

**Revenue Sources
FY 1986-89**

**QUARTERLY UPDATE
SEPTEMBER, 1986**

**Alaska
Department of Revenue**

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

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October 3, 1986

To the Reader of the Revenue Sources FY 86-89 (September 1986) and
Petroleum Production Revenue Forecast (September 1986)

The revenue forecast presented in these publications has been prepared by economists and research staff of the Department of Revenue in accordance with the highest professional standards. It has been reviewed and adopted by myself as the Department's best judgment of revenues to be received by the State of Alaska over the prescribed forecast period. The Department of Revenue has historically been and remains solely and exclusively responsible for the preparation of these quarterly forecasts. The experience of recent years involving frequent and significant revisions in estimated revenues is due to the inherent difficulty of predicting the movements in the price of crude oil--a commodity whose volatility over the last decade cannot be exaggerated. This volatility combined with the State of Alaska's almost complete dependence on oil revenues, which in recent years account for almost 85 percent of total revenues, can sometimes lead to dramatic and unavoidable changes in the forecast.

Sincerely,



Milton B. Barker
Acting Commissioner of Revenue

ALASKA'S REVENUE SOURCES

Compiled by Research Section

Department of Revenue

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Revenue Summary

In Thousands of Current Dollars

	FY 1986 Prel. Actual <u>September</u>	FY 1987 Estimate <u>September</u>	FY 1988 Estimate <u>September</u>	FY 89 Estimate <u>September</u>
Total General Fund Unrestricted Revenues (p. 5)	<u>2,681,900</u>	<u>1,408,600</u>	<u>1,273,600</u>	<u>1,262,500</u>
Total General Fund Restricted Revenues (p. 8)	<u>322,200</u>	<u>424,100</u>	<u>425,100</u>	<u>N/A</u>
Total General Fund Revenues (p. 8)	<u>3,004,100</u>	<u>1,832,700</u>	<u>1,698,700</u>	<u>N/A</u>
Alaska Permanent Fund (p. 9)	<u>323,500</u>	<u>1,377,300</u>	<u>129,700</u>	<u>142,400</u>

General Fund Unrestricted Revenues

In Thousands of Current Dollars

*for rate on bus no. 10000
see page 10000*

Taxes	FY 1986 Prel. Actual September	FY 1987 Estimate September	FY 1988 Estimate September	FY 1989 Estimate September
Income				
Corporate-General	11,200	17,000 ¹⁴	16,000 ¹⁵	15,500
Corporate-Petroleum	133,900	130,000	110,000	110,000
Gross Receipts		<i>111,000</i>		
Alaska Business License	2,100	2,000	2,000	2,000
Fish-Canned Salmon (1)	3,500	2,500	2,300	2,300
Fish-Shorebased (1)	10,100	11,500	10,500 ¹³	10,500
Fish-Floating	7,500	8,000	8,000 ¹²	8,000
Seafood Marketing	1,100	1,200	1,200	1,200
Salmon Enhancement	4,300	3,800 ⁸	3,800 ⁴	3,800 ⁴
Insurance Companies(2)	21,100	20,000	19,600	19,200
Electric & Telephone Co-ops	1,900	1,900	1,900	1,900
Mining License Tax	300	300	400	400
Severance				
Oil & Gas Production (3)	1,107,900	470,600	418,900	434,800
Oil & Gas Conservation	500	700	600	600
Property				
Oil & Gas	113,500	89,000	81,000	70,700
Sale/Use				
Alcoholic Beverages	13,300	12,800	12,300	12,000
Fuel Taxes-Aviation (4)	8,100	8,000	8,000	8,000
Fuel Taxes-Highway (4)	22,700	21,500	21,000	20,500
Fuel Taxes-Marine (4)	5,300	4,300	4,300	4,300
Tobacco Products (5)	4,900	7,000	6,600	6,400
Other				
Estate	700	600 ⁷	600	600
Total Taxes	<u>1,473,900</u>	<u>812,700</u>	<u>729,000</u>	<u>732,700</u>
Licenses & Permits				
Business	11,300	11,000 ¹⁰	11,000	11,000
Non-Business (6)	18,000	21,000	21,000	21,000
Total Licenses & Permits	<u>29,300</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>
Intergovernmental Receipts				
Federal Shared Revenues (7)	<u>8,000</u> ^{14.5}	<u>7,500</u> ^{8.5}	<u>7,500</u> ^{8.5}	<u>7,000</u> ^{8.5}
State Resource Revenue				
Sale/Use				
Bonus Sales (7) (8) (9) (10)	34,700	2,400	-0-	-0-
Investment Earnings (11)	195,000	160,000	60,000	10,000
Rents (7) (8) (9) (10)	6,200	6,000 ^{8.5}	6,000 ^{8.5}	6,000
Royalties (3) (7)	863,500 ^{8.5}	311,300	367,600	403,300
Sale of State Property	8,700	8,500	9,000	9,000
Gravel, Timber, etc. (12)	3,000 ^{2.9}	8,400 ⁸	2,400 ^{2.5}	2,400
Facilities Related Charges				
Airports	1,500	1,600	1,600	1,600
Ferry System-Southeast	27,000 ^{2.5}	29,000	29,000	29,000
Ferry System-Southwest	3,800	3,800	3,800	3,800
Other	5,400 ^{2.2}	5,000	5,000	5,000

Service Related Charges

Court System	5,100	5,400 ^{5.3}	5,700 ^{5.4}	5,700 ^{5.2}
Other	4,100	5,000 ^{4.8}	5,000 ^{4.7}	5,000 ^{4.8}
<u>Total State Resources</u>				
Revenues	1,158,000	546,400	495,100	480,800
<u>Miscellaneous Revenues</u>	12,700	10,000	10,000	10,000
<u>Total Unrestricted Revenues (13)(14)(15)</u>	<u>2,681,900</u>	<u>1,408,600</u>	<u>1,273,600</u>	<u>1,262,500</u>

(1) The FY 87, FY 88, and FY 89 figures are reduced to reflect the recent enactment of a shorebased fisheries business tax credit per Ch. 75, SLA 1986. The Act took effect July 1, 1986.

(2) The FY 87, FY 88, and FY 89 figures reflect the enactment of Ch. 118, SLA 1986 which set the tax for domestic and foreign insurers, except hospital and medical service corporations, at 2.7 percent. Previously domestic insurers were taxed at a 1.5 percent rate and foreign insurers at 3.0 percent.

(3) The forecasted numbers for FY 87, FY 88, and FY 89 assume the 30 percent case; however, if the mean case had been utilized for FY 87, FY 88, and FY 89, the production taxes would change to \$543.1 million, \$561.4 million and \$598.5 million, respectively. The royalty figures would change to \$372.0 million and \$482.2 million, and \$549.6 million, respectively. All of the forecasted numbers include the estimated TAPS settlement.

(4) Revenues from the three main categories of fuel tax are shown separately. However, under the provisions of AS 43.40.010(h), all refunds are made from the highway fuel tax account. If gross collections of highway fuel taxes remain constant, an increase in refunds for aviation and marine fuels could lower the net revenues shown for highway fuels. Also, increasing use is being made of tax credits, which can be taken in lieu of claiming a refund on certain non-taxable use of fuel (15 AAC 40.200). The FY 86 figure includes revenue for marine fuel tax collections on fuel purchased out-of-state but which is used in Alaska waters. A number of returns for taxes levied on in-state usage are currently in the appeal process and FY 87, FY 88, and FY 89 revenues will not be revised upward until that process is completed.

