

#### Permanent Fund and CBRF Summary

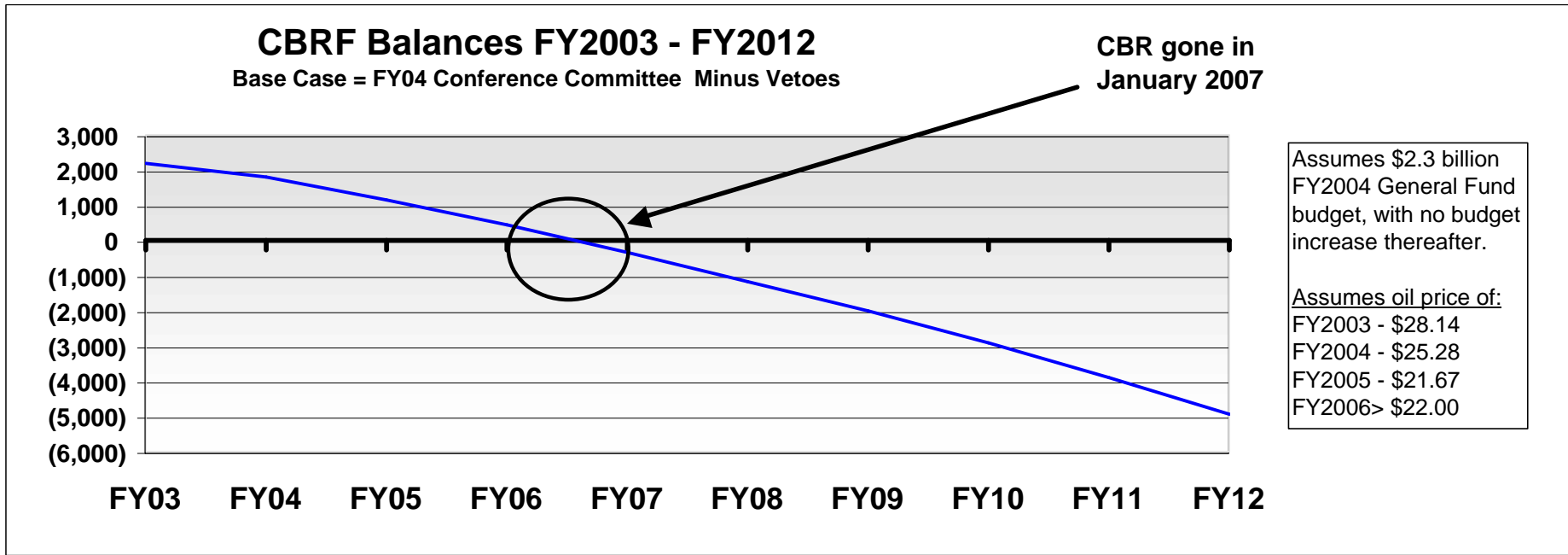
Action Required: Do nothing

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	(516)	1,651	1,757	1,874	1,998	2,119	2,236	2,353	2,471	2,591
End-of-year market value of Permanent Fund	22,694	24,173	25,784	27,467	29,114	30,707	32,302	33,914	35,557	37,235
End-of-year Earnings Reserve balance	382	-	389	824	1,276	1,691	2,077	2,483	2,920	3,388
End-of-year CBRF balance	2,068	1,476	566	(468)	(1,573)	(2,703)	(3,828)	(5,027)	(6,286)	(7,608)
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,120	820	650	700	950	1,220	1,410	1,540	1,660	1,760

CBR Gone Feb. '06

# Alaska Budget Analysis Status Quo

	A	B	G	H	I	J	K	L	M	N	
1	<b>General Fund Budget Projections</b>		FY	2003	2004	2005	2006	2007	2008	2009	2010
2	All dollars in millions except oil prices.		Average Oil Price (\$/bbl.)	Input	\$29.37	\$26.60	\$22.57	\$22.06	\$21.91	\$21.76	\$21.70
3	Total Production (MMbbl/day)		Input	0.994	0.997	0.992	0.971	0.956	1.010	1.091	1.074
4	<b>Available Revenues: Spring 2001</b>										
5	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)			1,976.5	1,823.5	1,507.0	1,433.5	1,377.3	1,354.2	1,360.6	1,286.1
6	Income Tax (Net receipts in millions)		\$0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	Sales Tax (Net receipts in millions)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Highway Fuel Tax (Net receipts in millions)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Alcohol Tax (Net receipts in millions)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Cruise Ship Tax (Net receipts in millions)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Oil Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	Education Tax on Employment			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Reduce Oil Payments to PF from 50% to 25%			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Transfer from Permanent Fund to General Fund			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)			97.9	36.7	34.0	15.5	0.0	0.0	0.0	0.0
16	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)			388.6	639.8	959.0	1,051.0	1,122.7	1,145.8	1,139.4	1,213.9
17	<b>Total General Fund Revenues and CBRF Draw</b>			<b>2,463.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>
18	<b>Expenditures:</b>		Change Op	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	Supplemental Budget - Fires, Floods, etc.			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	Decrease or Increase the General Fund Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	K-12 Education Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	Debt Service (Net of non-GF School Fund and AHFC offsets)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Capital Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	State Match for Loan Programs (Water, Sewer, etc.)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	<b>Total General Fund Expenditures:</b>			<b>2,463.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>
27	<b>Constitutional Budget Reserve Fund Projections</b>		FY	2003	2004	2005	2006	2007	2008	2009	2010
28	CBRF Balance - at Start of Fiscal Year			2,114.4	1,755.8	1,136.0	197.0	0.0	0.0	0.0	0.0
29	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Earnings on the CBRF*		4.79%	97.9	36.7	34.0	1.3	0.0	0.0	0.0	0.0
31	Transfer from Permanent Fund Earnings Reserve (from line 59)		Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Transfer to PCE Account										
33	Oil & Gas Tax Dispute Resolutions			30.0	20.0	20.0	3.2	0.0	0.0	0.0	0.0
34	Draw from CBRF to finalize previous fiscal year's Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35	Draw from Earnings for Annual Budget			(97.9)	(36.7)	(34.0)	(1.3)	0.0	0.0	0.0	0.0
36	Draw (or payback) in excess of CBRF Earnings for Annual Budget			(388.6)	(639.8)	(959.0)	(200.2)	0.0	0.0	0.0	0.0
37	Total Draw (or payback) from CBRF for Annual Budget (plus Y2K expenditures)			(486.5)	(676.5)	(993.0)	(201.5)	0.0	0.0	0.0	0.0
38	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39	<b>CBRF Balance - at End of Fiscal Year</b>			<b>1,755.8</b>	<b>1,136.0</b>	<b>197.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
40	CBRF Sub Account Balance			354.9	349.2	378.0	409.0	(425.9)	(1,531.6)	(2,661.3)	(3,785.7)
41	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42	Earnings on the Sub Account *		7.93%	(5.7)	28.7	31.1	14.2	0.0	0.0	0.0	0.0
43	Transfer from Permanent Fund Earnings Reserve (from line 59)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
44	Draw from Earnings for Annual Budget			0.0	0.0	0.0	(14.2)	0.0	0.0	0.0	0.0
45	Oil & Gas Tax Dispute Resolutions			0.0	0.0	0.0	15.8	17.0	16.0	15.0	14.0
46	Draw on Sub Account			(0.0)	0.0	(0.0)	(850.8)	(1,122.7)	(1,145.8)	(1,139.4)	(1,213.9)
47	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
48	<b>CBR Sub Account Balance</b>			<b>349.2</b>	<b>378.0</b>	<b>409.0</b>	<b>(425.9)</b>	<b>(1,531.6)</b>	<b>(2,661.3)</b>	<b>(3,785.7)</b>	<b>(4,985.6)</b>
49	<b>Total CBRF Balance (Including Sub Account)</b>			<b>2,105.0</b>	<b>1,514.0</b>	<b>606.1</b>	<b>(425.9)</b>	<b>(1,531.6)</b>	<b>(2,661.3)</b>	<b>(3,785.7)</b>	<b>(4,985.6)</b>
50	<b>Alaska Permanent Fund Projections</b>		FY	2003	2004	2005	2006	2007	2008	2009	2010
51	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)			21,884	22,611	23,559	24,461	25,376	26,311	27,264	28,245
52	Earnings Reserve Balance - at Start of Fiscal Year			1,136	382	151	389	824	1,276	1,691	2,077
53	Unrealized Capital Gains / (Losses) - at Start of Fiscal Year			504	(299)	463	934	1,267	1,527	1,751	1,980
54	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year			23,524	22,694	24,173	25,784	27,467	29,114	30,707	32,302
55	Dedicated Oil Revenue Deposits into principal during Fiscal Year			375	345	270	257	250	242	243	233
56	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)			288	883	1,274	1,526	1,721	1,874	1,986	2,120
57	Unrealized Capital Gains at end of Fiscal Year			(299)	463	934	1,267	1,527	1,751	1,980	2,190
58	Income Necessary to Accomplish Line 43 Transfer (cannot exceed line 37)			0	0	0	0	0	0	0	0
59	Total Statutory Income			288	883	1,274	1,526	1,721	1,874	1,986	2,120
60	Earnings Reserve Balance before payouts - End of Fiscal Year			1,423	1,265	1,425	1,915	2,544	3,150	3,677	4,197
61	Payout for dividends and dividend program costs			(657)	(483)	(382)	(414)	(567)	(733)	(848)	(937)
62	Transfer from Earnings Reserve to Principal (Inflation proofing and other transfers)			(352)	(603)	(632)	(658)	(685)	(711)	(737)	(764)
63	Projected rate for statutory inflation-proofing		1.58%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
64	Transfer a Portion of Earnings Reserve to CBRF (to line 43)			0	0	0	0	0	0	0	0
65	Transfer from Permanent Fund to General Fund at end of year			0	0	0	0	0	0	0	0
66	Transfers out of Permanent Fund at end of year			(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
67	<b>Market Value of Total Permanent Fund Assets - at End of Fiscal Year</b>			<b>22,694</b>	<b>24,173</b>	<b>25,784</b>	<b>27,467</b>	<b>29,114</b>	<b>30,707</b>	<b>32,302</b>	<b>33,914</b>
68	Projected Dividend Check Per Person			1,120.00	820.00	650.00	700.00	950.00	1,220.00	1,410.00	1,540.00
69	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)			5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
70	<b>Total Alaska Savings Accounts (CBRF + AK Perm Fund)</b>			<b>\$24,799</b>	<b>\$25,687</b>	<b>\$26,390</b>	<b>\$27,467</b>	<b>\$29,114</b>	<b>\$30,707</b>	<b>\$32,302</b>	<b>\$33,914</b>
71	* Earnings = Rate of return * (average annual balance - 300 million). Average annual balance is reduced by 300 million because cash flow borrowing every year has been approximately 300 million, and the borrowing always										
72	school districts, municipalities, etc. Earnings from CBRF are 6.08% in FY99 and assumed 5.44% rate of return beginning on 4/1/00.										
73	Do you want to set the dividend amount?			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
74	Increase/Decrease the Dividend at a constant rate?		0.00%								
75											



