Note: The projections in the FY2015 plan are intended to be used as a planning tool. They do not represent a commitment by the Administration to propose spending nor bring in revenue at a particular level in FY2014, FY2015, or any future year.

Executive Summary FY2015 10-Year plan

Diversification of Revenue: Plotting a course for Alaska's next 10 years

Looking ahead at the next 10 years, Alaska must grow its revenue base. The main emphasis of the 10-year plan is to facilitate Alaska's transition from a predominantly oil revenue base to an oil and natural gas revenue base. Revenue and other economic activity generated from the commercialization of Alaska's natural gas would help diversify Alaska's revenue sources and provide a potentially substantial source of revenue to offset declining oil revenue. In addition, commercialization of North Slope gas, in conjunction with other state investment to reinvigorate natural gas production in Cook Inlet, will provide economic opportunity and a stable, clean source of energy to fuel Alaskan businesses and homes for years to come. Efforts to diversify and enhance revenue sources cannot solely rely on commercializing Alaska's natural gas. Alaska must continue to make strides to maximize production from existing oil fields and develop other economic opportunities, particularly from its abundant natural resource base.

Assuming the Alaska Department of Revenue's Fall 2013 forecast backstopped by budget reserves, Alaska must exercise spending discipline to sustain itself through FY2024. This would achieve the goal of transitioning the state to a future where natural gas is beginning to take a larger role in the state's overall economy. Assuming the Fall 2013 forecast and a range of spending assumptions, the combined balances of the state's primary reserve accounts, the Statutory Budget Reserve and the Constitutional Budget Reserve, would remain positive during the next ten years. However, declining oil production combined with a generally softening oil price in the next several years starts the overall state revenue curve on a downward trajectory beginning in FY2014, and the level of state spending is a critical variable in the year to year general fund expenditures versus revenue equation. The 10-year forecast shows that anticipated budget shortfalls during the 10-year period could be filled through the use of reserve funds; however, other fiscal tools, including spending reductions, will be used in addition to, or in lieu of, reserve funds.

The 10-year plan examines a range of possible spending and revenue scenarios. Inflation is assumed at 2.5% and population growth will be slightly above 1.0% annually. That implies that state spending on a per capita basis will decline over the next ten years in real terms.

The upward pressure on spending is significant. One particularly challenging example of this issue in the operations portion of the budget is the state's projected Medicaid spending. In FY2015, the state's portion of the federal Medicaid program was $693.3 million. Over the next 10 years that figure is projected to increase at an annual rate of over 7.2% and by FY2024 is projected to require a $1.3

billion contribution from the state's general fund. This percentage change assumes that the state's base Medicaid reimbursement rate remains at 50% throughout the forecast period.

Among the other challenges that must be considered in the planning horizon are: tax credits and financial inducements (oil & gas related); the unfunded liability to the public employee and teachers retirement systems, dealing with the high cost of energy for Alaskans; shoring up aging transportation and other state-owned infrastructure; and handling the effects of Alaska's growing elderly and prison populations. All of these issues must be considered while continuing to provide an acceptable level of government services to Alaskans.

Oil Prices and the Plan

In view of history, the possibility of oil prices falling below the Fall 2013 forecast must be considered. In that scenario, spending plans and the extent to which the state's reserve accounts would be used must be reevaluated. Even more conservative spending plans would be necessary and the ability of the state's two main cash reserve accounts to facilitate a transition from today to the onset of revenue from natural gas is called in to question. While alternate revenue and expenditure scenarios are not discussed extensively, they are presented as part of this document as a means to inform the public of what alternate revenue and expenditure scenarios look like in terms of the magnitude of change they could present.

The Plan's Imperative

The overarching objectives of the 10-year fiscal plan are guided by the statutory language that requires the Executive branch to produce a 10-year plan on an annual basis. Alaska Statute 37.07.020 (b) (2): says that the fiscal plan

> ***"must balance sources and uses of funds held while providing for essential state services and protecting economic stability of the state."***

Essentially, there are three requirements that the Executive's plan must meet:

- Balance the budget between sources and uses of funds,
- Provide for essential state services (as defined by the Alaska Constitution), and
- Protect Alaska's economic stability.

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The Plan's Guiding Principles and Supporting Strategies

The 10-year plan meets the statutory objectives through the application of several foundational principles. The principles outlined below provide the framework and guidance for spending and savings strategies represented in the plan.

Principle: Developing Alaska's Natural Resources

The State of Alaska's future prosperity hinges on the responsible development of its abundant natural resources. In 1959, when Alaska became a state, 99.8% of the land was owned by the federal government. The Alaska Statehood Act gave the State the right to select and acquire approximately 104 million of the nearly 365 million acres of federal lands in Alaska. It was envisioned that the management of this land base and the associated resources would provide the State with a viable economic foundation. That stable economic base would then enable the State to provide government services to the people of Alaska, and reduce the likelihood that Alaska would be a drain on the federal treasury.

