

Statewide Appropriations (Fiscal Plan) Ten Year Expenditure Projection

The statewide appropriations sections of the ten-year expenditure projection takes in to consideration elements of state spending that are not necessarily tied to agency budgets. In some instances, as is the case with estimated wage and benefit increases, it was determined to be a more efficient and consistent method to have a centralized forecast for wage and benefit increases than to have agencies forecast this portion of their budgets separately.

Discussed below are the key assumptions inherent in each of the sections of the statewide appropriations projection.

Baseline Scenario- Statewide Operating Budget Assumptions

Wage & Benefits Increases: FY2012 and FY2013 have no escalation projections as all known collective bargaining unit increases were incorporated in to the baseline projections. Wage and benefit increases for FY2014 forward were based on the following assumptions: Total personal services costs in FY2013 Governor's budget serves as base. Wages and wage-linked benefits increase at an annual average rate of 2.75% through FY2022. Health care component costs increase at a rate of 7.5% annually through FY2022. Total increases allocated to major fund source class (UGF/DGF/Other/Fed) based upon historical share of total personal services costs from the Alaska Budget System personal services module. University of Alaska personal services escalation excluded from the statewide appropriations as the University provided a ten year projection including wage and benefit growth.

Branch-wide Fuel Allocation: Since FY2005, the legislature has appropriated an amount as a contingency for high fuel and utility costs. The amount available is determined by a formula using the price per barrel of Alaska North Slope crude. The total amount appropriated is then allocated to the agencies by the Office of Management and Budget using the formula parameters given by the legislature. For FY2014-FY2022, it is assumed the amount available will match the FY2013 budgeted amount of \$36 million.

State Assistance to Retirement Systems. FY2012 and FY2013 based upon submitted budgets. FY2014 through FY2022 based upon actuarial projections from Buck Consultants. All results are based upon the data assumptions, plan provisions and current Alaska Retirement Management Board adopted method to extinguish the unfunded liability as described in the June 30, 2010 system valuation.

Debt Service: Projections of future debt are estimates from the Alaska Department of Revenue as of the December 2011 Governor's budget release. Important components to the short term changes in debt payments include the timing of the issuance of the remaining 2010 General Obligation bond package, the potential issuance of a General Obligation bond package in FY2013, and defeasance some of the State's existing debt during FY2012. The school debt reimbursement program is held constant at FY2013 levels as it is uncertain what the future configuration of the debt reimbursement program will be and how much additional debt might be authorized for repayment by school districts.

Community Revenue Sharing Fund: Municipal revenue sharing program is held at FY2013 level, capitalized at \$60 million annually, through FY2022.

Oil & Gas Tax Credits: Oil and Gas tax credits program held at FY2013 level, \$400 million annually, through FY2022.

Designated Savings- Public Education Fund: Represents the annual deposit to the Public Education Fund to forward fund K-12 education foundation formula and pupil transportation costs. Assumes the Department of Education's 10-year projection for K-12 foundation and pupil transportation costs forward funded by one fiscal year.

Designated Savings- Renewable Energy and Rural Education Attendance Area (REAA) School Construction Fund: Assumed fund capitalizations for the Renewable Energy Grant Fund at \$25 million annually through FY2013. Fund capitalizations for REAA construction fund assume FY2013 levels for FY2014-FY2022.

Other Fund Capitalizations for Operations: Appropriations to capitalize a variety of finds are included in these projections. Among the larger funds are the Disaster Relief Fund, the Alaska Clean Water and Alaska Drinking Water Funds, and the Oil and Hazardous Substance Release Prevention and Response accounts. Generally, capitalization of these funds and the other funds not specifically mentioned are held at FY2013 levels for FY2014-FY2022.

Permanent Fund Dividend: Estimated amount to be transferred from the Permanent Fund Earnings Reserve to fund the annual Alaska Permanent Fund dividend and associated operations costs. Estimate from the Alaska Permanent Fund Corporation's November 30, 2012 monthly financial statement.