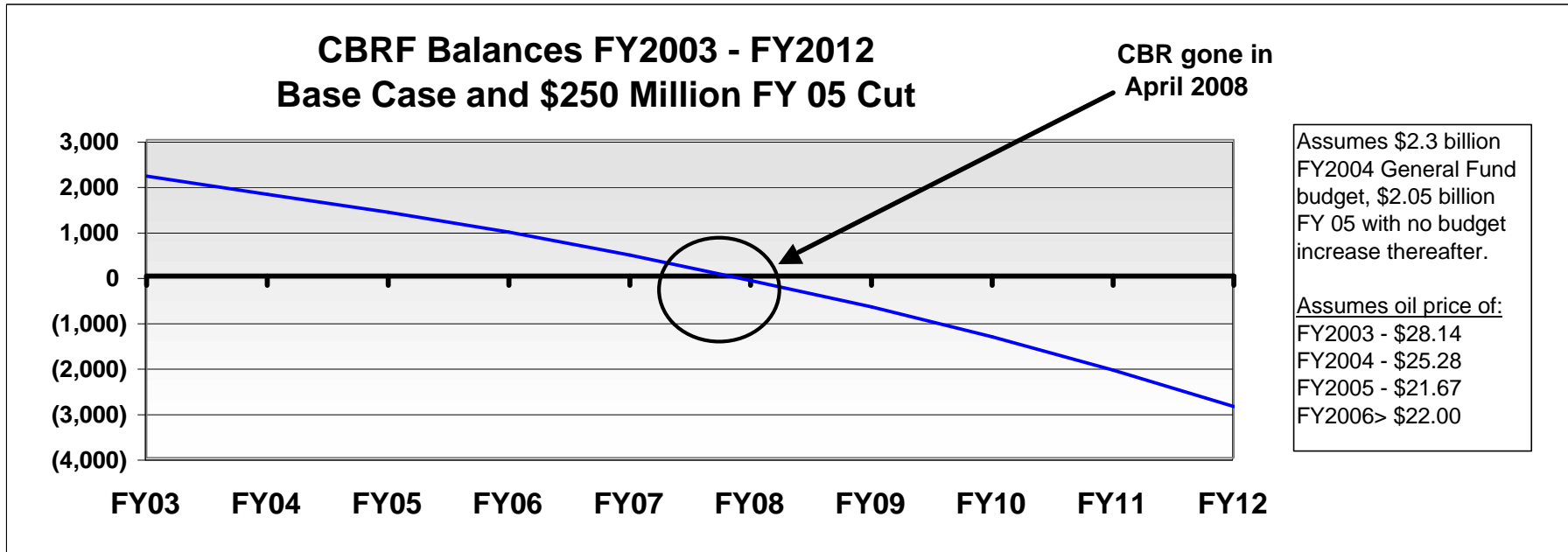
Action Required: Governor's Vetoes - \$138 million

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	61	1,690	1,850	1,977	2,112	2,245	2,375	2,503	2,631	2,760
End-of-year market value of Permanent Fund	23,267	24,746	26,432	28,220	29,991	31,718	33,425	35,132	36,852	38,603
End-of-year Earnings Reserve balance	362	-	156	575	1,070	1,573	2,077	2,603	3,162	3,760
End-of-year CBRF balance	2,196	1,800	1,151	447	(343)	(1,168)	(1,997)	(2,906)	(3,892)	(4,940)
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,110	780	580	620	870	1,150	1,390	1,570	1,730	1,860

CBR Gone Jan '07

## Alaska Budget Analysis Status Quo

	A	B	G	H	I	J	K	L	M	N	
1	<b>General Fund Budget Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$28.14	\$25.28	\$21.67	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
3		Total Production (MMbbl/day)	Input	0.994	0.993	0.992	0.962	0.957	0.984	1.031	1.008
4	<b>Available Revenues: (\$ Millions)</b>										
5	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)			1,951.3	1,748.5	1,481.0	1,454.0	1,410.6	1,391.9	1,388.2	1,309.7
6				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	One Time Revenue			95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Income Tax			\$0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Seasonal Sales Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Motor Vehicle Registration Fee - HB 170			0.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1
11	State Business License Fee Increase - HB 162			0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
12	Public Construction Requirements - HB 155			0.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
13	Studded Tire Fee - SB 106			0.0	2.4	3.3	3.3	3.3	3.3	3.3	3.3
14	Increase in Oil Production Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Passenger Vehicle Rental Tax - HB 271			0.0	1.0	6.0	6.0	6.0	6.0	6.0	6.0
16	Reduce Oil Payments to PF from 50% to 25% - HB 11			0.0	45.2	45.8	45.3	43.1	37.7	38.5	38.5
17	Transfer from Permanent Fund to General Fund			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)			129.3	39.3	44.6	15.7	10.8	0.0	0.0	0.0
19	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)			320.6	443.9	699.5	755.9	806.5	841.4	844.3	922.8
20	<b>Total General Fund Revenues and CBRF Draw</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>
21											
22	<b>Expenditures:</b>			<b>Change Of</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
23	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, et			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Supplemental Budget - Fires, Floods, etc.			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Decrease or Increase the General Fund Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	K-12 Education Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Debt Service (Net of non-GF School Fund and AHFC offsets)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Capital Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	State Match for Loan Programs (Water, Sewer, etc.)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	<b>Total General Fund Expenditures:</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>
31	<b>Constitutional Budget Reserve Fund Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
32	CBRF Balance - at Start of Fiscal Year			2,114.4	1,823.8	1,399.9	720.3	0.2	0.0	0.0	0.0
33	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Earnings on the CBRF*			4.09%	129.3	39.3	44.6	15.7	0.0	0.0	0.0
35	Transfer from Permanent Fund Earnings Reserve (from line 59)			Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	Transfer to PCE Account										
37	Oil & Gas Tax Dispute Resolutions			30.0	20.0	20.0	17.4	0.0	0.0	0.0	0.0
38	Draw from CBRF to finalize previous fiscal year's Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39	Draw from Earnings for Annual Budget			(129.3)	(39.3)	(44.6)	(15.7)	(0.0)	0.0	0.0	0.0
40	Draw (or payback) in excess of CBRF Earnings for Annual Budget			(320.6)	(443.9)	(699.5)	(737.6)	(0.2)	0.0	0.0	0.0
41	Total Draw (or payback) from CBRF for Annual Budget (plus Y2K expenditures)			(449.9)	(483.2)	(744.2)	(753.3)	(0.2)	0.0	0.0	0.0
42	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
43	<b>CBRF Balance - at End of Fiscal Year</b>			<b>1,823.8</b>	<b>1,399.9</b>	<b>720.3</b>	<b>0.2</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
44	CBRF Sub Account Balance			354.9	372.3	400.5	430.9	446.7	(342.6)	(1,168.0)	(1,997.3)
45	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46	Earnings on the Sub Account *			7.32%	17.4	28.2	30.3	32.6	10.8	0.0	0.0
47	Transfer from Permanent Fund Earnings Reserve (from line 59)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
48	Draw from Earnings for Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
49	Oil & Gas Tax Dispute Resolutions			0.0	0.0	0.0	1.6	17.0	16.0	15.0	14.0
50	Draw on Sub Account			(0.0)	0.0	0.0	(18.3)	(817.1)	(841.4)	(844.3)	(922.8)
51	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
52	<b>CBR Sub Account Balance</b>			<b>372.3</b>	<b>400.5</b>	<b>430.9</b>	<b>446.7</b>	<b>(342.6)</b>	<b>(1,168.0)</b>	<b>(1,997.3)</b>	<b>(2,906.1)</b>
53	<b>Total CBRF Balance (Including Sub Account)</b>			<b>2,196.2</b>	<b>1,800.4</b>	<b>1,151.2</b>	<b>446.9</b>	<b>(342.6)</b>	<b>(1,168.0)</b>	<b>(1,997.3)</b>	<b>(2,906.1)</b>
54	<b>Alaska Permanent Fund Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
55	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)			21,884	22,597	23,421	24,255	25,117	26,003	26,912	27,844
56	Earnings Reserve Balance - at Start of Fiscal Year			1,136	362	(0)	156	575	1,070	1,573	2,077
57	Unrealized Capital Gains / (Losses) - at Start of Fiscal Year			504	308	1,326	2,021	2,528	2,917	3,233	3,503
58	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year			23,524	23,267	24,746	26,432	28,220	29,991	31,718	33,425
59	Dedicated Oil Revenue Deposits into principal during Fiscal Year			361	280	211	212	211	208	205	193
60	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)			257	670	1,147	1,457	1,706	1,910	2,084	2,244
61	Unrealized Capital Gains at end of Fiscal Year			308	1,326	2,021	2,528	2,917	3,233	3,503	3,739
62	Income Necessary to Accomplish Line 43 Transfer (cannot exceed line 37)			0	0	0	0	0	0	0	0
63	Total Statutory Income			257	666	1,143	1,453	1,702	1,906	2,080	2,240
64	Earnings Reserve Balance before payouts - End of Fiscal Year			1,393	1,028	1,142	1,608	2,277	2,976	3,653	4,317
65	Payout for dividends and dividend program costs			(651)	(457)	(342)	(367)	(518)	(690)	(838)	(953)
66	Transfer from Earnings Reserve to Principal (Inflation proofing and other transfers)			(351)	(544)	(624)	(650)	(676)	(701)	(727)	(753)
67	Projected rate for statutory inflation-proofing			1.58%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
68	Transfer a Portion of Earnings Reserve to CBRF (to line 43)			0	0	0	0	0	0	0	0
69	Transfer from Permanent Fund to General Fund at end of year			0	0	0	0	0	0	0	0
70	Transfers out of Permanent Fund at end of year			(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
71	<b>Market Value of Total Permanent Fund Assets - at End of Fiscal Year</b>			<b>23,267</b>	<b>24,746</b>	<b>26,432</b>	<b>28,220</b>	<b>29,991</b>	<b>31,718</b>	<b>33,425</b>	<b>35,132</b>
72	Projected Dividend Check Per Person			1,110.00	780.00	580.00	620.00	870.00	1,150.00	1,390.00	1,570.00
73	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)			5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
74	<b>Total Alaska Savings Accounts (CBRF + AK Perm Fund)</b>			<b>\$25,463</b>	<b>\$26,547</b>	<b>\$27,583</b>	<b>\$28,667</b>	<b>\$29,991</b>	<b>\$31,718</b>	<b>\$33,425</b>	<b>\$35,132</b>
75	* Earnings = Rate of return * (average annual balance - 300 million). Average annual balance is reduced by 300 million because cash flow borrowing every year has been approximately 300 million, and the										
76	school districts, municipalities, etc. Earnings from CBRF are 6.08% in FY99 and assumed 5.44% rate of return beginning on 4/1/00.										
77	Do you want to set the dividend amount?			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
78	Increase/Decrease the Dividend at a constant rate?			0.00%							