To date, the strategy of building Alaska's economy on natural resources has been effective. The State takes in significant revenues from companies that lease State-owned lands for extraction of oil, natural gas and coal, gold, zinc and other minerals and shares with the federal government revenues from oil, natural gas and other assets extracted from federal lands leased by private companies. Currently, nearly 90% of the State's unrestricted General Fund revenue is generated from petroleum production activities. For the foreseeable future, the health of Alaska's fiscal system will be linked to the wealth generated from the monetization of Alaska's natural resource base.

> **Strategy: Secure Alaska's Future: Increase Oil Production**- The Administration's highest economic priority is the development of the State's natural resources. The State's long-term planning is based in part on efforts to stem Alaska's oil production decline and increase throughput on the Trans Alaska Pipeline System (TAPS). Currently TAPS throughput averages near 500,000 barrels a day and has been declining at roughly 6% a year. The declining flow of oil poses a direct threat to Alaska's economy. Declining production also threatens the pipeline because it is becoming more expensive to maintain and the risk of damage from corrosion is increasing. The best way to grow Alaska's economy for all and avoid a premature shutdown of the pipeline is to boost the flow of oil in to TAPS. The Administration is in the process of implementing a four-part strategy to address the decline:

- Increase production by making Alaska more competitive.
- Ensure the permitting process is structured and efficient.
- Facilitate and incentivize the next phase of North Slope development.
- Promote Alaska's resources and positive investment climate to world markets.

Strategy: Secure Alaska's Future: Strategic Minerals Development- Alaska has an important role to play in securing a domestic supply of strategic minerals. These minerals are essential for use but subject to potential supply disruptions due to China's domination in the world market. These minerals are used in radar systems, avionics, satellites, renewable energy systems and consumer electronic goods. Among geologists, Alaska is considered highly prospective for strategic and critical minerals. The Administration is implementing a five-part strategy to assess and develop Alaska's strategic minerals potential:

- Undertake a statewide assessment of Alaska's strategic minerals potential.
- Provide incentives for the development of known or highly prospective strategic minerals occurrences throughout Alaska.
- Improve the structure and efficiency of permitting processes in order to expedite mineral development, including strategic minerals.
- Deepen coordination with public and private sector stakeholders to encourage domestic exploration, development and processing of strategic minerals.
- Attract new investment and markets for Alaska's abundant mineral resources.

Strategy: Invest in Hydropower and Other Cost-Effective Renewable Energy Projects- The State has an ambitious energy goal of having 50% of all of Alaska's electricity generated by renewable resources by 2025. In order to meet this goal the Administration advocates state investment in a large-scale hydroelectric power project as well as continued investment in smaller regional projects that use wind, hydroelectric and other renewable resources as the energy source for power generation. In many of these areas, high cost diesel is currently the primary fuel for electrical power generation. The Administration also proposes to continue investment in programs that provide resources for projects that promote energy conservation.

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Principle: Restrain Spending

In contrast to revenue, the part of the fiscal equation that Alaska's policy makers can have the greatest impact on is the size of the State budget. Restraining spending growth enables the state to position itself better for years when oil revenue is smaller and prudent savings have helped cushion the state's economy from wild swings in state revenue.

In order to restrain growth, the Administration implements multiple strategies. The Administration requires greater coordination among agencies and works to root out waste and duplication. Justification and accountability is required for department spending requests and seeking out new, innovative ways to deliver services is encouraged. Anticipated growth in areas such as Medicaid, employee health care costs and retirement system costs also drive up the operating budget over time. The Administration engages in discussions with legislators on how best to control these costs, recognizing that downward adjustments to statutory formulas will be necessary as oil revenues decline.

Strategy: Spending Targets

Strategy: Implement Results Based Budgeting

Strategy: Evaluate Long-Term Costs of Investment Initiatives

Principle: Save for Future Generations of Alaskans

The savings element of the plan meets a basic challenge facing Alaska, turning the non-recurring revenue stream produced from Alaska's natural resources in to a long term recurring revenue source that can help maintain Alaska's economic stability beyond the life of the resource. The primary vehicle for this effort is Alaska's Permanent Fund, and a primary objective of the plan is to continue growing the Permanent Fund. In addition to growing the Permanent Fund, when an opportunity presents itself, the plan contemplates depositing unspent unrestricted revenue in reserve accounts such as the Statutory Budget Reserve and the Constitutional Budget Reserve Fund. Healthy reserve accounts provide the State a short to mid-term means of stabilizing a revenue stream that is otherwise subject to dramatic revenue swings caused by dropping oil prices or production interruptions. The availability of reserves underpins the state government's ability to reliably provide services that are mandated without having to draw upon other means of revenue generation such as broad-based taxes or use of the Permanent Fund.

