



# State of Alaska Short and Long-Term Revenue Impact and Impact on Budget Reserves

CWN Fiscal Policy Working Group  
March 27, 2020

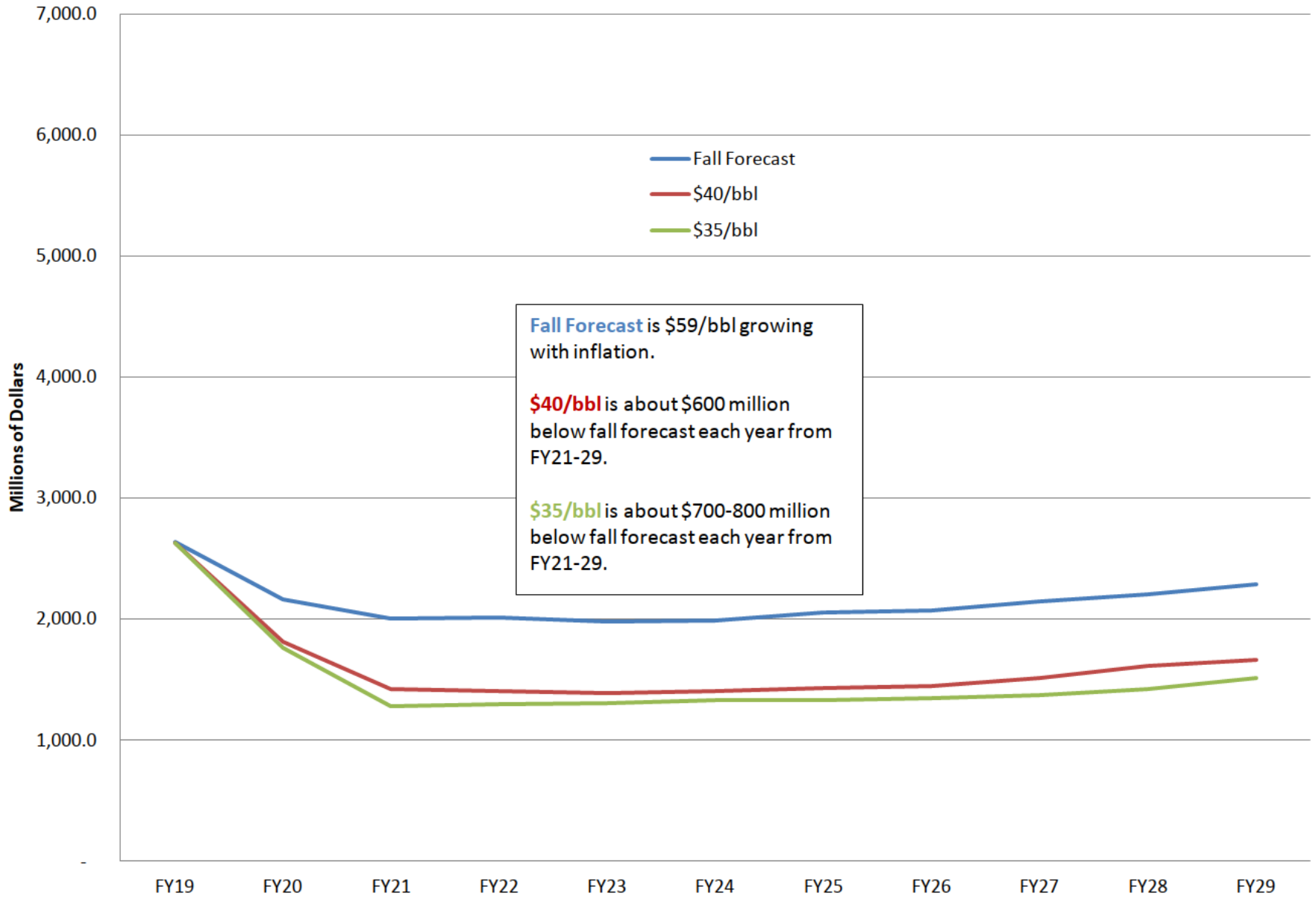
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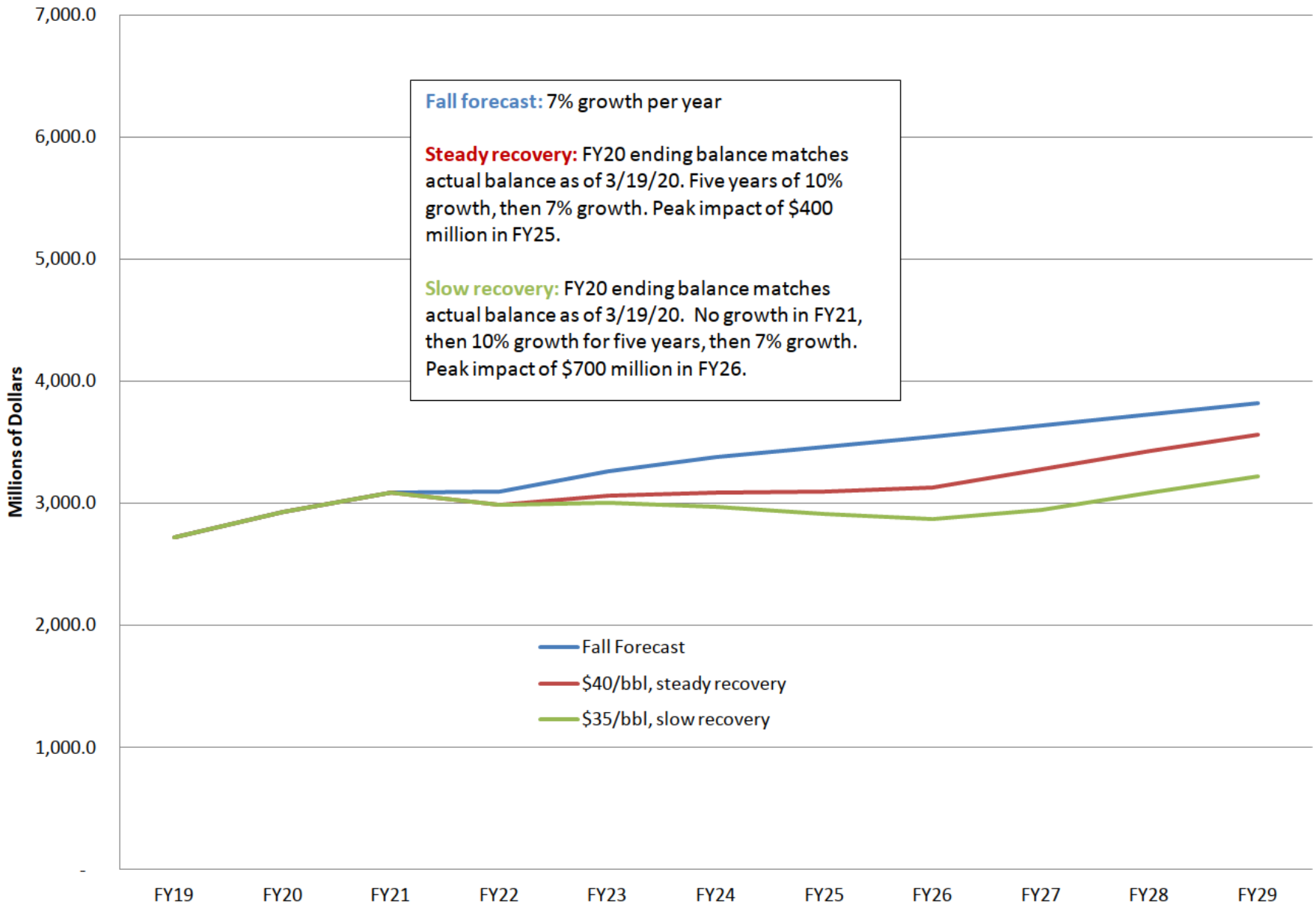
*Legislative Finance Division*

