REVENUE SOURCES
(INCLUDING THE LATEST FORECAST)

FALL 1988

ALASKA
DEPARTMENT OF REVENUE

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

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COMMISSIONER'S PREFACE

December 16, 1988

Dear Reader:

Every scenario in this forecast indicates less revenues than we received this last FY 88.

There are clear reasons for these declines.

OPEC members have been steadily cheating on their quotas, which recently lead Saudi Arabia to increase output as a means of "discipline". Oil production by Iran and Iraq has recovered far more quickly than expected by most observers. How far OPEC members will observe their new agreement, and for how long, remains to be seen.

Alaska has special revenue problems, too. Although the companies are not in agreement on the point, we have concluded that production on the North Slope will fall modestly in FY 89 and 90. Finally, with sharply less money in the State Treasury, the FY 90 earnings on investments will be sharply down, as much as $100 million below last fiscal year.

As I have said before, the forecast numbers, alone, do not tell us what to do. We need debate - over budget cuts, over raising taxes (and better methods to collect old taxes), over spending our cash reserves and what year to use earnings from the Permanent Fund. This debate, with as many as possible taking part, is our hope for the best decisions.

The numbers do tell us that our time for debate is not long.

Sincerely,

Hugh Malone
Commissioner

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INTRODUCTION

The Department of Revenue has made a few modifications to its October forecast.

Three more disputed tax cases have been resolved, adding $48.9 million to the State Treasury. These cases, plus the ARCO settlement in October for $172.3 million, brought total settlements to $221.2 million. All these numbers are part of this forecast.

Secondly, the forecast of petroleum corporate income has been done in three scenarios (rather than one), which is the same approach used for petroleum severance and royalties.

Thirdly, the projected earnings on investments have been altered to reflect the General Fund balances that result from the changes noted above.

Every scenario in this forecast indicates lower revenues that we received this past FY 88.

General Fund Unrestricted Revenue
(Millions of Dollars)

	Low Scenario	Mid Scenario	High Scenario
FY 88	2305.8	2305.8	2305.8
FY 89	1670.9	1814.0	2016.8
FY 90	1006.5	1387.4	1936.3
FY 91	998.2	1389.0	1931.4

The recent November meeting of the OPEC countries produced an agreement among all 13 members commencing January 1, 1989. This agreement calls for an output of 18.5 million barrels per day which is well below current OPEC production.

It is important to emphasize that the North Slope producers, while not agreeing to the exact date, have concluded that North Slope production will commence to decline in either FY 89 or FY 90.

The next full-scale forecast (covering both short and long term) will be prepared next March. Otherwise, the Department will issue updates whenever there are substantial changes in the oil markets.

The State receives three major classes of income: Unrestricted, Restricted, and Special Fund Revenues.

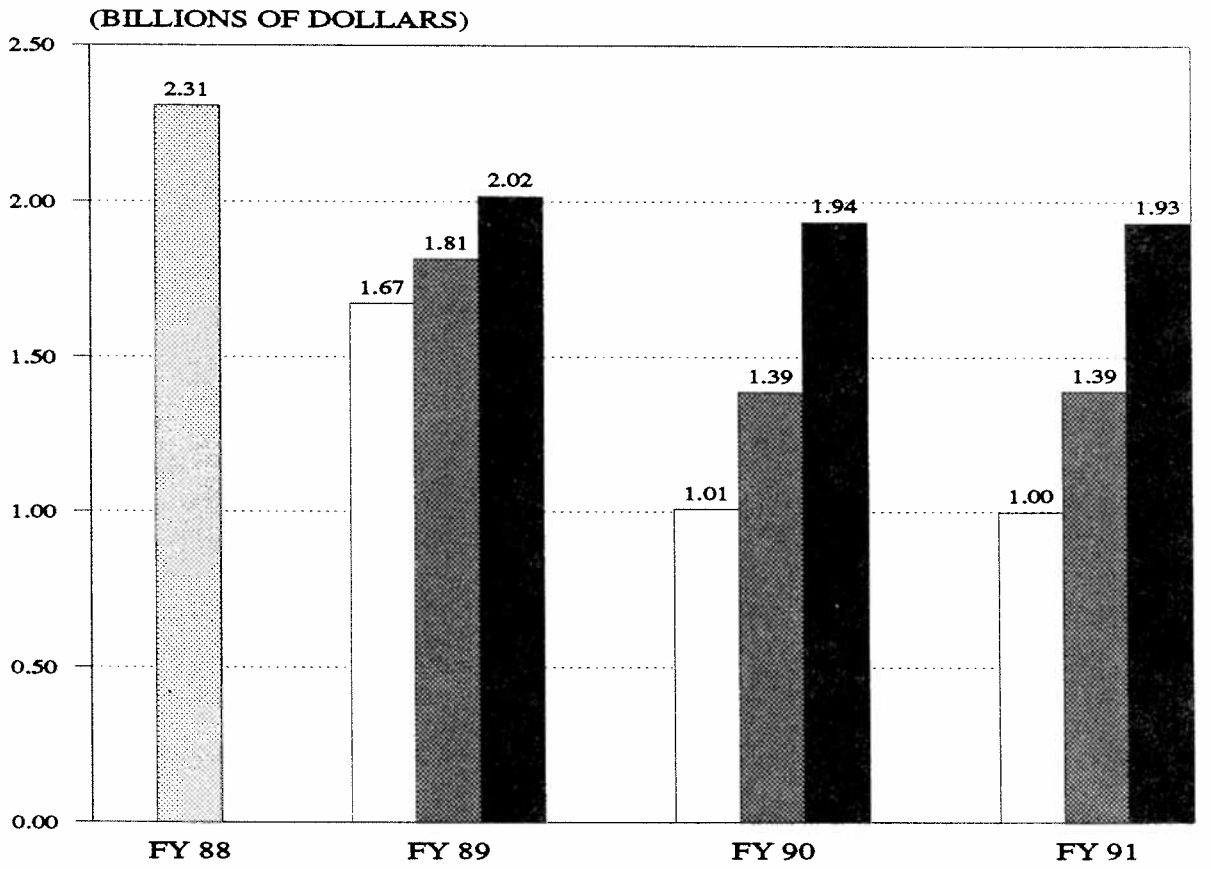
1. Unrestricted Revenues are paid into the General Fund and may be appropriated for any purpose. These receipts are listed in the Source Book by type; i.e., Taxes, License and Permits, etc.

2. Restricted Revenues are those received for specific purposes, primarily from the Federal Government. Only budget category totals are given.

3. Special Fund Revenues are those received into statutorily established funds, such as the International Airports Revenue Fund.

GENERAL FUND UNRESTRICTED REVENUES

(Comparison of Projections vs. FY 88 Actuals)



GENERAL FUND UNRESTRICTED REVENUES

(Millions of Dollars)

TAXES	FY 1988 Actuals	FY 1989 ESTIMATES Low	Mid	High	FY 1990 ESTIMATES Low	Mid	High	FY 1991 ESTIMATES Low	Mid	High
Income										
Corporate General	23.4	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Corporate - Petroleum (1)	158.0	122.0	130.0	138.0	115.0	125.0	138.0	109.0	120.0	144.0
Total	181.4	136.0	144.0	152.0	129.0	139.0	152.0	123.0	134.0	158.0
Gross Receipts										
Alaska Business License	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Fish - Canned/Shorebased (2)	13.8	13.2	13.2	13.2	12.0	12.0	12.0	14.0	14.0	14.0
Fish - Floating	8.7	11.3	11.3	11.3	9.0	9.0	9.0	9.0	9.0	9.0
Salmon Enhancement (3)	5.8	8.9	8.9	8.9	7.0	7.0	7.0	7.0	7.0	7.0
Seafood Marketing (4)	2.7	3.3	3.3	3.3	2.5	2.5	2.5	2.5	2.5	2.5
Insurance Companies	23.7	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Electric & Telephone Coops	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Mining License Tax	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total	58.5	62.5	62.5	62.5	56.3	56.3	56.3	58.3	58.3	58.3
Severance										
Oil & Gas Production	816.4	489.0	544.9	641.7	357.5	482.2	730.5	330.7	483.3	726.6
Oil & Gas Conservation	2.3	2.5	2.5	2.5	2.3	2.3	2.3	2.1	2.2	2.2
Total	818.7	491.5	547.4	644.2	359.8	484.5	732.8	332.8	485.5	728.8
Property										
Oil & Gas	96.2	90.1	90.1	90.1	86.0	86.0	86.0	82.3	82.3	82.3
Sale/Use										
Alcoholic Beverages	12.1	11.6	11.6	11.6	11.5	11.5	11.5	11.5	11.5	11.5
Fuel Taxes - Aviation	9.0	9.0	9.0	9.0	9.1	9.1	9.1	9.1	9.1	9.1
Fuel Taxes - Highway	19.3	19.5	19.5	19.5	19.6	19.6	19.6	19.6	19.6	19.6
Fuel Taxes - Marine	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Tobacco Products	6.1	6.2	6.2	6.2	6.1	6.1	6.1	5.9	5.9	5.9
Total	51.8	51.7	51.7	51.7	51.7	51.7	51.7	51.5	51.5	51.5
Other										
Estate	0.3	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
TOTAL TAXES	1206.9	832.5	896.4	[illegible]1.2	683.5	818.2	1079.5	648.6	812.3	[illegible]9.6

	Actuals	Low	Mid	gh	Low	Mid	High	Low	Mid	gh
LICENSES & PERMITS										
Business (5)	8.6	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Non-Business	19.7	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Total	28.3	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
INTERGOVERNMENTAL RECEIPTS										
Federal Shared Revenues (6)	8.9	8.5	8.5	8.5	8.0	8.0	8.0	7.5	7.5	7.5
STATE RESOURCE REVENUE										
Sale/Use										
Bonus Sales (6)(7)(8)	5.6	10.1	10.1	10.1	0.0	0.0	0.0	0.0	0.0	0.0
Investment Earnings (9)	132.6	105.8	109.0	113.4	19.6	29.1	67.2	15.4	15.4	29.9
Rents (6)(7)(8)	6.0	6.3	6.3	6.3	6.5	6.5	6.5	6.5	6.5	6.5
Royalties (6)	694.8	393.8	469.8	563.4	194.1	430.8	680.3	223.4	450.5	711.1
Sale of State Property (5)	3.8	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Gravel, Timber, etc.	1.1	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total	843.9	521.0	600.2	698.2	225.2	471.4	759.0	250.3	477.4	752.5
Facilities Related Charges										
Airports	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Ferry System—SE	26.0	30.5	30.5	30.5	31.9	31.9	31.9	33.5	33.5	33.5
Ferry System—SW	3.8	4.3	4.3	4.3	4.5	4.5	4.5	4.6	4.6	4.6
Other (5)	0.7	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	32.3	37.6	37.6	37.6	39.2	39.2	39.2	40.9	40.9	40.9
Services Related Charges										
Court System	5.5	5.5	5.5	5.5	5.6	5.6	5.6	5.7	5.7	5.7
Other (5)	2.0	2.6	2.6	2.6	3.0	3.0	3.0	3.2	3.2	3.2
Total	7.5	8.1	8.1	8.1	8.6	8.6	8.6	8.9	8.9	8.9
TOTAL RESOURCE REVENUE	883.7	566.7	645.9	743.9	273.0	519.2	806.8	300.1	527.2	802.3
MISCELLANEOUS REVENUE	16.1	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
SPECIAL SETTLEMENTS (10)(11)	161.9	221.2	221.2	221.2	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL UNRESTRICTED REVENUE (12)	**2305.8**	**1670.9**	**1814.0**	**2016.8**	**1006.5**	**1387.4**	**1936.3**	**998.2**	**1389.0**	**1931.4**
MENTAL HEALTH TRUST INCOME ACCOUNT (13)	0.0	83.6	90.7	100.8	50.3	69.4	96.8	49.9	69.5	96.6

* Footnotes on the following page.