Strategy: Preserve and Grow The Permanent Fund - The primary vehicle for this effort is Alaska's Permanent Fund, which receives ongoing deposits of mineral royalty revenue as well as annual appropriations to inflation proof the fund. As of October 30, 2013 the balance of the Permanent Fund was approximately $48 billion. Currently, the main contribution of Alaska's Permanent Fund to the state's residents is the annual Permanent Fund dividend payment. In 2013, the dividend amounted to $576.4 million distributed to an estimated 640,249 dividend eligible citizens. If this distribution were added to payroll wages, it is the equivalent of nearly a three and a half percent boost to the overall wage and salary payroll of the state's economy.

Strategy: Build Reserves When Possible, Use Judiciously When Necessary- Beyond continuing to grow the Permanent Fund; the plan contemplates that when there is surplus general fund revenue available that a portion of the surplus is saved in reserve accounts. In times of revenue shortfalls, the reserves may be used to fund ongoing services. To date, the primary reserve account drawn upon to fund ongoing operations of state government has been the Constitutional Budget Reserve fund (CBR). Since its inception more than $5.2 billion has been borrowed from that fund to pay for state funded services. General fund revenue surpluses allowed the CBR to be replenished so that as of June 30, 2010 the borrowed balance had been repaid by the general fund. The available CBR balance has grown to more than $12.0 billion as of October 2013. Additionally, more than $5.0 billion has been placed in the Statutory Budget Reserve. In FY2015, the Governor's proposed budget calls for $5.6 billion in general fund spending. At that rate of spending, the state has built its two primary cash reserves to the point where the state can operate for nearly two full fiscal years assuming no incoming revenue.

In the FY2015 budget the Administration will propose a solution to the escalating cost of the state's unfunded pension liability through a $3.0 billion transfer from the Constitutional Budget Reserve Fund into the retirement system trust funds. Current projections estimate that the Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) have a combined unfunded liability of $11.9 billion. In FY2014, the state contributed $629 million over and above normal contributions to pay down the liability. The statutorily required state assistance payment, under the current payment methodology or a new payment methodology adopted by the Alaska Retirement Management Board, is projected to grow to over $1 billion annually. A transfer from the CBR in the FY2015 budget will enable the annual state assistance payment to be capped at $500 million a year and will increase the funded status of the PERS and TRS systems by 10% almost immediately.

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Strategy: Forward Fund When Appropriate - Another method the plan deploys to provide fiscal stability is forward funding or endowing programs. Examples where the state has built reserves to fund programs in future years include:

- Public Education Fund: Since fiscal year 2009, more than $1 billion is annually set aside in the current year budget to fund the State's projected contribution to funding K-12 education one year in advance. This fund has stabilized the funding stream for Alaska's K-12 education sector, and during the FY2010 budget cycle this fund was critical in balancing the budget at a time when oil prices were lower than forecast. The Administration proposed fully funding FY2015 projected K-12 costs with projected FY2014 revenue, and will repeat this proposal in FY2015, by proposing to forward fund projected FY2016 education costs.
- Community Revenue Sharing Fund- $180 million is set aside in an attempt to stabilize annual funding to local communities for provision of local government services. The Administration will propose to deposit $60 million in the Community Revenue Sharing fund to bring the balance of the fund to $180 million. This insures communities stable funding in FY2015 as well as a revenue sharing program through at least FY2018 given the programs current funding mechanism.
- Power Cost Equalization Fund (PCE): Managed by the Alaska Energy Authority (AEA) the PCE is an endowment fund whose current purpose is to help the state subsidize certain rural energy costs. Earnings from the $915.3 million fund (balance as of October 31, 2013) help offset the annual costs of the PCE program. Estimated cost of the PCE program in FY2015 is approximately $41.4 million or roughly 4.5% of the estimated fund balance.
- Alaska Performance Scholarships: In the FY2013 budget, the Administration was successful in creating the Alaska Higher Education Investment Fund. The $400 million fund was created to fund performance scholarships to in-state universities or job-training programs for students who complete a rigorous academic course of study and earn higher grades. In FY2015 up to $16.5 million from the fund will be used to fund the Alaska Performance Scholarship program and provide AlaskAdvantage grants to eligible students in need of postsecondary education financial aid.