Undesignated Savings Permanent Fund Inflation Proofing: Estimated amount to be transferred from Permanent Fund Earnings Reserve to principle to inflation proof the fund. Estimates are from Alaska Permanent Fund Corporation's monthly financial statement as of November 30, 2011.

Undesignated Savings Capitalization of Alaska Capital Income Fund: Estimated amount to be transferred from the Amerada Hess account in the Alaska Permanent Fund to capitalize the Alaska Capital Income Fund. Estimates are from Alaska Permanent Fund Corporation's monthly financial statement as of November 30, 2011.

Baseline Scenario- Statewide Capital Budget Assumptions

Other Fund Capitalization for Capital Projects: Fund capitalizations for the Alaska Gasline Inducement Act (AGIA) Reimbursement Fund and the Emerging Technology Fund. Emerging Technology Fund capitalized at FY2013 level (\$1.7 million) annually through FY2022.

Capitalization of the AGIA Reimbursement Fund assumed on the following schedule:

FY2013- \$60 million

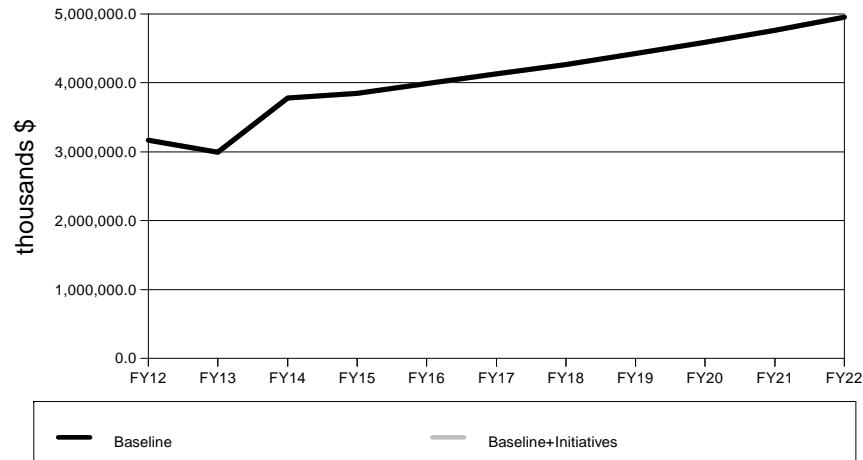
FY2014- \$175 million (A portion of the FY2014 request may be requested as an FY2013 supplemental request depending on need.)

FY2015- \$20 million

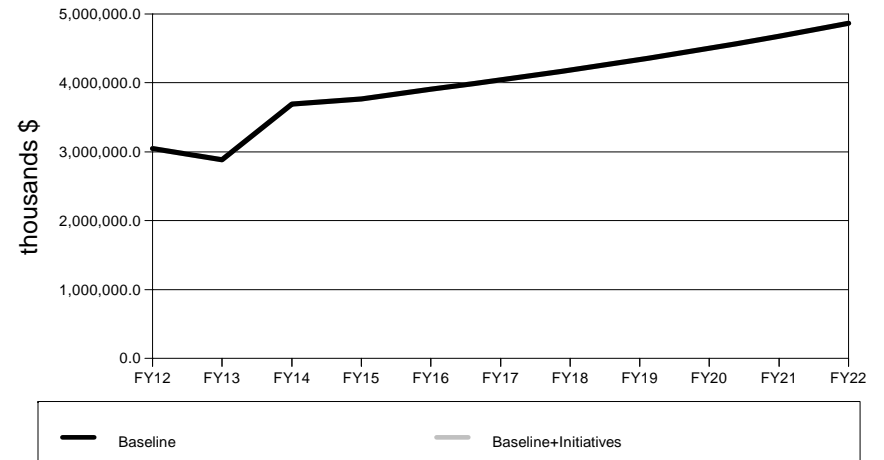
Initiative Scenario- Statewide Capital Budget Assumptions

At this time, no statewide capital initiatives are projected in this section. The third fiscal year of the Governor's 5-year deferred maintenance proposal is embedded in the agency allocations for FY2013 and they are assumed to be carried forward at those levels through FY2015.