FOOTNOTES

(1) Corporate Petroleum taxes have trended downward over the last few years with the exception of FY 88. The upward tick in FY 88 is due to increasing profit margins from refinery and petrochemical operations and to the corporations overestimating their quarterly tax payments. The projections for FY 89, FY 90, and FY 91 assume a resumption of this downward trend in revenues collected. The basis for this is due to the overestimated tax payments in FY 88 being applied to future year tax payments, the carry forward of net operating losses, Alaska's percentage of oil business dropping off relative to oil operations elsewhere in the world, and increased competition in the final products market.

(2) Figures reflect the recent enactment of a shorebased fisheries business tax credit which is limited to 50 percent of the business' total tax liability with any unused portion of the credit carried forward (Ch. 79, SLA 1986, effective July 1, 1986). For example, the total FY 88 fisheries business tax liability was $29.1 million against which $6.6 million credits were applied thus yielding a total net fisheries business tax of $22.5 million. This State share was then further reduced by municipal revenue sharing. The canned fisheries business tax has been combined into a single category with the shorebased since the tax credits are applied against the aggregate return and cannot be allocated by specific processing type.

(3) FY 89, FY 90, and FY 91 figures include the recently qualified Kodiak Regional Aquaculture Association, effective June 9, 1988.

(4) Figures reflect the recently approved assessment increase from 0.2% to 0.3% of value, effective retroactively to January 1, 1987.

(5) Figures reflect the recent shift in fees by various agencies from General Fund Unrestricted revenues to Restricted Program Receipts.

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

(7) Reflects state lease sales of $6.6 million held June 30, 1987 (Sale 50 - Camden Bay), $4.7 million held January 26, 1988 (Sale 54 - Kuparuk Uplands), $14.7 million held September 28, 1988 (Sale 55 - Demarcation Point) and $6.1 million held September 28, 1988 (Sale 69A - Kuparuk Uplands). Due to the timing of collections, receipts from the June 1987 lease sale are shown as FY 88 revenue. The bonus figures represent the General Fund's 49.5 percent share.

(8) The Department of Natural Resources projects the following FY 89, FY 90, and FY 91 state lease sales: FY 89 (Sale 52 - Beaufort Sea, Sale 72A - Oliktok Point, Sale 67A - Cook Inlet Exempt); FY 90 (Sale 59 - Cook Inlet, Sale 57 - North Slope Foothills); and FY 91 (Sale 64 - Kavik, Sale 56 - Alaska Peninsula, Sale 65 - Beaufort Sea). However, bonus bids are impossible to anticipate prior to sales; therefore, no estimates are provided.

(9) With regard to the projections shown in this current revenue forecast, it should be noted that, all currently held and projected investment assets in the General Investment Fund are projected to be liquidated prior to the end of fiscal year 1991, under any of the three revenue scenarios presented. In the High Case scenario all assets are liquidated by January of 1991. In the Mid Case scenario all assets are liquidated by January of 1990. In the Low Case scenario all assets are liquidated by December of 1989. The projections presented reflect General Investment Fund account earnings only through the period prior to complete liquidation. A wide variety of policy actions could be taken to either increase General Fund cash inflows or reduce General Fund cash outflows. However, no such actions are assumed here. Even with total liquidation of the General Investment Fund, interest from mortgage and loan programs is assumed to accrue to the General Fund. This is the reason why investment earnings do not fall to zero in fiscal year 1991 in the Mid and Low Case scenarios.

(10) Reflects the OCS "8(g)" revenue sharing settlement of $322.9 million in FY 88. The General Fund share represented 49.5 percent of the aforementioned total, whereas the Permanent Fund received 50.0 percent. The remaining 0.5 percent was distributed to the Public School Fund. The FY 88 figure also reflects the $2.1 million misallocation of TAPS receipts due the General Fund.

(11) The major portion of the FY 89 figure reflects the ARCO settlement ($172.3 million) which resolved disputed State income tax liabilities from prior years.

(12) The State, per AS 38.05.180, will be granting incentive credits against royalties, severance taxes, and rentals to the oil companies for drilling exploratory wells. The deduction is approximately $1.8 million which has not been subtracted from the aforementioned FY 89 figures. Additional credits are anticipated in subsequent years.

(13) Chapter 48 SLA 1987, allocates 5% of general unrestricted revenues to the Mental Health Trust Income Account until such time as the original Mental Health Trust Lands are valued (at which point 8% of such value will be allocated annually to the Mental Health Trust Income Account). The necessary expenses of Alaska's Mental Health Program must be met before funds in the Mental Health Trust Income Account may be expended for any other public purpose. AS 37.14.021.

GENERAL FUND RESTRICTED REVENUES

(Millions of Dollars)

	FY 1988 Actuals	FY 1989 ESTIMATES Low	Mid	High	FY 1990 ESTIMATES Low	Mid	High	FY 1991 ESTIMATES * Low	Mid	High
Federal Grants-in-Aid										
Education	54.2	79.7	79.7	79.7	79.6	79.6	79.6			
Social Services	154.2	169.5	169.5	169.5	173.1	173.1	173.1			
Health	3.4	4.3	4.3	4.3	4.2	4.2	4.2			
Natural Resources	28.4	32.8	32.8	32.8	32.5	32.5	32.5			
Pub. Prot./Admin. of Justice	10.3	10.9	10.9	10.9	10.8	10.8	10.8			
Development/General Govt.	7.6	3.0	3.0	3.0	2.8	2.8	2.8			
Transportation	185.3	184.2	184.2	184.2	184.2	184.2	184.2			
Total Federal Grants-in-Aid	443.4	484.4	484.4	484.4	487.2	487.2	487.2			
Other Grants-in-Aid/Program Receipts										
Education	2.0	2.2	2.2	2.2	2.2	2.2	2.2			
Health/Social Services	9.1	7.8	7.8	7.8	7.7	7.7	7.7			
Natural Resources	6.0	5.8	5.8	5.8	5.9	5.9	5.9			
Pub. Prot./Admin. of Justice	5.1	4.9	4.9	4.9	5.2	5.2	5.2			
Development/General Govt.	5.2	5.8	5.8	5.8	5.8	5.8	5.8			
Transportation	0.7	0.9	0.9	0.9	0.9	0.9	0.9			
Total Other Grants-in-Aid	28.1	27.4	27.4	27.4	27.7	27.7	27.7			
Miscellaneous Restricted Revenue-All Categories	3.7	11.9	11.9	11.9	12.9	12.9	12.9			
RESTRICTED REVENUE * *	**475.2**	**523.7**	**523.7**	**523.7**	**527.8**	**527.8**	**527.8**			
UNRESTRICTED REVENUE	**2305.8**	**1670.9**	**1814.0**	**2016.8**	**1006.5**	**1387.4**	**1936.3**	**998.2**	**1389.0**	**1931.4**
TOTAL GENERAL FUND	**2781.0**	**2194.6**	**2337.7**	**2540.5**	**1534.3**	**1915.2**	**2464.1**			

* FY 1991 estimates were not available at the time of publication.

** Restricted Revenue figures may not agree with those shown in the Governor's budget due to categorical differences between the budget and accounting system.

MEMORANDUM

TO: Hugh Malone
Commissioner

DATE: October 28, 1988

THRU: William Floerchinger
Director
Oil and Gas Division

SUBJECT: October Forecast - Scenarios and Assumptions

FROM: Charles Logsdon
Chief Petroleum Economist

In the past fiscal year, petroleum revenues were some 84% of total unrestricted revenues.

Petroleum revenues consist of severance taxes, royalties; petroleum corporate income tax, conservation tax, and properties tax; bonus and rental income, and settlements of tax and royalty disputes. (Amounts due the Permanent Fund are deducted from the bonus and royalty figures used.)

The purpose of this memorandum is to summarize the current oil market situation and to describe, briefly, each of three scenarios used to depict possible revenues from oil and gas severance taxes and royalties - short term and long term. These revenues, which are 77% of all petroleum revenues, impact the estimates for other revenues, notably the balances which the treasury will have to invest from month to month.

THE CURRENT PRICE SITUATION

We are in the midst of another oil price slide. Unlike the collapse in 1986, which sent prices tumbling from $28/bbl to $10/bbl in six months, the current decline has taken place over a fourteen month period. Prices have drifted down every month since August, 1987. (There was a brief uptick last April which coincided with the later stages of the Legislature's budget deliberations.)

Very few analysts expected that the lesson of the 1986 collapse would be lost on the OPEC members who have set their hearts on producing above their quotas.

There are, however, some important differences between the current price slide and the 1986 collapse. An upward price rebound may not be nearly as soon nor as high (or even as inevitable) as the last. Both the industry and many OPEC nations have restructured in response to the initial collapse in price by cutting costs and by diversifying their downstream investments. As a result many of the world's producers are better able to weather chronically low prices.

Since even today's oil prices are well beyond that needed to cover the average costs of OPEC production, there is still considerable room for prices to fall. Once again we must examine OPEC behavior as the key to where prices are going. OPEC is scheduled to meet in full session on November 21. It remains to be seen what actions, if any, will be taken to remedy the current situation either before that date or during the meeting itself.

For convenience, we have listed below the factors which appear to be important at this juncture in altering the short term direction of oil prices.

DOWNWARD

- The Saudis are offering $.10 to $.20/bbl volume discounts on already attractive market related sales contracts. Their publicly stated purpose is to discipline quota cheaters.

- Peace between Iran and Iraq may bring pressures in both countries to increase production to rebuild their war-torn economies.

- The UAE continues to be adamant that its quota is now 1.5 million bbl/day, not 948 thousand bbl/day.

- Kuwait continues to produce approximately one-half million bbl/day above quota.

- Iraqi production/transportation capacity continues to expand towards well over 3.0 million bbl/day.

- The trend to "downstream integration" of the producers continues.*

- World stocks are high for this time of year, suggesting that a squeeze on OPEC market share will occur next spring.

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* Two examples are the Saudi's investment in Texaco's refineries and gas stations in the southern U.S. and Kuwait's substantial investment in British Petroleum, including its chain of European gas stations. The producers growing role at this "downstream" end of the business means that their financial interests are changing.

UPWARD

- Peace between Iraq and Iran could remove one of the main stumbling blocks to cooperation within the cartel.

- World demand, led by the U.S., continues very strong in response to current low prices.

It would appear on balance that OPEC is trapped by market factors and the fiscal constraints of its own members. In order for OPEC to regain control of the market they must address the following issues:

1. A quota for Iraq

2. Neutral Zone production (lifted by Saudi Arabia and Kuwait but not counted against their quotas)

3. UAE's quota

4. Definition of condensates (also exempt from quota)

It is within this context that we undertook to develop our oil price scenarios.

SHORT TERM OIL PRICE SCENARIOS

Starting with this forecast, we are using Saudi Light crude oil as the marker crude instead of Saudi medium. That is, we develop our scenarios to describe the future price for Saudi Light crude oil. This change has been made to allow easier comparisons with forecasts made by others, and because Saudi Light is a more widely traded crude oil than Saudi Medium.

Each scenario contains assumptions affecting specific market fundamentals. The strategy was to first develop a theoretical "call on OPEC", that is, how much oil OPEC would need to produce to balance the market, then to evaluate how OPEC would respond to this projected market share. The size of the theoretical call compared to the market share desired by all members of the cartel should suggest price direction.

The following tables summarize the conceptual framework used to develop the scenarios.