Strategy: Focus Investment - The plan prioritizes spending according to the Administration's investment priorities of:

- Resources and Energy
- Education
- Public Safety
- Transportation/Infrastructure
- Military Support

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Alternate Scenarios Provide Reason for Optimism and Caution

While Alaska's current financial outlook is easily characterized as among the best in recent history one only need look at the past to remind Alaskans that the link between the State of Alaska's revenue and the price of oil or changing production levels can change Alaska's fiscal outlook quickly and dramatically. In view of history, an examination of current spending paths along with changes in production levels, or lower oil prices than forecast can fuel or temper the optimism of the state's current long term outlook. It also illustrates the current dependence of the state's fiscal stability on oil.

For an illustration of possibilities that may lie ahead for Alaska, three scenarios are modeled. A brief description and synopsis of each scenario is presented below:

Scenario 1: Fall 2013 Forecast with flat General Fund spending beginning in FY2015: This scenario assumes that annual general fund spending is held at the Governor's proposed level of spending for FY2015 (approximately $5.6 billion) for all segments of General Fund spending through FY2024 while assuming the Fall 2013 revenue forecast.

Synopsis: Budget deficits through FY2024 with steady draws from the Statutory Budget Reserve and the Constitutional Budget Reserve leave the total reserve balance at approximately $7.9 billion by the end of FY2024.

Scenario 2: Fall 2013 forecast for prices with enhanced production recovery and flat General Fund spending beginning in FY2015: This scenario assumes the Fall 2013 price forecast, a mid-high case scenario for oil production, and an annual general fund spending plan of $5.6 billion. The mid-high oil production scenario assumes that oil production falls halfway between the Department of Revenue's Fall 2013 fully risked forecast and an unrisked, independent technical assessment provided to the Department. (A high case production scenario would take the unrisked, independent technical assessment at face value and assume production at that level.)

Synopsis: A nearly $2.0 billion deficit in FY2014 and the transfer of $3.0 billion from the CBR to the retirement trusts results in a short term decline in total reserves through FY2015, however increased production and rising prices combine to close the deficit substantially and by FY2016 and the Constitutional Budget Reserve reverses its decline as a result. Annual draws from the CBR are still required to balance the budget; however the relatively small draws result in a climbing CBR balance through FY2023 when annual budget deficits start climbing again. At the end of the 10-year period, the CBR balance of is approximately $12.0 billion.

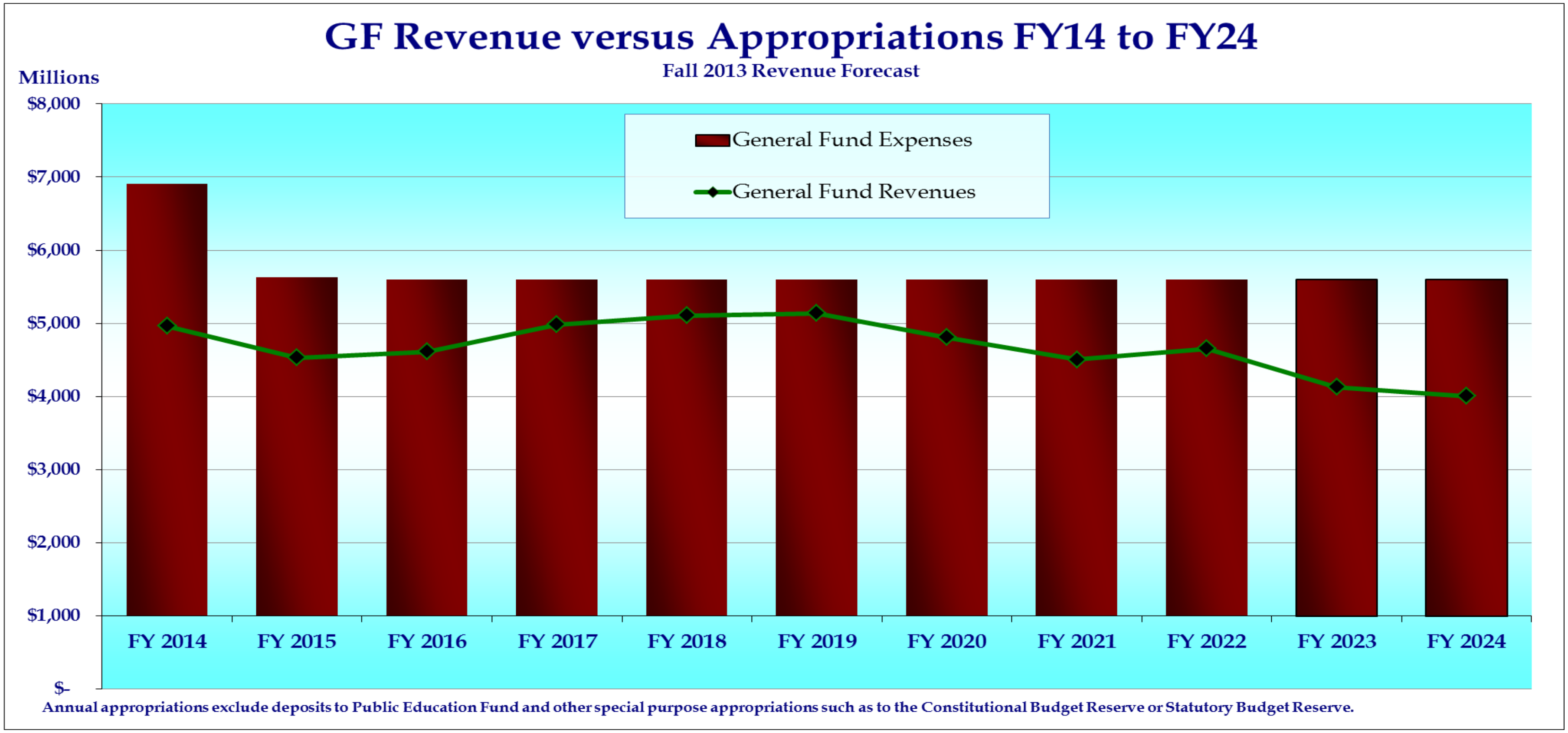
Note: The projections in the FY2015 plan are intended to be used as a planning tool. They do not represent a commitment by the Administration to propose spending nor bring in revenue at a particular level in FY2014, FY2015, or any future year.