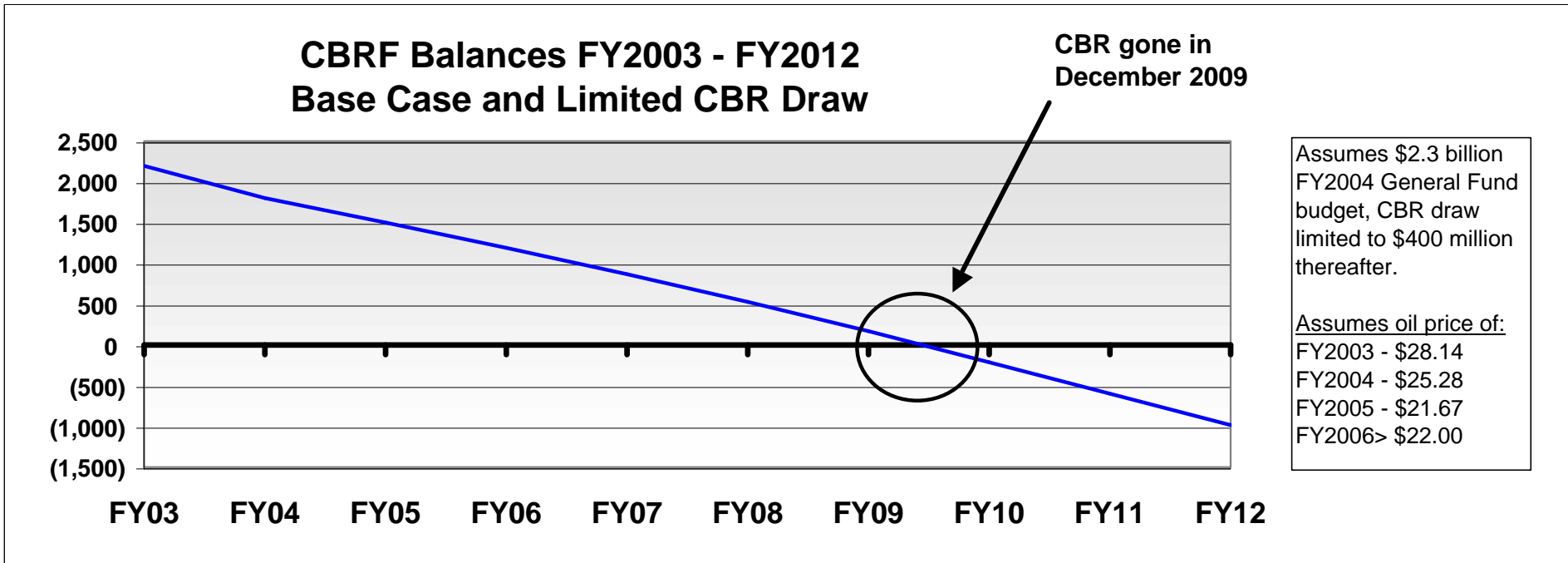
**Action Required: Governor's Vetoes - \$138 million; \$250 million FY 05 cut and flat spending thereafter**

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	61	1,690	1,850	1,977	2,112	2,245	2,375	2,503	2,631	2,760
End-of-year market value of Permanent Fund	23,267	24,746	26,432	28,220	29,991	31,718	33,425	35,132	36,852	38,603
End-of-year Earnings Reserve balance	362	-	156	575	1,070	1,573	2,077	2,603	3,162	3,760
End-of-year CBRF balance	2,196	1,800	1,406	967	462	(97)	(677)	(1,336)	(2,071)	(2,869)
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,110	780	580	620	870	1,150	1,390	1,570	1,730	1,860

CBR Gone April '08

## Alaska Budget Analysis Status Quo

	A	B	G	H	I	J	K	L	M	N	
1	<b>General Fund Budget Projections</b>		FY	2003	2004	2005	2006	2007	2008	2009	2010
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$28.14	\$25.28	\$21.67	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
3		Total Production (MMbbl/day)	Input	0.994	0.993	0.992	0.962	0.957	0.984	1.031	1.008
4	<b>Available Revenues: (\$ Millions)</b>										
5	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)			1,951.3	1,748.5	1,481.0	1,454.0	1,410.6	1,391.9	1,388.2	1,309.7
6				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	One Time Revenue			95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Income Tax		\$0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Seasonal Sales Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Motor Vehicle Registration Fee - HB 170			0.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1
11	State Business License Fee Increase - HB 162			0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
12	Public Construction Requirements - HB 155			0.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
13	Studded Tire Fee - SB 106			0.0	2.4	3.3	3.3	3.3	3.3	3.3	3.3
14	Increase in Oil Production Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Passenger Vehicle Rental Tax - HB 271			0.0	1.0	6.0	6.0	6.0	6.0	6.0	6.0
16	Reduce Oil Payments to PF from 50% to 25% - HB 11			0.0	45.2	45.8	45.3	43.1	37.7	38.5	38.5
17	Transfer from Permanent Fund to General Fund			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)			129.3	39.3	49.4	31.1	10.5	0.0	0.0	0.0
19	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)			320.6	443.9	444.8	490.6	556.7	591.4	594.3	672.8
20	<b>Total General Fund Revenues and CBRF Draw</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>
21											
22	<b>Expenditures:</b>		Change Of	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, et			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Supplemental Budget - Fires, Floods, etc.			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Decrease or Increase the General Fund Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	K-12 Education Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Debt Service (Net of non-GF School Fund and AHFC offsets)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Capital Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	State Match for Loan Programs (Water, Sewer, etc.)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	<b>Total General Fund Expenditures:</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>	<b>2,049.0</b>
31	<b>Constitutional Budget Reserve Fund Projections</b>		FY	2003	2004	2005	2006	2007	2008	2009	2010
32	CBRF Balance - at Start of Fiscal Year			2,114.4	1,823.8	1,399.9	975.1	503.5	0.0	(0.0)	0.0
33	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Earnings on the CBRF*		4.09%	129.3	39.3	49.4	31.1	10.5	0.0	0.0	0.0
35	Transfer from Permanent Fund Earnings Reserve (from line 59)		Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	Transfer to PCE Account										
37	Oil & Gas Tax Dispute Resolutions			30.0	20.0	20.0	19.0	15.6	0.0	0.0	0.0
38	Draw from CBRF to finalize previous fiscal year's Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39	Draw from Earnings for Annual Budget			(129.3)	(39.3)	(49.4)	(31.1)	(10.5)	(0.0)	0.0	0.0
40	Draw (or payback) in excess of CBRF Earnings for Annual Budget			(320.6)	(443.9)	(444.8)	(490.6)	(519.0)	(0.0)	0.0	0.0
41	Total Draw (or payback) from CBRF for Annual Budget (plus Y2K expenditures)			(449.9)	(483.2)	(494.2)	(521.7)	(529.6)	(0.0)	0.0	0.0
42	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
43	<b>CBRF Balance - at End of Fiscal Year</b>			<b>1,823.8</b>	<b>1,399.9</b>	<b>975.1</b>	<b>503.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
44	CBRF Sub Account Balance			354.9	372.3	400.5	430.9	463.5	462.3	(97.4)	(676.7)
45	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46	Earnings on the Sub Account *		7.32%	17.4	28.2	30.3	32.6	35.1	15.6	0.0	0.0
47	Transfer from Permanent Fund Earnings Reserve (from line 59)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
48	Draw from Earnings for Annual Budget			0.0	0.0	0.0	0.0	0.0	(15.6)	0.0	0.0
49	Oil & Gas Tax Dispute Resolutions			0.0	0.0	0.0	0.0	1.4	16.0	15.0	14.0
50	Draw on Sub Account			(0.0)	0.0	0.0	0.0	(37.7)	(575.7)	(594.3)	(672.8)
51	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
52	<b>CBR Sub Account Balance</b>			<b>372.3</b>	<b>400.5</b>	<b>430.9</b>	<b>463.5</b>	<b>462.3</b>	<b>(97.4)</b>	<b>(676.7)</b>	<b>(1,335.6)</b>
53	<b>Total CBRF Balance (Including Sub Account)</b>			<b>2,196.2</b>	<b>1,800.4</b>	<b>1,405.9</b>	<b>967.0</b>	<b>462.3</b>	<b>(97.4)</b>	<b>(676.7)</b>	<b>(1,335.6)</b>
54	<b>Alaska Permanent Fund Projections</b>		FY	2003	2004	2005	2006	2007	2008	2009	2010
55	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)			21,884	22,597	23,421	24,255	25,117	26,003	26,912	27,844
56	Earnings Reserve Balance - at Start of Fiscal Year			1,136	362	(0)	156	575	1,070	1,573	2,077
57	Unrealized Capital Gains / (Losses) - at Start of Fiscal Year			504	308	1,326	2,021	2,528	2,917	3,233	3,503
58	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year			23,524	23,267	24,746	26,432	28,220	29,991	31,718	33,425
59	Dedicated Oil Revenue Deposits into principal during Fiscal Year			361	280	211	212	211	208	205	193
60	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)			257	670	1,147	1,457	1,706	1,910	2,084	2,244
61	Unrealized Capital Gains at end of Fiscal Year			308	1,326	2,021	2,528	2,917	3,233	3,503	3,739
62	Income Necessary to Accomplish Line 43 Transfer (cannot exceed line 37)			0	0	0	0	0	0	0	0
63	Total Statutory Income			257	666	1,143	1,453	1,702	1,906	2,080	2,240
64	Earnings Reserve Balance before payouts - End of Fiscal Year			1,393	1,028	1,142	1,608	2,277	2,976	3,653	4,317
65	Payout for dividends and dividend program costs			(651)	(457)	(342)	(367)	(518)	(690)	(838)	(953)
66	Transfer from Earnings Reserve to Principal (inflation proofing and other transfers)			(351)	(544)	(624)	(650)	(676)	(701)	(727)	(753)
67	Projected rate for statutory inflation-proofing			1.58%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
68	Transfer a Portion of Earnings Reserve to CBRF (to line 43)			0	0	0	0	0	0	0	0
69	Transfer from Permanent Fund to General Fund at end of year			0	0	0	0	0	0	0	0
70	Transfers out of Permanent Fund at end of year			(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
71	<b>Market Value of Total Permanent Fund Assets - at End of Fiscal Year</b>			<b>23,267</b>	<b>24,746</b>	<b>26,432</b>	<b>28,220</b>	<b>29,991</b>	<b>31,718</b>	<b>33,425</b>	<b>35,132</b>
72	Projected Dividend Check Per Person			1,110.00	780.00	580.00	620.00	870.00	1,150.00	1,390.00	1,570.00
73	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)			5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
74	<b>Total Alaska Savings Accounts (CBRF + AK Perm Fund)</b>			<b>\$25,463</b>	<b>\$26,547</b>	<b>\$27,837</b>	<b>\$29,187</b>	<b>\$30,453</b>	<b>\$31,718</b>	<b>\$33,425</b>	<b>\$35,132</b>
75	* Earnings = Rate of return * (average annual balance - 300 million). Average annual balance is reduced by 300 million because cash flow borrowing every year has been approximately 300 million, and the										
76	school districts, municipalities, etc. Earnings from CBRF are 6.08% in FY99 and assumed 5.44% rate of return beginning on 4/1/00.										
77	Do you want to set the dividend amount?			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
78	Increase/Decrease the Dividend at a constant rate?		0.00%								