(5) Ch. 24, SLA 1985 raised the General Fund portion of the cigarette tax from a rate of 1-1/2 mills (\$.0015) to 5-1/2 mills (\$.0055) per cigarette. The Act took effect October 1, 1985.

(6) The FY 87, FY 88 and FY 89 figures reflect the recent enactment of Ch. 60, SLA 1986 which would increase driver licensing fees and vehicle registration fees. The Act will become effective September 1, 1986.

(7) Net Permanent Fund contribution by Ch. 18 SLA 1980.

(8) Reflects state lease sales of \$16.3 million held September 24, 1985 (Sale 45A-North Slope Onshore and Sale 47 - Kuparuk Uplands), \$3.0 million held February 25, 1986 (Sale 48 - Kuparuk Uplands and Sale 48A - Mikkelsen), and \$0.9 million held June 24, 1986 (Sale 49 - Cook Inlet). Due to the timing of collections, receipts from the June 1986 lease sale are shown as FY 87 revenue. The FY 87, FY 86, and FY 89 figures represent the General Fund's 49.5 percent share.

(9) The FY 86 figure reflects the OCS "6(g)" revenue-sharing settlement of \$51.4 million. The General Fund share represents 49.5 percent of the aforementioned total, whereas the Permanent Fund will receive 50.0 percent. The remaining 0.5 percent will be distributed to the Public School Fund. An additional \$4.0 million is reflected in FY 87.

(10) The Department of Natural Resources projects the following FY 87, FY 88, and FY 89 state lease sales: FY 87 (Sale 51 - Prudhoe Bay Uplands, Sale 50 - Camden Bay); FY 88 (Sale 53 - Icy Cape, Sale 46 - Holitna Basin, Sale 54 - Kuparuk Uplands, Sale 62 - Cook Inlet, Sale 55 - Demarcation Point); and FY 89 (Sale 56 - Alaska Peninsula, Sale 57 - North Slope Foothills, Sale 45 - Hope Basin). However, bonus bids are impossible to anticipate prior to sales; therefore, no estimates are provided.

(11) The FY 88 estimate for investment earnings assumes that the balances of certain funds and accounts which are commingled with the General Fund for investment may not be drawn down to meet General Fund cash expenditure needs in FY 87. Should the budget reserve fund or the railbelt energy fund be appropriated for other purposes or should the attorney general opine that certain of the commingled funds and accounts may be drawn down for General Fund expenditures in FY 87, the FY 88 estimate for investment earnings would be significantly reduced. Estimates for investment earnings for FY 88 and FY 89 do assume that moneys from these accounts and funds will be appropriated and spent in those years.

(12) Estimates reflect increased construction of roads and drilling pads as projected by the Department of Natural Resources; however, some of these projects may be delayed or changed due to permit denials or environmental impact statement requests.

(13) The State, per AS 36.05.180, will be granting incentive credits against royalties, severance taxes, and rentals to the oil companies for drilling exploratory wells. The deduction is approximately \$0.7 million which has not been subtracted from the aforementioned FY 86 figure of \$2,681.9 million and approximately \$2.9 million which has not been subtracted from the aforementioned FY 87 figure of \$1,406.6 million. Additional credits are anticipated in subsequent years.

(14) The FY 86 figure does not include the \$245 million the State received from the ARCO settlement on January 15, 1986.

(15) The FY 86 and FY 87 figures do not include the estimated General Fund portion from refunds and expenses for prior years, relative to the TAPS case. It is assumed that approximately \$149.8 million will be received during FY 86 and approximately \$66.0 million during FY 87.

Revenue Breakdown

The total General Fund unrestricted revenues for Fiscal Year 1986 preliminary actuals were \$2,681.9 million with Fiscal Years 1987, 1988, and 1989 projected to be \$1,408.6 million, \$1,273.6 million, and \$1,262.5 million, respectively.

The following table depicts a breakdown of General Fund unrestricted revenues in terms of petroleum versus non-petroleum revenues based on the September estimates:

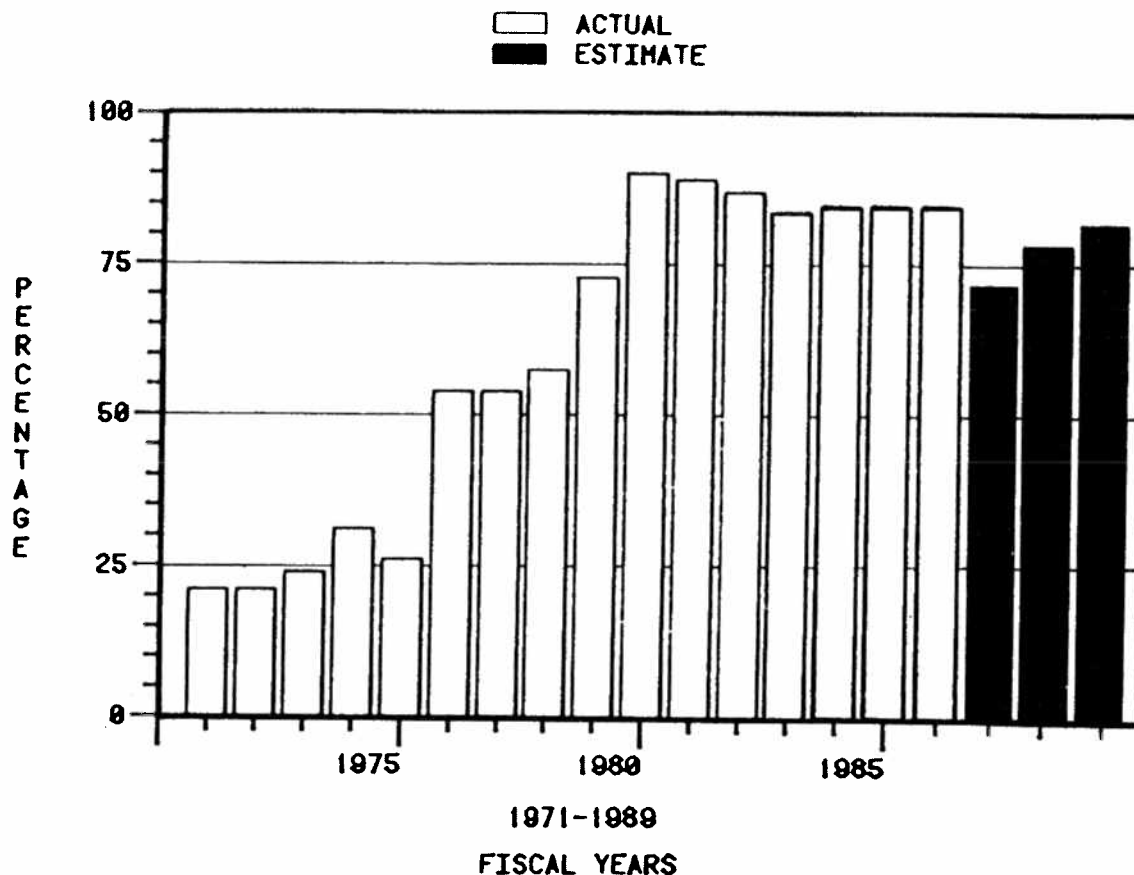
Petroleum vs. Non-Petroleum Revenues

(In Millions of Current Dollars)