Scenario 3: $100 oil with flat General Fund spending beginning in FY2015: This scenario assumes that oil prices fall to $100 for FY2015 and hold steady at $100 a barrel through FY2024. Annual spending growth is held at approximately FY2015 levels ($5.6 billion) throughout the period. This scenario is intended to illustrate the potential deficits that could occur in an environment that has lower oil prices than are currently forecast. It should be noted that it is highly improbable that the state would continue spending at FY2015 levels under ongoing lower revenue circumstances, however this scenario is useful in demonstrating the strength of Alaska's reserve position given that occurrence.

Synopsis: Assuming $5.6 billion in general fund spending results in budget shortfalls of approximately $1.5 billion annually beginning in FY2015 with steadily escalating deficits throughout the next 10 years. Under those circumstances the Statutory Budget Reserve and Constitutional Budget Reserve combined account balances begin eroding steadily. The steady draws on those two accounts required in this scenario erode the combined SBR and CBR balances to exhaustion by FY2022.

In summary, there is a wide range of possible scenarios that could lie ahead for Alaska. While the future holds the promise of relative fiscal stability if Alaska experiences oil prices above $100 a barrel, the past has demonstrated on numerous occasions that the state must take a cautious approach to its finances, and carefully consider the obligations that it makes today to insure that it has the means to provide essential services in the future. The challenge will remain to strike a balance between the needs of current Alaskans against the need to provide essential public services to Alaska's future generations.

Scenario 1: Fall 2013 forecast, General Fund Spending capped at $5.6 billion through FY2024



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The plan will be revisited as conditions warrant.

Scenario 1: Fall 2013 forecast, General Fund Spending capped at $5.6 billion through FY2024

