	18833.5	-11046.5	9208.5	11999.5	0.0
2000	5304.0	1751.7	7055.7	20265.3	0.0	0.0	1250.2	21515.4	-14459.8	9611.8	-0.0	2460.3

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

7% INFLATION
2% REAL GROWTH IN OIL PRICES
1987 HIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 HIL CAPITAL 8% REAL BUDGET GROWTH
1.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPL- MENTAL'S SERVICE	DEBT	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND	REVENUE REQ FOR GF BAL
1979	2715.0	165.0	2880.0	998.0	0.0	0.0	933.8	1531.8	948.2	138.0	684.0	0.0
1980	3500.0	342.8	3842.8	1423.9	0.0	0.0	908.8	2332.8	1510.0	813.0	1632.2	0.0
1981	4383.0	586.0	4969.0	1637.5	0.0	0.0	1016.0	2653.6	2315.4	1460.5	3142.2	0.0
1982	4778.0	891.9	5669.9	1803.2	0.0	0.0	1175.3	3058.5	2611.4	3233.0	8067.1	0.0
1983	5215.0	1233.7	6448.7	2165.6	0.0	0.0	1361.1	3526.7	2922.0	4257.0	10991.1	0.0
1984	6350.0	1645.1	7995.1	2490.5	0.0	0.0	1708.7	4199.2	3795.9	5525.5	14787.0	0.0
1985	6187.0	2098.8	8285.8	2864.1	0.0	0.0	1775.3	4639.4	3446.4	6748.5	18433.4	0.0
1986	6115.0	2537.0	8652.0	3293.7	0.0	0.0	1857.7	5151.4	3500.6	7945.0	21934.0	0.0
1987	5986.0	2954.7	8940.7	3787.7	0.0	0.0	1921.5	5709.2	3231.4	9099.5	25165.5	0.0
1988	5387.0	3319.1	8706.1	4355.9	0.0	0.0	1873.9	6229.8	2476.3	10109.0	27641.8	0.0
1989	4928.0	3603.5	8531.5	5009.3	0.0	0.0	1843.5	6852.8	1678.7	11002.5	29320.5	0.0
1990	4455.0	3798.8	8253.8	5760.7	0.0	0.0	1798.5	7559.2	694.6	11276.0	30015.2	0.0
1991	4658.0	3919.0	8577.0	6224.8	0.0	0.0	1898.5	8523.2	53.8	12578.5	30068.9	0.0
1992	4659.0	3928.7	8587.7	7618.5	0.0	0.0	1958.1	9576.6	-928.4	13369.0	29140.5	0.0
1993	4853.0	3928.7	8781.7	8761.2	0.0	0.0	2057.0	10818.2	-2036.5	14186.0	27104.0	0.0
1994	5072.0	3733.4	8805.4	10075.4	0.0	0.0	2174.9	12250.3	-3395.0	15015.5	23709.0	0.0
1995	4836.0	3487.0	8323.0	11586.7	0.0	0.0	2191.1	13777.9	-5454.8	15846.5	18254.2	0.0
1996	4785.0	3293.5	8078.5	13324.8	0.0	0.0	2281.0	15605.7	-7627.3	16664.5	10426.9	0.0
1997	4937.0	2281.4	7218.4	15323.5	0.0	0.0	2349.4	17672.9	-10454.4	17477.5	10426.9	27.5
1998	5082.0	1926.2	7008.2	17622.0	0.0	0.0	2410.5	20032.5	-11024.3	18279.0	-0.0	13024.3
2000	5304.0	2046.2	7350.2	20265.3	0.0	0.0	2487.9	22753.2	-15403.0	19085.5	-0.0	15403.0

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

7% INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL REAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% REAL BUDGET GROWTH
\$42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 75.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPL- HENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND	REVENUE REQ FOR GF BAL
END											END OF YEAR OF	\$0 MIL
1979	2715.0	1641.3	2879.3	990.0	0.0	0.0	1286.5	2284.5	594.8	138.0	684.0	0.0
1980	3500.0	339.2	3839.2	1423.9	0.0	0.0	1277.5	2701.4	1137.7	1150.5	1278.6	0.0
1981	4303.0	576.2	4879.2	1637.5	0.0	0.0	1517.6	3155.4	1803.6	2121.8	2416.5	0.0
1982	4778.0	871.9	5649.9	1803.2	0.0	0.0	1756.7	3639.9	2010.0	3391.5	4220.4	0.0
1983	5215.0	1198.6	6413.6	2165.6	0.0	0.0	2035.4	4201.0	2212.6	4780.5	6230.4	0.0
1984	6350.0	1508.9	7938.9	2490.5	0.0	0.0	2556.9	5047.3	2891.6	6316.5	8443.0	0.0
1985	6187.0	2014.6	8201.6	2864.1	0.0	0.0	2656.8	5520.8	2680.7	10053.6	11334.6	0.0
1986	6115.0	2414.9	8531.9	3223.7	0.0	0.0	2780.4	6074.0	2457.8	11848.5	14473.2	0.0
1987	5985.0	2790.1	8776.1	3797.7	0.0	0.0	2876.0	6663.8	2112.3	13580.2	16585.5	0.0
1988	5387.0	3101.2	8488.2	4335.9	0.0	0.0	2804.6	7160.5	1327.7	15094.5	19913.2	0.0
1989	4928.0	3322.9	8250.9	5009.3	0.0	0.0	2759.1	7768.3	482.6	16434.8	20395.8	0.0
1990	4455.0	3445.8	7900.8	5760.7	0.0	0.0	2691.6	8452.2	-531.4	17595.0	19844.4	0.0
1991	4658.0	3483.3	8141.3	6624.8	0.0	0.0	2841.5	9466.2	-1324.9	18798.8	18519.5	0.0
1992	4679.0	3439.8	8118.8	7618.5	0.0	0.0	2931.0	10549.3	-2430.7	19984.5	16008.8	0.0
1993	4853.0	3293.2	8146.2	8761.2	0.0	0.0	3079.3	11840.5	-3694.3	21210.0	12394.5	0.0
1994	5072.0	3028.4	8100.4	10075.4	0.0	0.0	3256.2	13331.6	-5231.2	22499.3	7153.3	0.0
1995	4836.0	2609.9	7445.9	11586.7	0.0	0.0	3280.5	14867.2	-7421.3	23700.8	-0.0	258.1
1996	4705.0	2438.1	7213.1	13324.8	0.0	0.0	3415.3	16740.0	-9526.9	24927.8	-0.0	9526.9
1997	4937.0	2574.2	7511.2	15323.5	0.0	0.0	3517.9	18841.3	-11330.1	26147.3	-0.0	11330.1
1998	5082.0	2724.5	7806.5	17622.0	0.0	0.0	3607.6	21231.6	-13425.0	27349.5	-0.0	13425.0
1999	5304.0	2000.7	8184.7	20265.3	0.0	0.0	3725.6	23990.9	-15806.3	28559.3	-0.0	15806.3

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

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

February 25, 1980

ADDENDUM to February 21, 1980 Memo

TO: Honorable Hugh Malone, Chairman
House Permanent Fund Committee

FROM: Milt Barker, ^{MB}Fiscal Analyst
Legislative Finance Division

SUBJECT: General and Permanent Fund Projections

Attached are additional projections requested by you which assume all of the permanent fund earnings are paid to the public rather than retained in the permanent fund as was the case with the projections in the February 21, 1980 memo. The scenarios presented here are done in both real and nominal dollars assuming 8% real (15% nominal) budget growth and 25%, 50%, and 75% dedication of mineral bonuses and royalties to the permanent fund.