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# Traditional (non-POMV) Revenue, FY19-FY29



# POMV Revenue, FY19-FY29



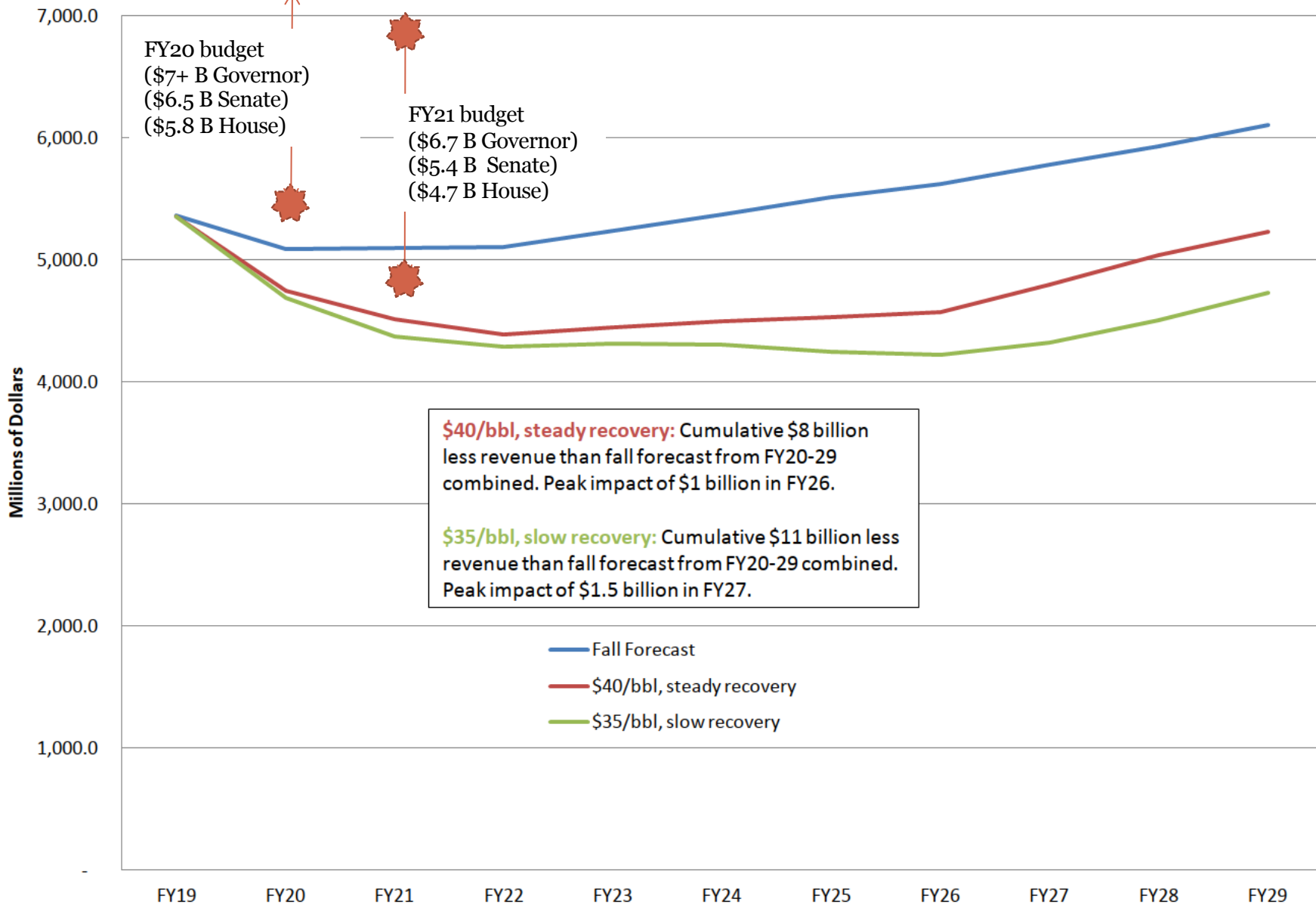
**Fall forecast:** 7% growth per year

**Steady recovery:** FY20 ending balance matches actual balance as of 3/19/20. Five years of 10% growth, then 7% growth. Peak impact of \$400 million in FY25.