**Action Required: Governor's Vetoes - \$137 million; Limit Annual CBR Draw to \$400 million**

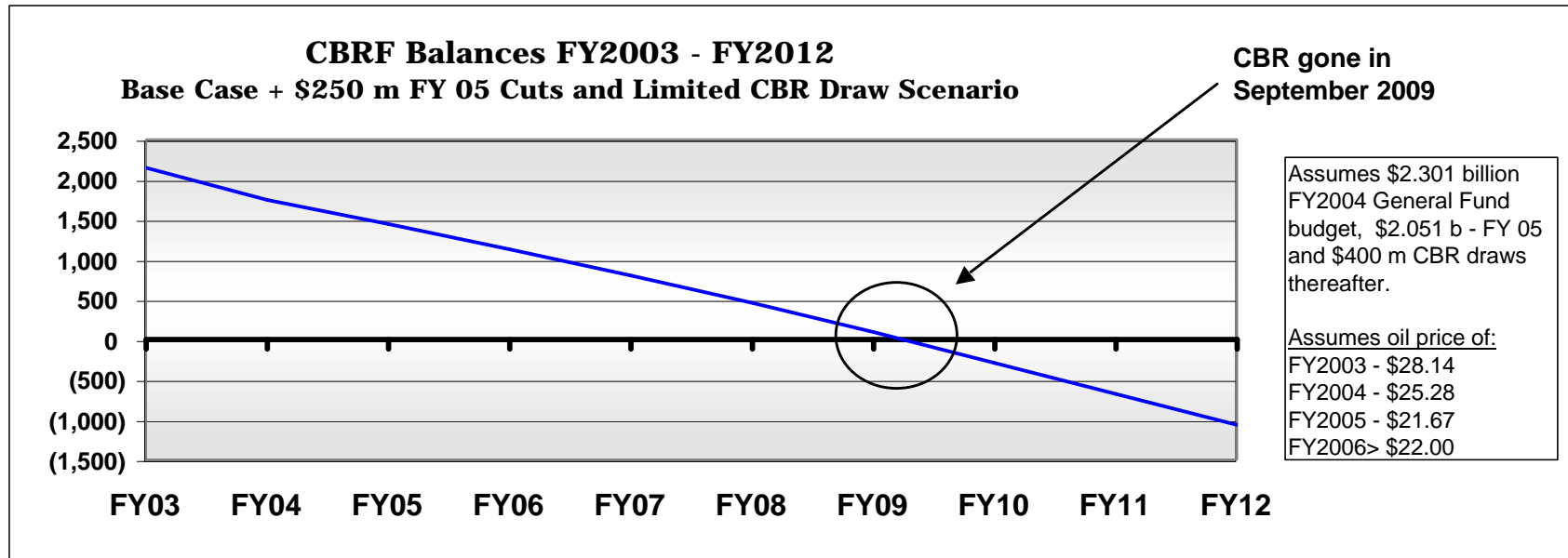
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	61	1,690	1,850	1,977	2,112	2,245	2,375	2,503	2,631	2,760
End-of-year market value of Permanent Fund	23,267	24,746	26,432	28,220	29,991	31,718	33,425	35,132	36,852	38,603
End-of-year Earnings Reserve balance	362	-	156	575	1,070	1,573	2,077	2,603	3,162	3,760
End-of-year CBRF balance	2,196	1,800	1,502	1,191	866	528	170	(213)	(599)	(985)
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,110	780	580	620	870	1,150	1,390	1,570	1,730	1,860

CBR Gone Dec '09

## Alaska Budget Analysis Status Quo

	A	B	G	H	I	J	K	L	M	N	
<b>1</b>	<b>General Fund Budget Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>2</b>	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$28.14	\$25.28	\$21.67	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
<b>3</b>		Total Production (MMbbl/day)	Input	0.994	0.993	0.992	0.962	0.957	0.984	1.031	1.008
<b>4</b>	<b>Available Revenues: (\$ Millions)</b>										
<b>5</b>	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)			1,951.3	1,748.5	1,481.0	1,454.0	1,410.6	1,391.9	1,388.2	1,309.7
<b>6</b>				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>7</b>	One Time Revenue			95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>8</b>	Income Tax		\$0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>9</b>	Seasonal Sales Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>10</b>	Motor Vehicle Registration Fee - HB 170			0.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1
<b>11</b>	State Business License Fee Increase - HB 162			0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
<b>12</b>	Public Construction Requirements - HB 155			0.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>13</b>	Studded Tire Fee - SB 106			0.0	2.4	3.3	3.3	3.3	3.3	3.3	3.3
<b>14</b>	Increase in Oil Production Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>15</b>	Passenger Vehicle Rental Tax - HB 271			0.0	1.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>16</b>	Reduce Oil Payments to PF from 50% to 25% - HB 11			0.0	45.2	45.8	45.3	43.1	37.7	38.5	38.5
<b>17</b>	Transfer from Permanent Fund to General Fund			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>18</b>	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)			129.3	39.3	51.1	37.4	23.1	8.0	0.0	3.3
<b>19</b>	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)			320.6	443.9	348.9	362.6	376.9	392.0	400.0	396.7
<b>20</b>	<b>Total General Fund Revenues and CBRF Draw</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>1,954.8</b>	<b>1,927.3</b>	<b>1,881.7</b>	<b>1,857.6</b>	<b>1,854.7</b>	<b>1,776.2</b>
<b>21</b>											
<b>22</b>	<b>Expenditures:</b>		Change Of	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>23</b>	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>24</b>	Supplemental Budget - Fires, Floods, etc.			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>25</b>	Decrease or Increase the General Fund Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>26</b>	K-12 Education Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>27</b>	Debt Service (Net of non-GF School Fund and AHFC offsets)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>28</b>	Capital Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>29</b>	State Match for Loan Programs (Water, Sewer, etc.)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>30</b>	<b>Total General Fund Expenditures:</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>1,954.8</b>	<b>1,927.3</b>	<b>1,881.7</b>	<b>1,857.6</b>	<b>1,854.7</b>	<b>1,776.2</b>
<b>31</b>	<b>Constitutional Budget Reserve Fund Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>32</b>	CBRF Balance - at Start of Fiscal Year			2,114.4	1,823.8	1,399.9	1,071.0	727.4	367.5	0.1	(0.0)
<b>33</b>	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>34</b>	Earnings on the CBRF*		4.09%	129.3	39.3	51.1	37.4	23.1	8.0	0.0	0.0
<b>35</b>	Transfer from Permanent Fund Earnings Reserve (from line 59)		Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>36</b>	Transfer to PCE Account										
<b>37</b>	Oil & Gas Tax Dispute Resolutions			30.0	20.0	20.0	19.0	17.0	14.7	0.0	0.0
<b>38</b>	Draw from CBRF to finalize previous fiscal year's Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>39</b>	Draw from Earnings for Annual Budget			(129.3)	(39.3)	(51.1)	(37.4)	(23.1)	(8.0)	(0.0)	0.0
<b>40</b>	Draw (or payback) in excess of CBRF Earnings for Annual Budget			(320.6)	(443.9)	(348.9)	(362.6)	(376.9)	(382.1)	(0.1)	0.0
<b>41</b>	Total Draw (or payback) from CBRF for Annual Budget (plus Y2K expenditures)			(449.9)	(483.2)	(400.0)	(400.0)	(400.0)	(390.1)	(0.1)	0.0
<b>42</b>	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>43</b>	<b>CBRF Balance - at End of Fiscal Year</b>			<b>1,823.8</b>	<b>1,399.9</b>	<b>1,071.0</b>	<b>727.4</b>	<b>367.5</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>44</b>	CBRF Sub Account Balance			354.9	372.3	400.5	430.9	463.5	498.6	527.8	169.6
<b>45</b>	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>46</b>	Earnings on the Sub Account *		7.32%	17.4	28.2	30.3	32.6	35.1	37.7	26.8	3.3
<b>47</b>	Transfer from Permanent Fund Earnings Reserve (from line 59)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>48</b>	Draw from Earnings for Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	(26.8)	(3.3)
<b>49</b>	Oil & Gas Tax Dispute Resolutions			0.0	0.0	0.0	0.0	0.0	1.3	15.0	14.0
<b>50</b>	Draw on Sub Account			(0.0)	0.0	0.0	0.0	0.0	(9.9)	(373.1)	(396.7)
<b>51</b>	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>52</b>	<b>CBR Sub Account Balance</b>			<b>372.3</b>	<b>400.5</b>	<b>430.9</b>	<b>463.5</b>	<b>498.6</b>	<b>527.8</b>	<b>169.6</b>	<b>(213.0)</b>
<b>53</b>	<b>Total CBRF Balance (Including Sub Account)</b>			<b>2,196.2</b>	<b>1,800.4</b>	<b>1,501.9</b>	<b>1,190.9</b>	<b>866.1</b>	<b>527.8</b>	<b>169.6</b>	<b>(213.0)</b>
<b>54</b>	<b>Alaska Permanent Fund Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>55</b>	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)			21,884	22,597	23,421	24,255	25,117	26,003	26,912	27,844
<b>56</b>	Earnings Reserve Balance - at Start of Fiscal Year			1,136	362	(0)	156	575	1,070	1,573	2,077
<b>57</b>	Unrealized Capital Gains / (Losses) - at Start of Fiscal Year			504	308	1,326	2,021	2,528	2,917	3,233	3,503
<b>58</b>	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year			23,524	23,267	24,746	26,432	28,220	29,991	31,718	33,425
<b>59</b>	Dedicated Oil Revenue Deposits into principal during Fiscal Year			361	280	211	212	211	208	205	193
<b>60</b>	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)			257	670	1,147	1,457	1,706	1,910	2,084	2,244
<b>61</b>	Unrealized Capital Gains at end of Fiscal Year			308	1,326	2,021	2,528	2,917	3,233	3,503	3,739
<b>62</b>	Income Necessary to Accomplish Line 43 Transfer (cannot exceed line 37)			0	0	0	0	0	0	0	0
<b>63</b>	Total Statutory Income			257	666	1,143	1,453	1,702	1,906	2,080	2,240
<b>64</b>	Earnings Reserve Balance before payouts - End of Fiscal Year			1,393	1,028	1,142	1,608	2,277	2,976	3,653	4,317
<b>65</b>	Payout for dividends and dividend program costs			(651)	(457)	(342)	(367)	(518)	(690)	(838)	(953)
<b>66</b>	Transfer from Earnings Reserve to Principal (Inflation proofing and other transfers)			(351)	(544)	(624)	(650)	(676)	(701)	(727)	(753)
<b>67</b>	Projected rate for statutory inflation-proofing			1.58%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
<b>68</b>	Transfer a Portion of Earnings Reserve to CBRF (to line 43)			0	0	0	0	0	0	0	0
<b>69</b>	Transfer from Permanent Fund to General Fund at end of year			0	0	0	0	0	0	0	0
<b>70</b>	Transfers out of Permanent Fund at end of year			(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
<b>71</b>	<b>Market Value of Total Permanent Fund Assets - at End of Fiscal Year</b>			<b>23,267</b>	<b>24,746</b>	<b>26,432</b>	<b>28,220</b>	<b>29,991</b>	<b>31,718</b>	<b>33,425</b>	<b>35,132</b>
<b>72</b>	Projected Dividend Check Per Person			1,110.00	780.00	580.00	620.00	870.00	1,150.00	1,390.00	1,570.00
<b>73</b>	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)			5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
<b>74</b>	<b>Total Alaska Savings Accounts (CBRF + AK Perm Fund)</b>			<b>\$25,463</b>	<b>\$26,547</b>	<b>\$27,933</b>	<b>\$29,411</b>	<b>\$30,857</b>	<b>\$32,246</b>	<b>\$33,594</b>	<b>\$35,132</b>
<b>75</b>	* Earnings = Rate of return * (average annual balance - 300 million). Average annual balance is reduced by 300 million because cash flow borrowing every year has been approximately 300 million, and the										
<b>76</b>	school districts, municipalities, etc. Earnings from CBRF are 6.08% in FY99 and assumed 5.44% rate of return beginning on 4/1/00.										
<b>77</b>	Do you want to set the dividend amount?			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>78</b>	Increase/Decrease the Dividend at a constant rate?			0.00%							