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 3% BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	35.7	2750.7	998.0	0.0	0.0	559.6	1557.6	1193.1	475.5	1877.1	0.0
1981	3500.0	72.5	3572.5	1423.9	0.0	0.0	495.5	1919.4	1653.1	779.3	3530.2	0.0
1982	3650.0	114.8	3764.8	1537.9	0.0	0.0	376.1	1913.9	1850.9	1155.8	5301.1	0.0
1983	3747.0	159.6	3906.6	1650.9	0.0	0.0	391.5	2052.4	1854.2	1520.5	7235.2	0.0
1984	3838.0	204.4	4042.4	1793.8	0.0	0.0	412.2	2206.0	1836.5	1898.5	9071.7	0.0
1985	4311.0	253.0	4564.0	1937.3	0.0	0.0	461.7	2398.9	2165.1	2318.0	11236.8	0.0
1986	3937.0	300.4	4237.4	2092.2	0.0	0.0	427.4	2519.6	1717.8	2695.3	12954.6	0.0
1987	3641.0	338.7	3979.7	2259.6	0.0	0.0	401.3	2661.0	1318.7	3039.3	14273.3	0.0
1988	3344.0	368.1	3712.1	2440.4	0.0	0.0	373.4	2813.8	898.3	3348.8	15171.6	0.0
1989	2823.0	386.0	3209.0	2635.6	0.0	0.0	319.7	2955.4	253.6	3597.0	15425.2	0.0
1990	2423.0	390.8	2813.8	2846.5	0.0	0.0	278.8	3125.3	-311.4	3803.8	15113.8	0.0
1991	2055.0	383.5	2438.5	3074.2	0.0	0.0	240.7	3314.9	-876.4	3966.8	14237.4	0.0
1992	2010.0	367.1	2377.1	3320.1	0.0	0.0	238.9	3559.0	-1181.9	4124.0	13055.5	0.0
1993	1893.0	343.6	2236.6	3585.7	0.0	0.0	228.4	3814.2	-1577.6	4269.3	11477.9	0.0
1994	1835.0	312.3	2147.3	3872.6	0.0	0.0	226.3	4098.9	-1951.6	4408.8	9526.3	0.0
1995	1792.0	273.4	2065.4	4182.4	0.0	0.0	226.8	4409.2	-2343.8	4546.0	7182.5	0.0
1996	1600.0	224.8	1824.8	4517.0	0.0	0.0	210.1	4727.1	-2902.3	4664.0	4280.2	0.0
1997	1474.0	165.1	1639.1	4878.4	0.0	0.0	203.7	5085.0	-3446.0	4776.3	834.3	0.0
1998	1426.0	124.0	1552.0	5268.6	0.0	0.0	199.8	5468.4	-3916.5	4879.5	0.0	3082.2
1999	1381.0	121.3	1502.3	5690.1	0.0	0.0	193.0	5883.2	-4380.9	4974.0	0.0	4380.9
2000	1350.0	124.9	1474.9	6145.3	0.0	0.0	188.4	6333.7	-4858.7	5062.0	0.0	4858.7

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 3% BUDGET GROWTH
\$4.42 PRUDHOE FIELD COSTS
\$4.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL & PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = 100 %

YEAR END	NON INVESTMENT			TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLY- RENTALS	DEBT SERVICE	PAYMENTS		TOTAL EXPENDITURE	SURPLUS OR DEFICIT		PERM- ANENT FUND	GENERAL FUND		REVENUE REQ FOR GF BAL \$0 HIL
	INVESTMENT REVENUE	INTEREST	FUNDS					TO	END OF YEAR OF		END OF YEAR OF					
1979	2715.0	35.7	2750.7	990.0	0.0	0.0	0.0	900.5	1898.5	852.2	138.0	684.0	138.0	684.0	0.0	
1980	3500.0	72.3	3572.3	1423.9	0.0	0.0	0.0	829.2	2253.2	1319.2	813.0	1536.2	813.0	1536.2	0.0	
1981	3650.0	114.4	3764.4	1537.9	0.0	0.0	0.0	749.3	2287.2	1477.2	1460.5	2055.4	1460.5	2055.4	0.0	
1982	3747.0	153.7	3900.7	1650.9	0.0	0.0	0.0	780.3	2441.2	1464.5	2173.5	4332.5	2173.5	4332.5	0.0	
1983	3838.0	203.0	4041.0	1793.8	0.0	0.0	0.0	821.6	2615.4	1425.6	2903.0	5797.1	2903.0	5797.1	0.0	
1984	4311.0	250.8	4561.8	1937.3	0.0	0.0	0.0	920.6	2857.8	1704.0	3659.0	7222.7	3659.0	7222.7	0.0	
1985	3937.0	297.3	4234.3	2092.2	0.0	0.0	0.0	852.0	2944.2	1290.1	4498.0	8926.7	4498.0	8926.7	0.0	
1986	3641.0	334.5	3975.5	2259.6	0.0	0.0	0.0	799.9	3059.6	915.9	5252.5	10216.7	5252.5	10216.7	0.0	
1987	3344.0	362.6	3706.6	2440.4	0.0	0.0	0.0	744.0	3184.4	522.2	5940.5	11132.6	5940.5	11132.6	0.0	
1988	2823.0	379.1	3202.1	2635.6	0.0	0.0	0.0	636.7	3272.3	-70.2	6559.5	11654.9	6559.5	11654.9	0.0	
1989	2423.0	382.4	2805.4	2846.5	0.0	0.0	0.0	554.8	3401.3	-595.9	7060.0	11584.7	7060.0	11584.7	0.0	
1990	2055.0	373.5	2428.5	3074.2	0.0	0.0	0.0	470.7	3552.8	-1124.4	7469.5	10988.8	7469.5	10988.8	0.0	
1991	2010.0	355.3	2365.3	3320.1	0.0	0.0	0.0	475.1	3795.2	-1429.9	7795.5	9864.5	7795.5	9864.5	0.0	
1992	1893.0	330.0	2223.0	3535.7	0.0	0.0	0.0	454.1	4039.9	-1316.9	8111.5	8434.6	8111.5	8434.6	0.0	
1993	1835.0	296.7	2131.7	3872.6	0.0	0.0	0.0	449.8	4322.4	-2190.7	8400.5	6617.7	8400.5	6617.7	0.0	
1994	1792.0	255.8	2047.8	4182.4	0.0	0.0	0.0	450.8	4633.2	-2505.5	6679.5	4427.1	6679.5	4427.1	0.0	
1995	1600.0	217.9	1817.9	4517.0	0.0	0.0	0.0	417.4	4934.4	-3116.5	8754.0	1841.6	8754.0	1841.6	0.0	
1996	1474.0	205.6	1679.6	4378.4	0.0	0.0	0.0	410.5	5208.9	-3609.3	9190.0	0.0	9190.0	0.0	1274.9	
1997	1426.0	211.4	1637.4	5268.6	0.0	0.0	0.0	396.9	5665.5	-4028.1	7414.5	0.0	7414.5	0.0	3609.3	
1998	1381.0	217.1	1598.1	5390.1	0.0	0.0	0.0	383.3	6073.4	-4475.4	9621.0	0.0	9621.0	0.0	4028.1	
1999	1350.0	222.5	1572.5	6145.3	0.0	0.0	0.0	374.0	6519.3	-4946.7	7810.0	0.0	7810.0	0.0	4475.4	
2000															4946.7	

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL. = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 75.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										130.0	681.0	
1980	2715.0	35.7	2750.7	998.0	0.0	0.0	1241.4	2239.4	511.3	1150.5	1195.3	0.0
1981	3500.0	72.2	3572.2	1423.9	0.0	0.0	1163.0	2586.9	985.3	2121.3	2180.5	0.0
1982	3650.0	113.9	3763.9	1537.9	0.0	0.0	1122.6	2660.5	1103.4	3191.3	3284.0	0.0
1983	3747.0	157.8	3904.8	1660.9	0.0	0.0	1169.0	2829.9	1074.9	4205.5	4358.9	0.0
1984	3838.0	201.6	4039.6	1793.8	0.0	0.0	1231.1	3024.8	1014.7	5419.5	5373.6	0.0
1985	4311.0	248.6	4559.6	1937.3	0.0	0.0	1379.5	3316.7	1242.9	6678.0	6616.5	0.0
1986	3937.0	294.2	4231.2	2092.2	0.0	0.0	1276.6	3368.9	862.3	7809.8	7478.9	0.0
1987	3641.0	330.3	3971.3	2259.6	0.0	0.0	1198.5	3458.1	513.1	8841.8	7992.0	0.0
1988	3344.0	357.2	3701.2	2440.4	0.0	0.0	1114.6	3555.0	146.2	9770.3	8138.2	0.0
1989	2823.0	372.3	3195.3	2635.6	0.0	0.0	953.7	3589.3	-394.0	10521.0	7744.1	0.0
1990	2423.0	374.0	2797.0	2846.5	0.0	0.0	830.8	3677.3	-880.3	11135.3	6863.9	0.0
1991	2055.0	363.4	2418.4	3074.2	0.0	0.0	716.6	3790.8	-1372.3	11624.3	5491.5	0.0
1992	2010.0	343.6	2353.6	3320.1	0.0	0.0	711.2	4031.4	-1677.8	12098.3	3813.7	0.0
1993	1893.0	316.4	2209.4	3585.7	0.0	0.0	679.8	4265.5	-2056.2	12531.0	1757.6	0.0
1994	1835.0	287.9	2122.9	3072.6	0.0	0.0	673.3	4545.9	-2423.0	12950.3	0.0	665.5
1995	1792.0	279.9	2071.9	4182.4	0.0	0.0	674.9	4857.3	-2785.4	13362.0	0.0	2785.4
1996	1600.0	288.8	1888.8	4517.0	0.0	0.0	624.8	5141.8	-3252.9	13716.0	0.0	3252.9
1997	1474.0	297.2	1771.2	4878.4	0.0	0.0	614.4	5492.8	-3721.6	14052.8	0.0	3721.6
1998	1426.0	305.2	1731.2	5268.6	0.0	0.0	593.9	5862.5	-4131.3	14362.5	0.0	4131.3
1999	1381.0	312.8	1693.8	5690.1	0.0	0.0	573.6	6263.7	-4569.9	14646.0	0.0	4569.9
2000	1350.0	320.1	1670.1	6145.3	0.0	0.0	559.6	6704.9	-5034.7	14910.0	0.0	5034.7