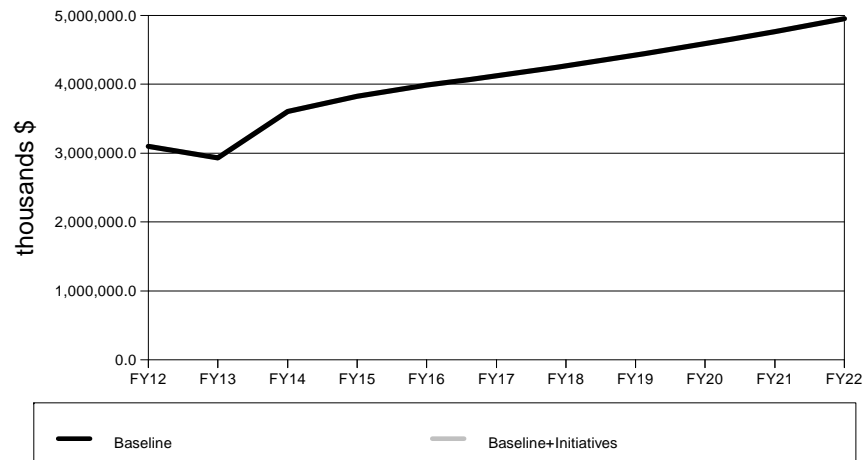
All Funds



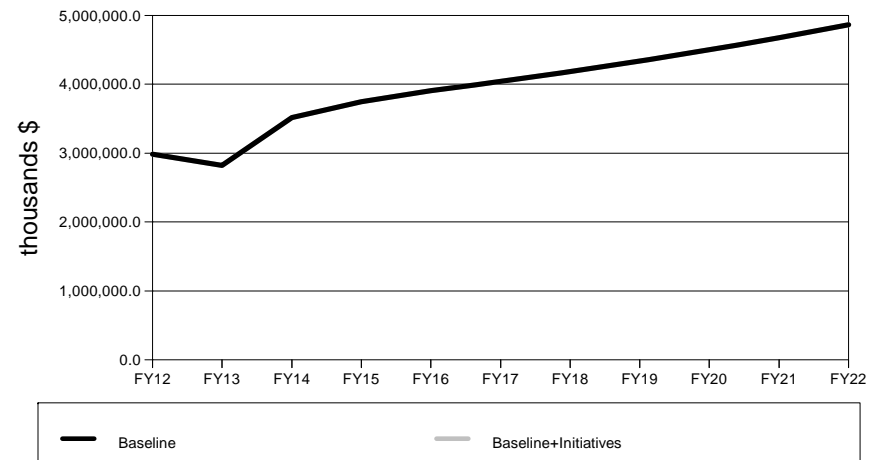
General Funds



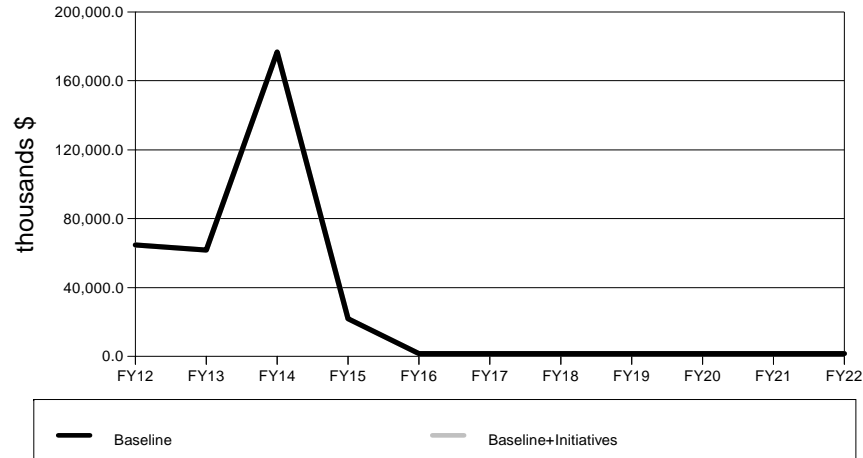
Operating All Funds



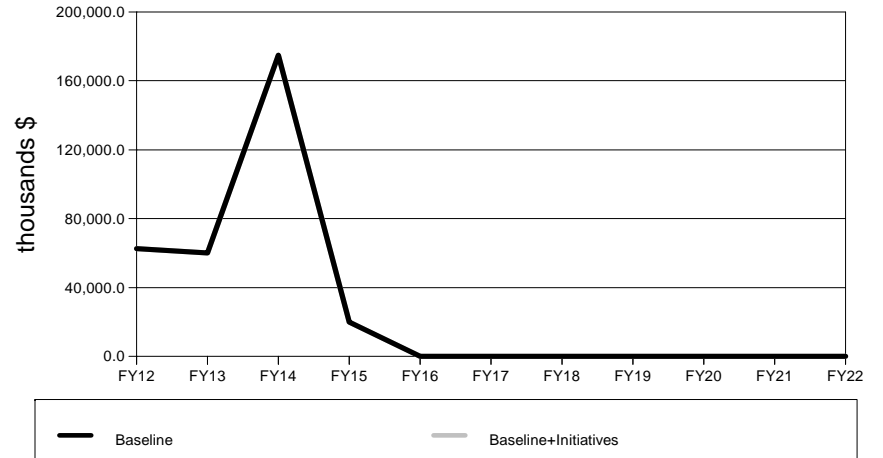
Operating General Funds



Capital All Funds



Capital General Funds



Statewide Appropriations Baseline Summary

(thousands \$)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Total Statewide Appropriations	3,101,444.2	2,927,135.3	3,783,323.6	3,850,736.3	3,992,119.8	4,127,542.3	4,266,019.1	4,428,800.0	4,589,052.8	4,766,949.2	4,954,058.6	
UGF	1,426,402.4	1,309,132.3	1,619,059.3	1,556,150.8	1,594,764.4	1,595,343.2	1,596,898.3	1,620,572.5	1,637,729.9	1,666,335.9	1,700,053.6	
DGF	1,556,650.0	1,510,132.1	2,071,729.1	2,213,310.6	2,315,007.2	2,448,719.8	2,584,449.4	2,722,297.1	2,864,064.2	3,011,951.8	3,163,861.4	
OTHER	72,841.5	66,271.2	40,768.6	41,410.8	42,087.4	42,800.4	43,551.7	44,345.5	45,182.8	46,067.1	47,001.4	
FED	45,550.3	41,599.7	51,766.6	39,864.1	40,260.8	40,678.9	41,119.7	41,584.9	42,075.9	42,594.4	43,142.2	
Total Operations Statewide	3,036,644.2	2,865,435.3	3,606,623.6	3,829,036.3	3,990,419.8	4,125,842.3	4,264,319.1	4,427,100.0	4,587,352.8	4,765,249.2	4,952,358.6	
UGF	1,364,002.4	1,249,132.3	1,444,059.3	1,536,150.8	1,594,764.4	1,595,343.2	1,596,898.3	1,620,572.5	1,637,729.9	1,666,335.9	1,700,053.6	
DGF	1,556,650.0	1,510,132.1	2,071,729.1	2,213,310.6	2,315,007.2	2,448,719.8	2,584,449.4	2,722,297.1	2,864,064.2	3,011,951.8	3,163,861.4	
OTHER	72,841.5	66,271.2	40,768.6	41,410.8	42,087.4	42,800.4	43,551.7	44,345.5	45,182.8	46,067.1	47,001.4	
FED	43,150.3	39,899.7	50,066.6	38,164.1	38,560.8	38,978.9	39,419.7	39,884.9	40,375.9	40,894.4	41,442.2	
Wage & Benefit Escalation	0.0	0.0	63,730.5	66,409.6	69,232.0	72,206.5	75,343.1	78,652.3	82,145.3	85,834.2	89,731.7	
Estimated wage and salary escalation beginning FY2014 see assumptions for methodology. Excludes University of Alaska.	UGF	0.0	0.0	32,798.8	34,177.6	35,630.1	37,160.9	38,775.2	40,478.3	42,275.9	44,174.4	46,180.2
	DGF	0.0	0.0	6,697.0	6,978.5	7,275.1	7,587.7	7,917.3	8,265.0	8,632.1	9,019.7	9,429.3
	OTHER	0.0	0.0	15,276.8	15,919.0	16,595.6	17,308.6	18,060.5	18,853.7	19,691.0	20,575.3	21,509.6
	FED	0.0	0.0	8,957.9	9,334.5	9,731.2	10,149.3	10,590.1	11,055.3	11,546.3	12,064.8	12,612.6
Fuel Allocation Branchwide	13,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	