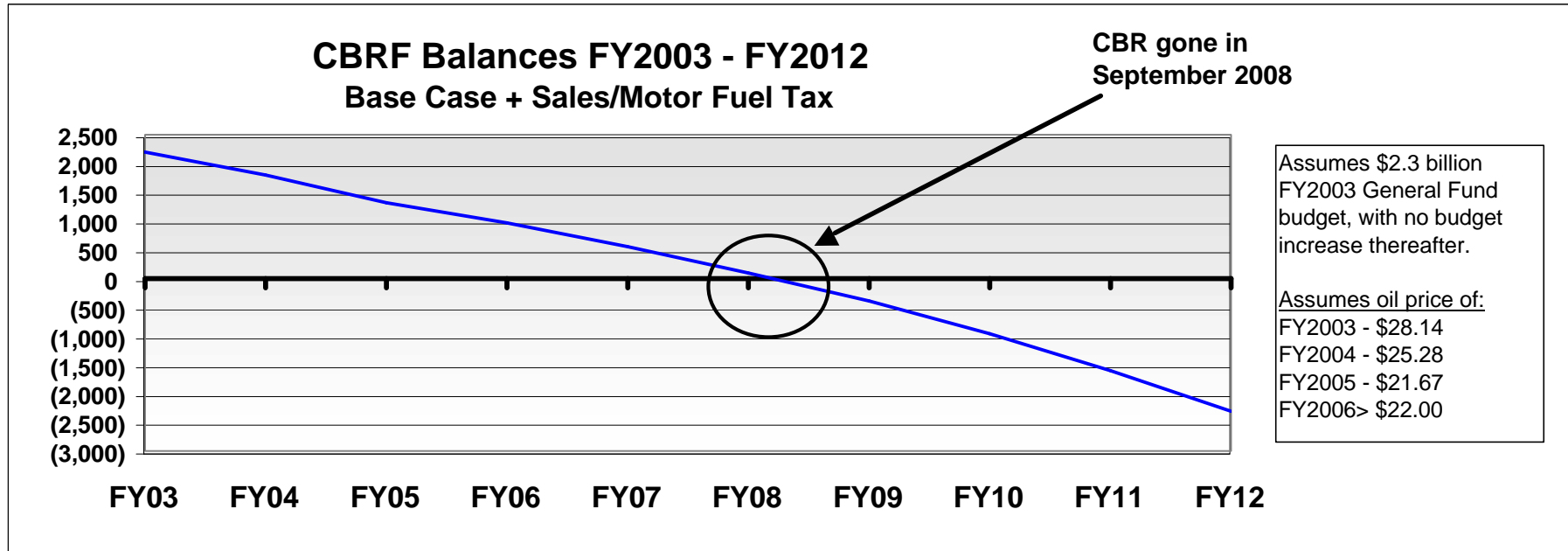
**Actions Required:** Governor's vetoes - \$138 million; \$250 million budget cut in FY 05; Limit annual CBR draw to \$400 million thereafter.

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	(847)	1,622	1,774	1,892	2,017	2,139	2,258	2,376	2,496	2,617
End-of-year market value of Permanent Fund	22,349	23,737	25,309	26,968	28,597	30,178	31,756	33,349	34,969	36,630
End-of-year Earnings Reserve balance	633	398	647	1,099	1,575	2,017	2,431	2,866	3,331	3,830
End-of-year CBRF balance	2,142	1,742	1,440	1,125	796	454	90	(295)	(681)	(1,067)
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,120	820	640	690	940	1,220	1,410	1,550	1,670	1,770

CBR Gone Sept. '09

## Alaska Budget Analysis Status Quo

	A	B	G	H	I	J	K	L	M	N	
<b>1</b>	<b>General Fund Budget Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>2</b>	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$28.14	\$25.28	\$21.67	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
<b>3</b>		Total Production (MMbbl/day)	Input	0.994	0.993	0.992	0.962	0.957	0.984	1.031	1.008
<b>4</b>	<b>Available Revenues: (\$ Millions)</b>										
<b>5</b>	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)			1,951.3	1,748.5	1,481.0	1,454.0	1,410.6	1,391.9	1,388.2	1,309.7
<b>6</b>				0.0							
<b>7</b>	One Time FY04 Revenue			86.4							
<b>8</b>	Public Construction Requirements - HB 155		\$0	0.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>9</b>	Sales Tax			0.0							
<b>10</b>	Motor Fuel Tax			0.0							
<b>11</b>	State Business License Fee Increase - HB 162			0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
<b>12</b>	Studded Tires - SB 106			0.0	2.4	3.3	3.3	3.3	3.3	3.3	3.3
<b>13</b>	Motor Vehicle Registration Fee - HB 170			0.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1
<b>14</b>	Increase in Oil Production Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>15</b>	Passenger Vehicle Rental Tax - HB 271			0.0	1.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>16</b>	Reduce Oil Payments to PF from 50% to 25% HB 11			0.0	45.2	45.8	45.3	43.1	37.7	38.5	38.5
<b>17</b>	Transfer from Permanent Fund to General Fund			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>18</b>	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)			111.0	38.6	49.9	36.1	21.7	6.7	21.2	0.0
<b>19</b>	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)			347.5	446.6	350.1	363.9	378.3	393.3	378.8	400.0
<b>20</b>	Total General Fund Revenues and CBRF Draw			2,496.2	2,301.0	1,954.8	1,927.3	1,881.7	1,857.6	1,854.7	1,776.2
<b>21</b>											
<b>22</b>	<b>Expenditures:</b>		Change Of	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>23</b>	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>24</b>	Supplemental Budget - Fires, Floods, etc.			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>25</b>	Decrease or Increase the General Fund Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>26</b>	K-12 Education Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>27</b>	Debt Service (Net of non-GF School Fund and AHFC offsets)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>28</b>	Capital Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>29</b>	State Match for Loan Programs (Water, Sewer, etc.)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>30</b>	Total General Fund Expenditures:			2,496.2	2,301.0	1,954.8	1,927.3	1,881.7	1,857.6	1,854.7	1,776.2
<b>31</b>	<b>Constitutional Budget Reserve Fund Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>32</b>	CBRF Balance - at Start of Fiscal Year			2,114.4	1,796.9	1,370.3	1,040.2	695.3	334.0	0.0	0.0
<b>33</b>	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>34</b>	Earnings on the CBRF*		4.09%	111.0	38.6	49.9	36.1	21.7	6.7	0.0	0.0
<b>35</b>	Transfer from Permanent Fund Earnings Reserve (from line 59)		Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>36</b>	Transfer to PCE Account										
<b>37</b>	Oil & Gas Tax Dispute Resolutions			30.0	20.0	20.0	19.0	17.0	13.3	0.0	0.0
<b>38</b>	Draw from CBRF to finalize previous fiscal year's Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>39</b>	Draw from Earnings for Annual Budget			(111.0)	(38.6)	(49.9)	(36.1)	(21.7)	(6.7)	(0.0)	(0.0)
<b>40</b>	Draw (or payback) in excess of CBRF Earnings for Annual Budget			(347.5)	(446.6)	(350.1)	(363.9)	(378.3)	(347.4)	(0.0)	0.0
<b>41</b>	Total Draw (or payback) from CBRF for Annual Budget (plus Y2K expenditures)			(458.5)	(485.2)	(400.0)	(400.0)	(400.0)	(354.1)	(0.0)	(0.0)
<b>42</b>	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>43</b>	CBRF Balance - at End of Fiscal Year			1,796.9	1,370.3	1,040.2	695.3	334.0	0.0	0.0	(0.0)
<b>44</b>	CBRF Sub Account Balance			354.9	345.2	371.3	399.4	429.6	462.2	453.8	90.0
<b>45</b>	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>46</b>	Earnings on the Sub Account *		7.32%	(9.8)	26.1	28.1	30.2	32.5	34.9	21.2	1.1
<b>47</b>	Transfer from Permanent Fund Earnings Reserve (from line 59)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>48</b>	Draw from Earnings for Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>49</b>	Oil & Gas Tax Dispute Resolutions			0.0	0.0	0.0	0.0	0.0	2.7	15.0	14.0
<b>50</b>	Draw on Sub Account			(0.0)	0.0	0.0	0.0	0.0	(45.9)	(400.0)	(400.0)
<b>51</b>	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>52</b>	CBR Sub Account Balance			345.2	371.3	399.4	429.6	462.2	453.8	90.0	(294.9)
<b>53</b>	Total CBRF Balance (Including Sub Account)			2,142.1	1,741.6	1,439.6	1,125.0	796.2	453.8	90.0	(294.9)
<b>54</b>	<b>Alaska Permanent Fund Projections</b>		<b>FY</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>55</b>	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)			21,884	22,348	23,222	24,054	24,913	25,796	26,702	27,629
<b>56</b>	Earnings Reserve Balance - at Start of Fiscal Year			1,136	633	398	647	1,099	1,575	2,017	2,431
<b>57</b>	Unrealized Capital Gains / (Losses) - at Start of Fiscal Year			504	(631)	117	608	956	1,225	1,458	1,695
<b>58</b>	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year			23,524	22,349	23,737	25,309	26,968	28,597	30,178	31,756
<b>59</b>	Dedicated Oil Revenue Deposits into principal during Fiscal Year			361	280	211	212	211	208	205	193
<b>60</b>	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)			289	868	1,271	1,528	1,729	1,885	1,999	2,134
<b>61</b>	Unrealized Capital Gains at end of Fiscal Year			(631)	117	608	956	1,225	1,458	1,695	1,912
<b>62</b>	Income Necessary to Accomplish Line 43 Transfer (cannot exceed line 37)			0	0	0	0	0	0	0	0
<b>63</b>	Total Statutory Income			285	864	1,267	1,524	1,725	1,881	1,995	2,130
<b>64</b>	Earnings Reserve Balance before payouts - End of Fiscal Year			1,421	1,497	1,665	2,171	2,824	3,456	4,013	4,562
<b>65</b>	Payout for dividends and dividend program costs			(657)	(481)	(379)	(411)	(564)	(732)	(850)	(940)
<b>66</b>	Transfer from Earnings Reserve to Principal (Inflation proofing and other transfers)			(102)	(594)	(622)	(647)	(672)	(698)	(723)	(749)
<b>67</b>	Projected rate for statutory inflation-proofing			1.58%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
<b>68</b>	Transfer a Portion of Earnings Reserve to CBRF (to line 43)			0	0	0	0	0	0	0	0
<b>69</b>	Transfer from Permanent Fund to General Fund at end of year			0	0	0	0	0	0	0	0
<b>70</b>	Transfers out of Permanent Fund at end of year			(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
<b>71</b>	Market Value of Total Permanent Fund Assets - at End of Fiscal Year			22,349	23,737	25,309	26,968	28,597	30,178	31,756	33,349
<b>72</b>	Projected Dividend Check Per Person			1,120.00	820.00	640.00	690.00	940.00	1,220.00	1,410.00	1,550.00
<b>73</b>	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)			5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
<b>74</b>	Total Alaska Savings Accounts (CBRF + AK Perm Fund)			\$24,491	\$25,479	\$26,749	\$28,093	\$29,393	\$30,631	\$31,846	\$33,349
<b>75</b>	* Earnings = Rate of return * (average annual balance - 300 million). Average annual balance is reduced by 300 million because cash flow borrowing every year has been approximately 300 million, and the										
<b>76</b>	school districts, municipalities, etc. Earnings from CBRF are 6.08% in FY99 and assumed 5.44% rate of return beginning on 4/1/00.										
<b>77</b>	Do you want to set the dividend amount?			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>78</b>	Increase/Decrease the Dividend at a constant rate?			0.00%							