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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23-Feb-80

COMMENTS

7% INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% REAL BUDGET GROWTH
\$4.42 PRUDHOE FIELD COSTS
\$1.53 GAS CONDITIONING COSTS

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND	REVENUE REQ FOR GF BAL
END												
1979	2715.0	165.7	2880.7	998.0	0.0	0.0	501.1	1579.1	1301.6	138.0	684.0	0.0
1980	3500.0	346.4	3846.4	1423.9	0.0	0.0	540.1	1964.1	1802.3	475.5	1985.6	0.0
1981	4383.0	595.8	4978.8	1637.5	0.0	0.0	514.2	2151.8	2027.0	799.3	3067.9	0.0
1982	4778.0	911.9	5689.9	1883.2	0.0	0.0	593.9	2477.0	3212.9	1222.5	6695.0	0.0
1983	5215.0	1268.8	6483.8	2165.6	0.0	0.0	666.7	2852.4	3631.5	1685.5	9707.8	0.0
1984	6187.0	1701.2	7888.2	2490.5	0.0	0.0	860.6	3351.1	4700.1	2197.5	13539.3	0.0
1985	6350.0	2183.0	8533.0	2864.1	0.0	0.0	893.9	3757.9	4612.1	2071.8	10239.4	0.0
1986	6115.0	2357.2	8472.2	3293.7	0.0	0.0	935.1	4228.7	4543.4	3443.3	22851.5	0.0
1987	5986.0	3119.2	9105.2	3787.7	0.0	0.0	967.0	4754.7	4350.5	4041.5	27394.9	0.0
1988	5387.0	3537.0	8924.0	4355.9	0.0	0.0	943.2	5299.0	3625.0	4618.6	31745.4	0.0
1989	4928.0	3884.1	8812.1	5009.3	0.0	0.0	928.0	5937.2	2874.9	5123.5	38245.3	0.0
1990	4455.0	4151.8	8606.8	5760.7	0.0	0.0	905.5	6666.1	1940.7	5957.0	35370.4	0.0
1991	4658.0	4354.6	9012.6	6624.8	0.0	0.0	955.4	7580.2	1432.4	5358.3	40186.0	0.0
1992	4679.0	4498.6	9177.6	7418.5	0.0	0.0	785.3	8603.7	573.9	5358.3	41618.4	0.0
1993	4853.0	4564.2	9417.2	8761.2	0.0	0.0	1034.7	9795.9	-378.8	6753.5	42192.3	0.0
1994	5072.0	4538.4	9610.4	10075.4	0.0	0.0	1093.7	11169.1	-1558.7	7591.8	40254.8	0.0
1995	4636.0	4376.3	9012.3	11586.7	0.0	0.0	1101.8	12688.5	-3476.2	7992.3	36778.6	0.0
1996	4785.0	4033.2	8818.2	13324.8	0.0	0.0	1146.7	14471.5	-5653.2	8401.3	31125.4	0.0
1997	4937.0	3487.9	8424.9	15323.5	0.0	0.0	1180.9	16504.4	-8079.4	8607.8	23045.9	0.0
1998	5082.0	2705.0	7787.0	17622.0	0.0	0.0	1211.5	18033.5	-11046.5	9208.5	11999.5	0.0
2000	5304.0	1751.7	7055.7	20265.3	0.0	0.0	1250.2	21515.4	-14459.8	9611.8	-0.0	2460.3

7% INFLATION

2% REAL GROWTH IN OIL PRICES

\$457 MIL. BEAUFORT REVENUE

GAS LINE 1985

3% REAL GROWTH IN NON-OIL REVENUE

GOV'S OPERATING \$250 MIL CAPITAL. 8% REAL BUDGET GROWTH

3,42 FRUITHOE FIELD COSTS

\$1.53 GAS COMPLYING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%

2. OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%

TIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%

2 OF PERMANENT FUND EARNINGS TO PUBLIC = 2 100 %

YEAR	NON INVESTMENT			TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLY- MENTALS	DEBT SERVICE	PAYMENTS		TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND	REVENUE REC FOR GF BAL
	REVENUE	INTEREST	INVESTMENT					TO FUNDS	FUNDS					

1979	2715.0	165.1	2680.0	998.0	0.0	0.0	933.0	1931.8	948.2	138.0	684.0	0.0	0.0	0.0
1980	3500.0	312.8	3842.8	1423.9	0.0	0.0	908.8	2332.8	1510.0	813.0	3142.2	0.0	0.0	0.0
1981	4383.0	586.0	4969.0	1637.5	0.0	0.0	1016.0	2653.6	2315.4	2307.0	5457.7	0.0	0.0	0.0
1982	4778.0	891.2	5669.2	1843.2	0.0	0.0	1175.3	3058.5	2411.4	3233.0	8069.1	0.0	0.0	0.0
1983	5215.0	1233.7	6448.7	2165.6	0.0	0.0	1361.1	3526.7	2922.0	4257.0	10991.1	0.0	0.0	0.0
1984	6350.0	1645.1	7995.1	2490.5	0.0	0.0	1708.7	4199.2	3795.9	5525.5	14797.0	0.0	0.0	0.0
1985	6187.0	2098.8	8285.8	2844.1	0.0	0.0	1775.3	4639.4	3446.4	6748.5	21934.0	0.0	0.0	0.0
1986	6115.0	2537.0	8652.0	3293.7	0.0	0.0	1857.7	5151.4	3509.6	7945.5	25165.5	0.0	0.0	0.0
1987	5986.0	2954.7	8940.7	3707.7	0.0	0.0	1921.5	5709.2	3521.4	9095.5	25165.5	0.0	0.0	0.0
1988	5307.0	3319.1	8706.1	4355.9	0.0	0.0	1873.9	6229.8	2476.3	10109.0	27641.8	0.0	0.0	0.0
1989	4920.0	3603.5	8531.5	5009.3	0.0	0.0	1843.5	6852.8	1678.7	11002.5	29320.5	0.0	0.0	0.0
1990	4455.0	3793.8	8253.8	5760.7	0.0	0.0	1798.5	7559.2	694.6	11776.0	30015.2	0.0	0.0	0.0
1991	4658.0	3919.0	8577.0	6624.8	0.0	0.0	1898.5	8523.2	53.8	12578.5	30068.9	0.0	0.0	0.0
1992	4679.0	3928.7	8648.2	7618.5	0.0	0.0	1958.1	9576.6	-928.4	13369.0	29140.5	0.0	0.0	0.0
1993	4853.0	3928.7	8781.7	8761.2	0.0	0.0	2057.0	10818.2	-2036.5	14186.0	27104.0	0.0	0.0	0.0
1994	5072.0	3733.4	8805.4	10075.4	0.0	0.0	2191.1	13777.9	-3454.8	15045.5	23709.0	0.0	0.0	0.0
1995	4836.0	3487.0	8323.0	11386.7	0.0	0.0	2281.0	13605.7	-5454.8	16664.5	18254.2	0.0	0.0	0.0
1996	4705.0	2993.5	7728.5	13324.8	0.0	0.0	2349.4	17672.9	-7827.3	17477.5	10476.9	0.0	0.0	0.0
1997	4937.0	2281.4	7218.4	15323.5	0.0	0.0	2410.5	20032.5	-13024.3	18279.0	27.5	13024.3	0.0	0.0
1998	5082.0	1926.2	7008.2	17622.0	0.0	0.0	2487.9	22753.2	-15403.0	19085.5	-0.0	15403.0	0.0	0.0
2000	5304.0	2046.2	7350.2	20265.3	0.0	0.0								