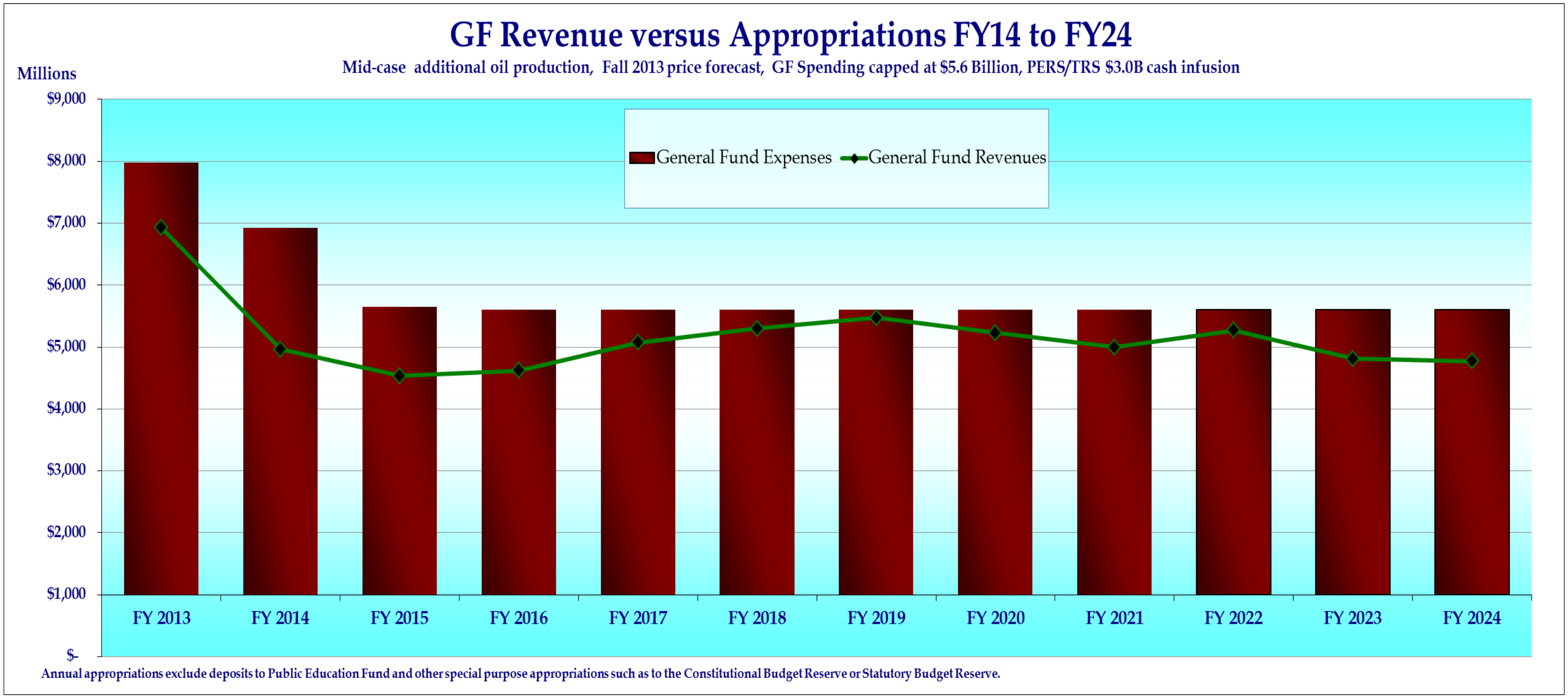
Oil Price & Production	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Fall 2013 forecast ANS West Coast ($/bbl.)	$105.68	$105.06	$107.69	$110.38	$115.40	$121.19	$122.43	$123.67	$133.00	$131.85	$135.15
Fall 2013 forecast (Total ANS production State + Federal ths. bbl./day)	508.2	498.4	487.6	482.7	459.5	429.1	399.6	368.8	340.1	312.9	285.6
Revenue vs. Spending ($millions)											
General Fund Revenues[1/]	$4,964.6	$4,532.0	$4,609.5	$4,980.6	$5,105.0	$5,135.4	$4,810.0	$4,502.5	$4,653.6	$4,129.4	$4,006.1
General Fund Expenses	$6,914.6	$5,640.9	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0
Budget Surplus/Shortfall	$1,949.7	$1,108.9	$990.5	$619.4	$495.0	$464.6	$790.0	$1,097.5	$946.4	$1,470.6	$1,593.9
Reserve Balances ($millions)											
CBRF Main Account Balance End of Year	$5,885.3	$2,941.4	$3,003.9	$3,076.3	$2,723.9	$2,337.1	$1,617.6	$570.4	$0.0	$0.0	$0.0
CBRF Subaccount Balance End of Year	$6,363.9	$6,755.1	$7,170.3	$7,611.0	$8,078.9	$8,575.4	$9,102.6	$9,662.1	$9,937.0	$9,049.3	$7,959.7
CBRF Total	**$12,249.2**	**$9,696.5**	**$10,174.3**	**$10,687.3**	**$10,802.8**	**$10,912.6**	**$10,720.1**	**$10,232.4**	**$9,937.0**	**$9,049.3**	**$7,959.7**
Statutory Budget Reserve Balance yr. end	$2,783.4	$1,674.5	$684.0	$64.6	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL RESERVES	**$15,032.6**	**$11,371.0**	**$10,858.3**	**$10,752.0**	**$10,802.8**	**$10,912.6**	**$10,720.1**	**$10,232.4**	**$9,937.0**	**$9,049.3**	**$7,959.7**

Appropriations projections in the plan do not represent a commitment by the Administration to propose spending or generate revenue at a particular level in FY2014, FY2015 or any future year. The 10-year forecast shows that unanticipated budget shortfalls during the 10-year period could be filled primarily through the use of reserve funds; however, other fiscal tools including spending reductions would likely be used in addition to, or in lieu of, reserve funds.

The plan will be revisited as conditions warrant.

1/ FY2014 number includes $4,930.6 GF Unrestricted Revenue forecast plus $34.9 of funds reappropriated and/or carried forward from fiscal year 2013 for total of $4,964.9.