World Economic Growth

1. World debt impacts
2. Fiscal policy
3. Trade policy
4. Recession expectations
5. Real effects of financial markets
6. Liberalization of centrally planned economies (CPE)
7. Weather and environment

World Oil Consumption

1. Rise in personal income
2. Vehicle miles (transportation fuel)
3. Third world development
4. Industrial growth
5. Consumption taxes
6. Environmental regulation
7. Technology

Non-OPEC Oil Production

1. Technology
2. Discoverable reserves
3. Sunk costs
4. Relations with OPEC

Iran/Iraq Production

1. Peace or war
2. Cooperation
3. Quotas

OPEC Behavior

1. Quotas
2. Downstream interests
3. Seasonal demand
4. Technical Issues
5. Non-OPEC cooperation

Three scenarios for Alaska oil, and the world developments at their root, are described briefly in the following section.

The reader is cautioned that the scenarios are not mutually exclusive and may overlap during the course of a fiscal year. The low scenario could be correct for two quarters, while the high scenario might be accurate for the following quarter. For example, the effects of the current price slide were forecast last spring, but it was felt they were more likely to occur in the last quarter of FY 88. However, because market confidence in OPEC's ability to control the market was slow to erode, the effects were delayed until now.

LOW SCENARIO

The low scenario is for oil prices to fall rather rapidly over the next six months to under $10/bbl by April 1989. We expect that price will remain depressed under this scenario for an extended period of time.

	Unrestricted Severance and Royalties	Average Lower 48 ANS Price
FY 1989 - Q1	$298.9 million *	$13.72/bbl
Q2	227.4	11.90
Q3	191.7	10.63
Q4	167.3	9.48
FY 1989	885.3 million	11.43/bbl
FY 1990	553.9 million	8.62/bbl
FY 1991	556.2 million	9.42/bbl

* The first quarter estimates are based on actual collections with the exception of the low scenario; it lacks the data for September.

Key Elements:

1) World economic growth stagnates for a variety of reasons including the imposition of restrictive fiscal policies designed to deal with the growing debt problem world-wide, the erection of new trade barriers, a retreat from liberal economic policies in the centrally planned economies, and the collapse of financial markets.

2) World oil consumption grows slowly (0.5 million bbls/day in 1989 and 0.3 million bbls/day in 1990) in response to low rates of growth in personal income, more than offsetting the immediate rise in consumption induced by lower prices.

3) Non-OPEC production continues at current levels through 1989 and increases by 0.450 million bbls/day in 1990 as new reserve additions are made both through development of new fields and by application of new recovery technology to already producing fields. Efforts at cooperation between OPEC and non-OPEC nations fail.

4) The Iran/Iraq cease fire continues with both countries producing to capacity to generate revenue to rebuild their war-torn economies. Iraq production averages 3.5 million bbls/day in 1989 and 4.0 million bbls/day in 1990. Iran production averages 3.0 million bbls/day in both 1989 and 1990.

5) Most OPEC countries attempt to produce at capacity with no country willing to assume the role of swing producer. The trend toward downstream involvement in the oil business accelerates, with nearly all exporting countries taking some form of downstream position either through crude sales based on a refinery products netback, joint venture processing, or outright refinery and/or distribution network ownership. The market share for OPEC will average 17.6 million bbls/day in 1989 and 17.3 million bbl/day in 1990, a call far below that desired and, hence, ending in the very low price characterized in this scenario.

MID SCENARIO

This scenario projects oil prices remaining close to $12/bbl through 1990.

	Unrestricted Severance and Royalties	Average Lower 48 ANS Price
FY 1989 - Q1	$303.9 million	$13.73/bbl
Q2	241.6	12.26
Q3	240.4	12.10
Q4	231.3	11.75
FY 1989	1017.2 million	12.45/bbl
FY 1990	915.3 million	12.10/bbl
FY 1991	936.0 million	12.69/bbl

Key Elements:

1) World economic growth slows to 2.5% in 1989 and 2.0% in 1990. Restrictive fiscal and trade policies are imposed in response to debt problems of both developing and developed countries, the pace of liberalization of the centrally planned economies slows, heightened environmental concerns, and the general expectation of a recession dampen the prospects for growth.

2) World oil consumption grows slowly as consumption increases 0.8 million bbls/day in 1989 and 0.6 million bbls/day in 1990. Increased petroleum consumption taxes and the slower rate of growth in personal income tend to offset the positive impact of continued low prices on oil demand.

3) Non-OPEC oil production remains flat in 1989 and 1990 as the impact of continued low oil prices reduces the level of investment in exploration and development of new reserves.

4) The Iran/Iraq ceasefire continues with Iraq and Iran each producing at new official quotas of 2.6 million bbls/day.

5) OPEC agrees on a new quota system which sets an overall production level of 19.2 million bbls/day aimed at stabilizing price around $15/bbl. This system accomodates the UAE at 1.5 million bbls/day and, as noted above, brings Iraq and Iran back into the fold with equal quotas. This agreement also adds the Neutral Zone production to the quota for Saudi Arabia and Kuwait. The market share for OPEC is, however, projected to average only 18.4 in 1989 and 19.0 in 1990 so that price remains depressed $3.00/bbl below the $15.00/bbl target.

HIGH SCENARIO

The high price scenario projects prices ($14/bbl in 1989 and $16/bbl in 1990) which are not very high compared to the prices which have characterized the market during the 1980's. This scenario is marked by healthy economic growth and most importantly OPEC and non-OPEC cooperation in managing the marginal barrels required to balance the market.

	Unrestricted Severance and Royalties	Average Lower 48 ANS Price
FY 1989 - Q1	$303.9 million	$13.78/bbl
Q2	267.0	13.01
Q3	305.1	14.17
Q4	331.9	14.92
FY 1989	1207.6 million	13.95/bbl
FY 1990	1413.1 million	16.12/bbl
FY 1991	1439.9 million	17.55/bbl

Key Elements:

1) The World Economy continues to expand at a healthy rate of 3.5% in both 1989 and 1990 as the centrally planned economies continue their path toward consumerism and world markets continue to become more open. Oil prices at around $15/bbl are not a source of either inflation or a damper on growth.

2) World oil consumption continues to grow at a healthy rate of 1.5 million bbls/day in both 1989 and 1990. The strong growth in the world economy results in an increase in demand for oil as transportation fuel and industrial fuel and feedstock. There are no new taxes on oil consumption.

3) Non-OPEC oil production begins to fall off by approximately 0.2 millon bbls/day in both 1989 and 1990 as the reduced flow of capital devoted to exploring and developing new reserves caused by prices below $18/bbl begins to take its toll.

4) A peace is achieved between Iran and Iraq with both countries producing at their quota of 2.3 million bbls/day.

5) OPEC establishes a new quota system which sets overall production at 18.7 million bbls/day. Unfortunately all countries continue to cheat on the quota in order to sell oil into the very strong market. As a result instead of $18 or $20/bbl the price averages around $15/bbl.

KEY ASSUMPTIONS FOR OCTOBER 1988 PETROLEUM REVENUE PROJECTIONS

(FY 1989 - FY 1991)

ANS West Coast Crude Oil Price ($/bbl at Los Angeles, Calif.)

	Low	Mid	High
FY 89	11.09	12.11	13.64
FY 90	8.28	11.76	15.84
FY 91	9.08	12.35	17.21

ANS Gulf Coast Crude Oil Price ($/bbl at Houston, Texas)

	Low	Mid	High
FY 89	12.24	13.25	14.79
FY 90	9.40	12.89	16.92
FY 91	10.20	13.48	18.34

Weighted Average ANS Crude Oil Price ($/bbl)

	Low	Mid	High
FY 89	11.43	12.45	13.95
FY 90	8.62	12.10	16.12
FY 91	9.42	12.69	17.55

Percent of ANS to Gulf Coast

	Low	Mid	High
FY 89	30	30	30
FY 90	30	30	30
FY 91	30	30	30

TAPS Tariff ($/bbl)

	Low	Mid	High
FY 89	3.22	3.09	3.09
FY 90	3.36	3.05	3.07
FY 91	2.90	3.08	3.05

Wellhead Value ($/bbl)

	Low	Mid	High
FY 89	6.49	7.36	8.82
FY 90	3.63	7.00	10.94
FY 91	5.79	11.02	18.28

Total Alaska Production Volume (mmbbs/day)

	Low	Mid	High
FY 89	1.92	1.97	1.97
FY 90	1.82	1.86	1.88
FY 91	1.71	1.76	1.81

Inflation (%)

	Low	Mid	High
FY 89	3.36	4.19	5.19
FY 90	3.15	4.15	5.55
FY 91	3.00	4.15	5.80

(Utilized to generate nominal dollar value of the revenue projections.)

OIL PRICE/STATE TOTAL REVENUE SENSITIVITY MATRIX

October 1988 Forecast (Update)

The following table shows the relationship between the average price of ANS on the Gulf Coast (Mid Scenario) and the State's total unrestricted General Fund revenue.

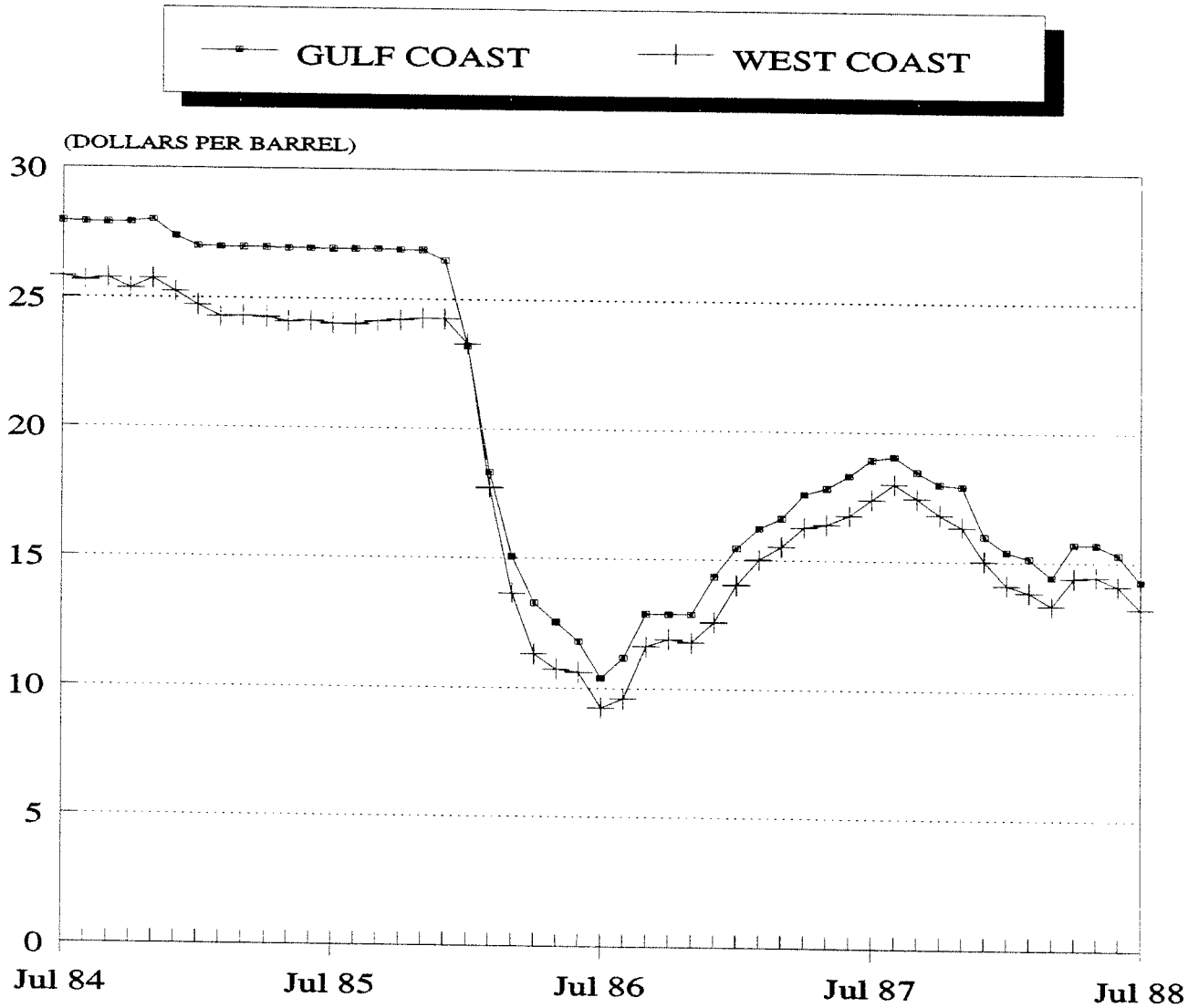
Average ANS Gulf Price	Unrestricted General Fund Revenue (Millions $) FY 1989 *	FY 1990	
$10/Bbl	1643.68	1073.19	
11	1683.51	1139.27	
12	1761.87	1251.86	
13	**1844.42**	**1401.95**	**
14	1926.96	1536.62	
15	2009.51	1671.30	
16	2092.06	1805.97	
17	2174.60	1940.64	
18	2257.15	2075.31	
19	2339.70	2209.98	
20	2422.24	2344.65	

* Starting November 1988 through June 1989.