	<u>Petroleum Revenues</u>			
	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
Corporate Petroleum	133.9	130.0	110.0	110.0
Severance Tax	1,108.4	471.3	419.5	435.4
Royalties	863.5	311.3	367.6	403.3
Property Tax	113.5	89.0	81.0	70.7
Bonus Sale	34.7	2.4	-0-	-0-
Rents	4.2	4.0	4.0	4.0
Intergovernmental Receipts	7.8	7.3	7.3	6.8
	<u>2,266.0</u>	<u>1,015.3</u>	<u>989.4</u>	<u>1,030.2</u>
	<u>Non-Petroleum Revenues</u>			
	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
Taxes	118.1	122.4	118.5	116.6
Licenses & Permits	29.3	32.0	32.0	32.0
Intergovernmental Receipts	.2	.2	.2	.2
State Resources Revenues	255.6	228.7	123.5	73.5
Miscellaneous Revenues	12.7	10.0	10.0	10.0
	<u>415.9</u>	<u>393.3</u>	<u>284.2</u>	<u>232.3</u>
Total	<u>2,681.9</u>	<u>1,408.6</u>	<u>1,273.6</u>	<u>1,262.5</u>

Petroleum Revenues

Historical Comparison of General Fund Unrestricted Petroleum Revenues as Percentages of General Fund Unrestricted Revenues (in Millions of Current Dollars)



<u>Fiscal Year</u>	<u>Total General Fund Unrestricted Revenues</u>	<u>Total General Fund Unrestricted Petroleum Revenues</u>	<u>Percent</u>
1971	220.4	47.0	21
1972	219.2	48.4	22
1973	208.2	50.3	24
1974	254.9	80.2	31
1975	333.4	90.4	27
1976	709.8	391.5	55
1977	874.3	477.6	55
1978	764.9	441.5	58
1979	1,133.0	821.6	73
1980	2,501.2	2,256.5	90
1981	3,718.2	3,304.3	89
1982	4,108.4	3,574.8	87
1983	3,631.0	3,026.6	83
1984	3,390.1	2,861.6	84
1985	3,260.0	2,743.5	84
1986*	2,681.9	2,266.0	84
1987**	1,408.6	1,015.3	72
1988**	1,273.6	989.4	78
1989**	1,262.5	1,030.2	82

* Preliminary Actual

** Estimate

Restricted Revenues

In Thousands of Current Dollars

	FY 1986 Prel. Actual <u>September</u>	FY 1987 Estimate <u>September</u>	FY 1988 Estimate <u>September</u>	FY 1989 Estimate <u>September</u>
<u>Federal Grants-in-Aid</u>				
Education	42,400	65,500	65,500	N/A
Social Services	125,200	137,000	138,300	N/A
Health	3,200	8,500	8,400	N/A
Natural Resources	17,900	19,600	20,200	N/A
Pub. Prot./Admin. of Justice	7,700	7,600	7,200	N/A
Development/General Government	9,300	600	500	N/A
Transportation	<u>88,500</u>	<u>150,000</u>	<u>150,000</u>	<u>N/A</u>
Total Federal Grants-in-Aid	<u>294,200</u>	<u>388,800</u>	<u>390,100</u>	<u>N/A</u>
<u>Other Grants-in-Aid</u>				
Education	1,400	1,600	1,600	N/A
Health/Social Services	4,300	6,200	6,000	N/A
Natural Resources	1,400	700	700	N/A
Pub. Prot./Admin. of Justice	2,000	2,600	2,300	N/A
Development/General Government	3,600	8,100	8,100	N/A
Transportation	<u>800</u>	<u>1,400</u>	<u>1,500</u>	<u>N/A</u>
Total Other Grants-in-Aid	<u>13,500</u>	<u>20,600</u>	<u>20,200</u>	<u>N/A</u>
Miscellaneous Restricted Revenue-All Categories	<u>14,500</u>	<u>14,700</u>	<u>14,800</u>	<u>N/A</u>
Total Restricted Revenue ^{1/}	<u>322,200</u>	<u>424,100</u>	<u>425,100</u>	<u>N/A</u>
Total Unrestricted Revenue	<u>2,681,900</u>	<u>1,408,600</u>	<u>1,273,600</u>	<u>1,262,500</u>
Total General Fund Revenue	<u>3,004,100</u>	<u>1,832,700</u>	<u>1,698,700</u>	<u>N/A</u>

N/A Not Available

^{1/} Restricted Revenue figures may not agree with those shown in the Governor's budget due to categorical differences between the budget and accounting system.

Special Funds

In Thousands of Current Dollars

	FY 1986 Prel. Act. <u>September</u>	FY 1987 Estimate <u>September</u>	FY 1988 Estimate <u>September</u>	FY 1989 Estimate <u>September</u>
<u>Enterprise Funds</u>				
Agriculture Loan Fund	1,200	1,300	1,300	N/A
Alternative Tech. and Energy Loan Fund	700	600	500	N/A
Bulk Fuel Loan Fund	-0-	-0-	-0-	N/A
Child Care Facility Loan Fund	100	100	100	N/A
Commercial Fish Loan Fund	6,300	5,100	4,700	N/A
Fisheries Enhancement Loan Fund	-0-	-0-	200	N/A
Fisheries Product Loan Fund	-0-	-0-	-0-	N/A
Historical District Loan Fund	-0-	-0-	-0-	N/A
International Airport Revenue Fund	52,500	54,200	59,000	N/A
Medical Malpractice Loan Fund	-0-	-0-	-0-	N/A
Mining Loan Fund	1,200	700	500	N/A
Power Development Loan Fund	1,700	10,600	12,800	N/A
Power Project Loan Fund	-0-	2,600	5,000	N/A
Residential Energy Cons. Loan Fund	200	200	200	N/A
Rural Electrification Loan Fund	100	100	100	N/A
Scholarship Loan Fund	2,800	2,600	3,200	N/A
Small Business Loan Fund	2,400	3,000	2,800	N/A
Tourism Loan Fund	400	200	200	N/A
World War II Veterans Loan Fund	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	N/A
Total Enterprise Funds	<u>70,600</u>	<u>82,300</u>	<u>91,600</u>	N/A
<u>Special Revenue Funds</u>				
Alaska Permanent Fund (1) (2) (3) (4)	323,500	1,377,300 (3)	129,700	142,400
Public School Fund (1)(2) (3)	6,600	2,100	2,600	2,800
Revenue Sharing Fund	-0-	-0-	-0-	-0-
NPR-A Special Revenue Fund (1)	16,700	9,000	1,000	1,000
Fish and Game Fund	7,800	7,900	8,200	N/A
Marine Coastal Damage Fund	-0-	-0-	-0-	N/A
School Fund	2,800	3,200	3,000	2,900
Training & Building Fund	<u>900</u>	<u>600</u>	<u>600</u>	N/A
Total Special Revenue Funds	<u>358,300</u>	<u>1,400,100</u>	<u>145,100</u>	N/A
Total Special Funds	<u>428,900</u>	<u>1,482,400</u>	<u>236,700</u>	N/A

N/A Not Available

(1) FY 86 and FY 87 figures reflect reallocation of funds from the Permanent Fund (\$24.3 million) and the Public School Fund (\$0.2 million) to the NPRA Fund per Ch. 53, SLA 1986.

(2) Not included in the FY 87 figures are additional estimated amounts from refunds and expenses for prior years, relative to the TAPS case, due the Alaska Permanent Fund (approximately \$10.4 million) and the Public School Fund (approximately \$0.2 million respectively).