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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COMMENTS

7% INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL. REAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL. CAPITAL 8% REAL BUDGET GROWTH
\$5.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 75.00%
% OF PERMANENT FUND EARNINGS TO PUBLIC = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPL- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND	REVENUE REQ FOR GF BAL
1979	2215.0	164.3	2879.3	998.0	0.0	0.0	1286.5	2284.5	594.8	138.0	684.0	0.0
1980	3500.0	339.2	3839.2	1423.9	0.0	0.0	1277.5	2701.4	1137.7	1150.5	1278.8	0.0
1981	4303.0	576.2	4879.2	1637.5	0.0	0.0	1517.0	3155.4	1803.8	2121.8	2416.5	0.0
1982	4778.0	871.9	5649.9	1883.2	0.0	0.0	1756.7	3639.9	2010.0	3391.5	4220.4	0.0
1983	5215.0	1198.6	6413.6	2165.6	0.0	0.0	2035.4	4201.0	2212.6	4780.5	6230.4	0.0
1984	6350.0	1588.9	7938.9	2490.5	0.0	0.0	2556.9	5047.3	2891.6	6316.5	8443.6	0.0
1985	6187.0	2014.6	8201.6	2864.1	0.0	0.0	2656.8	5520.8	2680.7	8219.3	11334.6	0.0
1986	6115.0	2216.9	8331.9	3293.7	0.0	0.0	2780.4	5074.0	2457.8	10053.8	14015.3	0.0
1987	5986.0	2790.1	8776.1	3787.7	0.0	0.0	2876.0	6663.8	2112.3	11848.5	16473.2	0.0
1988	5387.0	3101.2	8488.2	4355.9	0.0	0.0	2804.6	7160.5	1327.7	1356.3	10585.5	0.0
1989	4920.0	3322.9	8250.9	5009.3	0.0	0.0	2759.1	7768.3	482.6	15094.5	19913.2	0.0
1990	4455.0	3445.8	7900.8	5760.7	0.0	0.0	2691.6	8452.2	-551.4	16434.8	20395.8	0.0
1991	4558.0	3483.3	8041.3	6624.8	0.0	0.0	2841.5	9466.2	-1324.9	17595.0	19844.4	0.0
1992	4679.0	3439.8	8118.8	7413.5	0.0	0.0	2931.0	10549.5	-2430.7	18798.8	18519.5	0.0
1993	4853.0	3793.2	8646.2	7613.2	0.0	0.0	3079.3	11840.5	-3694.3	19984.5	16008.8	0.0
1994	5072.0	3020.4	8092.4	10075.4	0.0	0.0	3253.5	13331.6	-5231.2	21210.0	12394.5	0.0
1995	4836.0	2609.9	7445.9	11586.7	0.0	0.0	3280.5	14867.2	-7421.3	22499.3	7153.3	0.0
1996	4785.0	2428.1	7213.1	13324.8	0.0	0.0	3415.3	16740.0	-9526.9	23700.8	-0.0	258.1
1997	4937.0	2574.2	7511.2	15323.5	0.0	0.0	3517.9	18841.3	-11330.1	24927.8	-0.0	9526.9
1998	5082.0	2724.5	7806.5	17622.0	0.0	0.0	3609.6	21231.6	-13425.0	26147.3	-0.0	11330.1
1999	5304.0	2880.7	8184.7	20265.3	0.0	0.0	3725.6	23990.9	-15806.3	27349.5	-0.0	13425.0
2000										28559.3		15806.3

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

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

February 21, 1980

MEMORANDUM

TO: Honorable Hugh Malone
Chairman, House Permanent Fund Committee

FROM: Milt Barker, ^{MB} Fiscal Analyst
Legislative Finance Division

SUBJECT: General and Permanent Fund Projections

Attached are nine long-range projections of general and permanent fund balances in nominal and real dollars. Projections are made at 10%, 15%, and 20% budget growth rates (3%, 8% and 13% real growth assuming 7% inflation) in combination with 25%, 50% and 75% bonus and royalty contributions to the permanent fund.

The earlier appearance of deficits in the real cases occur because the interest rate on fund balances is reduced from a 9% nominal rate to a 2% real rate. What this does is to take account of the depreciation in the value of fund principal due to inflation. Thus, the fund balances in the real scenarios properly reflect their purchasing power in terms of 1980 dollars. The early deficits are spurious; actual cash flow deficits would appear only at the times indicated in the nominal cases. However, the deficits may be viewed as true deficits if one were to take account of the depreciation of value of the general or permanent fund due to inflation.

Major changes in the State's tax structure or expenditure patterns such as income tax repeals, property tax credits, or special appropriations to the permanent fund, etc. have not been assumed.

The oil price growth rates (2% real, 9% nominal) are substantially less than those contained in the Petroleum Revenue Division's quarterly report and upon which the

long-range forecasts in the Governor's "Executive Budget" are based.

Prudhoe Wellhead Oil Price

<u>Fiscal Year</u>	<u>Petroleum Revenue</u>	<u>This Memo</u>
1980	\$12.66	\$13.00
1981	18.37	18.37
1982	26.64	22.89
1983	30.95	24.99
1984	33.51	27.27
1985	37.10	29.76

The Petroleum Revenue figures also assume greater production levels in the years after 1986. Based on the recent testimony of Van Poolen and Doscher concerning the results of their 3-D Prudhoe reservoir simulation, production levels above even those of Petroleum Revenue seem probable. However, until Van Poolen releases a full report containing at least data on gas and water injection rates if not costs, I am not attempting to update Larry Eppenbach's "Producer Benefits Model" which uses this data to provide the oil and gas revenue estimates used in this memo's projections. The "Producer Benefits Model" runs used for these projections do have the waterflood and sales gas data built in, but based on Van Poolen's earlier simulations, result in total production of only 7.6 billion barrels versus his newer estimate of 9.4 billion barrels with additional well re-completions.

Attachments

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GCV'S OPERATING \$250 MIL CAPITAL 3% REAL BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	582.4	1644.4	1235.8	504.4	1919.8	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	545.5	1969.5	1876.2	890.9	3795.9	0.0
1982	4303.0	603.9	4986.9	1566.3	0.0	0.0	527.2	2093.5	2893.5	1418.1	6689.4	0.0
1983	4778.0	940.5	5718.5	1723.0	0.0	0.0	618.5	2341.4	3377.1	2036.6	10066.5	0.0
1984	5215.0	1332.8	6547.8	1895.3	0.0	0.0	728.1	2623.3	3924.4	2764.6	13990.9	0.0
1985	6350.0	1819.3	8169.3	2084.8	0.0	0.0	924.7	3009.5	5159.9	3689.3	19150.8	0.0
1986	6187.0	2379.2	8566.2	2293.3	0.0	0.0	988.0	3281.2	5284.9	4677.3	24435.7	0.0
1987	6115.0	2960.5	9075.5	2522.6	0.0	0.0	1067.2	3589.8	5485.6	5744.5	29921.4	0.0
1988	5986.0	3564.8	9550.8	2774.8	0.0	0.0	1145.8	3920.7	5630.1	6890.3	35551.5	0.0
1989	5387.0	4167.3	9554.3	3052.3	0.0	0.0	1177.9	4230.2	5324.1	8068.2	40875.6	0.0
1990	4928.0	4749.8	9677.8	3357.6	0.0	0.0	1228.2	4585.7	5092.1	9296.4	45967.7	0.0
1991	4455.0	5313.6	9768.6	3693.3	0.0	0.0	1281.1	4974.4	4794.3	10577.5	50761.9	0.0
1992	4658.0	5885.3	10543.3	4062.6	0.0	0.0	1417.0	5479.6	5063.7	11994.4	55825.6	0.0
1993	4679.0	6485.6	11164.6	4468.9	0.0	0.0	1544.2	6013.1	5151.4	13538.7	60977.0	0.0
1994	4053.0	7112.1	11165.1	4915.8	0.0	0.0	1703.6	6619.4	5345.7	15242.3	66322.7	0.0
1995	5072.0	7772.9	12844.9	5407.4	0.0	0.0	1886.5	7293.8	5551.1	17128.8	71873.8	0.0
1996	4836.0	8447.4	13283.4	5948.1	0.0	0.0	2033.6	7981.7	5301.7	19162.4	77175.4	0.0
1997	4785.0	9119.4	13904.4	6542.9	0.0	0.0	2234.2	8777.1	5127.4	21396.5	82302.8	0.0
1998	4937.0	9801.9	14738.9	7197.2	0.0	0.0	2442.1	9639.3	5099.6	23838.6	87402.4	0.0
1999	5082.0	10499.1	15581.1	7916.9	0.0	0.0	2666.2	10583.1	4997.9	26504.8	92400.3	0.0
2000	5304.0	11209.4	16513.4	8708.6	0.0	0.0	2920.1	11628.7	4884.7	29424.9	97285.1	0.0