** The decline in total unrestricted revenues between FY 89 and FY 90 is primarily accounted for by the lack of legal settlements ($221 million); by a $111 million decline in oil revenues due to a combination of lower prices, lower production, and the effects of the ELF; and by the decline of investment earnings due to lower treasury balances (about $80 million).

HISTORICAL ANS CRUDE PRICES

(July 1984 - July 1988)



PETROLEUM VS. NON-PETROLEUM REVENUE

(Millions of Dollars)

PETROLEUM REVENUES

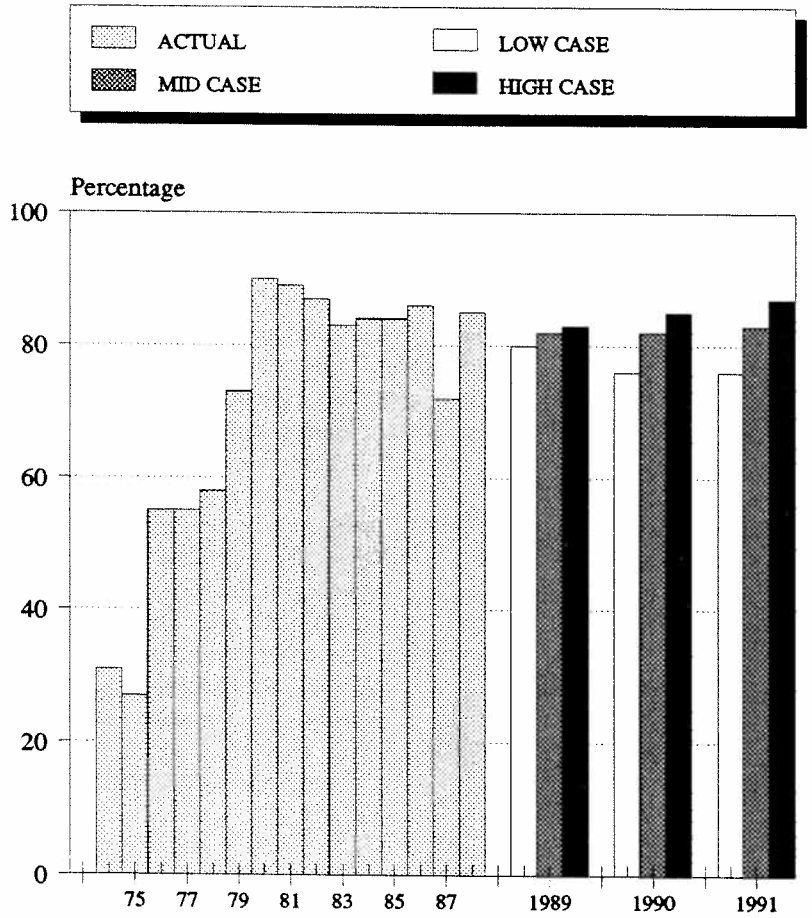
	FY 1988	FY 1989 ESTIMATES			FY 1990 ESTIMATES			FY 1991 ESTIMATES		
	Actual	Low	Mid	High	Low	Mid	High	Low	Mid	High
Corporate Petroleum	158.0	122.0	130.0	138.0	115.0	125.0	138.0	109.0	120.0	144.0
Severance Tax	818.7	491.5	547.4	644.2	359.8	484.5	732.8	332.8	485.5	728.8
Royalties	694.8	393.8	469.8	563.4	194.1	430.8	680.3	223.4	450.5	711.1
Property Tax	96.2	90.1	90.1	90.1	86.0	86.0	86.0	82.3	82.3	82.3
Bonus Sale	5.6	10.1	10.1	10.1	0.0	0.0	0.0	0.0	0.0	0.0
Rents	5.7	6.0	6.0	6.0	6.2	6.2	6.2	6.2	6.2	6.2
Intergovernmental	8.7	8.3	8.3	8.3	7.8	7.8	7.8	7.3	7.3	7.3
Special Settlements	161.9	221.2	221.2	221.2	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total	1949.6	1343.0	1482.9	1681.3	768.9	1140.3	1651.1	761.0	1151.8	1679.7

NON-PETROLEUM REVENUES

	FY 1988	FY 1989 ESTIMATES			FY 1990 ESTIMATES			FY 1991 ESTIMATES		
	Actual	Low	Mid	High	Low	Mid	High	Low	Mid	High
Taxes	134.0	128.9	128.9	128.9	122.7	122.7	122.7	124.5	124.5	124.5
Licenses & Permits	28.3	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Intergovernmental	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Investment Earnings	132.6	105.8	109.0	113.4	19.6	29.1	67.2	15.4	15.4	29.9
State Resources	45.0	51.0	51.0	51.0	53.1	53.1	53.1	55.1	55.1	55.1
Miscellaneous	16.1	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Sub-Total	356.2	327.9	331.1	335.5	237.6	247.1	285.2	237.2	237.2	251.7
Total General Fund Unrestricted Revenue	2305.8	1670.9	1814.0	2016.8	1006.5	1387.4	1936.3	998.2	1389.0	1931.4

PETROLEUM REVENUES

Historical Comparison of General Fund Unrestricted Petroleum Revenues Versus Total General Fund Unrestricted Revenues



Petroleum Revenues
(Millions of Dollars)

	Total G. F. Unrestricted Revenues	Total G. F. Unrestricted Pet. Revenues	Percent
FY 88 Actual	2305.8	1949.6	85
FY 89 Estimates			
Low Case	1670.9	1343.0	80
Mid Case	1814.0	1482.9	82
High Case	2016.8	1681.3	83
FY 90 Estimates			
Low Case	1006.5	768.9	76
Mid Case	1387.4	1140.3	82
High Case	1936.3	1651.1	85
FY 91 Estimates			
Low Case	998.2	761.0	76
Mid Case	1389.0	1151.8	83
High Case	1931.4	1679.7	87

SPECIAL FUNDS

(Millions of Dollars)

Enterprise Funds	FY 1988 Actual	FY 1989 Estimate	FY 1990 Estimate	FY 1991 Estimate*
Agriculture Loan Fund	0.7	1.5	1.3	
Alaska Clean Water Fund	0.1	-0-	-0-	
Alternative Tech. and Energy Loan Fund	0.6	0.5	0.4	
Bulk Fuel Loan Fund	-0-	-0-	-0-	
Child Care Facility Loan Fund	0.1	0.1	-0-	
Commercial Fish Loan Fund	7.4	6.0	5.9	
Fisheries Enhancement Loan Fund	0.3	0.7	1.0	
Historical District Loan Fund	0.1	-0-	-0-	
Housing Assistance Loan Fund	12.2	15.0	15.5	
International Airport Revenue Fund	57.8	55.5	57.6	
Medical Malpractice Loan Fund	-0-	-0-	-0-	
Mining Loan Fund	0.4	0.4	0.3	
Power Development Loan Fund	6.6	6.9	7.8	
Residential Energy Cons. Loan Fund	0.2	0.1	0.1	
Rural Electrification Loan Fund	-0-	0.1	0.1	
Scholarship Loan Fund	1.2	4.9	5.0	
Small Business Loan Fund	0.2	0.1	0.1	
Tourism Loan Fund	0.1	0.1	0.1	
World War II Veterans Loan Fund	0.6	0.4	0.4	
Total Enterprise Funds	88.6	92.3	95.6	
Alaska Permanent Fund (1) (2) (3)	720.8			
(Contributed Equity)				
Low Case		481.8	371.1	
Mid Case		533.4	571.7	
High Case		596.9	747.6	
Public School Fund (1) (2) (3)	12.7			
Low Case		8.9	7.4	
Mid Case		9.4	9.0	
High Case		10.0	10.7	

	FY 1988 Actual	FY 1989 Estimate	FY 1990 Estimate	FY 1991 Estimate*
Other Funds				
NPR-A Special Revenue Fund	1.0	1.0	1.0	
Fish and Game Fund	9.2	8.6	8.7	
Disaster Relief Fund	0.6	-0-	-0-	
Fire Suppression Fund	-0-	-0-	-0-	
School Fund	2.8	2.6	2.5	
Training & Building Fund	0.7	0.5	0.5	
Total Other Funds	14.3	12.7	12.7	
TOTAL SPECIAL FUNDS	836.4			
Low Case		595.7	486.8	
Mid Case		647.8	689.0	
High Case		711.9	866.6	

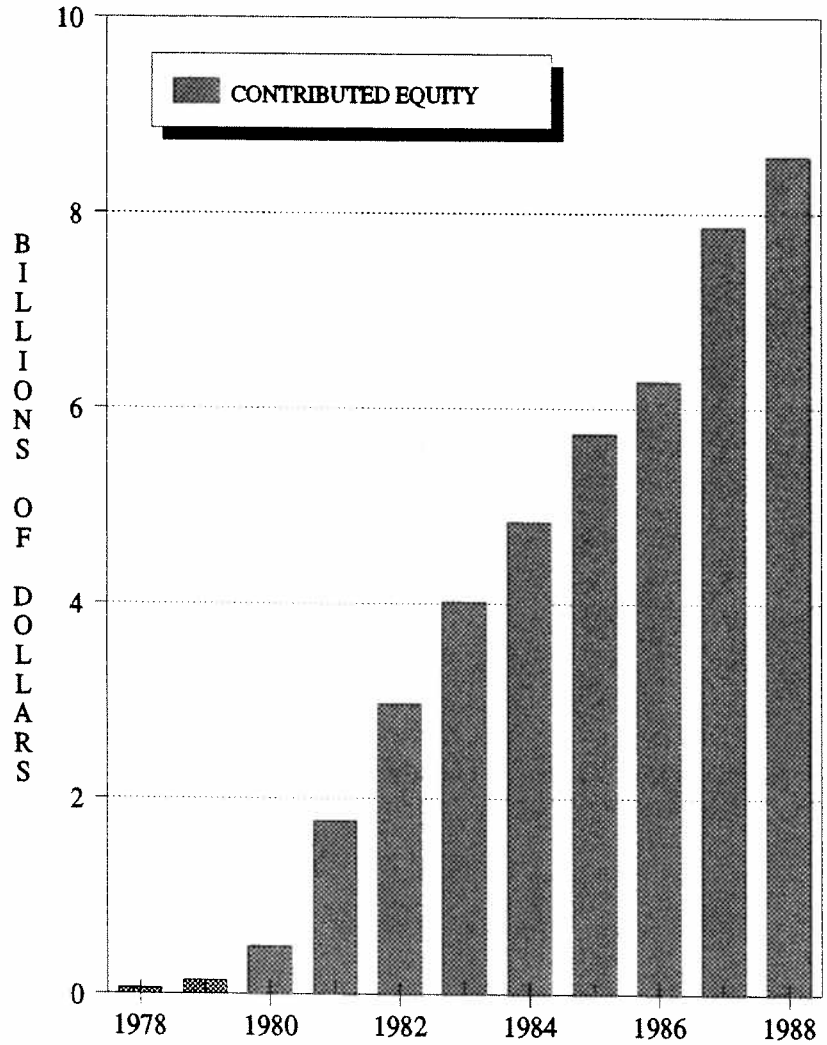
* FY 1991 estimates were not available at the time of publication.