Discretionary appropriation used as a contingency for unanticipated high fuel and utility costs. Total amount available determined by a formula. The formula amount is then allocated to agencies by the Office of Management and Budget using formula parameters in statute. For FY14-22, it is assumed the amount available, \$36 million, will match FY2013.	UGF	13,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	36,000.0	
	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
State Assistance to Retirement Systems	479,471.8	610,511.0	638,100.0	728,400.0	788,200.0	790,400.4	793,400.4	815,000.0	840,900.0	868,000.0	899,000.0	
Estimated state assistance payment to PERS and TRS retirement systems in excess of employer contributions to pay unfunded liability. Estimates are from 2010 Buck valuation.	UGF	479,471.8	610,511.0	638,100.0	728,400.0	788,200.0	790,400.4	793,400.4	815,000.0	840,900.0	868,000.0	
	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Projections are intended to be a planning tool and do not represent a commitment by the administration to propose spending, nor bring in revenue, at a particular level in future years.

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Service		332,032.9	307,344.7	251,777.1	239,163.7	235,876.7	232,074.3	228,363.6	228,183.2	216,989.2	216,041.3	216,196.3
Debt Service payments for General	UGF	243,727.4	218,709.0	200,537.6	200,903.3	198,216.3	195,013.9	191,903.8	192,222.8	181,628.8	181,180.9	181,835.9
Obligation Bonds, Lease/Purchase	DGF	21,600.0	21,800.0	21,200.0	20,500.0	19,900.0	19,300.0	18,700.0	18,200.0	17,600.0	17,100.0	16,600.0
arrangements, Revenue Bond financing	OTHER	53,726.8	48,600.8	12,995.6	12,995.6	12,995.6	12,995.6	12,995.0	12,995.6	12,995.6	12,995.6	12,995.6
and General Fund supported debt	FED	12,978.7	18,234.9	17,043.9	4,764.8	4,764.8	4,764.8	4,764.8	4,764.8	4,764.8	4,764.8	4,764.8
reimbursements for capital projects,												
including school debt reimbursement												
program.												
Community Revenue Sharing Fund		60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0
Assumes the Community Revenue	UGF	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0
Sharing Fund is capitalized with \$60	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
million on an annual basis to replenish	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
the fund and to support the revenue	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