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 3% REAL BUDGET GROWTH
\$.42 FRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	935.8	1997.8	882.4	857.8	1566.4	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	917.9	2341.8	1503.8	1616.7	3070.2	0.0
1982	4383.0	603.9	4986.9	1564.3	0.0	0.0	1038.7	2605.1	2381.9	2655.4	5452.1	0.0
1983	4778.0	940.5	5718.5	1723.0	0.0	0.0	1219.9	2942.8	2775.7	3075.3	8227.8	0.0
1984	5215.0	1332.8	6547.8	1895.3	0.0	0.0	1437.5	3332.7	3215.0	5312.7	11442.8	0.0
1985	6350.0	1819.3	8169.3	2084.8	0.0	0.0	1829.0	3913.7	4255.6	7141.7	15698.4	0.0
1986	6187.0	2379.2	8566.2	2293.3	0.0	0.0	1953.7	4246.9	4319.2	9095.4	20017.7	0.0
1987	6115.0	2960.5	9075.5	2522.6	0.0	0.0	2110.0	4632.6	4442.8	11205.4	24460.5	0.0
1988	5986.0	3564.8	9550.8	2774.8	0.0	0.0	2264.9	5039.7	4511.1	13470.3	28971.6	0.0
1989	5387.0	4167.3	9554.3	3052.3	0.0	0.0	2326.5	5378.8	4175.5	15796.8	33147.0	0.0
1990	4928.0	4749.8	9677.8	3357.6	0.0	0.0	2424.3	5781.9	3835.9	18221.1	37042.9	0.0
1991	4455.0	5313.6	9768.6	3693.3	0.0	0.0	2527.1	6220.4	3548.2	20748.3	40591.1	0.0
1992	4658.0	5885.3	10543.3	4062.6	0.0	0.0	2795.6	6858.3	3685.0	23543.9	44276.2	0.0
1993	4679.0	6485.6	11164.6	4468.9	0.0	0.0	3046.5	7515.4	3649.1	26590.5	47925.3	0.0
1994	4853.0	7112.1	11965.1	4915.8	0.0	0.0	3361.4	8277.2	3687.9	29951.9	51613.2	0.0
1995	5072.0	7772.9	12844.9	5407.4	0.0	0.0	3722.7	9130.1	3714.8	33674.5	55328.0	0.0
1996	4836.0	8447.4	13283.4	5948.1	0.0	0.0	4012.3	9960.4	3323.0	37686.8	58651.0	0.0
1997	4785.0	9119.4	13904.4	6542.9	0.0	0.0	4408.2	10951.1	2953.3	42095.0	61604.4	0.0
1998	4937.0	9801.9	14738.9	7197.2	0.0	0.0	4818.4	12015.6	2723.3	46913.4	64327.7	0.0
1999	5082.0	10499.1	15581.1	7916.9	0.0	0.0	5260.4	13177.4	2403.7	52173.8	66731.4	0.0
2000	5304.0	11209.4	16513.4	8708.6	0.0	0.0	5761.4	14470.0	2043.4	57935.2	68774.8	0.0

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 3% REAL BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
4.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 75.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	1289.2	2351.2	529.0	1211.2	1213.0	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	1290.2	2714.1	1131.5	2342.4	2344.5	0.0
1982	4383.0	603.9	4986.9	1566.3	0.0	0.0	1550.3	3116.7	1870.3	3892.7	4214.8	0.0
1983	4778.0	940.5	5718.5	1723.0	0.0	0.0	1821.3	3544.3	2174.2	5714.0	6389.0	0.0
1984	5215.0	1332.0	6547.0	1895.3	0.0	0.0	2146.9	4042.1	2505.6	7060.9	8894.7	0.0
1985	6350.0	1819.3	8169.3	2084.0	0.0	0.0	2733.2	4818.0	3351.3	10594.1	12246.0	0.0
1986	6187.0	2379.2	8566.2	2293.3	0.0	0.0	2919.3	5212.6	3353.6	13513.4	15599.6	0.0
1987	6115.0	2960.5	9075.5	2522.6	0.0	0.0	3152.8	5675.4	3400.0	16666.3	18799.6	0.0
1988	5986.0	3564.8	9550.8	2774.8	0.0	0.0	3384.0	6158.8	3392.0	20050.3	22391.6	0.0
1989	5307.0	4167.3	9554.3	3052.3	0.0	0.0	3475.2	6527.5	3026.8	23525.4	25418.4	0.0
1990	4928.0	4749.8	9677.8	3357.6	0.0	0.0	3620.5	6978.0	2699.8	27145.9	28118.2	0.0
1991	4455.0	5313.6	9768.6	3693.3	0.0	0.0	3773.2	7466.5	2302.2	30919.1	30420.3	0.0
1992	4658.0	5885.3	10543.3	4062.6	0.0	0.0	4174.3	8236.9	2306.4	35093.4	32726.7	0.0
1993	4679.0	6485.6	11164.6	4468.9	0.0	0.0	4548.9	9017.8	2146.8	39642.2	34873.5	0.0
1994	4853.0	7112.1	11965.1	4915.8	0.0	0.0	5019.2	9935.0	2030.2	44661.4	36903.7	0.0
1995	5072.0	7772.9	12844.9	5407.4	0.0	0.0	5558.9	10966.3	1878.6	50220.3	38782.3	0.0
1996	4836.0	8447.4	13283.4	5948.1	0.0	0.0	5990.9	11939.0	1344.4	56211.2	40126.6	0.0
1997	4785.0	9119.4	13904.4	6542.9	0.0	0.0	6582.2	13125.1	779.3	62793.4	40905.9	0.0
1998	4937.0	9801.9	14738.9	7197.2	0.0	0.0	7194.7	14391.9	347.0	69988.1	41252.9	0.0
1999	5082.0	10499.1	15581.1	7916.9	0.0	0.0	7854.6	15771.6	-190.5	77842.7	41062.4	0.0
2000	5304.0	11209.4	16513.4	8708.6	0.0	0.0	8602.7	17311.3	-777.9	86445.5	40264.5	0.0