Scenario 2: Mid-High Case[1/] Oil Production, Fall 2013 Price, $5.6B GF Spend, PERS/TRS $3.0B FY15



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1/ The mid-high oil production scenario assumes that oil production falls halfway between the Department of Revenue's Fall 2013 fully risked forecast and an unrisked, independent technical assessment provided to the Department.

Scenario 2: Mid-High Case[1/] Oil Production, Fall 2013 Price, $5.6B GF Spend, PERS/TRS $3.0B FY15

Oil Price & Production	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Fall 2013 forecast ANS West Coast ($/bbl.)	$105.68	$105.06	$107.69	$110.38	$115.40	$121.19	$122.43	$123.67	$133.00	$131.85	$135.15
MID-HIGH CASE[1/] Fall 2013 forecast (Total ANS production State + Federal ths. bbl./day)	*508.2*	*498.4*	*490.2*	*493.1*	*479.6*	*459.0*	*437.3*	*412.6*	*393.3*	*375.9*	*351.0*
Revenue vs. Spending **($millions)**											
General Fund Revenues[2/]	$4,964.9	$4,532.0	$4,620.0	$5,070.0	$5,300.0	$5,470.0	$5,230.0	$5,000.0	$5,270.0	$4,810.0	$4,770.0
General Fund Expenses	$6,914.6	$5,640.9	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0
Budget Surplus/Shortfall	**$1,949.7**	**$1,108.9**	**$980.0**	**$530.0**	**$300.0**	**$130.0**	**$370.0**	**$600.0**	**$330.0**	**$790.0**	**$830.0**
Reserve Balances **($millions)**											
CBRF Main Account Balance End of Year	$5,885.3	$2,941.4	$3,003.9	$3,076.3	$3,022.0	$2,981.0	$2,704.3	$2,194.3	$1,949.6	$1,233.6	$454.1
CBRF Subaccount Balance End of Year	$6,363.9	$6,755.1	$7,170.3	$7,611.0	$8,078.9	$8,575.4	$9,102.6	$9,662.1	$10,255.9	$10,886.3	$11,557.2
CBRF Total	**$12,249.2**	**$9,696.5**	**$10,174.3**	**$10,687.3**	**$11,100.9**	**$11,556.5**	**$11,806.9**	**$11,856.3**	**$12,205.5**	**$12,120.0**	**$12,011.3**
Statutory Budget Reserve Balance yr. end	$2,783.4	$1,674.5	$694.5	$164.5	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL RESERVES	**$15,032.6**	**$11,371.0**	**$10,868.7**	**$10,851.8**	**$11,100.9**	**$11,556.5**	**$11,806.9**	**$11,856.3**	**$12,205.5**	**$12,120.0**	**$12,011.3**

Appropriations projections in the plan do not represent a commitment by the Administration to propose spending or generate revenue at a particular level in FY2013, FY2014 or any future year. The 10-year forecast shows that unanticipated budget shortfalls during the 10-year period could be filled primarily through the use of reserve funds; however, other fiscal tools including spending reductions would likely be used in addition to, or in lieu of, reserve funds.