(3) The FY 86 and FY 87 figures reflect the OCS "8(g)" revenue sharing settlement payments to the Permanent Fund (\$25.7 million and \$2.0 million respectively) and the Public School Fund (\$0.3 million and \$0.02 million respectively).

(4) The FY 87 figure reflects Ch. 25, SLA 1986 which appropriated approximately \$1.264.4 million from the Undistributed Income Account to the Permanent Fund principal, effective July 1, 1986.

Alaska Permanent Fund

In Thousands of Current Dollars

Permanent Fund Principal

FY	Mineral Revenues	Appropriations	Inflation Proofing	Total Contributions(1)	Balance (1)
1977	4,000	-0-	-0-	4,000	4,000
1978	50,500	-0-	-0-	50,500	54,500
1979	83,900	-0-	-0-	83,900	138,400
1980	344,800 (2)	-0-	-0-	344,800	483,200
1981	385,100	900,000	-0-	1,285,300	1,768,500
1982	400,500	800,000	-0-	1,200,500	2,969,000
1983	421,000	400,000	231,200	1,052,200	4,021,200
1984	366,200	300,000	150,900	817,100	4,838,300
1985	368,000	300,000	234,600	902,600	5,740,900
1986	323,500 (3)	-0-	216,400	539,900	6,280,800
1987	8,300 (4)	1,264,400 (5)	-0-	1,272,700 (4)	7,553,500 (4)

Earnings Distribution

FY	General Fund	Dividend Account	Inflation Proofing	Undistributed Income Account	Total Earnings
1977	-0-	-0-	-0-	-0-	-0-
1978	1,300	-0-	-0-	-0-	1,300
1979	6,500	-0-	-0-	-0-	6,500
1980	11,800	11,800	-0-	-0-	23,700
1981	27,500	27,500	-0-	31,200	86,200
1982	71,100	71,100	-0-	174,700	317,000
1983	109,500 (6)	107,900	231,200	22,500	471,100
1984	-0-	175,000	150,900	203,600	529,500
1985	-0-	217,300	234,600	205,900	657,800
1986	-0-	303,400 (7)	216,400	491,600	1,011,400

(1) Includes transfer of net investment gains/losses to principal and citizen contributions.

(2) Includes \$114.5 million as 25 percent of bonuses and rentals for the undisputed state portion of the Beaufort Sea Lease Sale. Litigation over the legality of that sale is still pending.

(3) Reflects reallocation of funds (\$24.3 million) from the Permanent Fund to the NPRA Fund, per Ch. 53, SLA 1986.

(4) Represents cumulative balance as of August 31, 1986.

(5) Reflects Ch. 25, SLA 1986 which appropriated \$1,264.4 million from the Undistributed Income Account (Earnings Reserve Account) to the Permanent Fund Principal, effective July 1, 1986.

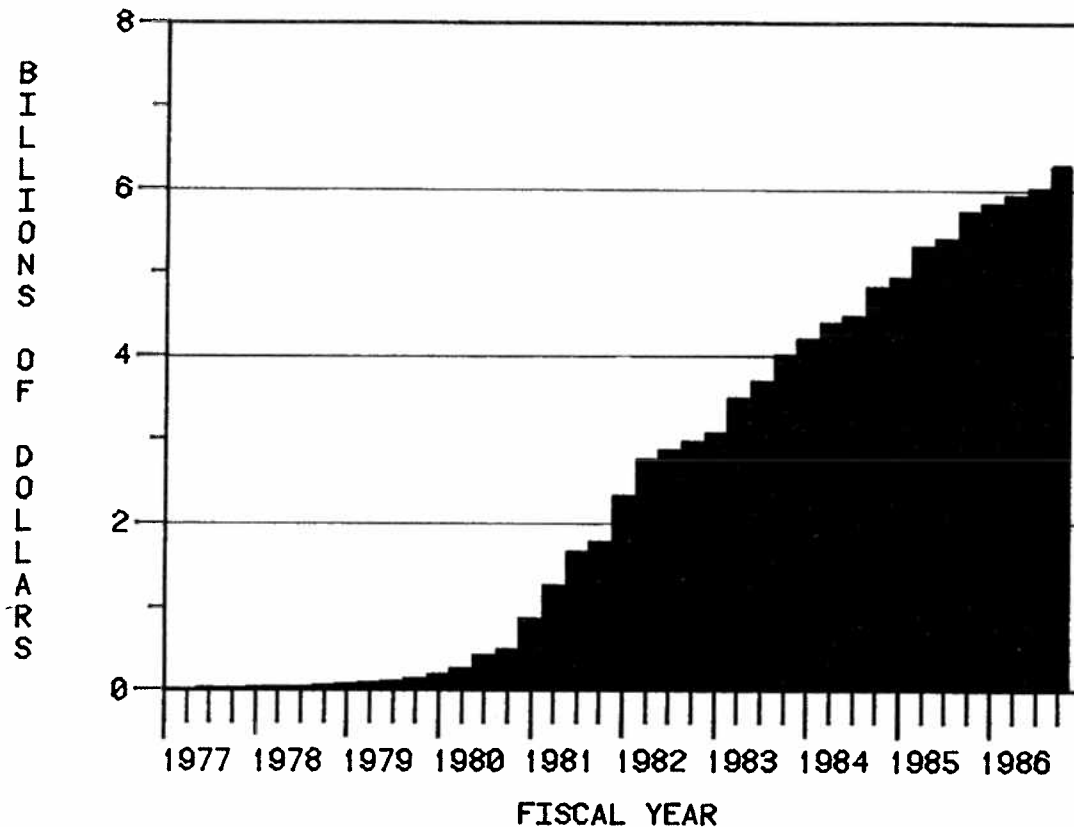
(6) Ch. 81, SLA 1982 provided transitional procedures whereby an amount equal to the distributable income for 1983 would be transferred from the Undistributed Income Account to the General Fund. This would then be the final General Fund contribution which is not destined for the dividend program.

(7) Ch. 129, SLA 1986 appropriated \$303,424,842 from net income to the Dividend Account for payment of 1986 Permanent Fund dividends (\$295,885,142 for 1986 dividend payments, \$3,328,000 for FY 87 administrative costs, and \$4,211,700 for hold harmless costs).

NOTE: Long range projections on the Permanent Fund are provided in Table 3, pages 17-20.

Alaska Permanent Fund

Historical Comparison of Cumulative Balance



Alaska Permanent Fund

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 to the Permanent Fund from 25 percent to 50 percent. As a result, any future revenues transferable from Beaufort Sea production and any future lease sale bonuses will be subject to the 50 percent rate. 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.

LONG-RANGE REVENUE PROJECTIONS

The following tables are part of the output from a simulation model named the Long-Run Fiscal Model (LRFM). These estimates are updated quarterly. Most of the revenue categories of this model are projected with other econometric or simulation models and are exogenous to the LRFM. In particular, the Research Section's model PETREV projected the severance taxes and royalties. A short-term oil and gas income tax model (OGIT) projected that tax through FY90 and a longer term model (PETREVD2) projected it through FY2005. The non-petroleum revenues other than interest were largely projected using a short-term econometric model (REVMOD) through FY88, then as an aggregate extended to FY2005 in LRFM. Two conditions are worth notice when using these projections. Those numbers in the near future can be regarded with greater confidence than those further out and all these projections are revised quarterly and are subject to change.