(1) The scenario approach is shown for both the Permanent Fund and the Public School Fund since both receive a significant portion of revenues from petroleum-based sources.

(2) The FY 88 figures reflect the $2.1 million misallocation of TAPS receipts due the General Fund.

(3) Reflects the OCS "8(g)" revenue sharing settlement payments in FY 88 to the Permanent Fund ($145.7 million) and the Public School Fund ($1.6 million).

ALASKA PERMANENT FUND



Historical Overview

The Alaska Permanent Fund was established by a constitutional amendment effective February 21, 1977. The amendment stated that contributions to the Fund must consist of at least 25 percent of mineral lease rentals, royalties, royalty sale proceeds, Federal mineral revenue sharing payments and bonuses received by the State. Enacted legislation (Ch. 18 SLA 1980) has modified this contribution rate so that State revenues derived from future mineral leases issued after a specific date will be subject to a 50% contribution rate to the Permanent Fund. During FY 1981, a special appropriation (Ch. 35 SLA 1980) appropriated $900 million from the General Fund to the Permanent Fund. Similarly, an additional $1.8 billion was appropriated (Ch. 61 SLA 1981) for FY 1982 with payments beginning July 1, 1981; however, this appropriation was legislatively amended (Ch. 101 SLA 1982) thus permitting deposit of only $800 million in FY 82 and an additional deposit of $400 million in FY 83. An additional $100 million of this appropriation was deposited in the Permanent Fund during August, 1983, as well as, another $100 million each during December, 1983, April, 1984, October, 1984 and a final $200 million in December, 1984 thus fully satisfying the $1.8 billion appropriation in 1981. Recently Ch. 25, SLA 1986 appropriated $1,264.4 million from the undistributed income account to the principal of the Permanent Fund, effective July 1, 1986.

ALASKA PERMANENT FUND

(Millions of Dollars)

	PRINCIPAL					INCOME							
		CONTRIBUTED EQUITY					DISTRIBUTIONS				RESERVES		
FY	Begin Balance	Appro-priations	Dedicated Revenues	Inflation Proofing	End Balance	Net Income	Dividends	Per Capita Dividends($)	Inflation Proofing	General Fund	Add (Delete)	End Balance	FY
78			54		54	2				1			78
79	54		84		139	8				7			79
80	139		344		483	32	12			12			80
81	483	900	385		1,769	150	28			28	59	59	81
82	1,769	800	401		2,969	368	71	$1,000.00		71	185	244	82
83	2,969	400	421	231	4,021	471	108	$386.15	231	110	110	354	83
84	4,021	300	366	151	4,838	530	175	$331.29	151		203	557	84
85	4,838	300	368	235	5,741	658	217	$404.00	235		206	763	85
86	5,741		323	216	6,281	1,021	303	$556.26	216		501	1,264	86
87	6,281	1,264	171	148	7,864	1,069	391	$708.19	148		529	529	87
88	7,864		418	303	8,585	789	424	$826.93	303		62	591	88

Source: Alaska Permanent Fund Corporation

Table 1
HISTORICAL GENERAL FUND UNRESTRICTED REVENUES
- TAX PORTION -

($ millions)	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
Corporate - General	31.1	35.8	33.5	24.8	17.9	34.8	34.8	30.3	39.5	36.0	11.2	20.5	23.4
Corporate - Petroleum				232.6	547.5	860.1	668.9	236.0	265.1	168.6	133.9	120.4	158.0
Fiduciary	.1	.1	.1	.1	.1								
Individual	146.2	210.4	145.7	117.2	100.5								
Total Income	177.4	246.3	179.3	374.7	666.0	894.9	703.7	266.3	304.6	204.6	145.1	140.9	181.4
Alaska Business License	19.1	23.2	21.7	28.2	4.2	5.4	5.5	6.9	19.9	38.8	2.1	1.5	1.4
Fish - Canned Salmon	1.8	3.8	5.5	6.7	4.3	5.9	8.6	4.3	5.5	5.6	3.5		
Fish - Shore Based	.8	1.9	2.3	3.3	7.6	11.0	8.7	11.5	7.1	8.3	10.1	17.5	13.8
Fish - Floating	.5	.5	.5	1.9	2.7	3.8	5.5	4.7	6.4	4.8	7.5	9.0	8.7
Salmon Enhancement							2.4	2.6	2.2	2.6	4.3	4.4	5.8
Seafood Marketing								.9	1.1	1.0	1.1	1.5	2.7
Insurance Companies	6.1	8.1	10.0	10.8	10.4	10.6	12.5	13.8	16.2	17.5	21.1	23.7	23.7
Other	1.0	1.3	1.6	1.9	2.1	1.2	1.4	1.6	2.0	2.1	2.2	2.2	2.4
Total Gross Receipts	29.3	38.8	41.6	52.8	31.3	37.9	44.6	46.3	60.4	80.7	51.9	59.8	58.5
Gravel, Timber, Etc.	1.8	1.0	.8	1.7	1.6	2.7							
Oil & Gas Production	27.9	23.7	107.6	173.6	506.2	1169.9	1581.1	1493.0	1392.4	1388.7	1107.9	647.3	816.4
Oil & Gas Conservation	.1	.1	.1	.2	.3	.3	.6	.7	.7	.7	.5	1.2	2.3
Total Severance	29.8	24.8	108.5	175.5	508.1	1172.9	1581.7	1493.7	1393.1	1389.4	1108.4	648.5	818.7
Oil & Gas	83.4	139.1	173.0	163.4	168.9	143.0	142.7	152.6	131.0	128.4	113.5	102.5	96.2
Oil & Gas Reserves	223.1	270.6											
Vehicle Registration			.2	.2	.1	.2							
Total Property	306.5	409.7	173.2	163.6	169.0	143.2	142.7	152.6	131.0	128.4	113.5	102.5	96.2
Alcoholic Beverages	7.8	8.0	7.6	7.4	7.4	8.3	9.0	10.4	13.0	13.9	13.3	12.6	12.1
Fuel Taxes - Aviation	3.0	2.5	3.3	3.4	4.0	4.1	6.3	8.7	8.1	8.0	8.1	8.5	9.0
Fuel Taxes - Highway	20.2	16.7	17.9	16.3	18.9	15.6	20.3	23.7	20.2	23.7	22.7	18.3	19.3
Fuel Taxes - Marine	1.2	1.3	2.1	2.6	3.2	3.5	3.7	4.3	3.9	4.3	5.3	5.4	5.3
Tobacco Products	1.7	1.8	1.7	1.7	1.6	1.7	1.9	2.0	2.0	2.0	4.9	6.6	6.1
Total Sale/Use	33.9	30.3	32.6	31.4	35.1	33.2	41.2	49.1	47.2	51.9	54.3	51.4	51.8
Estate	.2	.2	.2	.1	.2	.5	.3	.7	.7	.5	.7	1.1	.3
School	2.6	2.6	2.4	2.5	2.6								
Total Other	2.8	2.8	2.6	2.6	2.8	.5	.3	.7	.7	.5	.7	1.1	.3
Total Taxes	**579.7**	**752.7**	**537.8**	**800.6**	[illegible]	**2282.6**	**2514.2**	**2008.7**	**1937.0**	**1855.5**	**1473.9**	**1004.2**	12[illegible]

- NON . PORTION -

($ millions)	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
Business	5.1	5.5	6.8	7.5	8.1	9.1	10.8	10.8	10.8	11.9	11.3	10.0	8.6
Non-Business	11.3	10.6	12.3	12.3	10.7	12.2	13.0	14.9	15.9	17.0	18.0	19.2	19.7
Total Licenses & Permits	16.4	16.1	19.1	19.8	18.8	21.3	23.8	25.7	26.7	28.9	29.3	29.2	28.3
Intergovernmental Receipts													
Federal Shared Revenues	6.4	2.5	3.6	4.1	4.8	8.5	21.7	33.3	14.0	10.5	14.5	11.7	8.9
State Resource Revenue													
Bonus Sales					342.4	7.6	5.0	36.2	10.1	11.5	34.7	.5	5.6
Investment Earnings	31.7	34.8	44.2	59.2	119.9	227.8	324.7	375.8	282.7	233.5	195.2	161.9	132.6
Rents	4.1	3.4	2.3	2.1	3.0	5.4	3.5	4.3	6.0	5.1	6.2	6.0	6.0
Royalties	43.3	34.3	149.6	249.2	688.2	1118.5	1157.3	1078.4	1047.5	1034.0	856.1	439.3	694.8
Sale of State Property	1.9	1.8	1.9	8.4	5.7	4.8	5.2	6.3	7.0	8.5	8.7	6.9	3.8
Gravel, Timber, etc.							1.2	4.0	2.9	3.1	2.9	7.2	1.1
Total Sale/Use	81.0	74.3	198.0	318.9	1159.2	1364.1	1496.9	1505.0	1356.2	1295.7	1103.8	621.8	843.9
Airports	.6	.7	.8	.9	.8	1.1	1.6	1.4	1.5	1.6	1.5	1.5	1.8
Ferry System—SE	13.9	15.4	14.0	17.1	18.7	21.0	25.2	26.4	28.5	29.6	28.5	27.5	26.0
Ferry System—SW	1.3	1.5	1.6	1.8	2.4	3.4	4.0	4.0	3.5	3.8	3.8	3.8	3.8
Other	2.2	2.7	4.0	3.1	4.1	3.7	3.6	5.5	4.3	7.9	5.2	4.1	.7
Total Facilities Charges	18.0	20.3	20.4	22.9	26.0	29.2	34.4	37.3	37.8	42.9	39.0	36.9	32.3
Court System	3.7	3.6	2.8	2.8	2.8	2.9	3.5	4.2	4.1	4.5	5.1	5.4	5.5
Other	.7	.9	1.7	2.3	2.0	4.1	6.1	5.9	4.8	5.2	4.1	4.8	2.0
Total Services Charges	4.4	4.5	4.5	5.1	4.8	7.0	9.6	10.1	8.9	9.7	9.2	10.2	7.5
Total State Resource Revenue	103.4	99.1	222.9	346.9	1190.0	1400.3	1540.9	1552.4	1402.9	1348.3	1152.0	668.9	883.7
Miscellaneous Revenue	3.9	3.9	3.9	7.2	6.7	5.5	7.8	10.9	9.5	16.8	13.0	16.8	16.1
Sub-Total Non-Tax Revenue	130.1	121.6	249.5	378.0	1220.3	1435.6	1594.2	1622.3	1453.1	1404.5	1208.8	726.6	937.0
Less: Native Claims			22.4	45.6	131.4								
Plus: Settlements											392.8	68.5	161.9
Total Non-Tax Revenue	**130.1**	**121.6**	**227.1**	**332.4**	**1088.9**	**1435.6**	**1594.2**	**1622.3**	**1453.1**	**1404.5**	**1601.6**	**795.1**	**1098.9**
Total Tax Revenue	**579.7**	**752.7**	**537.8**	**800.6**	**1412.3**	**2282.6**	**2514.2**	**2008.7**	**1937.0**	**1855.5**	**1473.9**	**1004.2**	**1206.9**
Total General Fund Unrestricted Revenue	**709.8**	**874.3**	**764.9**	**1133.0**	**2501.2**	**3718.2**	**4108.4**	**3631.0**	**3390.1**	**3260.0**	**3075.5**	**1799.4**	**2305.8**

