

SPONSOR STATEMENT

Senate Bill 35 Appropriation of Funds

“Bank a Billion”

The December revenue forecast by the Department of Revenue predicts record revenues for the current fiscal year due to the new Petroleum Profits Tax. Although this year’s total revenue will not be officially known until March 31, 2007 or later, it is expected that Alaska will enjoy a revenue surplus of \$1.35 billion (*David Teal, Director, Division of Legislative Finance*). Senate Bill 35 saves this revenue surplus in four separate accounts, each with a distinctive focus.

To live within its financial means, the State of Alaska must *Bank a Billion* for the time when a reduction in oil production and lower crude oil prices may decrease our State revenue. Senate Bill 35 makes the following appropriations from the general fund on June 30, 2007 to our four savings accounts:

- \$250 million to the Public Education Fund,
- \$250 million to the Alaska Housing Finance Corporation capital account,
- \$250 million to the Permanent Fund Earnings Reserve Account, and
- \$250 million to the Constitutional Budget Reserve Account

The deposit of a billion dollars in four separate, unique accounts forces the Legislature to save for the future, a time when our State’s financial picture might be different than today. I respectfully request your support.

February 21, 2007