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% REAL BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	582.4	1644.4	1235.8	504.4	1919.8	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	545.5	1969.5	1876.2	890.9	3795.9	0.0
1982	4383.0	601.9	4984.9	1637.5	0.0	0.0	527.2	2164.7	2820.3	1418.1	6616.2	0.0
1983	4778.0	929.1	5707.1	1883.1	0.0	0.0	618.5	2501.6	3205.5	2036.6	9821.7	0.0
1984	5215.0	1302.0	6517.0	2165.6	0.0	0.0	728.1	2893.7	3623.2	2764.6	13445.0	0.0
1985	6350.0	1756.4	8106.4	2490.5	0.0	0.0	924.7	3415.1	4691.3	3689.3	18136.3	0.0
1986	6187.0	2267.4	8454.4	2664.0	0.0	0.0	988.0	3852.0	4602.4	4677.3	22738.7	0.0
1987	6115.0	2779.7	8893.7	3293.6	0.0	0.0	1067.2	4360.9	4532.9	5744.5	27271.5	0.0
1988	5986.0	3286.4	9272.4	3787.7	0.0	0.0	1145.8	4933.5	4338.9	6890.3	31610.5	0.0
1989	5387.0	3759.0	9146.0	4355.8	0.0	0.0	1177.9	5533.7	3612.3	8060.2	35222.8	0.0
1990	4928.0	4170.4	9098.4	5009.2	0.0	0.0	1220.2	6237.4	2861.0	9296.4	38083.8	0.0
1991	4455.0	4512.2	8967.2	5760.6	0.0	0.0	1281.1	7041.7	1925.5	10577.5	40009.3	0.0
1992	4658.0	4799.5	9457.5	6624.7	0.0	0.0	1417.0	8041.7	1415.7	11994.4	41425.2	0.0
1993	4679.0	5039.4	9718.4	7618.4	0.0	0.0	1544.2	9162.6	555.8	13538.7	41981.0	0.0
1994	4853.0	5213.2	10066.2	8761.1	0.0	0.0	1703.6	10464.8	-398.6	15242.3	41582.4	0.0
1995	5072.0	5309.4	10381.4	10075.3	0.0	0.0	1886.5	11961.8	-1580.4	17128.8	40002.0	0.0
1996	4836.0	5284.3	10120.3	11586.6	0.0	0.0	2033.6	13620.2	-3499.9	19162.4	36502.2	0.0
1997	4785.0	5094.6	9879.6	13324.6	0.0	0.0	2234.2	15558.7	-5679.1	21396.5	30823.0	0.0
1998	4937.0	4720.6	9657.6	15323.3	0.0	0.0	2442.1	17765.4	-8107.7	23838.6	22715.3	0.0
1999	5082.0	4128.5	9210.5	17621.8	0.0	0.0	2666.2	20288.0	-11077.4	26504.8	11637.9	0.0
2000	5304.0	3405.3	8709.3	20265.0	0.0	0.0	2920.1	23185.1	-14475.8	29424.9	-0.0	2837.9

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% REAL BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUNDS	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	935.8	1997.8	882.4	857.8	1566.4	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	917.9	2341.8	1503.8	1616.7	3070.2	0.0
1982	4303.0	601.9	4904.9	1637.5	0.0	0.0	1038.7	2676.3	2308.7	2655.4	5378.9	0.0
1983	4779.0	929.1	5707.1	1983.1	0.0	0.0	1219.9	3103.0	2604.0	3875.3	7982.9	0.0
1984	5215.0	1302.0	6517.0	2165.6	0.0	0.0	1437.5	3603.1	2914.0	5312.7	10896.9	0.0
1985	6350.0	1756.4	8106.4	2490.5	0.0	0.0	1829.0	4319.4	3787.0	7141.7	14683.9	0.0
1986	6167.0	2267.4	8434.4	2864.0	0.0	0.0	1953.7	4817.7	3636.7	9095.4	18320.6	0.0
1987	6115.0	2778.7	8893.7	3293.6	0.0	0.0	2110.0	5403.7	3490.1	11205.4	21810.7	0.0
1988	5986.0	3286.4	9272.4	3787.7	0.0	0.0	2264.9	6052.6	3219.9	13470.3	25030.5	0.0
1989	5387.0	3759.0	9146.0	4355.8	0.0	0.0	2326.5	6682.4	2463.7	15796.8	27494.2	0.0
1990	4928.0	4170.4	9098.4	5009.2	0.0	0.0	2424.3	7433.5	1664.9	18221.1	29159.1	0.0
1991	4455.0	4512.2	8967.2	5760.6	0.0	0.0	2527.1	8287.7	679.5	20748.3	29838.6	0.0
1992	4658.0	4799.5	9457.5	6624.7	0.0	0.0	2795.6	9420.3	37.2	23543.9	29875.8	0.0
1993	4679.0	5039.4	9718.4	7618.4	0.0	0.0	3046.5	10664.9	-946.5	26590.5	28929.2	0.0
1994	4853.0	5213.2	10066.2	8761.1	0.0	0.0	3361.4	12122.5	-2056.3	29951.9	26872.9	0.0
1995	5072.0	5309.4	10381.4	10075.3	0.0	0.0	3722.7	13798.0	-3416.6	33674.5	23456.3	0.0
1996	4836.0	5284.3	10120.3	11586.6	0.0	0.0	4012.3	15598.9	-5478.5	37686.6	17977.7	0.0
1997	4785.0	5094.6	9879.6	13324.6	0.0	0.0	4408.2	17732.8	-7853.1	42095.0	10124.6	0.0
1998	4937.0	4736.8	9673.8	15323.3	0.0	0.0	4818.4	20141.7	-10467.9	46913.4	-0.0	343.3
1999	5082.0	4776.1	9858.1	17621.8	0.0	0.0	5260.4	22882.2	-13024.1	52173.8	-0.0	13024.1
2000	5304.0	5319.7	10623.7	20265.0	0.0	0.0	5761.4	26026.4	-15402.8	57935.2	-0.0	15402.8

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 8% REAL BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 75.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF 10 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	1289.2	2351.2	529.0	1211.2	1213.0	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	1290.2	2714.1	1131.5	2342.4	2344.5	0.0
1982	4383.0	601.9	4984.9	1637.5	0.0	0.0	1550.3	3187.8	1797.1	3892.7	4141.6	0.0
1983	4778.0	929.1	5707.1	1883.1	0.0	0.0	1821.3	3704.4	2002.6	5714.0	6144.2	0.0
1984	5215.0	1302.0	6517.0	2165.6	0.0	0.0	2146.9	4312.5	2204.5	7860.9	8348.8	0.0
1985	6350.0	1756.4	8106.4	2490.5	0.0	0.0	2733.2	5223.7	2882.7	10594.1	11231.5	0.0
1986	6187.0	2267.4	8454.4	2864.0	0.0	0.0	2919.3	5783.4	2671.1	13513.4	13902.5	0.0
1987	6115.0	2778.7	8893.7	3293.6	0.0	0.0	3152.8	6446.5	2447.3	16666.3	16349.8	0.0
1988	5986.0	3286.4	9272.4	3787.7	0.0	0.0	3384.0	7171.7	2100.8	20050.3	18450.6	0.0
1989	5387.0	3759.0	9146.0	4355.8	0.0	0.0	3475.2	7831.0	1315.0	23525.4	19765.6	0.0
1990	4929.0	4170.4	9098.4	5009.2	0.0	0.0	3620.5	8629.7	468.7	27145.9	20234.3	0.0
1991	4455.0	4512.2	8967.2	5760.6	0.0	0.0	3773.2	9533.8	-566.6	30919.1	19667.8	0.0
1992	4659.0	4799.5	9457.5	6624.7	0.0	0.0	4174.3	10799.0	-1341.5	35093.4	18326.3	0.0
1993	4679.0	5039.4	9718.4	7618.4	0.0	0.0	4548.9	12167.2	-2448.8	39642.2	15877.5	0.0
1994	4853.0	5213.2	10066.2	8761.1	0.0	0.0	5019.2	13780.3	-3714.1	44661.4	12163.4	0.0
1995	5072.0	5309.4	10381.4	10075.3	0.0	0.0	5558.9	15634.2	-5252.9	50220.3	6910.5	0.0
1996	4836.0	5309.0	10145.0	11586.6	0.0	0.0	5990.9	17577.5	-7432.6	56211.2	-0.0	522.1
1997	4785.0	5595.1	10380.1	13324.6	0.0	0.0	6582.2	19906.8	-9526.8	62793.4	-0.0	9526.8
1998	4937.0	6251.0	11188.0	15323.3	0.0	0.0	7194.7	22518.0	-11330.0	69988.1	-0.0	11330.0
1999	5082.0	6969.6	12051.6	17621.8	0.0	0.0	7854.6	25476.4	-13424.8	77842.7	-0.0	13424.8
2000	5304.0	7757.7	13061.7	20265.0	0.0	0.0	8602.7	28867.8	-15806.0	86445.5	-0.0	15806.0