The assumptions of the LRFM pertinent to both of these tables follow.

1. The 30 percent revenue scenario of the PETREV model is used for petroleum severance taxes and royalties (unless otherwise noted).
2. The real non-petroleum, non-interest revenues' (explained below) growth rate will be zero percent from FY89 through FY2005.
3. The fiscal year inflation rate (based on the U. S. Consumer Price Index for All Urban Consumers) is 2.70 percent for FY86 and will be 2.84 percent for FY87, 4.23 percent for FY88 through FY92, 4.89 for FY93 through FY97, and 5.44 percent thereafter.
4. The real Permanent Fund (PF) interest rate on a fiscal year basis is 12.14 for FY86 and will be 7.00 in FY87, 5.00 in FY88, 4.50 in FY89, and 4.00 percent thereafter.
5. The Legislature will choose to appropriate exactly one-half of the distributable earnings of the PF for Permanent Fund Dividends.
6. The Legislature will choose not to appropriate the Earnings Reserve Account of the Permanent Fund.

Table 1 summarizes the source of estimated revenues and their destination, i.e. General Fund, Permanent Fund or other Special Funds. The second through seventh column of the first table are petroleum revenues and are summarized in column eight. The ninth column is the sum of all excise taxes (eg. alcohol and fuel taxes), fees for licenses and permits, intergovernmental receipts, state non-petroleum resource revenues and other miscellaneous revenues. Investment and interest revenues are presented in the tenth column of the table. Interest revenues are the sum of General Fund and Permanent Fund earnings. These two are broken out in the last two columns of this table (col. 23 & 24).

The sum of all revenues is the eleventh (repeated in the 13th) column of the table. This includes some revenues not subject to the budgetary process. In particular, Permanent Fund contributions (col. 17) and earnings (col. 24) must be subtracted along with special fund contributions (col. 14-15) to get the General Fund unrestricted revenues subject to the budgetary process. This number is presented in column 18. Some of the subtracted PF earnings, in particular, those used for PF dividends or deposited in the Earnings Reserve Account, can be appropriated.

Permanent Fund contributions are determined from royalties, mineral rents and bonus sales (col. 5-7, respectively). Columns 20 and 21 indicate which royalty amounts are subject to 25 or 50 percent contribution rates to the Permanent Fund. The total royal contribution is presented in column 22. This is added to the bonus sale contributions (50 percent) and mineral rent contributions (overall rate varies since rents are subject to either the 25 or 50 percent rate depending of the effective date of the lease) to get the total PF contribution (col. 17). Contribution rates are mandated in AS.37.13.010.

TABLE 1
(millions of current dollars unless otherwise noted)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FY	SEVERANCE TAX	PROPERTY TAX	OIL&GAS INC TAX*	ROYALTIES*	MINERAL RENTS	BONUS SALES	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	3696.90	186.10	377.70	4260.70
82	1581.70	142.70	668.90	1553.20	26.40	10.30	3983.20	209.00	693.10	4885.30
83	1493.70	152.60	236.00	1447.40	54.20	73.10	3457.00	228.60	846.90	4532.50
84	1393.10	131.00	265.10	1409.00	21.90	16.70	3236.80	245.80	812.20	4294.80
85	1389.40	128.40	168.60	1390.30	23.70	23.60	3124.00	283.00	891.30	4298.30
86*	1108.40	113.50	133.91	1175.40	35.10	70.10	2636.41	220.90	1206.37	4063.68
87	471.28	89.00	130.00	417.86	26.40	4.90	1139.44	233.30	867.13	2239.87
88	419.52	81.00	110.00	493.78	18.40	0.00	1122.70	223.90	822.47	2169.07
89	435.40	70.70	110.00	542.56	17.80	0.00	1176.46	222.30	776.17	2174.93
90	475.42	82.30	90.59	613.74	16.91	0.00	1278.96	231.70	772.29	2282.95
91	444.92	63.70	85.20	593.84	16.06	0.00	1203.72	241.50	814.10	2259.33
92	422.07	63.90	83.43	583.20	15.26	0.00	1167.87	251.72	861.36	2280.94
93	411.12	54.20	84.55	579.33	14.50	0.00	1143.70	264.03	985.84	2393.57
94	375.82	44.60	84.00	552.47	13.77	0.00	1070.66	276.94	1048.30	2395.90
95	353.37	37.60	79.04	530.73	13.08	0.00	1013.82	290.48	1113.45	2417.76
96	333.06	25.10	78.63	524.46	12.43	0.00	973.68	304.69	1181.07	2459.44
97	314.64	98.00	77.95	511.23	11.81	0.00	1013.63	319.59	1251.77	2584.99
98	290.00	80.80	72.49	496.46	11.22	0.00	950.96	336.97	1407.59	2695.52
99	262.61	57.60	66.21	471.40	10.66	0.00	868.48	355.30	1494.64	2718.43
00	237.70	34.50	60.36	445.71	10.12	0.00	788.40	374.63	1585.00	2748.03
01	209.85	28.20	54.79	414.72	9.62	0.00	717.17	395.01	1678.67	2790.86
02	188.52	45.40	49.41	381.01	9.14	0.00	673.48	416.50	1775.73	2865.71
03	171.89	12.80	44.44	350.76	8.68	0.00	588.58	439.16	1875.68	2903.41
04	139.09	10.00	40.04	319.82	8.25	0.00	517.19	463.05	1979.88	2960.12
05	58.28	6.40	36.04	198.87	7.83	0.00	307.43	488.24	2086.27	2881.93

* Mean case royalties, severance taxes & oil & gas corporate income taxes in 1986.