**Slow recovery:** FY20 ending balance matches actual balance as of 3/19/20. No growth in FY21, then 10% growth for five years, then 7% growth. Peak impact of \$700 million in FY26.

— Fall Forecast  
 — \$40/bbl, steady recovery  
 — \$35/bbl, slow recovery

# Total Revenue, FY19-FY29



# Scenario 1: \$40/bbl, POMV impact, Senate Finance Budget without Dividend, no Stimulus

		<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
a	<b>Total UGF Revenue</b>	<b>4,863.3</b>	<b>4,509.0</b>	<b>4,391.8</b>
1	Agency Operations	3,739.1	3,930.9	4,019.3
2	Statewide Items	479.4	569.0	561.3
3	Capital	144.3	140.3	143.5
5	Other Increases/(Decreases)	-	-	-
6	<b>Total</b>	<b>4,362.8</b>	<b>4,640.2</b>	<b>4,724.1</b>
7	Fund Transfers	(271.3)	69.2	69.2
8	<b>Permanent Fund Dividend</b>	<b>1,140.2</b>	<b>-</b>	<b>-</b>
9	<b>Dividend Per Recipient</b>	<b>\$ 1,606</b>	<b>\$ -</b>	<b>\$ -</b>
11	Supplementals	360.0	100.0	100.0
12	<b>Deficit</b>	<b>(728.4)</b> (1)	<b>(300.4)</b>	<b>(501.5)</b>
13	<b>CBR Beginning of Year Balance</b>	<b>2,140.7</b>	<b>1,550.5</b>	<b>1,368.4</b>
14	Deposits	235.0	75.0	75.0
15	Earnings	46.0	43.3	34.5
16	Direct Draws	(142.8)	-	-
17	Deficit-Filling Draws	(728.4)	(300.4)	(501.5)
18	<b>CBR End of Year Balance</b>	<b>1,550.5</b>	<b>1,368.4</b>	<b>976.4</b>
19	Note: A CBR balance below \$600 million requires use of the ERA for cashflow			
20	<b>ERA Beginning of Year Balance</b>	<b>16,053.0</b>	<b>11,705.9</b>	<b>10,114.4</b>
21	Statutory Net Income	3,227.5	1,500.0	1,500.0
22	Inflation Proofing	(4,641.5)		
23	POMV Draw	(2,933.1)	(3,091.5)	(3,094.7)
24	Deficit-Filling Draws	-	-	-
25	<b>ERA End of Year Balance</b>	<b>11,705.9</b>	<b>10,114.4</b>	<b>8,519.7</b>