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 13% REAL BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	582.4	1644.4	1235.8	504.4	1919.8	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	545.5	1969.5	1876.2	890.9	3795.9	0.0
1982	4383.0	599.9	4982.9	1708.7	0.0	0.0	527.2	2235.9	2747.0	1418.1	6543.0	0.0
1983	4778.0	917.4	5695.4	2050.5	0.0	0.0	618.5	2668.9	3026.5	2036.6	9569.5	0.0
1984	5215.0	1269.9	6484.9	2460.6	0.0	0.0	728.1	3188.6	3296.3	2764.6	12865.8	0.0
1985	6350.0	1688.8	8038.8	2952.7	0.0	0.0	924.7	3877.3	4161.4	3689.3	17027.3	0.0
1986	6187.0	2143.7	8330.7	3543.2	0.0	0.0	988.0	4531.2	3799.5	4677.3	20826.8	0.0
1987	6115.0	2571.5	8686.5	4251.8	0.0	0.0	1067.2	5319.1	3367.4	5744.5	24194.2	0.0
1988	5986.0	2959.3	8945.3	5102.2	0.0	0.0	1145.8	6248.0	2697.2	6890.3	26891.4	0.0
1989	5397.0	3264.4	8661.4	6122.6	0.0	0.0	1177.9	7300.5	1350.8	8068.2	28242.2	0.0
1990	4928.0	3446.4	8374.4	7347.2	0.0	0.0	1228.2	8575.3	-200.9	9296.4	28041.3	0.0
1991	4455.0	3479.4	7934.4	8816.6	0.0	0.0	1281.1	10097.7	-2163.3	10577.5	25878.1	0.0
1992	4650.0	3356.0	8014.0	10579.9	0.0	0.0	1417.0	11996.9	-3982.9	11994.4	21895.1	0.0
1993	4679.0	3055.3	7734.3	12695.9	0.0	0.0	1544.2	14240.1	-6505.8	13538.7	15389.3	0.0
1994	4853.0	2524.1	7377.1	15235.1	0.0	0.0	1703.6	16938.7	-9561.6	15242.3	5827.7	0.0
1995	5072.0	2048.0	7120.0	18282.1	0.0	0.0	1886.5	20168.5	-13048.5	17128.8	-0.0	7220.8
1996	4836.0	2028.0	6864.0	21938.5	0.0	0.0	2033.6	23972.1	-17108.1	19162.4	-0.0	17108.1
1997	4785.0	2299.0	7084.0	26326.2	0.0	0.0	2234.2	28560.4	-21476.3	21396.5	-0.0	21476.3
1998	4937.0	2604.2	7541.2	31591.5	0.0	0.0	2442.1	34033.5	-26492.3	23838.6	-0.0	26492.3
1999	5082.0	2947.8	8029.8	37909.8	0.0	0.0	2666.2	40576.0	-32546.1	26504.8	-0.0	32546.1
2000	5304.0	3335.7	8639.7	45491.7	0.0	0.0	2920.1	48411.8	-39772.1	29424.9	-0.0	39772.1

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1905
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 13% REAL BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR END	NON- INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR OF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	935.8	1997.8	882.4	857.8	1566.4	0.0
1981	3500.0	345.6	3945.6	1423.9	0.0	0.0	917.9	2341.8	1503.8	1616.7	3070.2	0.0
1982	4293.0	599.9	4902.9	1708.7	0.0	0.0	1038.7	2747.5	2235.5	2655.4	5305.7	0.0
1983	4778.0	917.4	5695.4	2050.5	0.0	0.0	1219.9	3270.3	2425.1	3875.3	7730.8	0.0
1984	5215.0	1269.9	6484.9	2460.6	0.0	0.0	1437.5	3898.0	2586.9	5312.7	10317.7	0.0
1985	6350.0	1688.8	8038.8	2952.7	0.0	0.0	1829.0	4781.6	3257.2	7141.7	13574.9	0.0
1986	6187.0	2143.7	8330.7	3543.2	0.0	0.0	1953.7	5496.9	2633.8	9095.4	16408.7	0.0
1987	6115.0	2571.5	8686.5	4251.8	0.0	0.0	2110.0	6361.9	2324.6	11205.4	18733.3	0.0
1988	5926.0	2959.3	8945.3	5102.2	0.0	0.0	2264.9	7367.1	1578.2	13470.3	20311.4	0.0
1989	5387.0	3264.4	8651.4	6122.6	0.0	0.0	2326.5	8449.2	202.2	15796.8	20513.6	0.0
1990	4928.0	3446.4	8374.4	7347.2	0.0	0.0	2424.3	9771.5	-1397.1	18221.1	19116.6	0.0
1991	4455.0	3479.4	7934.4	8016.6	0.0	0.0	2527.1	11343.7	-3407.3	20748.3	15707.3	0.0
1992	4658.0	3356.0	8014.0	10579.9	0.0	0.0	2795.6	13375.6	-5361.6	23543.9	10345.7	0.0
1993	4679.0	3055.3	7734.3	12695.9	0.0	0.0	3046.5	15742.4	-8008.1	26590.5	2337.5	0.0
1994	4853.0	2923.0	7776.0	15235.1	0.0	0.0	3361.4	18596.5	-10819.7	29951.9	-0.0	8482.1
1995	5672.0	3192.3	8264.3	18282.1	0.0	0.0	3722.7	22004.8	-13740.5	33674.5	-0.0	13740.5
1996	4836.0	3606.2	8442.2	21938.5	0.0	0.0	4012.3	25950.8	-17508.6	37686.8	-0.0	17508.6
1997	4785.0	4064.1	8849.1	26326.2	0.0	0.0	4408.2	30734.4	-21885.3	42095.0	-0.0	21885.3
1998	4937.0	4574.0	9511.0	31591.5	0.0	0.0	4818.4	36409.8	-26898.8	46913.4	-0.0	26898.8
1999	5082.0	5141.3	10223.3	37909.8	0.0	0.0	5260.4	43170.2	-32946.9	52173.8	-0.0	32946.9
2000	5304.0	5773.8	11077.8	45491.7	0.0	0.0	5761.4	51253.1	-40175.4	57935.2	-0.0	40175.4

STATE OF ALASKA
LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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20-Feb-80

COMMENTS

7% ANNUAL INFLATION
2% REAL GROWTH IN OIL PRICES
1457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING 1250 MIL CAPITAL 13% REAL BUDGET GROWTH
5.42 PRUDHOE FIELD COSTS
1.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 9.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 75.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	165.2	2880.2	1062.0	0.0	0.0	1289.2	2351.2	529.0	1211.2	1213.0	0.0
1981	3500.0	345.6	3845.6	1423.9	0.0	0.0	1290.2	2714.1	1131.5	2342.4	2344.5	0.0
1982	4383.0	599.9	4982.9	1708.7	0.0	0.0	1550.3	3259.0	1723.9	3892.7	4068.4	0.0
1983	4778.0	917.4	5695.4	2050.5	0.0	0.0	1821.3	3871.8	1823.7	5714.0	5892.1	0.0
1984	5215.0	1269.9	6484.9	2460.6	0.0	0.0	2146.9	4607.4	1877.5	7860.9	7769.6	0.0
1985	6350.0	1688.8	8038.8	2952.7	0.0	0.0	2733.2	5685.9	2352.9	10594.1	10122.5	0.0
1986	6187.0	2143.7	8330.7	3543.2	0.0	0.0	2919.3	6462.5	1868.2	13513.4	11990.6	0.0
1987	6115.0	2571.5	8686.5	4251.8	0.0	0.0	3152.8	7404.7	1281.8	16666.3	13272.4	0.0
1988	5986.0	2959.3	8945.3	5102.2	0.0	0.0	3384.0	8486.2	459.1	20050.3	13731.5	0.0
1989	5387.0	3264.4	8651.4	6122.6	0.0	0.0	3475.2	9597.8	-946.4	23525.4	12785.0	0.0
1990	4928.0	3446.4	8374.4	7347.2	0.0	0.0	3620.5	10967.6	-2593.2	27145.9	10191.8	0.0
1991	4455.0	3479.4	7934.4	8816.6	0.0	0.0	3773.2	12589.8	-4655.4	30919.1	5536.5	0.0
1992	4658.0	3410.1	8068.1	10579.9	0.0	0.0	4174.3	14754.2	-6686.1	35093.4	-0.0	1149.6
1993	4679.0	3591.6	8270.6	12695.9	0.0	0.0	4548.9	17244.8	-8974.1	39642.2	-0.0	8974.1
1994	4853.0	4067.9	8920.9	15235.1	0.0	0.0	5019.2	20254.2	-11333.3	44661.4	-0.0	11333.3
1995	5072.0	4598.8	9670.8	18282.1	0.0	0.0	5558.9	23841.0	-14170.3	50220.3	-0.0	14170.3
1996	4836.0	5184.3	10020.3	21938.5	0.0	0.0	5990.9	27929.4	-17909.1	56211.2	-0.0	17909.1
1997	4785.0	5829.1	10614.1	26326.2	0.0	0.0	6582.2	32908.4	-22294.3	62793.4	-0.0	22294.3
1998	4937.0	6543.8	11480.8	31591.5	0.0	0.0	7194.7	38786.1	-27305.3	69988.1	-0.0	27305.3
1999	5082.0	7334.8	12416.8	37909.8	0.0	0.0	7854.6	45764.4	-33347.6	77842.7	-0.0	33347.6
2000	5304.0	8211.8	13515.8	45491.7	0.0	0.0	8602.7	54094.4	-40578.6	86445.5	-0.0	40578.6

LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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21-Feb-80

COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
4.57 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING 4250 MIL CAPITAL 3% BUDGET GROWTH
4.42 FRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 25.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR END	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLY- MENTALS	DEBT SERVICE	PAYMENTS		TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL \$0 MIL
							TO	FUNDS					
1979	2715.0	35.8	2750.8	998.0	0.0	0.0	559.7	1557.7	1193.1	138.0	684.0	1877.1	0.0
1980	3500.0	72.8	3572.8	1423.9	0.0	0.0	495.8	1919.7	1653.1	481.7	1877.1	3530.2	0.0
1981	3650.0	115.8	3765.8	1466.7	0.0	0.0	376.6	1843.3	1922.5	918.4	3530.2	5452.7	0.0
1982	3747.0	163.0	3910.0	1510.7	0.0	0.0	392.6	1903.2	2006.7	1195.1	5452.7	7459.5	0.0
1983	3838.0	212.1	4050.1	1556.0	0.0	0.0	413.9	1969.9	2080.2	1587.7	7459.5	9539.7	0.0
1984	4311.0	267.0	4578.0	1602.7	0.0	0.0	464.2	2066.8	2511.2	2001.6	9539.7	12050.8	0.0
1985	3937.0	323.0	4260.0	1650.7	0.0	0.0	430.9	2081.6	2178.4	2465.7	12050.8	14229.2	0.0
1986	3641.0	372.4	4013.4	1700.3	0.0	0.0	406.0	2106.3	1907.2	2896.6	14229.2	16136.4	0.0
1987	3344.0	415.9	3759.9	1751.3	0.0	0.0	379.3	2130.6	1629.3	3302.5	16136.4	17765.7	0.0
1988	2623.0	450.9	3273.9	1803.8	0.0	0.0	327.2	2131.0	1142.9	3681.9	17765.7	18908.6	0.0
1989	2423.0	474.2	2897.2	1857.9	0.0	0.0	287.8	2145.7	753.5	4009.1	18908.6	19662.0	0.0
1990	2055.0	493.2	2548.2	1913.7	0.0	0.0	251.5	2165.1	383.1	4296.9	19662.0	20045.1	0.0
1991	2010.0	505.2	2515.2	1971.1	0.0	0.0	251.5	2222.6	292.6	4548.4	20045.1	20337.7	0.0
1992	1693.0	514.6	2407.6	2030.2	0.0	0.0	242.9	2273.1	134.5	4799.8	20337.7	20472.3	0.0
1993	1835.0	521.3	2356.3	2091.1	0.0	0.0	242.8	2333.9	22.4	5042.8	20472.3	20494.7	0.0
1994	1792.0	525.9	2317.9	2153.8	0.0	0.0	245.4	2399.3	-81.4	5285.6	20494.7	20413.3	0.0
1995	1600.0	526.8	2126.8	2218.5	0.0	0.0	230.9	2449.4	-322.5	5531.0	20413.3	20690.7	0.0
1996	1474.0	523.3	1997.3	2285.0	0.0	0.0	229.8	2514.8	-517.5	5761.9	20690.7	19573.2	0.0
1997	1426.0	516.6	1942.6	2353.6	0.0	0.0	225.3	2578.9	-636.3	5991.7	19573.2	18936.9	0.0
1998	1381.0	507.4	1888.4	2424.2	0.0	0.0	221.1	2645.2	-756.6	6217.0	18936.9	18180.1	0.0
2000	1350.0	495.8	1845.8	2496.9	0.0	0.0	219.0	2715.8	-870.0	6436.1	18180.1	17310.1	0.0

LEGISLATIVE FINANCE WORKING DOCUMENT
BUDGET FORECASTING MODEL

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21-Feb-80

COMMENTS

REAL 1980 DOLLARS
2% REAL GROWTH IN OIL PRICES
\$457 MIL BEAUFORT REVENUE
GAS LINE 1985
3% REAL GROWTH IN NON-OIL REVENUE
GOV'S OPERATING \$250 MIL CAPITAL 3% BUDGET GROWTH
\$.42 PRUDHOE FIELD COSTS
\$.53 GAS CONDITIONING COSTS

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL + PERMANENT FUNDS = 2.00%
% OF CURRENT YEAR EXPEND. IN G.F. CASH BAL = 20.00%
% OF ROYALTIES LEASES AND BONUSES DEPOSITED IN PERMANENT FUND = 50.00%
% OF EARNING RETAINED IN PERMANENT FUND = % 100 %

YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	BUDGET APPROPRIATION	SUPPLE- MENTALS	DEBT SERVICE	PAYMENTS TO FUNDS	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	PERM- ANENT FUND	GENERAL FUND END OF YEAR	REVENUE REQ FOR GF BAL OF \$0 MIL
1979										138.0	684.0	
1980	2715.0	35.8	2750.8	998.0	0.0	0.0	900.6	1898.6	852.2	822.6	1536.2	0.0
1981	3500.0	72.6	3572.8	1423.9	0.0	0.0	829.7	2253.6	1319.2	1493.3	2855.4	0.0
1982	3650.0	115.8	3765.8	1466.7	0.0	0.0	750.4	2217.0	1548.8	2243.4	4404.2	0.0
1983	3747.0	163.0	3910.0	1510.7	0.0	0.0	782.2	2292.9	1617.1	3025.8	6021.3	0.0
1984	3838.0	212.1	4050.1	1556.0	0.0	0.0	824.8	2380.7	1669.4	3850.6	7690.6	0.0
1985	4311.0	267.0	4578.0	1602.7	0.0	0.0	925.3	2527.9	2050.1	4775.9	9740.7	0.0
1986	3937.0	323.0	4260.0	1650.7	0.0	0.0	858.6	2509.3	1750.7	5634.5	11491.4	0.0
1987	3641.0	372.4	4013.4	1700.3	0.0	0.0	808.8	2509.0	1504.4	6443.2	12995.8	0.0
1988	3344.0	415.9	3759.9	1751.3	0.0	0.0	755.4	2506.7	1253.2	7198.7	14249.0	0.0
1989	2823.0	450.9	3273.9	1803.8	0.0	0.0	651.0	2454.8	819.1	7849.6	15068.0	0.0
1990	2423.0	476.2	2899.2	1857.9	0.0	0.0	572.2	2430.1	469.1	8421.9	15537.1	0.0
1991	2055.0	493.2	2548.2	1913.7	0.0	0.0	499.4	2413.1	135.1	8921.3	15672.2	0.0
1992	2010.0	505.2	2515.2	1971.1	0.0	0.0	499.4	2470.5	44.7	9420.7	15716.9	0.0
1993	1893.0	514.6	2407.6	2030.2	0.0	0.0	482.2	2512.4	-104.8	9902.9	15612.1	0.0
1994	1835.0	521.3	2356.3	2091.1	0.0	0.0	481.9	2573.0	-216.7	10384.8	15395.4	0.0
1995	1792.0	525.9	2317.9	2153.8	0.0	0.0	487.1	2640.9	-323.1	10871.9	15072.4	0.0
1996	1600.0	526.8	2126.8	2218.5	0.0	0.0	458.0	2676.5	-549.6	11329.9	14522.7	0.0
1997	1474.0	523.3	1997.3	2285.0	0.0	0.0	455.7	2740.7	-743.4	11785.6	13779.4	0.0
1998	1426.0	516.6	1942.6	2353.6	0.0	0.0	446.7	2800.2	-857.6	12232.2	12921.7	0.0
1999	1381.0	507.4	1888.4	2424.2	0.0	0.0	438.0	2862.2	-973.8	12670.3	11947.9	0.0
2000	1350.0	495.8	1845.8	2496.9	0.0	0.0	433.7	2930.6	-1084.8	13104.0	10863.1	0.0