Table 2
HISTORICAL RESTRICTED REVENUES
AND TOTAL GENERAL FUND REVENUES

($ millions)	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
Federal Grants-In-Aid													
Education	35.6	26.7	27.3	27.8	30.7	33.0	25.7	33.8	44.8	76.2	42.0	78.0	54.2
Social Services	45.4	48.9	57.7	57.8	60.0	68.7	60.4	80.7	91.2	100.7	125.2	156.4	154.2
Health	5.0	3.0	15.6	15.4	21.4	26.5	27.1	11.9	10.0	12.5	3.2	3.6	3.4
Natural Resources	3.7	5.4	7.9	10.1	6.5	8.3	12.4	15.0	14.2	18.1	17.9	27.8	28.4
Public Protection/Admin. of Justice	7.0	5.7	7.1	8.4	7.4	7.1	5.5	5.7	6.6	7.5	7.7	15.0	10.3
Development/Gen. Government	.7	2.7	1.4	2.3	2.8	7.9	4.9	8.6	8.1	6.6	9.3	5.0	7.6
Transportation	123.3	119.1	121.6	84.6	69.5	39.9	22.5	11.0	67.7	110.9	88.5	169.8	185.3
Total	220.7	211.5	238.6	206.4	198.3	191.4	158.5	166.7	242.6	332.5	293.8	455.6	443.4
Other Grants-In-Aid													
Education	.4	.8	.3	.5	1.6	.8	.9	1.0	1.1	1.3	1.4	1.3	2.0
Health/Social Services	1.9	1.5	2.6	1.2	.5	.2	.3	.4	.4	3.8	4.3	8.5	9.1
Natural Resources	1.9	2.1	1.4	1.2	.6	2.4	1.4	1.0	.9	.9	1.4	2.3	6.0
Public Protection/Admin. of Justice	.4	.4	1.7	1.9	1.8	1.9	1.9	2.4	3.1	.9	2.0	5.7	5.1
Development/Gen. Government	3.0	.9	1.3	1.6	4.1	2.6	3.3	5.3	15.6	6.5	3.6	3.8	5.2
Transportation	2.5	1.8	1.0	1.1	1.0	1.6	2.5	.9	1.2	3.5	.8	1.1	.7
Total	10.1	7.5	8.3	7.5	9.6	9.5	10.3	11.0	22.3	16.9	13.5	22.7	28.1
Miscellaneous Restricted Revenue	4.5	3.1	.9	3.2	5.7	8.1	7.0	15.7	9.8	16.9	16.4	15.8	3.7
Total Restricted Revenue	**235.3**	**222.1**	**247.8**	**217.1**	**213.6**	**209.0**	**175.8**	**193.4**	**274.7**	**366.3**	**323.7**	**494.1**	**475.2**
Total Unrestricted Revenue	**709.8**	**874.3**	**764.9**	**1133.0**	**2501.2**	**3718.2**	**4108.4**	**3631.0**	**3390.1**	**3260.0**	**3075.5**	**1799.4**	**2305.8**
Total General Fund Revenue	**945.1**	**1096.4**	**1012.7**	**1350.1**	**2714.8**	**3927.2**	**4284.2**	**3824.4**	**3664.8**	**3626.3**	**3399.2**	**2293.5**	**2781.0**

Source: Department of Revenue, Revenue Sources FY 1976 - FY 1988. Updated October 1988.

Table 3
HISTORICAL PETROLEUM REVENUES
(Millions of Dollars)

FY	Corporate Non-Petroleum	Corporate Petroleum	Oil/Gas Severance Tax	Property Tax	Reserve Tax	Fed. Min. Rents & Royalties (1)	Bonus Sales	Rents (1)	Royalties (1)	Oil/Gas Special Settlements	Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total Unrestricted Revenues
59	1.4					3.1					3.1	25.4	12
60	1.7					5.8	4.0	.1			9.9	48.0	21
61	1.4					2.4	1.6	.2			4.2	40.5	10
62	1.8		.2			4.5	20.3	1.0			26.0	68.9	38
63	2.2		.3			8.6	17.9	1.0			27.8	71.6	39
64	1.8		.3			8.7	4.7	1.2			14.9	67.0	22
65	1.9		.3			8.3	5.9	1.9	.1		16.5	83.0	20
66	4.1		.3			7.7	10.8	2.5	.3		21.6	86.5	25
67	3.5		.5			7.7	8.6	2.8	1.9		21.5	86.6	25
68	3.8	.1	1.2			7.5	21.8	2.9	9.5		43.0	112.7	38
69	4.2	.1	5.6			7.8	.8	3.3	16.9		34.5	112.4	31
70	4.9	.4	7.9			8.2	900.0	3.1	19.3		938.9	1067.3	88
71	5.2	.9	10.5			8.6	.2	2.9	23.9		47.0	220.4	21
72	5.3	1.2	11.4			7.9	.3	3.0	24.6		48.4	219.2	22
73	5.9	.9	12.0			6.7	3.8	3.4	23.5		50.3	208.2	24
74	7.0	1.2	14.8			7.1	24.8	3.6	28.7		80.2	254.9	31
75	14.8	2.5	26.6	6.6		9.8	1.0	3.9	40.0		90.4	333.4	27
76	26.2	4.9	28.0	83.4	223.1	5.1		3.7	43.3		391.5	709.8	55
77	30.8	5.0	23.8	139.1	270.6	2.0*		2.8*	34.3*		477.6*	874.3	55
78	25.1	8.4	107.7	173.0		1.0*		1.8*	149.6*		441.5*	764.9	58
79	24.8	232.6	173.8	163.4		1.0*		1.6*	249.2*		821.6*	1133.0	73
80	17.9	547.5	506.5	168.9		1.2*	342.4*	1.8*	688.2*		2256.5*	2501.2	90
81	34.8	860.1	1170.2	143.0		1.2*	7.6*	3.7*	1118.5*		3304.3*	3718.2	89
82	34.8	668.9	1581.7	142.7		17.1*	5.0*	2.1*	1157.3*		3574.8*	4108.4	87
83	30.1	236.0	1493.7	152.6		27.2*	36.2*	2.5*	1078.4*		3026.6*	3631.0	83
84	39.5	265.1	1393.1	131.0		11.0*	10.1*	3.8*	1047.5*		2861.6*	3390.1	84
85	36.0	168.6	1389.4	128.4		8.2*	11.5*	3.4*	1034.0*		2743.5*	3260.0	84
86	11.2	133.9	1108.4	113.5		14.3*	34.7*	4.2*	856.1*	392.8*	2657.9*	3075.5	86
87	20.5	120.4	648.5	102.5		11.0*	.5*	3.8*	439.3*	68.5*	1394.5*	1799.4	77
88	23.4	158.0	818.7	96.2		8.7*	5.6*	5.7*	694.8*	161.9*	1949.6*	2305.8	85

* Net of Permanent Fund contribution.

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

LONG RANGE REVENUE AND PERMANENT FUND PROJECTIONS

Low Case Scenario

Mid Case Scenario

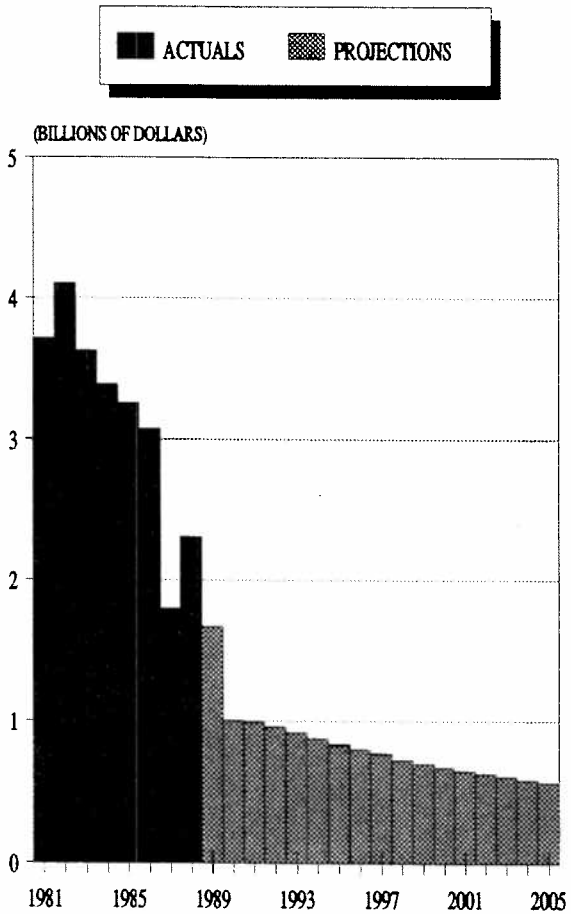
High Case Scenario

Alaska Department of Revenue

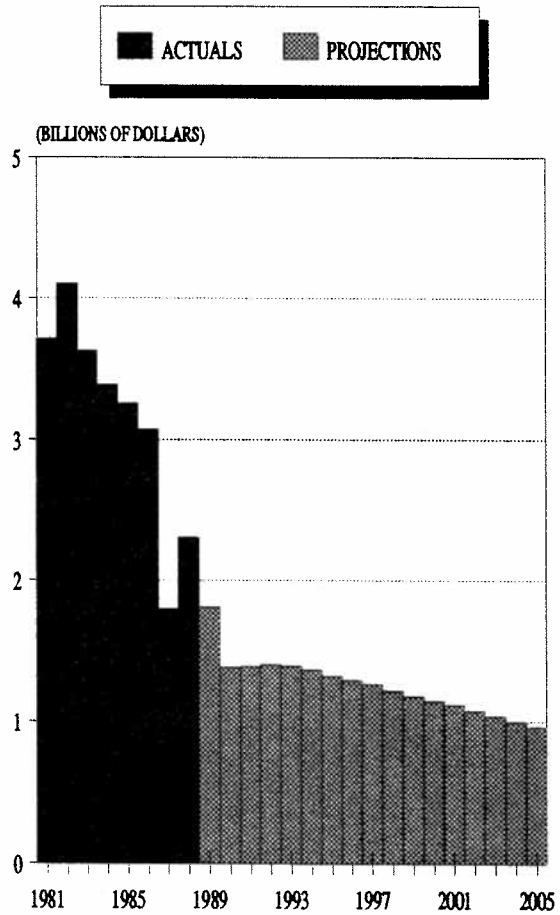
GENERAL FUND UNRESTRICTED REVENUE PROJECTIONS

(FY 1981 - FY 2005)