(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
FY	TOTAL REVS	PUB SCH	NPR-A	RENEW RES	PERM FUND	-----REVENUES-----		-ROYALTIES SUBJ TO-	ROYALTY	-INTEREST EARNINGS-		
	INCL PERM FUND	FUND	FUND	FUNDS	CONTRI	GEN FUND UNRESTRD	TOTAL SUSTAIN	-PERM FUND CONTRIB- @25 PCT	PF CONTRIB	GEN FUND**	PERM FUND	
81**	4260.70	7.50	0.00	74.30	385.13	3718.17	563.80	1501.60	.00	358.30	227.80	149.90
82**	4885.30	8.00	0.00	0.00	400.52	4108.38	902.10	1553.20	.00	388.30	324.70	368.40
83**	4532.50	9.40	0.00	0.00	421.00	3631.00	844.30	1447.40	.00	361.80	375.80	471.10
84	4294.80	9.00	0.00	0.00	366.28	3390.02	907.00	1409.00	.00	354.60	282.70	529.50
85	4298.30	7.10	5.40	0.00	368.00	3260.00	939.70	1350.30	.00	349.50	233.50	657.80
86	4063.68	6.58	16.70	0.00	323.52	2681.91	1210.81	1128.00	47.40	305.70	195.00	1011.37
87	2239.87	2.09	9.00	0.00	112.88	1408.77	905.43	417.86	.00	104.47	160.00	707.13
88	2169.07	2.57	1.00	0.00	129.63	1273.41	759.64	492.85	0.93	123.68	60.00	762.47
89	2174.93	2.81	1.00	0.00	142.30	1262.64	642.64	539.09	3.47	136.51	10.00	766.17
90	2282.95	3.17	1.00	0.00	162.13	1352.55	626.26	601.60	12.14	156.47	8.19	764.11
91	2259.33	3.07	1.00	0.00	159.58	1289.26	655.14	570.79	23.05	154.22	7.68	806.42
92	2280.94	3.02	1.00	0.00	157.82	1265.20	688.99	555.39	27.81	152.75	7.44	853.91
93	2393.57	3.00	1.00	0.00	156.30	1255.43	765.65	552.63	26.70	151.51	8.00	977.84
94	2395.90	2.86	0.50	0.00	149.82	1201.90	775.60	524.29	28.18	145.16	7.48	1040.82
95	2417.76	2.75	0.00	0.00	144.72	1163.90	820.34	500.72	30.01	140.18	7.07	1106.38
96	2459.44	2.72	0.00	0.00	142.44	1139.98	866.67	496.36	28.10	138.14	6.78	1174.29
97	2584.99	2.66	0.00	0.00	140.73	1196.91	915.11	475.85	35.38	136.65	7.09	1244.69
98	2695.52	2.58	0.00	0.00	137.29	1155.19	1009.64	459.24	37.22	133.42	7.13	1400.46
99	2718.43	2.46	0.00	0.00	130.93	1096.88	1029.62	433.73	37.67	127.27	6.49	1488.16
00	2748.03	2.33	0.00	0.00	123.75	1042.82	1087.95	410.32	35.39	120.27	5.87	1579.14
01	2790.86	2.17	0.00	0.00	115.10	1000.24	1181.25	382.22	32.50	111.81	5.33	1673.34
02	2865.71	2.01	0.00	0.00	105.80	987.19	1288.87	351.31	29.70	102.68	5.01	1770.72
03	2903.41	1.85	0.00	0.00	97.56	932.68	1363.85	323.11	27.65	94.60	4.36	1871.32
04	2960.12	1.70	0.00	0.00	89.42	892.94	1442.31	293.18	26.64	86.61	3.82	1976.07
05	2881.93	1.09	0.00	0.00	56.71	740.12	1523.20	181.53	17.34	54.05	2.25	2084.01

** GF interest revenues include the amounts transferred from the PF earnings in these years.
Interest earnings totals therefore double count the transfer which is detailed in col. 18 of Table 3.

Table 2 presents similar information to Table 1; however, the results are in millions of 1981 dollars. This type of presentation allows for comparisons between years of real dollars, rather than inflation impacted figures.

TABLE 2
(millions of real 1981\$ unless otherwise noted)

(1)	(2)	(3)	(4)	(5)	(6)	REAL 1981 DOLLARS				(9)	(10)	REAL 1982 \$	
						(7)	(8)	(11)	(12)				
FY	ANCHORAGE CPI	INFLATION RATE	PETRO REVENUES	NON-PETRO NON-INTER	INTEREST EARNINGS	TOT REVS INCL PF	PERM FUND CONTRIB	GEN FUND UNRESTRO	TOT REVS SUSTAIN	ANCH CPI	GEN FUND UNRESTRO		
81	1.000	0.1178	3696.90	186.10	377.70	4260.70	385.13	3718.17	563.80	0.947	3926.39		
82	1.056	0.0846	3771.97	197.92	656.34	4626.23	379.28	3890.51	854.26	1.000	4108.38		
83	1.101	0.0430	3139.87	207.63	769.21	4116.71	382.38	3297.91	766.85	1.043	3482.59		
84	1.142	0.0369	2834.33	215.24	711.21	3760.77	320.74	2968.49	794.22	1.081	3134.73		
85	1.187	0.0389	2631.84	238.42	750.88	3621.15	310.03	2746.42	791.66	1.124	2900.22		
86	1.219	0.0270	2162.68	181.21	989.60	3333.48	265.39	2200.00	993.24	1.154	2323.20		
87	1.255	0.0294	908.00	185.91	691.00	1784.92	89.95	1122.63	721.52	1.188	1185.50		
88	1.308	0.0423	858.35	171.18	628.81	1658.35	99.10	973.57	580.77	1.239	1028.09		
89	1.363	0.0423	862.95	163.06	569.33	1595.34	104.38	926.17	471.39	1.291	978.03		
90	1.421	0.0423	900.06	163.06	543.50	1606.62	114.10	951.86	440.73	1.346	1005.16		
91	1.481	0.0423	812.74	163.06	549.67	1525.47	107.74	870.49	442.34	1.403	919.24		
92	1.544	0.0423	756.53	163.06	557.97	1477.56	102.23	819.57	446.32	1.462	865.47		
93	1.619	0.0489	706.33	163.06	608.84	1478.23	96.53	775.34	472.85	1.533	818.76		
94	1.698	0.0489	630.40	163.06	617.23	1410.69	88.21	707.67	456.67	1.608	747.30		
95	1.781	0.0489	569.10	163.06	625.03	1357.19	81.24	653.35	460.49	1.687	689.94		
96	1.869	0.0489	521.09	163.06	632.08	1316.23	76.23	610.09	463.82	1.769	644.25		
97	1.960	0.0489	517.18	163.06	638.68	1318.92	71.80	610.69	466.91	1.856	644.89		
98	2.067	0.0544	460.17	163.06	681.13	1304.36	66.43	559.00	488.56	1.957	590.30		
99	2.179	0.0544	398.57	163.06	685.94	1247.58	60.09	503.39	472.53	2.063	531.58		
00	2.298	0.0544	343.16	163.06	689.88	1196.10	53.86	453.89	473.54	2.176	479.31		
01	2.422	0.0544	296.05	163.06	692.95	1152.06	47.51	412.90	487.62	2.294	436.02		
02	2.554	0.0544	263.67	163.06	695.20	1121.93	41.42	386.49	504.59	2.419	408.13		
03	2.693	0.0544	218.54	163.06	696.44	1078.04	36.23	346.31	506.40	2.550	365.70		
04	2.840	0.0544	182.13	163.06	697.21	1042.40	31.49	314.45	507.90	2.689	332.05		
05	2.994	0.0544	102.67	163.06	696.77	962.50	18.94	247.18	508.71	2.835	261.03		

(13)	(14)	(15)	(16)
FY	PERM FUND PRINCIPAL BALANCE	-INTEREST EARNINGS- GEN FUND	PERM FUND
81	1768.60	227.8	149.90
82	2811.67	307.5	348.86
83	3652.43	341.3	427.88
84	4236.87	247.5	463.66
85	4836.65	196.7	554.17
86	5152.44	160.0	829.64
87	6258.22	127.5	563.50
88	6322.56	45.9	582.94
89	6431.36	7.3	562.00
90	6550.28	5.8	537.74
91	6662.58	5.2	544.48
92	6769.14	4.8	553.15
93	6849.14	4.9	603.90
94	6941.66	4.4	612.83
95	7026.87	4.0	621.06
96	7106.83	3.6	628.45
97	7182.15	3.6	635.07
98	7233.66	3.4	677.68
99	7297.02	3.0	682.97
00	7353.81	2.6	687.33
01	7390.31	2.2	690.75
02	7404.11	2.0	693.24
03	7411.44	1.6	694.83
04	7412.91	1.3	695.86
05	7400.50	0.8	696.01

Table 3 summarizes activity in the Permanent Fund (PF) including the Principal and Earnings Reserve Account (ERA)*. It also presents activity in the Dividend Account of the General Fund. Four things should be noted:

1. These numbers are updated quarterly as new revenue estimates become available.
2. The simulation of the fund flows required for the modelling process have required simplification of the accounting calculations and may render slightly different results from PF Corporation financial reports.
3. The assumptions noted above are important to the results in this table.
4. Final digits may differ from manual calculations due to rounding in the model.

