



25th ALASKA STATE LEGISLATURE SENATE REPUBLICAN CAUCUS

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Fact Sheet for: Senate Bill 2

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Bill Version: SB 2

Sponsor: Senator Gary Wilken

Short Title: NATURAL GAS REVENUE FUND

Summary:

- Establishes the natural gas revenue fund in the general fund.
- Requires the Department of Revenue to deposit 25 percent of all the money received from lease rentals, royalties, and royalty sale proceeds for natural gas into the natural gas revenue fund.
- Authorizes the legislature to appropriate money from the natural gas revenue fund to the public education fund and the Alaska debt retirement fund.
- Allows a balance in the public education fund and the Alaska debt retirement fund to equal twice the weighted average amount appropriated from these funds in the three preceding fiscal years.

Benefits:

- Ensures that 25 percent of revenue generated from Alaska's natural gas resource will benefit our K-12 public education system.
- Provides a stable revenue source to fund K-12 public education and the construction of our local schools.
- Establishes a mechanism to forward fund public education operating and construction costs.

Background:

- Over 30 percent of the state's operating budget funds Alaska's K-12 public education system. Almost \$1 billion was appropriated this year to 53 local school districts to help fund our educational system in our state, not including school construction costs.

The unpredictability and the volatility of oil prices makes it important that the state's largest expenditure – public K-12 education – has a sustainable and reliable funding source. The set-aside of 25 percent of the revenue generated by natural gas development for the purpose of funding public education will ensure that money earned today will be available to support education needs tomorrow.