sharing program at its FY2013 level.												
Oil & Gas Tax Credits		400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0
This appropriation capitalizes the Oil &	UGF	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0
Gas Tax Credit Fund, a fund that is used	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
to incentivize oil production exploration	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
and development among firms who	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
currently do not pay oil taxes. This												
amount does not represent the entirety												
of Alaska's oil tax credit program.												
Designated Savings- Public Education		-33,337.0	0.0	25,710.6	25,757.6	25,805.7	25,855.7	25,906.6	25,959.1	26,012.9	26,068.3	26,125.2
Fund												
Represents the annual net increase in	UGF	-33,337.0	0.0	25,710.6	25,757.6	25,805.7	25,855.7	25,906.6	25,959.1	26,012.9	26,068.3	26,125.2
the deposit to the Public Education Fund	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
to forward fund K-12 education	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
foundation formula and pupil	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
transportation costs. Assumes												
Department of Education's 10 year-												
projection for K-12 foundation and pupil												
transportation costs forward funded by												
one fiscal year.												
Reversal of select OTI Funding for FY13		157,120.0	-153,800.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical adjustment to base for FY13												
	UGF	157,120.0	-151,400.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	FED	0.0	-2,400.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renewable Energy & REAA School		26,620.2	60,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3
Construction												
Fund Capitalizations for the Renewable	UGF	26,620.2	60,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3	35,512.3
Energy Grant Fund and the Rural	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education Attendance Area (REAA)	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
School Construction Fund	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Projections are intended to be a planning tool and do not represent a commitment by the administration to propose spending, nor bring in revenue, at a particular level in future years.