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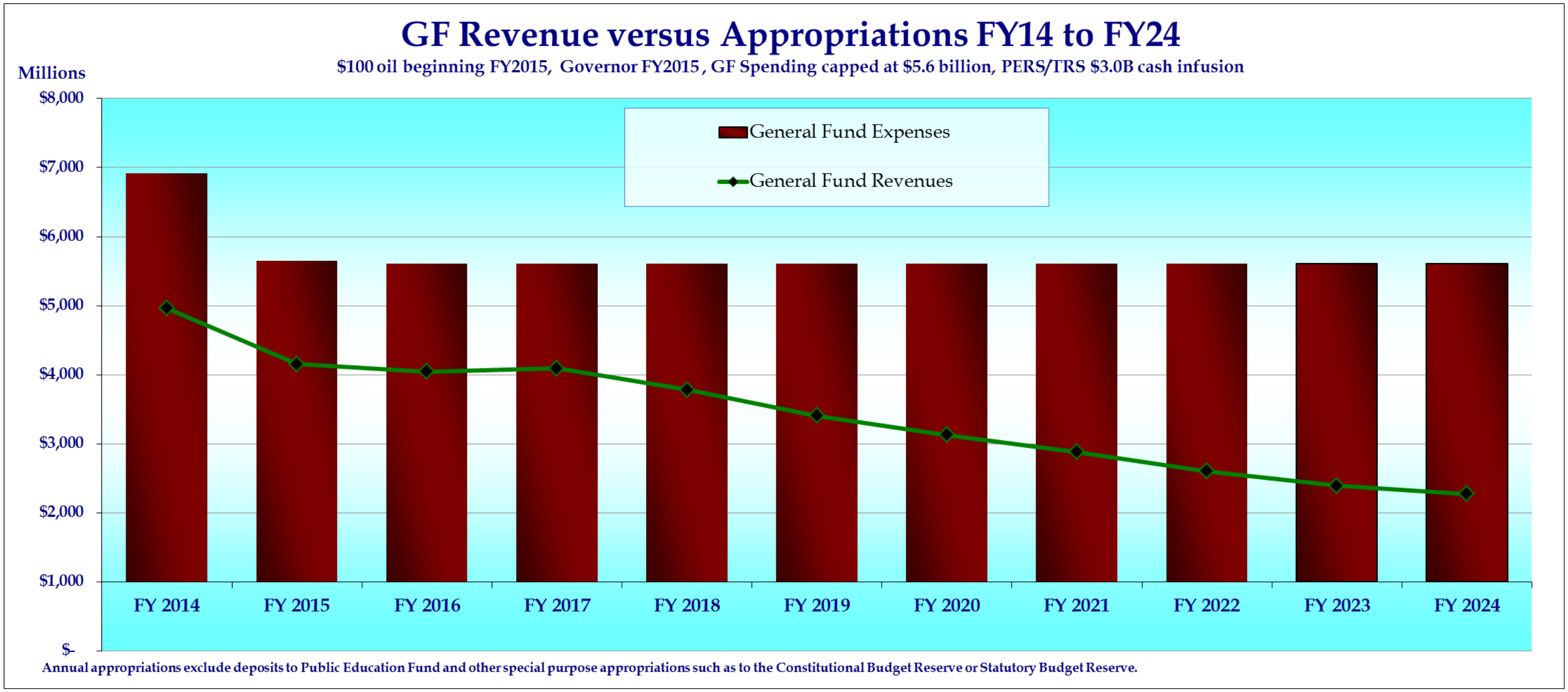
2/FY2014 number includes $4,930.6 GF Unrestricted Revenue forecast plus $34.9 of funds reappropriated and/or carried forward from fiscal year 2013 for total of $4,964.9.

Scenario 3: Revenue@$100 oil begin FY15, General Fund Spending capped at $5.6 billion through FY2024



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Scenario 3: Revenue@$100 oil begin FY15, General Fund Spending capped at $5.6 billion through FY2024

Oil Price & Production	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Fall 2013 forecast ANS West Coast ($/bbl.)	$105.68	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00
Fall 2013 forecast (Total ANS production State + Federal ths. bbl./day)	508.2	498.4	487.6	482.7	459.5	429.1	399.6	368.8	340.1	312.9	285.6
Revenue vs. Spending **($millions)**											
General Fund Revenues[1/]	$4,964.9	$4,151.4	$4,044.4	$4,089.9	$3,783.6	$3,405.2	$3,130.3	$2,880.7	$2,604.4	$2,391.2	$2,271.8
General Fund Expenses	$6,914.6	$5,640.9	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0	$5,600.0
Budget Surplus/Shortfall	**$1,949.7**	**$1,489.5**	**$1,555.6**	**$1,510.1**	**$1,816.4**	**$2,194.8**	**$2,469.7**	**$2,719.3**	**$2,995.6**	**$3,208.8**	**$3,328.2**
Reserve Balances **($millions)**											
CBRF Main Account Balance End of Year	$5,885.3	$2,941.4	$2,740.1	$1,283.6	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
CBRF Subaccount Balance End of Year	$6,363.9	$6,755.1	$7,170.3	$7,611.0	$7,614.9	$5,836.4	$3,664.6	$1,101.6	$0.0	$0.0	$0.0
CBRF Total	**$12,249.2**	**$9,696.5**	**$9,910.4**	**$8,894.6**	**$7,614.9**	**$5,836.4**	**$3,664.6**	**$1,101.6**	**$0.0**	**$0.0**	**$0.0**
Statutory Budget Reserve Balance yr. end	$2,783.4	$1,293.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL RESERVES	**$15,032.6**	**$10,990.3**	**$9,910.4**	**$8,894.6**	**$7,614.9**	**$5,836.4**	**$3,664.6**	**$1,101.6**	**$0.0**	**$0.0**	**$0.0**

Appropriations projections in the plan do not represent a commitment by the Administration to propose spending or generate revenue at a particular level in FY2013, FY2014 or any future year. The 10-year forecast shows that unanticipated budget shortfalls during the 10-year period could be filled primarily through the use of reserve funds; however, other fiscal tools including spending reductions would likely be used in addition to, or in lieu of, reserve funds.

The plan will be revisited as conditions warrant.

1/ FY2014 number includes $4,930.6 GF Unrestricted Revenue forecast plus $34.9 of funds reappropriated and/or carried forward from fiscal year 2013 for total of $4,964.9.