Columns 2, 3 and 5 indicate sources of funds to the PF, i.e. contributions from current revenue, special appropriations from the GF or other funds, and inflation proofing from PF earnings. PF contributions are derived from estimates of royalties, mineral rents and bonus sales (col. 5-7, Table 1) multiplied by the statutorially mandated contribution rate (AS.37.13.010). Special PF appropriations are determined by the Legislature and Governor. PF inflation proofing is derived by multiplying the PF intermediate principal balance (col. 4) by the calendar year inflation rate (U. S. Consumer Price Index for all Urban Consumers). When these three fund additions are added to the prior year's final principal balance (col. 6) the result equals the current year's final principal balance. For example, for FY86 the final principal balance is $\$6281.08m = \$5741.10m + \$323.52m + \$0.00m + \$216.46m$. The inflation proofing (col. 5) part of this total is the estimated 1985 calendar year inflation rate, 3.57 percent multiplied by the intermediate principal balance of $\$6064.62m$ resulting in $\$216.46m$. The real value of the final PF principal balance (i.e. in 1981 dollars) is $\$5152.44m$.

Total income earnings, (col. 7) is the sum of earnings on the balances of the PF principal and ERA (col. 6 & 21, respectively). This is estimated by multiplying the estimated PF interest rate by the estimated average PF balance. This balance is the average of the prior year's final principal balance (col. 6) and current year's intermediate principal balance (col. 4) plus the prior year's ERA balance (col. 21). For FY86 this average balance is $(\$5741.10m + \$6064.62m) / 2$ plus $\$763.21m$, or $\$6666.07m$. When multiplied by the estimated PF interest rate for FY86 of 15.17 percent, total income earnings of $\$1011.37m$ are the result.

Distributable earnings (col. 8) are the basis for figuring the amount available for PF dividends (PFD). Distributable earnings (through FY86**) are a five year moving average of current and the four previous years' total earnings. Half this amount is intended for payment in the following fiscal year of Dividend Program costs (col. 10), although more or less can be appropriated by the Legislature.** Distributable earnings for FY86 are the sum of $\$368.40m + \$471.10m + \$529.50m + \$657.80m + \$1011.37m$ divided by 5 or $\$607.63m$. Estimated earnings transfer and dividend program costs are half of this or $\$303.42m$ (col.10) which will be distributed for the PFD's claimed for the year indicated in col. 11.

PF total income earnings (col. 7) less the earnings transfer (col. 10) and less ERA earnings (col. 17) leaves those PF earnings available for inflation proofing (col. 9 also col. 15). In FY86 this amount is $\$1011.37m - \$303.42m - \$115.79m = \$592.16m$.

The amount required to fully inflation proof the PF is indicated in column 22. The derivation of this amount is described in the first paragraph on this table. The amount available from current earnings is presented in column 15. If the difference is positive, indicating an abundance of funds for inflation proofing, the balance is deposited as principal to the ERA as indicated by positive entries in column 16. For FY86, $\$216.46m$ is required to inflation proof the PF and there are more than sufficient current earnings ($\$592.16m$) so the balance ($\$385.40m$) is deposited in the ERA. A negative difference is made up by a withdrawal from the deposits of the ERA as presented in the ERA deposit or withdrawal column (col. 16, negative entries). If there are insufficient current earnings to inflation proof and the deposits to the ERA are depleted (col. 19 is zero), the actual inflation proofing deposit differs from what is required for full inflation proofing. The extent of the shortfall is indicated in column 23. This condition occurs partially in FY2001 (a shortfall of $\$32.94m = \$925.37m - \$892.43m$).

* Name changed effective July 1, 1986 by Ch. 28 SLA 1986.

** Ch. 28 SLA changed the method of calculation for distributable earnings to 21 percent of the average of the current and the four previous years' net income.

The balance in the ERA is invested and also earns interest as presented in column 17. Any appropriations from the ERA by the Legislature are presented in column 18. The previous year's ERA balance plus ERA deposit or withdrawal plus ERA earnings less ERA budget results in the current year's ERA balance (col. 21). The FY86 ERA balance of \$1264.40m is the sum of \$763.21m + \$385.40m + \$115.79m. This balance can be presented as an accumulation of deposits (income or principal) and earnings, which are listed separately in columns 19 and 20.

TABLE 3
(millions of current dollars unless otherwise noted)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
FY	-PERMANENT FUND- CONTRI	APPROP#	INTERMED PRINCIPAL BALANCE	INFLATION PROOFING	FINAL PRINCIPAL BALANCE	TOTAL INCOME EARNINGS	DISTR,BL EARNINGS	INCOME AVAIL FOR INFL PROOF	DIVIDEND PROGRAM COSTS	PFD CLAIM YEAR	PERM FUND PRINCIPAL REAL 81\$
81	385.13	900.00	1768.34	0.00	1768.60	149.90	91.15	122.40	0.00	80	1768.60
82	400.52	800.00	2969.12	0.00	2969.12	368.40	183.60	297.90	0.00	81	2811.67
83	421.00	400.00	3790.12	231.20	4021.32	471.10	255.50	332.15	481.55	82	3652.43
84	366.28	300.00	4687.60	150.90	4838.50	529.50	310.30	335.83	190.90	83	4236.87
85	368.00	300.00	5506.50	234.60	5741.10	657.80	435.34	376.42	163.10	84	4836.65
86	323.52	0.00	6064.62	216.46	6281.08	1011.37	607.63	592.16	217.67	85	5152.44
87	112.88	1264.40	7658.36	195.01	7853.37	707.13	709.15	352.56	303.42	86	6258.22
88	129.63	0.00	7982.99	286.74	8269.73	762.47	770.34	362.43	354.57	87	6322.56
89	142.30	0.00	8412.03	355.83	8767.86	766.17	820.04	334.02	385.17	88	6431.36
90	162.13	0.00	8929.99	377.74	9307.72	764.11	842.36	322.06	410.02	89	6550.28
91	159.58	0.00	9467.30	400.47	9867.77	806.42	799.32	388.81	421.18	90	6662.58
92	157.82	0.00	10025.59	424.08	10449.67	853.91	830.15	420.37	399.66	91	6769.14
93	156.30	0.00	10605.97	484.22	11090.19	977.84	875.37	518.83	415.07	92	6849.14
94	149.82	0.00	11240.01	549.64	11789.65	1040.82	933.05	547.89	437.69	93	6941.66
95	144.72	0.00	11934.37	583.59	12517.96	1106.38	1004.93	575.27	466.52	94	7026.87
96	142.44	0.00	12660.40	619.09	13279.49	1174.29	1082.18	602.71	502.46	95	7106.83
97	140.73	0.00	13420.22	656.25	14076.47	1244.69	1164.24	630.79	541.09	96	7182.15
98	137.29	0.00	14213.76	734.92	14948.68	1400.46	1252.99	739.58	582.12	97	7233.66
99	130.93	0.00	15079.62	820.33	15899.95	1488.16	1346.94	776.54	626.50	98	7297.02
00	123.75	0.00	16023.70	871.69	16895.39	1579.14	1446.21	818.42	673.47	99	7353.81
01	115.10	0.00	17010.49	892.43	17902.92	1673.34	1551.02	861.74	723.11	00	7390.31
02	105.80	0.00	18008.72	903.36	18912.08	1770.72	1661.48	903.36	775.51	01	7404.11
03	97.56	0.00	19009.64	950.98	19960.63	1871.32	1760.36	950.98	830.74	02	7411.44
04	89.42	0.00	20050.05	1000.62	21050.67	1976.07	1862.82	1000.62	880.18	03	7412.91
05	56.71	0.00	21107.38	1051.30	22158.68	2084.01	1968.85	1051.30	931.41	04	7400.50
									984.42		

*Ch 25 SLA 1986 appropriated the 1987 monies from the Undistributed Income Account (now Earnings Reserve Account) to the principal of the Permanent Fund.