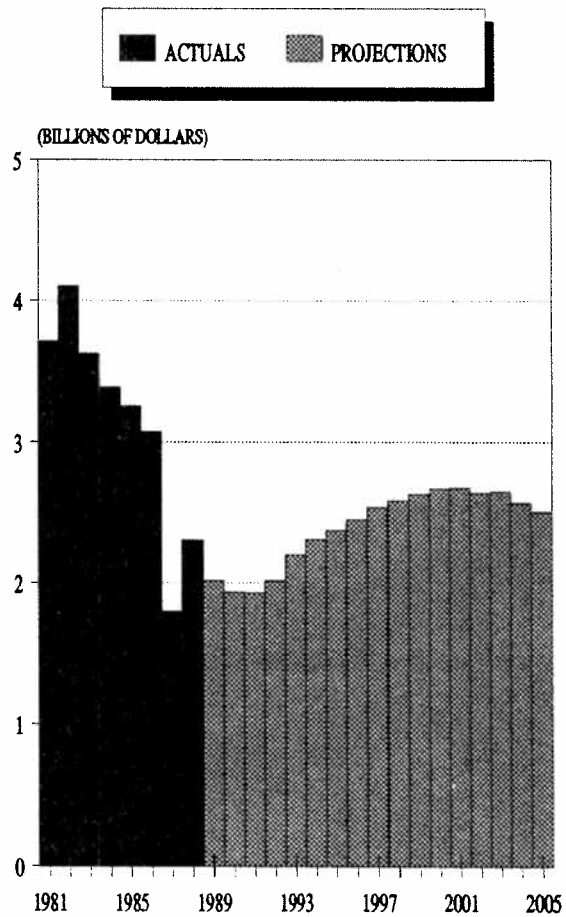
LOW CASE SCENARIO



MID CASE SCENARIO



HIGH CASE SCENARIO



LOW CASE SCENARIO

(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY TAX	(4) OIL&GAS INC TAX	(5) ROYALTIES	(6) MINERAL RENTS	(7) BONUS SALES	(8) SPECIAL PETRO SETTLEMENTS	(9) PETROLEUM REVENUES	(10) NON-PETR NON-INTR REVENUES	(11) INTEREST REVENUES	(12) TOTAL REVS INCL PERM FUND
81	1170.20	143.00	860.10	1501.60	7.90	14.10	0.00	3696.90	186.10	377.70	4260.70
82	1581.70	142.70	668.90	1553.20	26.40	10.30	0.00	3983.20	209.00	693.10	4885.30
83	1493.70	152.60	236.00	1447.40	54.20	73.10	0.00	3457.00	228.60	846.90	4532.50
84	1393.10	131.00	265.10	1409.00	21.90	16.70	0.00	3236.80	245.80	812.20	4294.80
85	1389.40	128.40	168.60	1390.30	23.70	23.60	0.00	3124.00	283.00	891.30	4298.30
86	1108.40	113.50	133.91	1124.30	42.00	70.10	460.73	3052.94	222.40	1216.07	4491.41
87	648.50	102.50	120.40	591.70	28.30	1.00	85.21	1577.61	243.00	1230.46	3051.06
88	818.70	96.20	158.00	960.73	22.90	11.30	322.90	2390.73	223.60	922.58	3536.91
89	491.54	90.10	122.35	532.44	21.90	20.30	221.17	1499.80	222.30	942.97	2665.07
90	359.83	86.00	115.06	262.50	21.50	0.00	0.00	844.89	218.10	854.24	1917.23
91	332.82	82.30	108.98	302.24	20.80	0.00	0.00	847.14	222.00	844.89	1914.03
92	297.06	78.00	99.69	326.62	19.76	0.00	0.00	821.13	228.44	859.90	1909.47
93	264.58	72.20	89.85	324.07	18.77	0.00	0.00	769.47	235.06	900.70	1905.23
94	239.18	66.00	79.59	317.34	17.83	0.00	0.00	719.94	241.88	943.67	1905.49
95	217.90	60.50	70.17	299.91	16.94	0.00	0.00	665.43	248.89	988.97	1903.28
96	200.35	55.20	61.65	287.25	16.09	0.00	0.00	620.54	256.36	1049.92	1926.82
97	182.15	51.30	53.96	276.68	15.29	0.00	0.00	579.38	264.31	1115.01	1958.70
98	156.83	45.40	46.30	261.46	14.53	0.00	0.00	524.52	272.50	1169.33	1966.35
99	141.83	41.40	39.99	246.15	13.80	0.00	0.00	483.17	280.95	1225.50	1989.62
00	126.68	36.40	35.35	233.12	13.11	0.00	0.00	444.66	289.66	1283.59	2017.90
01	113.71	32.20	31.19	219.90	12.45	0.00	0.00	409.45	298.40	1329.97	2037.82
02	103.44	26.80	27.54	207.73	11.83	0.00	0.00	377.35	307.36	1386.98	2071.68
03	90.34	21.10	24.22	193.16	11.24	0.00	0.00	340.06	316.58	1449.42	2106.05
04	77.86	17.30	21.16	177.61	10.68	0.00	0.00	304.60	326.07	1514.24	2144.92
05	68.93	15.57	18.40	160.57	10.14	0.00	0.00	273.61	335.86	1581.57	2191.03

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
	TOTAL REVS INCL	PUB SCH	NPR-A	OTHER	PERM FUND	——REVENUES—— GEN FUND	TOTAL	-ROYALTIES SUBJ TO- -PERM FUND CONTRIB-		ROYALTY PF
FY	PERM FUND	FUND	FUND	FUNDS	CONTRI	UNRESTRD	SUSTAIN	@25 PCT	@50 PCT	CONTRIB
81	4260.70	7.50	0.00	74.30	385.13	3718.17	563.80	1501.60	0.00	358.30
82	4885.30	8.00	0.00	0.00	400.52	4108.38	902.10	1553.20	0.00	388.30
83	4532.50	9.40	0.00	0.00	421.00	3631.00	844.30	1447.40	0.00	361.80
84	4294.80	9.00	0.00	0.00	366.28	3390.02	907.00	1409.00	0.00	354.60
85	4298.30	7.10	5.40	0.00	368.00	3260.00	939.70	1350.30	0.00	349.50
86	4491.41	6.52	41.00	0.00	347.76	3075.25	1222.09	1200.61	-76.31	262.00
87	3051.06	3.36	9.90	0.00	170.33	1798.92	1325.31	586.59	5.10	149.20
88	3536.91	6.60	1.00	15.76	417.88	2305.69	843.36	876.14	84.59	261.33
89	2665.07	2.86	1.00	0.00	152.52	1671.52	835.98	521.09	11.35	135.95
90	1917.23	1.41	1.00	0.00	73.46	1006.72	774.79	256.62	5.88	67.09
91	1914.03	1.61	1.00	0.00	83.52	998.41	774.20	295.15	7.09	77.33
92	1909.47	1.73	1.00	0.00	89.56	961.52	796.32	318.44	8.18	83.70
93	1905.23	1.72	1.00	0.00	88.36	917.42	837.59	316.92	7.15	82.81
94	1905.49	1.69	0.50	0.00	86.38	876.96	876.18	310.71	6.63	80.99
95	1903.28	1.60	0.00	0.00	81.70	834.43	917.14	293.93	5.98	76.47
96	1926.82	1.54	0.00	0.00	78.13	800.47	968.23	281.82	5.43	73.17
97	1958.70	1.48	0.00	0.00	75.16	770.13	1017.20	271.59	5.09	70.44
98	1966.35	1.41	0.00	0.00	70.03	728.36	1060.42	260.69	0.77	65.56
99	1989.62	1.33	0.00	0.00	65.96	699.38	1111.18	245.43	0.72	61.72
00	2017.90	1.27	0.00	0.00	62.48	672.92	1163.78	232.43	0.69	58.45
01	2037.82	1.20	0.00	0.00	58.96	649.82	1209.90	219.26	0.64	55.13
02	2071.68	1.14	0.00	0.00	55.72	629.79	1268.40	207.11	0.62	52.09
03	2106.05	1.07	0.00	0.00	51.87	605.45	1327.13	192.62	0.54	48.42
04	2144.92	0.99	0.00	0.00	47.79	583.47	1386.85	177.14	0.47	44.52
05	2191.03	0.90	0.00	0.00	43.33	566.64	1449.05	160.21	0.36	40.23

MID CASE SCENARIO
(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY TAX	(4) OIL&GAS INC TAX	(5) ROYALTIES	(6) MINERAL RENTS	(7) BONUS SALES	(8) SPECIAL PETRO SETTLEMENTS	(9) PETROLEUM REVENUES	(10) NON-PETR NON-INTR REVENUES	(11) INTEREST REVENUES	(12) TOTAL REVS INCL PERM FUND
81	1170.20	143.00	860.10	1501.60	7.90	14.10	0.00	3696.90	186.10	377.70	4260.70
82	1581.70	142.70	668.90	1553.20	26.40	10.30	0.00	3983.20	209.00	693.10	4885.30
83	1493.70	152.60	236.00	1447.40	54.20	73.10	0.00	3457.00	228.60	846.90	4532.50
84	1393.10	131.00	265.10	1409.00	21.90	16.70	0.00	3236.80	245.80	812.20	4294.80
85	1389.40	128.40	168.60	1390.30	23.70	23.60	0.00	3124.00	283.00	891.30	4298.30
86	1108.40	113.50	133.91	1124.30	42.00	70.10	460.73	3052.94	222.40	1216.07	4491.41
87	648.50	102.50	120.40	591.70	28.30	1.00	85.20	1577.60	243.00	1230.50	3051.09
88	818.70	96.20	158.00	960.73	22.90	11.30	322.90	2390.73	223.60	922.58	3536.91
89	547.35	90.10	130.00	634.99	21.90	20.30	221.17	1665.81	222.30	1028.26	2916.37
90	484.47	86.00	125.00	582.59	21.50	0.00	0.00	1299.56	218.10	1045.60	2563.26
91	485.45	82.30	120.00	609.41	20.30	0.00	0.00	1317.46	222.00	1003.08	2542.54
92	488.54	78.00	113.97	639.63	19.28	0.00	0.00	1339.42	231.33	1062.99	2633.74
93	468.61	72.20	109.60	654.52	18.32	0.00	0.00	1323.24	241.04	1131.01	2695.30
94	446.70	66.00	103.47	648.46	17.40	0.00	0.00	1282.03	251.16	1202.13	2735.33
95	420.00	60.50	97.34	627.84	16.53	0.00	0.00	1222.21	261.71	1276.78	2760.71
96	397.12	55.20	92.00	617.72	15.70	0.00	0.00	1177.75	273.10	1378.45	2829.30
97	374.91	51.30	87.47	610.94	14.92	0.00	0.00	1139.53	285.39	1488.61	2913.54
98	336.38	45.40	81.91	600.62	14.17	0.00	0.00	1078.48	298.23	1582.05	2958.76
99	309.64	41.40	76.42	577.84	13.46	0.00	0.00	1018.76	311.65	1679.59	3010.00
00	284.33	36.40	72.07	562.10	12.79	0.00	0.00	967.69	325.67	1781.30	3074.67
01	264.92	32.20	68.08	545.30	12.15	0.00	0.00	922.66	340.00	1866.99	3129.65
02	239.83	26.80	63.86	515.75	11.54	0.00	0.00	857.78	354.96	1974.48	3187.23
03	212.85	21.10	59.56	491.54	10.97	0.00	0.00	796.02	370.58	2086.70	3253.30
04	185.80	17.30	55.48	463.59	10.42	0.00	0.00	732.59	386.89	2203.96	3323.44
05	164.82	15.57	51.32	427.06	9.90	0.00	0.00	668.67	403.91	2326.41	3398.99