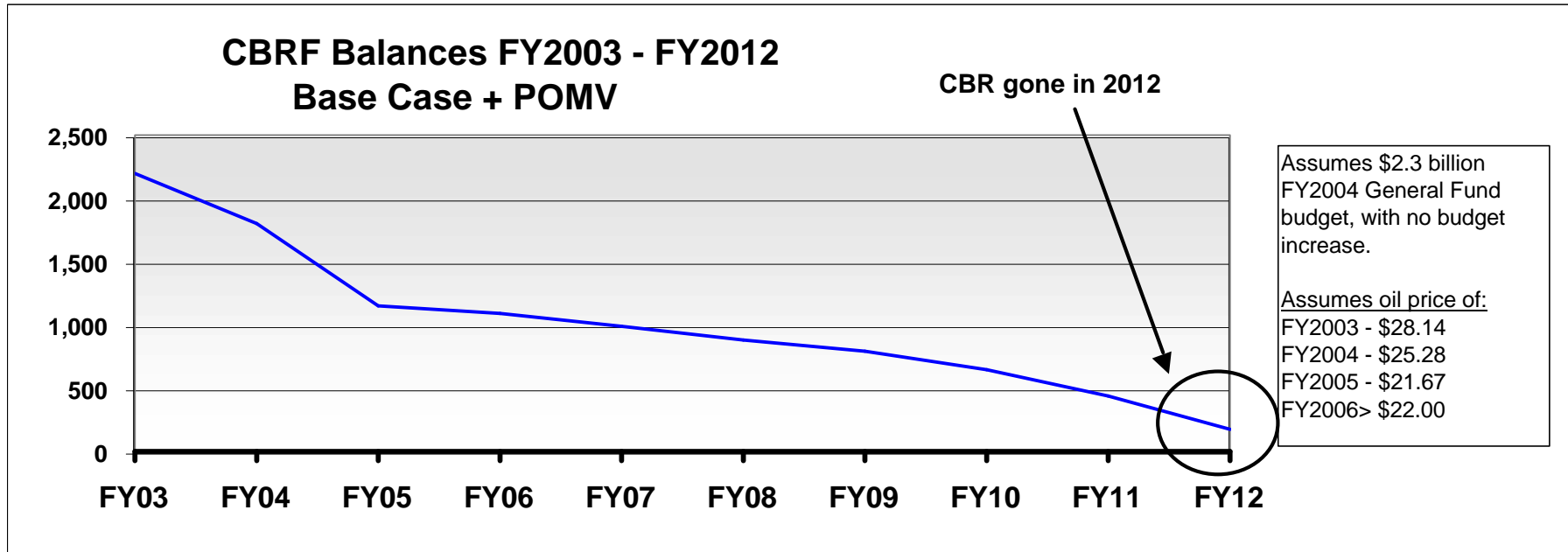
**Actions Required: Governor's Vetoes - \$138 Million; 3% Statewide Sales Tax and 12 cent Motor Fuel Tax increase - \$163 Million in FY 05, \$341 Million thereafter**

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	61	1,690	1,850	1,977	2,112	2,245	2,375	2,503	2,631	2,760
End-of-year market value of Permanent Fund	23,267	24,746	26,432	28,220	29,991	31,718	33,425	35,132	36,852	38,603
End-of-year Earnings Reserve balance	362	-	156	575	1,070	1,573	2,077	2,603	3,162	3,760
End-of-year CBRF balance	2,196	1,800	1,317	967	555	96	(391)	(959)	(1,603)	(2,311)
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,110	780	580	620	870	1,150	1,390	1,570	1,730	1,860

CBR Gone Sep '08

## Alaska Budget Analysis Status Quo

	A	B	G	H	I	J	K	L	M	N	
<b>General Fund Budget Projections</b>											
1		FY	2003	2004	2005	2006	2007	2008	2009	2010	
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$28.14	\$25.28	\$21.67	\$22.00	\$22.00	\$22.00	\$22.00	
3		Total Production (MMbbl/day)	Input	0.994	0.993	0.992	0.962	0.957	0.984	1.031	
4	<b>Available Revenues: (\$ Millions)</b>										
5	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)			1,951.3	1,748.5	1,481.0	1,454.0	1,410.6	1,391.9	1,388.2	1,309.7
6				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	One Time Revenue			95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Income Tax		\$0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Seasonal Sales Tax			0.0	0.0	163.0	341.0	341.0	341.0	341.0	341.0
10	Motor Vehicle Registration Fee - HB 170			0.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1
11	State Business License Fee Increase - HB 162			0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
12	Public Construction Requirements - HB 155			0.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
13	Studded Tire Fee - SB 106			0.0	2.4	3.3	3.3	3.3	3.3	3.3	3.3
14	Increase in Oil Production Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Passenger Vehicle Rental Tax - HB 271			0.0	1.0	6.0	6.0	6.0	6.0	6.0	6.0
16	Reduce Oil Payments to PF from 50% to 25% - HB 11			0.0	45.2	45.8	45.3	43.1	37.7	38.5	38.5
17	Transfer from Permanent Fund to General Fund			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)			129.3	39.3	47.7	29.1	12.3	25.3	1.0	0.0
19	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)			320.6	443.9	533.5	401.6	464.0	475.1	502.3	581.8
20	<b>Total General Fund Revenues and CBRF Draw</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>
21											
22	<b>Expenditures:</b>		Change Of	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Supplemental Budget - Fires, Floods, etc.			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Decrease or Increase the General Fund Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	K-12 Education Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Debt Service (Net of non-GF School Fund and AHFC offsets)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Capital Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	State Match for Loan Programs (Water, Sewer, etc.)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	<b>Total General Fund Expenditures:</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>
31	<b>Constitutional Budget Reserve Fund Projections</b>										
32	CBRF Balance - at Start of Fiscal Year			2,114.4	1,823.8	1,399.9	886.4	503.9	56.9	0.0	0.0
33	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Earnings on the CBRF*		4.09%	129.3	39.3	47.7	29.1	12.3	0.3	0.0	0.0
35	Transfer from Permanent Fund Earnings Reserve (from line 59)		Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	Transfer to PCE Account										
37	Oil & Gas Tax Dispute Resolutions			30.0	20.0	20.0	19.0	17.0	1.3	0.0	0.0
38	Draw from CBRF to finalize previous fiscal year's Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39	Draw from Earnings for Annual Budget			(129.3)	(39.3)	(47.7)	(29.1)	(12.3)	(0.3)	0.0	0.0
40	Draw (or payback) in excess of CBRF Earnings for Annual Budget			(320.6)	(443.9)	(533.5)	(401.6)	(464.0)	(502.3)	0.0	0.0
41	Total Draw (or payback) from CBRF for Annual Budget (plus Y2K expenditures)			(449.9)	(483.2)	(581.2)	(430.7)	(476.3)	(58.5)	0.0	0.0
42	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
43	<b>CBRF Balance - at End of Fiscal Year</b>			<b>1,823.8</b>	<b>1,399.9</b>	<b>886.4</b>	<b>503.9</b>	<b>56.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
44	CBRF Sub Account Balance			354.9	372.3	400.5	430.9	463.5	498.6	96.3	(390.9)
45	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46	Earnings on the Sub Account *		7.32%	17.4	28.2	30.3	32.6	35.1	25.0	1.0	0.0
47	Transfer from Permanent Fund Earnings Reserve (from line 59)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
48	Draw from Earnings for Annual Budget			0.0	0.0	0.0	0.0	0.0	(25.0)	(1.0)	0.0
49	Oil & Gas Tax Dispute Resolutions			0.0	0.0	0.0	0.0	0.0	14.7	15.0	14.0
50	Draw on Sub Account			(0.0)	0.0	0.0	0.0	0.0	(416.9)	(502.3)	(581.8)
51	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
52	<b>CBR Sub Account Balance</b>			<b>372.3</b>	<b>400.5</b>	<b>430.9</b>	<b>463.5</b>	<b>498.6</b>	<b>96.3</b>	<b>(390.9)</b>	<b>(958.8)</b>
53	<b>Total CBRF Balance (including Sub Account)</b>			<b>2,196.2</b>	<b>1,800.4</b>	<b>1,317.3</b>	<b>967.4</b>	<b>555.4</b>	<b>96.3</b>	<b>(390.9)</b>	<b>(958.8)</b>
54	<b>Alaska Permanent Fund Projections</b>										
55	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)			21,884	22,597	23,421	24,255	25,117	26,003	26,912	27,844
56	Earnings Reserve Balance - at Start of Fiscal Year			1,136	362	(0)	156	575	1,070	1,573	2,077
57	Unrealized Capital Gains / (Losses) - at Start of Fiscal Year			504	308	1,326	2,021	2,528	2,917	3,233	3,503
58	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year			23,524	23,267	24,746	26,432	28,220	29,991	31,718	33,425
59	Dedicated Oil Revenue Deposits into principal during Fiscal Year			361	280	211	212	211	208	205	193
60	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)			257	670	1,147	1,457	1,706	1,910	2,084	2,244
61	Unrealized Capital Gains at end of Fiscal Year			308	1,326	2,021	2,528	2,917	3,233	3,503	3,739
62	Income Necessary to Accomplish Line 43 Transfer (cannot exceed line 37)			0	0	0	0	0	0	0	0
63	Total Statutory Income			257	666	1,143	1,453	1,702	1,906	2,080	2,240
64	Earnings Reserve Balance before payouts - End of Fiscal Year			1,393	1,028	1,142	1,608	2,277	2,976	3,653	4,317
65	Payout for dividends and dividend program costs			(651)	(457)	(342)	(367)	(518)	(690)	(838)	(953)
66	Transfer from Earnings Reserve to Principal (inflation proofing and other transfers)			(351)	(544)	(624)	(650)	(676)	(701)	(727)	(753)
67	Projected rate for statutory inflation-proofing			1.58%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
68	Transfer a Portion of Earnings Reserve to CBRF (to line 43)			0	0	0	0	0	0	0	0
69	Transfer from Permanent Fund to General Fund at end of year			0	0	0	0	0	0	0	0
70	Transfers out of Permanent Fund at end of year			(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
71	<b>Market Value of Total Permanent Fund Assets - at End of Fiscal Year</b>			<b>23,267</b>	<b>24,746</b>	<b>26,432</b>	<b>28,220</b>	<b>29,991</b>	<b>31,718</b>	<b>33,425</b>	<b>35,132</b>
72	Projected Dividend Check Per Person			1,110.00	780.00	580.00	620.00	870.00	1,150.00	1,390.00	1,570.00
73	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)			5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc	5 Yr Inc
74	<b>Total Alaska Savings Accounts (CBRF + AK Perm Fund)</b>			<b>\$25,463</b>	<b>\$26,547</b>	<b>\$27,749</b>	<b>\$29,187</b>	<b>\$30,546</b>	<b>\$31,815</b>	<b>\$33,425</b>	<b>\$35,132</b>
75	* Earnings = Rate of return * (average annual balance - 300 million). Average annual balance is reduced by 300 million because cash flow borrowing every year has been approximately 300 million, and the										
76	school districts, municipalities, etc. Earnings from CBRF are 6.08% in FY99 and assumed 5.44% rate of return beginning on 4/1/00.										
77	Do you want to set the dividend amount?			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
78	Increase/Decrease the Dividend at a constant rate?			0.00%							