Statewide Appropriations (Fiscal Plan)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Fund Capitalization Operations	80,736.3	62,867.3	57,793.1	57,793.1	57,793.1	57,793.1	57,793.1	57,793.1	57,793.1	57,793.1	57,793.1
Other Fund Capitalization Operations	UGF	17,400.0	14,800.0	15,400.0	15,400.0	15,400.0	15,400.0	15,400.0	15,400.0	15,400.0	15,400.0
	DGF	14,050.0	6,332.1	5,832.1	5,832.1	5,832.1	5,832.1	5,832.1	5,832.1	5,832.1	5,832.1
	OTHER	19,114.7	17,670.4	12,496.2	12,496.2	12,496.2	12,496.2	12,496.2	12,496.2	12,496.2	12,496.2
	FED	30,171.6	24,064.8	24,064.8	24,064.8	24,064.8	24,064.8	24,064.8	24,064.8	24,064.8	24,064.8
Permanent Fund Dividend	652,000.0	572,000.0	1,080,000.0	1,178,000.0	1,236,000.0	1,326,000.0	1,417,000.0	1,510,000.0	1,606,000.0	1,707,000.0	1,812,000.0
Estimated amount to be transferred from the Permanent Fund Earnings Reserve to fund the annual Permanent Fund dividend and associated operations costs. Estimate from the Alaska Permanent Fund Corporations November 30, 2012 monthly financial statement.	UGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	DGF	652,000.0	572,000.0	1,080,000.0	1,178,000.0	1,236,000.0	1,417,000.0	1,510,000.0	1,606,000.0	1,707,000.0	1,812,000.0
	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent Fund Inflation Proofing	847,000.0	888,000.0	936,000.0	980,000.0	1,024,000.0	1,068,000.0	1,113,000.0	1,158,000.0	1,204,000.0	1,251,000.0	1,298,000.0
Estimated amount to be transferred from Permanent Fund Earnings Reserve to principle to inflation proof the fund. Estimated inflation rate is 2.5%. Estimates are from Alaska Permanent Fund Corporation's monthly financial statement as of November 30, 2011.	UGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	DGF	847,000.0	888,000.0	936,000.0	980,000.0	1,024,000.0	1,068,000.0	1,113,000.0	1,158,000.0	1,204,000.0	1,298,000.0
	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capitalization of Alaska Capital Income Fund	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0
Annual projected earnings of the Amerada Hess account in the Alaska Permanent Fund statutorily designated for deposit in the Alaska Capital Income Fund. APFC projections as of November 30, 2011.	UGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	DGF	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0	22,000.0
	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	FED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Statewide	64,800.0	61,700.0	176,700.0	21,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0
	UGF	62,400.0	60,000.0	175,000.0	20,000.0	0.0	0.0	0.0	0.0	0.0	0.0
	DGF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	FED	2,400.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0