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
	TOTAL REVS INCL	PUB SCH	NPR-A	OTHER	PERM FUND	——REVENUES—— GEN FUND	TOTAL	-ROYALTIES SUBJ TO- -PERM FUND CONTRIB-		ROYALTY PF
FY	PERM FUND	FUND	FUND	FUNDS	CONTRI	UNRESTRD	SUSTAIN	@25 PCT	@50 PCT	CONTRIB
81	4260.70	7.50	0.00	74.30	385.13	3718.17	563.80	1501.60	0.00	358.30
82	4885.30	8.00	0.00	0.00	400.52	4108.38	902.10	1553.20	0.00	388.30
83	4532.50	9.40	0.00	0.00	421.00	3631.00	844.30	1447.40	0.00	361.80
84	4294.80	9.00	0.00	0.00	366.28	3390.02	907.00	1409.00	0.00	354.60
85	4298.30	7.10	5.40	0.00	368.00	3260.00	939.70	1350.30	0.00	349.50
86	4491.41	6.52	41.00	0.00	347.76	3075.26	1222.09	1200.61	-76.32	261.99
87	3051.09	3.36	9.90	0.00	170.33	1798.91	1325.36	586.59	5.10	149.20
88	3536.91	6.60	1.00	15.76	417.85	2305.72	843.36	876.14	84.59	261.33
89	2916.37	3.37	1.00	0.00	178.67	1814.07	895.76	621.75	13.24	162.06
90	2563.26	3.01	1.00	0.00	155.23	1387.52	847.31	569.85	12.74	148.83
91	2542.54	3.15	1.00	0.00	161.87	1388.84	785.48	595.46	13.95	155.84
92	2633.74	3.30	1.00	0.00	169.52	1405.47	857.47	624.03	15.60	163.81
93	2695.30	3.37	1.00	0.00	172.56	1395.77	907.08	640.48	14.04	167.14
94	2735.33	3.34	0.50	0.00	170.65	1366.84	961.66	635.33	13.13	165.40
95	2760.71	3.24	0.00	0.00	165.09	1323.35	1019.28	615.77	12.07	159.98
96	2829.30	3.19	0.00	0.00	162.69	1292.59	1093.79	604.07	13.65	157.84
97	2913.54	3.15	0.00	0.00	161.38	1267.92	1164.84	594.81	16.13	156.77
98	2958.76	3.10	0.00	0.00	158.66	1222.05	1226.38	584.10	16.52	154.28
99	3010.00	2.99	0.00	0.00	152.47	1181.66	1301.05	562.44	15.40	148.31
00	3074.67	2.91	0.00	0.00	148.18	1148.63	1379.06	547.25	14.85	144.24
01	3129.65	2.83	0.00	0.00	143.60	1122.19	1448.50	531.17	14.13	139.86
02	3187.23	2.68	0.00	0.00	134.55	1081.05	1540.07	507.52	8.23	131.00
03	3253.30	2.56	0.00	0.00	128.18	1041.00	1627.53	483.88	7.66	124.80
04	3323.44	2.42	0.00	0.00	120.74	1001.03	1719.28	457.04	6.55	117.53
05	3398.99	2.24	0.00	0.00	111.08	963.57	1815.51	421.98	5.08	108.04

HIGH CASE SCENARIO
(Millions of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
FY	SEVERANCE TAX	PROPERTY TAX	OIL&GAS INC TAX	ROYALTIES	MINERAL RENTS	BONUS SALES	SPECIAL PETRO SETTLEMENTS	PETROLEUM REVENUES	NON-PETR NON-INTR REVENUES	INTEREST REVENUES	TOTAL REVS INCL PERM FUND
81	1170.20	143.00	860.10	1501.60	7.90	14.10	0.00	3696.90	186.10	377.70	4260.70
82	1581.70	142.70	668.90	1553.20	26.40	10.30	0.00	3983.20	209.00	693.10	4885.30
83	1493.70	152.60	236.00	1447.40	54.20	73.10	0.00	3457.00	228.60	846.90	4532.50
84	1393.10	131.00	265.10	1409.00	21.90	16.70	0.00	3236.80	245.80	812.20	4294.80
85	1389.40	128.40	168.60	1390.30	23.70	23.60	0.00	3124.00	283.00	891.30	4298.30
86	1108.40	113.50	133.91	1124.30	42.00	70.10	460.73	3052.94	222.40	1216.07	4491.41
87	648.50	102.50	120.40	591.70	28.30	1.00	85.21	1577.61	243.00	1230.45	3051.06
88	818.70	96.20	158.00	960.73	22.90	11.30	322.90	2390.73	223.60	922.57	3536.90
89	644.19	90.10	137.54	761.57	21.90	20.30	221.17	1896.77	222.30	1132.29	3251.36
90	732.84	86.00	138.22	919.84	21.50	0.00	0.00	1898.40	218.10	1181.72	3298.23
91	728.82	82.30	143.55	961.80	20.80	0.00	0.00	1937.27	222.00	1064.90	3224.17
92	749.14	78.00	149.37	1050.25	19.76	0.00	0.00	2046.52	235.09	1320.80	3602.41
93	798.65	72.20	157.25	1211.64	18.77	0.00	0.00	2258.51	248.96	1440.07	3947.54
94	824.93	66.00	165.60	1302.90	17.83	0.00	0.00	2377.27	263.65	1567.92	4208.84
95	835.45	60.50	171.35	1354.39	16.94	0.00	0.00	2438.63	279.21	1705.42	4423.26
96	845.76	55.20	176.23	1423.46	16.09	0.00	0.00	2516.74	296.24	1888.24	4701.23
97	852.94	51.30	181.63	1503.64	15.29	0.00	0.00	2604.80	314.90	2089.86	5009.57
98	810.91	45.40	190.25	1604.52	14.53	0.00	0.00	2665.61	334.74	2273.37	5273.72
99	783.46	41.40	200.86	1668.23	13.80	0.00	0.00	2707.75	355.83	2470.99	5534.57
00	758.56	36.40	210.97	1729.88	13.11	0.00	0.00	2748.92	378.25	2682.93	5810.10
01	715.86	32.20	218.61	1754.36	12.45	0.00	0.00	2733.49	402.27	2921.82	6057.58
02	672.73	26.80	220.00	1733.57	11.83	0.00	0.00	2664.93	428.01	3177.56	6270.50
03	643.16	21.10	222.63	1757.71	11.24	0.00	0.00	2655.84	455.41	3437.29	6548.53
04	596.16	17.30	227.79	1673.27	10.68	0.00	0.00	2525.20	484.55	3711.34	6721.09
05	561.50	15.57	232.64	1591.00	10.14	0.00	0.00	2410.86	515.56	4000.08	6926.50

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
	TOTAL REVS INCL					——REVENUES——		-ROYALTIES SUBJ TO-		ROYALTY
		PUB SCH	NPR-A	OTHER	PERM FUND	GEN FUND	TOTAL	-PERM FUND CONTRIB-		PF
FY	PERM FUND	FUND	FUND	FUNDS	CONTRI	UNRESTRD	SUSTAIN	@25 PCT	@50 PCT	CONTRIB
81	4260.70	7.50	0.00	74.30	385.13	3718.17	563.80	1501.60	0.00	358.30
82	4885.30	8.00	0.00	0.00	400.52	4108.38	902.10	1553.20	0.00	388.30
83	4532.50	9.40	0.00	0.00	421.00	3631.00	844.30	1447.40	0.00	361.80
84	4294.80	9.00	0.00	0.00	366.28	3390.02	907.00	1409.00	0.00	354.60
85	4298.30	7.10	5.40	0.00	368.00	3260.00	939.70	1350.30	0.00	349.50
86	4491.41	6.52	41.00	0.00	347.76	3075.26	1222.10	1200.61	-76.32	261.99
87	3051.06	3.36	9.90	0.00	170.33	1798.92	1325.31	586.59	5.10	149.20
88	3536.90	6.41	1.00	15.76	417.86	2305.89	843.36	876.14	84.59	261.33
89	3251.36	4.01	1.00	0.00	210.92	2016.54	968.71	745.70	15.87	194.36
90	3298.23	4.70	1.00	0.00	241.32	1936.68	893.51	899.80	20.04	234.97
91	3224.17	4.91	1.00	0.00	252.07	1931.19	786.83	940.02	21.78	245.90
92	3602.41	5.35	1.00	0.00	275.36	2016.22	996.52	1022.47	27.78	269.51
93	3947.54	6.16	1.00	0.00	318.38	2199.88	990.92	1171.91	39.73	312.84
94	4208.84	6.61	0.50	0.00	343.15	2309.51	1071.92	1254.68	48.22	337.78
95	4423.26	6.87	0.00	0.00	356.14	2374.15	1159.15	1305.07	49.32	350.93
96	4701.23	7.22	0.00	0.00	373.61	2452.55	1272.78	1372.27	51.19	368.66
97	5009.57	7.62	0.00	0.00	394.18	2539.48	1381.68	1449.36	54.28	389.48
98	5273.72	8.12	0.00	0.00	426.80	2587.39	1477.51	1519.67	84.85	422.34
99	5534.57	8.44	0.00	0.00	447.03	2630.37	1596.83	1565.28	102.95	442.80
00	5810.10	8.75	0.00	0.00	467.85	2673.09	1724.22	1604.41	125.47	463.84
01	6057.58	8.87	0.00	0.00	473.16	2676.22	1867.22	1631.34	123.02	469.34
02	6270.50	8.77	0.00	0.00	466.52	2639.68	2014.56	1615.53	118.04	462.90
03	6548.53	8.89	0.00	0.00	473.88	2650.39	2163.42	1633.62	124.09	470.45
04	6721.09	8.47	0.00	0.00	452.20	2569.91	2327.00	1550.74	122.53	448.95
05	6926.50	8.06	0.00	0.00	432.73	2505.51	2499.45	1463.41	127.59	429.65

ALASKA PERMANENT FUND PROJECTIONS

- LOW CASE SCENARIO -

(Millions of Dollars)

	PRINCIPAL						INCOME						
		CONTRIBUTED EQUITY						DISTRIBUTIONS			RESERVES		
FY	Begin Balance	Appro-priations	Dedicated Revenues	Inflation Proofing	End Balance	Inflation Proofing Shortfall	Net Income	Dividends	Per Capita Dividends($)	Inflation Proofing	Add (Delete)	End Balance	FY
89	8,585		152	349	9,086		844	460	$840.05	349	35	626	89
90	9,086		72	458	9,616		812	477	$862.03	458	(122)	504	90
91	9,616		83	582	10,280		958	471	$842.33	582	(95)	408	91
92	10,280		89	622	10,991		1,012	466	$824.47	622	(77)	332	92
93	10,991		88	665	11,743		1,071	493	$864.62	665	(87)	245	93
94	11,743		85	710	12,538		1,134	524	$909.80	710	(100)	145	94
95	12,538		81	757	13,376		1,199	564	$972.16	757	(122)	23	95
96	13,376		77	693	14,146	114	1,266	597	$1,018.76	693	(23)		96
97	14,146		74	706	14,926	147	1,337	631	$1,067.47	706			97
98	14,926		69	744	15,739	156	1,410	666	$1,117.29	744			98
99	15,739		65	783	16,587	165	1,486	703	$1,168.57	783			99
00	16,587		62	824	17,473	175	1,566	742	$1,221.42	824			00
01	17,473		58	867	18,399	185	1,649	782	$1,275.79	867			01
02	18,399		55	912	19,366	195	1,737	824	$1,331.95	912			02
03	19,366		51	960	20,377	205	1,828	868	$1,389.66	960			03
04	20,377		47	1,009	21,433	217	1,923	914	$1,451.28	1,009			04
05	21,433		43	1,060	22,536	228	2,022	962	$1,516.15	1,060			05

Source: Alaska Permanent Fund Corporation

In accordance with 37.07.060(b)(4), Revenue Sources is compiled annually to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature. Since fiscal year (FY) 1975, responsibility for compiling and publishing this summary of State Revenues has come under the Department of Revenue's jurisdiction. Within the publication are shown prior year actuals, revised current year estimates, and upcoming year projections.

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

The Department of Revenue thanks the various State agencies for their cooperation in computing anticipated revenues for publication in this document.