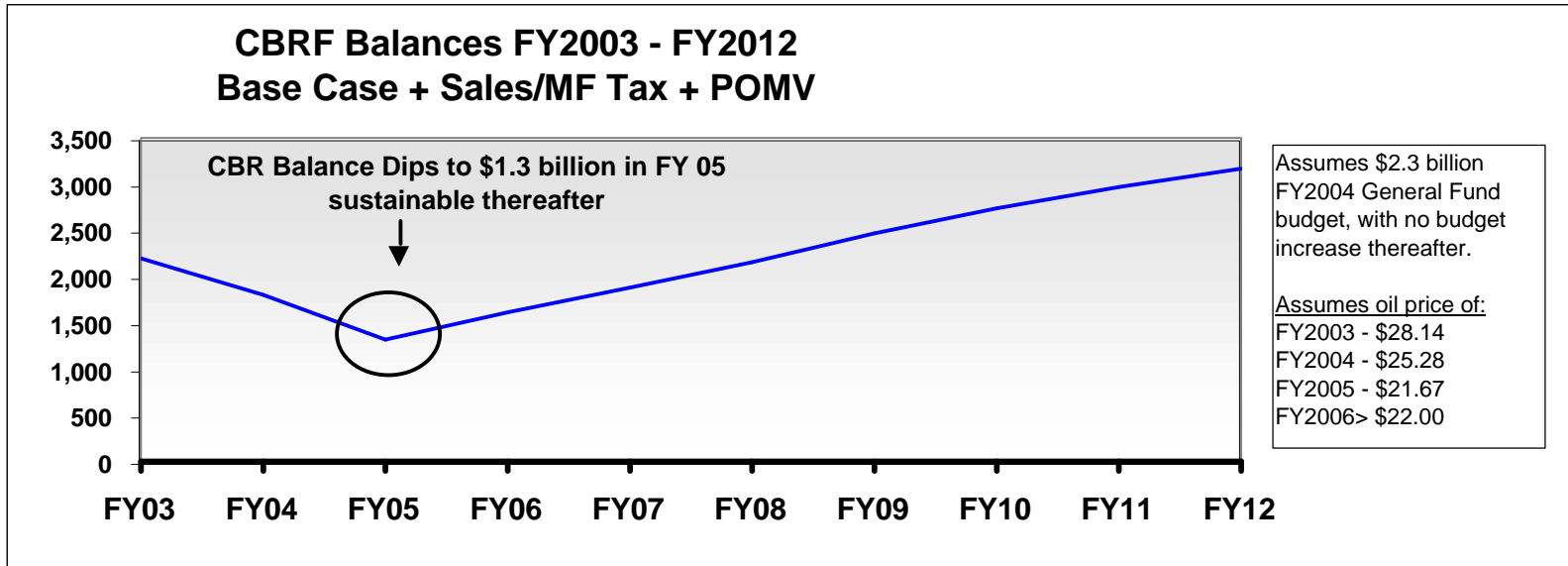
**Actions Required: Governor's Vetoes - \$137 Million; 5% POMV Payout split evenly between PFDs and the General Fund**

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	61	1,690	1,850	1,977	2,112	2,245	2,375	2,503	2,631	2,760
End-of-year market value of Permanent Fund	23,267	24,746	26,432	28,220	29,991	31,718	33,425	35,132	36,852	38,603
End-of-year Earnings Reserve balance	362	-	156	575	1,070	1,573	2,077	2,603	3,162	3,760
End-of-year CBRF balance	2,196	1,800	1,151	1,091	989	880	792	646	438	174
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,110	780	580	620	870	1,150	1,390	1,570	1,730	1,860
POMV 5% Model	1,110	780	1,010	1,010	1,040	1,070	1,100	1,120	1,150	1,170