Stimulus

Dividend

CBR Balance

ERA Balance

## Scenario 2: \$40/bbl, POMV impact, Senate Finance Budget \$400/person Dividend, \$100M Stimulus

		<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	
a	<b>Total UGF Revenue</b>	<b>4,863.3</b>	<b>4,509.0</b>	<b>4,391.8</b>	
1	Agency Operations	3,739.1	3,930.9	4,019.3	
2	Statewide Items	479.4	569.0	561.3	
3	Capital	144.3	140.3	143.5	
5	Other Increases/(Decreases)	-	100.0	-	Stimulus
6	<b>Total</b>	<b>4,362.8</b>	<b>4,740.2</b>	<b>4,724.1</b>	
7	Fund Transfers	(271.3)	69.2	69.2	
8	<b>Permanent Fund Dividend</b>	<b>1,140.2</b>	<b>294.3</b>	<b>-</b>	Dividend
9	<b>Dividend Per Recipient</b>	<b>\$ 1,606</b>	<b>\$ 400</b>	<b>\$ -</b>	
11	Supplementals	360.0	100.0	100.0	
12	<b>Final Deficit</b>	<b>(728.4)</b> (1)	<b>(694.7)</b>	<b>(501.5)</b>	
13	<b>CBR Beginning of Year Balance</b>	<b>2,140.7</b>	<b>1,550.5</b>	<b>968.0</b>	
14	Deposits	235.0	75.0	75.0	
15	Earnings	46.0	37.2	22.2	
16	Direct Draws	(142.8)	-	-	
17	Deficit-Filling Draws	(728.4)	(694.7)	(501.5)	CBR Balance
18	<b>CBR End of Year Balance</b>	<b>1,550.5</b>	<b>968.0</b>	<b>563.7</b>	
19	Note: A CBR balance below \$600 million requires use of the ERA for cashflow				
20	<b>ERA Beginning of Year Balance</b>	<b>16,053.0</b>	<b>11,705.9</b>	<b>10,114.4</b>	
21	Statutory Net Income	3,227.5	1,500.0	1,500.0	
22	Inflation Proofing	(4,641.5)			
23	POMV Draw	(2,933.1)	(3,091.5)	(3,094.7)	
24	Deficit-Filling Draws	-	-	-	
25	<b>ERA End of Year Balance</b>	<b>11,705.9</b>	<b>10,114.4</b>	<b>8,519.7</b>	ERA Balance

## Scenario 3: \$40/bbl, POMV impact, Senate Finance Budget \$1000/person Dividend, \$300M Stimulus

		FY20	FY21	FY22	
a	<b>Total UGF Revenue</b>	<b>4,863.3</b>	<b>4,509.0</b>	<b>4,391.8</b>	
1	Agency Operations	3,739.1	3,930.9	4,019.3	
2	Statewide Items	479.4	569.0	561.3	
3	Capital	144.3	140.3	143.5	
5	Other Increases/(Decreases)	-	300.0	-	Stimulus
6	<b>Total</b>	<b>4,362.8</b>	<b>4,940.2</b>	<b>4,724.1</b>	
7	Fund Transfers	(271.3)	69.2	69.2	Dividend
8	<b>Permanent Fund Dividend</b>	<b>1,140.2</b>	<b>675.5</b>	<b>-</b>	
9	<b>Dividend Per Recipient</b>	<b>\$ 1,606</b>	<b>\$ 1,000</b>	<b>\$ -</b>	
11	Supplementals	360.0	100.0	100.0	
12	<b>Final Deficit</b>	<b>(728.4)</b> (1)	<b>(1,275.9)</b>	<b>(501.5)</b>	
13	<b>CBR Beginning of Year Balance</b>	<b>2,140.7</b>	<b>1,550.5</b>	<b>653.7</b>	
14	Deposits	235.0	75.0	75.0	
15	Earnings	46.0	28.2	12.5	
16	Direct Draws	(142.8)	-	-	
17	Deficit-Filling Draws	(728.4)	(1,000.0)	(150.0)	
18	<b>CBR End of Year Balance</b>	<b>1,550.5</b>	<b>653.7</b>	<b>591.1</b>	CBR Balance
19	Note: A CBR balance below \$600 million requires use of the ERA for cashflow				
20	<b>ERA Beginning of Year Balance</b>	<b>16,053.0</b>	<b>11,705.9</b>	<b>9,838.5</b>	
21	Statutory Net Income	3,227.5	1,500.0	1,500.0	
22	Inflation Proofing	(4,641.5)			
23	POMV Draw	(2,933.1)	(3,091.5)	(3,094.7)	
24	Deficit-Filling Draws	-	(275.9)	(351.5)	
25	<b>ERA End of Year Balance</b>	<b>11,705.9</b>	<b>9,838.5</b>	<b>7,892.3</b>	ERA Balance