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
FY	AVAIL INFLATION PROOFING TOTAL AMOUNT	CURRENT EARNINGS	DEPOSIT/ -W/DRAWL	EARNINGS	BUDGET*	INCOME	CUMULATIVE EARNINGS	TOTAL	REQUIRED INFLATION PROOFING	SHORTFALL INFLATION PROOFING	CUMUL SHORT INFLATION PROOFING
81	0.00	122.40	122.40	0.00	-27.50	106.08	0.00	106.08	0	0.00	0.00
82	0.00	297.90	297.90	0.00	-72.70	332.58	0.00	332.58	0	0.00	0.00
83	231.20	332.15	100.95	31.10	-109.50	322.71	31.10	353.81	231.20	0.00	0.00
84	150.90	335.83	184.93	38.50	-19.90	487.75	69.60	557.35	150.90	0.00	0.00
85	234.60	376.42	141.82	64.02	0.00	629.59	133.62	763.21	234.60	0.00	0.00
86	216.46	592.16	385.40	115.79	0.00	1014.99	249.41	1264.40	216.46	0.00	0.00
87	195.01	352.56	157.55	0.00	-1264.40	157.55	0.00	157.55	195.01	0.00	0.00
88	286.74	362.43	75.69	14.88	0.00	233.24	14.88	248.12	286.74	0.00	0.00
89	355.83	334.02	-21.81	22.13	0.00	211.43	37.01	248.44	355.83	0.00	0.00
90	377.74	322.06	-55.68	20.87	0.00	155.75	57.88	213.63	377.74	0.00	0.00
91	400.47	388.81	-11.65	17.94	0.00	144.10	75.82	219.92	400.47	0.00	0.00
92	424.08	420.37	-3.71	18.47	0.00	140.38	94.29	234.67	424.08	0.00	0.00
93	484.22	518.83	34.61	21.32	0.00	174.99	115.61	290.60	484.22	0.00	0.00
94	549.64	547.89	-1.75	26.40	0.00	173.25	142.01	315.26	549.64	0.00	0.00
95	583.59	575.27	-8.32	28.64	0.00	164.93	170.66	335.59	583.59	0.00	0.00
96	619.09	602.71	-16.38	30.49	0.00	148.55	201.15	349.70	619.09	0.00	0.00
97	656.25	630.79	-25.46	31.77	0.00	123.09	232.92	356.01	656.25	0.00	0.00
98	734.92	739.58	4.66	34.38	0.00	127.75	267.30	395.05	734.92	0.00	0.00
99	820.33	776.54	-43.79	38.15	0.00	83.96	305.45	389.42	820.33	0.00	0.00
00	871.69	818.42	-53.27	37.61	0.00	30.69	343.06	373.76	871.69	0.00	0.00
01	892.43	861.74	-30.69	36.10	0.00	0.00	379.16	379.16	925.37	-32.94	-32.94
02	903.36	903.36	0.00	36.62	0.00	0.00	415.78	415.78	979.67	-76.31	-109.25
03	950.98	950.98	0.00	40.15	0.00	0.00	455.93	455.93	1034.12	-83.14	-192.39
04	1000.62	1000.62	0.00	44.03	0.00	0.00	499.96	499.96	1090.72	-90.10	-282.49
05	1051.30	1051.30	0.00	48.28	0.00	0.00	548.25	548.25	1148.24	-96.94	-379.43

*Ch 25 SLA 1986 appropriated the 1987 monies from the Undistributed Income Account (now Earnings Reserve Account) to the principal of the Permanent Fund.

The final group of columns on Table 3 is the Dividend Account activity. The transfer from current PF earnings is presented in column 26, while GF appropriations to this account are presented in column 27. These are usually distributed the fiscal year following (as presented in col. 10 and 31) with part being used to administer the PFD program* (col. 30) and the rest distributed as PFD's (col. 29). The payment amount is distributed to the applicants (col. 32) so that each applicant receives the amount listed in column 33. The real value of the PFD (i.e. net of inflation) is presented in column 34. For FY86 the earnings transfer of \$303.42m will cost \$7.74m in administration* to distribute a \$295.67m payment amount (in FY87). This is divided between an estimated 531,540 applicants so each one gets \$556.26 which is worth about \$443.27 in 1981 dollars.

(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
FY	EARNINGS TRANSFER	GEN FUND APPROP	CLAIM YEAR	PAYMENT	ADMIN	TOTAL	TOTAL PFD APPLICANTS (THOUSANDS)	---DIVIDEND PAYMENT--- (NOMINAL \$ REAL \$)	
81	27.47	0.00	80	0.00	0.00	0.00	410.67	0.00	0.00
82	70.50	0.00	81	0.00	0.00	0.00	430.09	0.00	0.00
83	107.88	440.60	82	478.13	3.42	481.55	478.85	1000.00	907.93
84	155.13	0.00	83	187.52	3.08	190.60	486.95	386.15	338.12
85	217.67	0.00	84	160.10	3.02	163.12	483.27	331.29	279.20
86	303.42	0.00	85	210.61	7.54	218.15	521.33	404.00	331.40
87	354.57	0.00	86	295.67	7.74	303.42	531.54	556.26	443.27
88	385.17	0.00	87	346.60	7.97	354.57	521.38	664.78	508.25
89	410.02	0.00	88	376.86	8.31	385.17	515.71	730.76	536.02
90	421.18	0.00	89	401.36	8.66	410.02	519.92	771.97	543.27
91	399.66	0.00	90	412.15	9.03	421.18	524.16	786.31	530.91
92	415.07	0.00	91	390.25	9.41	399.66	528.45	738.49	478.38
93	437.69	0.00	92	405.27	9.81	415.07	532.78	760.67	469.78
94	466.52	0.00	93	427.40	10.29	437.69	537.15	795.69	468.50
95	502.46	0.00	94	455.74	10.79	466.52	541.56	841.52	472.38
96	541.09	0.00	95	491.15	11.32	502.46	546.02	899.51	481.39
97	582.12	0.00	96	529.22	11.87	541.09	550.52	961.31	490.49
98	626.50	0.00	97	569.67	12.45	582.12	555.06	1026.32	496.64
99	673.47	0.00	98	613.37	13.13	626.50	559.65	1095.99	502.98
00	723.11	0.00	99	659.63	13.84	673.47	564.29	1168.96	508.80
01	775.51	0.00	00	708.51	14.59	723.11	568.97	1245.27	514.05
02	830.74	0.00	01	760.12	15.39	775.51	573.69	1324.96	518.73
03	880.18	0.00	02	814.52	16.23	830.74	578.46	1408.07	522.82
04	931.41	0.00	03	863.07	17.11	880.18	583.28	1479.69	521.07
05	984.42	0.00	04	913.37	18.04	931.41	588.15	1552.97	518.66