CBR Gone in 2012

## Alaska Budget Analysis Status Quo

	A	B	G	H	I	J	K	L	M	N	
<b>General Fund Budget Projections</b>											
1		FY	2003	2004	2005	2006	2007	2008	2009	2010	
2	All dollars in millions except oil prices.	Average Oil Price (\$/bbl.)	Input	\$28.14	\$25.28	\$21.67	\$22.00	\$22.00	\$22.00	\$22.00	
3		Total Production (MMbbl/day)	Input	0.994	0.993	0.992	0.962	0.957	0.984	1.031	
4	<b>Available Revenues: (\$ Millions)</b>										
5	General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)			1,951.3	1,748.5	1,481.0	1,454.0	1,410.6	1,391.9	1,388.2	1,309.7
6				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	One Time Revenue			95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Income Tax		\$0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Seasonal Sales Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Motor Vehicle Registration Fee - HB 170			0.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1
11	State Business License Fee Increase - HB 162			0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
12	Public Construction Requirements - HB 155			0.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
13	Studded Tire Fee - SB 106			0.0	2.4	3.3	3.3	3.3	3.3	3.3	3.3
14	Increase in Oil Production Tax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Passenger Vehicle Rental Tax - HB 271			0.0	1.0	6.0	6.0	6.0	6.0	6.0	6.0
16	Reduce Oil Payments to PF from 50% to 25% - HB 11			0.0	45.2	45.8	45.3	43.1	37.7	38.5	38.5
17	Transfer from Permanent Fund to General Fund			0.0	0.0	0.0	631.9	640.5	661.1	688.8	714.6
18	Constitutional Budget Reserve Fund (CBRF) Earnings (requires 3/4 vote of legislature)			129.3	39.3	44.6	27.7	23.1	17.3	11.7	5.3
19	Projected Draw in excess of CBRF earnings (requires 3/4 vote of legislature)			320.6	443.9	699.5	112.1	153.6	162.9	143.9	202.9
20	<b>Total General Fund Revenues and CBRF Draw</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>
21											
22	<b>Expenditures:</b>		Change Of	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Operating - Agencies, Univ & Formula Programs (Medicaid, Aid to Communities, Longevity Bonus, etc)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Supplemental Budget - Fires, Floods, etc.			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Decrease or Increase the General Fund Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	K-12 Education Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Debt Service (Net of non-GF School Fund and AHFC offsets)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Capital Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	State Match for Loan Programs (Water, Sewer, etc.)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	<b>Total General Fund Expenditures:</b>			<b>2,496.2</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>	<b>2,299.0</b>
31	<b>Constitutional Budget Reserve Fund Projections</b>										
32	CBRF Balance - at Start of Fiscal Year			2,114.4	1,823.8	1,399.9	720.3	627.3	490.6	343.7	214.8
33	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Earnings on the CBRF*		4.09%	129.3	39.3	44.6	27.7	23.1	17.3	11.7	5.3
35	Transfer from Permanent Fund Earnings Reserve (from line 59)		Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	Transfer to PCE Account										
37	Oil & Gas Tax Dispute Resolutions			30.0	20.0	20.0	19.0	17.0	16.0	15.0	14.0
38	Draw from CBRF to finalize previous fiscal year's Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39	Draw from Earnings for Annual Budget			(129.3)	(39.3)	(44.6)	(27.7)	(23.1)	(17.3)	(11.7)	(5.3)
40	Draw (or payback) in excess of CBRF Earnings for Annual Budget			(320.6)	(443.9)	(699.5)	(112.1)	(153.6)	(162.9)	(143.9)	(202.9)
41	Total Draw (or payback) from CBRF for Annual Budget (plus Y2K expenditures)			(449.9)	(483.2)	(744.2)	(139.8)	(176.8)	(180.3)	(155.5)	(208.2)
42	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
43	<b>CBRF Balance - at End of Fiscal Year</b>			<b>1,823.8</b>	<b>1,399.9</b>	<b>720.3</b>	<b>627.3</b>	<b>490.6</b>	<b>343.7</b>	<b>214.8</b>	<b>25.9</b>
44	CBRF Sub Account Balance			354.9	372.3	400.5	430.9	463.5	498.6	536.3	576.9
45	Start of Year Draw for Cash Flow Purposes			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46	Earnings on the Sub Account *		7.32%	17.4	28.2	30.3	32.6	35.1	37.7	40.6	43.7
47	Transfer from Permanent Fund Earnings Reserve (from line 59)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
48	Draw from Earnings for Annual Budget			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
49	Oil & Gas Tax Dispute Resolutions			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
50	Draw on Sub Account			(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
51	Payback of Start of Year Draw			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
52	<b>CBR Sub Account Balance</b>			<b>372.3</b>	<b>400.5</b>	<b>430.9</b>	<b>463.5</b>	<b>498.6</b>	<b>536.3</b>	<b>576.9</b>	<b>620.6</b>
53	<b>Total CBRF Balance (including Sub Account)</b>			<b>2,196.2</b>	<b>1,800.4</b>	<b>1,151.2</b>	<b>1,090.7</b>	<b>989.2</b>	<b>880.0</b>	<b>791.7</b>	<b>646.5</b>
54	<b>Alaska Permanent Fund Projections</b>										
55	Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution)			21,884	22,597	23,421	23,651	23,888	24,128	24,368	24,609
56	Earnings Reserve Balance - at Start of Fiscal Year			1,136	362	(0)	(132)	(7)	278	659	1,105
57	Unrealized Capital Gains / (Losses) - at Start of Fiscal Year			504	308	1,326	2,021	2,497	2,830	3,074	3,262
58	Market Value of Total Permanent Fund Assets - at Start of Fiscal Year			23,524	23,267	24,746	25,540	26,378	27,236	28,101	28,976
59	Dedicated Oil Revenue Deposits into principal during Fiscal Year			361	280	211	212	211	208	205	193
60	Permanent Fund Statutory Income (Dividends, Interest & Realized Capital Gains)			257	670	1,137	1,410	1,611	1,762	1,879	1,982
61	Unrealized Capital Gains at end of Fiscal Year			308	1,326	2,021	2,497	2,830	3,074	3,262	3,410
62	Income Necessary to Accomplish Line 43 Transfer (cannot exceed line 37)			0	0	0	0	0	0	0	0
63	Total Statutory Income			257	666	1,137	1,410	1,611	1,762	1,879	1,982
64	Earnings Reserve Balance before payouts - End of Fiscal Year			1,393	1,028	1,136	1,278	1,605	2,041	2,539	3,087
65	Payout for dividends and dividend program costs			(651)	(457)	(602)	(611)	(631)	(658)	(683)	(705)
66	Transfer from Earnings Reserve to Principal (Inflation proofing and other transfers)			(351)	(544)	(20)	(25)	(29)	(33)	(36)	(39)
67	Projected rate for statutory inflation-proofing			1.58%	2.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
68	Transfer a Portion of Earnings Reserve to CBRF (to line 43)			0	0	0	0	0	0	0	0
69	Transfer from Permanent Fund to General Fund at end of year			0	0	(632)	(641)	(661)	(689)	(715)	(737)
70	Transfers out of Permanent Fund at end of year			(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
71	<b>Market Value of Total Permanent Fund Assets - at End of Fiscal Year</b>			<b>23,267</b>	<b>24,746</b>	<b>25,540</b>	<b>26,378</b>	<b>27,236</b>	<b>28,101</b>	<b>28,976</b>	<b>29,860</b>
72	Projected Dividend Check Per Person			1,110.00	780.00	1,010.00	1,010.00	1,040.00	1,070.00	1,100.00	1,120.00
73	Dividend Formula - 5 Year Income or Statutory Earnings Reserve Limit (or Temp Adj)			5 Yr Inc	5 Yr Inc	POMV 5%	POMV 5%	POMV 5%	POMV 5%	POMV 5%	POMV 5%
74	<b>Total Alaska Savings Accounts (CBRF + AK Perm Fund)</b>			<b>\$25,463</b>	<b>\$26,547</b>	<b>\$26,692</b>	<b>\$27,468</b>	<b>\$28,226</b>	<b>\$28,981</b>	<b>\$29,768</b>	<b>\$30,506</b>
75	* Earnings = Rate of return * (average annual balance - 300 million). Average annual balance is reduced by 300 million because cash flow borrowing every year has been approximately 300 million, and the										
76	school districts, municipalities, etc. Earnings from CBRF are 6.08% in FY99 and assumed 5.44% rate of return beginning on 4/1/00.										
77	Do you want to set the dividend amount?			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
78	Increase/Decrease the Dividend at a constant rate?			0.00%							



**Actions Required:** Governor's Vetoes - \$138 Million; 3% Statewide Sales Tax and 12 cent Motor Fuel Tax increase - \$163 Million in FY 05, \$341 Million/yr. thereafter; 5% POMV Payout split evenly between PFDs and the General Fund

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Permanent Fund Expected Earnings	61	1,690	1,850	1,977	2,112	2,245	2,375	2,503	2,631	2,760
End-of-year market value of Permanent Fund	23,267	24,746	26,432	28,220	29,991	31,718	33,425	35,132	36,852	38,603
End-of-year Earnings Reserve balance	362	-	156	575	1,070	1,573	2,077	2,603	3,162	3,760
End-of-year CBRF balance	2,196	1,800	1,317	1,611	1,879	2,154	2,466	2,738	2,968	3,169
<b>Projected Dividend (by Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Status Quo	1,110	780	580	620	870	1,150	1,390	1,570	1,730	1,860
POMV 5% Model	1,110	780	1,010	1,010	1,040	1,070	1,100	1,120	1,150	1,170

CBR Balance Dips to \$1.3 billion in FY 05,  
Sustainable Thereafter

**Alaska Budget Analysis  
Status Quo**

	A	B	G	H	I	J	K	L	M	N	
<b>1</b>	<b>General Fund Budget Projections</b>										
<b>2</b>	All dollars in millions except oil prices.		FY	2003	2004	2005	2006	2007	2008	2009	2010
<b>3</b>	Average Oil Price (\$/bbl.)		Input	\$28.14	\$25.28	\$21.67	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
<b>4</b>	Total Production (MMbbl/day)		Input	0.994	0.993	0.992	0.962	0.957	0.984	1.031	1.008
<b>5</b>	<b>Available Revenues: (\$ Millions)</b>										
<b>6</b>	<b>General Fund Net Disposable Unrestricted Revenue (adjusted for treatment of tobacco settlement)</b>										
<b>7</b>				1,951.3	1,748.5	1,481.0	1,454.0	1,410.6	1,391.9	1,388.2	1,309.7
<b>8</b>				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>9</b>				95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>10</b>				\$0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>11</b>				0.0	0.0	163.0	341.0	341.0	341.0	341.0	341.0
<b>12</b>				0.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1
<b>13</b>				0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
<b>14</b>				0.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>15</b>				0.0	2.4	3.3	3.3	3.3	3.3	3.3	3.3
<b>16</b>				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>17</b>				0.0	1.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>18</b>				0.0	45.2	45.8	45.3	43.1	37.7	38.5	38.5
<b>19</b>				0.0	0.0	0.0	631.9	640.5	661.1	688.8	714.6
<b>20</b>				129.3	39.3	47.7	0.0	0.0	0.0	0.0	0.0
<b>21</b>				320.6	443.9	533.5	(201.2)	(164.2)	(160.7)	(185.5)	(132.8)
<b>22</b>				2,496.2	2,299.0	2,299.0	2,299.0	2,299.0	2,299.0	2,299.0	2,299.0
<b>23</b>											
<b>24</b>				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>25</b>											
<b>26</b>				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>27</b>				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>28</b>				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>29</b>				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>30</b>				2,496.2	2,299.0	2,299.0	2,299.0	2,299.0	2,299.0	2,299.0	2,299.0
<b>31</b>	<b>Constitutional Budget Reserve Fund Projections</b>										
<b>32</b>				FY	2003	2004	2005	2006	2007	2008	2009
<b>33</b>					2,114.4	1,823.8	1,399.9	886.4	1,147.7	1,380.3	1,617.9
<b>34</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>35</b>				4.09%	129.3	39.3	47.7	41.1	51.3	60.9	71.2
<b>36</b>				Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>37</b>					30.0	20.0	20.0	19.0	17.0	16.0	15.0
<b>38</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>39</b>					(129.3)	(39.3)	(47.7)	0.0	0.0	0.0	0.0
<b>40</b>					(320.6)	(443.9)	(533.5)	201.2	164.2	160.7	185.5
<b>41</b>					(449.9)	(483.2)	(581.2)	201.2	164.2	160.7	185.5
<b>42</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>43</b>					1,823.8	1,399.9	886.4	1,147.7	1,380.3	1,617.9	1,889.5
<b>44</b>					354.9	372.3	400.5	430.9	463.5	498.6	536.3
<b>45</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>46</b>				7.32%	17.4	28.2	30.3	32.6	35.1	37.7	40.6
<b>47</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>48</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>49</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>50</b>					(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
<b>51</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>52</b>					372.3	400.5	430.9	463.5	498.6	536.3	576.9
<b>53</b>					2,196.2	1,800.4	1,317.3	1,611.2	1,878.8	2,154.2	2,466.5
<b>54</b>	<b>Alaska Permanent Fund Projections</b>										
<b>55</b>				FY	2003	2004	2005	2006	2007	2008	2009
<b>56</b>					21,884	22,597	23,421	23,651	23,888	24,128	24,368
<b>57</b>					1,136	362	(0)	(132)	(7)	278	659
<b>58</b>					504	308	1,326	2,021	2,497	2,830	3,074
<b>59</b>					23,524	23,267	24,746	25,540	26,378	27,236	28,101
<b>60</b>					361	280	211	212	211	208	205
<b>61</b>					257	670	1,137	1,410	1,611	1,762	1,879
<b>62</b>					308	1,326	2,021	2,497	2,830	3,074	3,262
<b>63</b>					0	0	0	0	0	0	0
<b>64</b>					257	666	1,137	1,410	1,611	1,762	1,879
<b>65</b>					1,393	1,028	1,136	1,278	1,605	2,041	2,539
<b>66</b>					(651)	(457)	(602)	(611)	(631)	(658)	(683)
<b>67</b>					(351)	(544)	(20)	(25)	(29)	(33)	(36)
<b>68</b>					1.58%	2.60%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>69</b>					0	0	0	0	0	0	0
<b>70</b>					0	0	(632)	(641)	(661)	(689)	(715)
<b>71</b>					(4)	(4)	(4)	(4)	(4)	(4)	(4)
<b>72</b>					23,267	24,746	25,540	26,378	27,236	28,101	28,976
<b>73</b>					1,110.00	780.00	1,010.00	1,010.00	1,040.00	1,070.00	1,100.00
<b>74</b>					5 Yr Inc	5 Yr Inc	POMV 5%	POMV 5%	POMV 5%	POMV 5%	POMV 5%
<b>75</b>					\$25,463	\$26,547	\$26,858	\$27,989	\$29,115	\$30,255	\$31,443
<b>76</b>					\$32,598						
<b>77</b>											
<b>78</b>					0.0	0.0	0.0	0.0	0.0	0.0	0.0