

The following speculative calculations are based on the Permanent Fund achieving a 15% return on investments this year and the oil price of 2/23/04 which is \$33.20 per barrel.

Permanent Fund	\$26,666,666,666.66	
Estimated rate of return (15%)		x.15
		<u>13333333333330</u>
		<u>26666666666666</u>
		399999999999990.
Permanent Fund Earnings	\$ 3,999,999,999.9990=	\$4,000,000,000.00
P.F. Earnings	\$4,000,000,000	
Inflationproofing (3%)	- 800,000,000	
New earnings balance	\$3,200,000,000	
Permanent Fund checks	- 800,000,000	
New earnings balance	\$2,400,000,000	
Administration, hold "hostage", misc.	-50,000,000	
New earnings balance (excess)	\$2,350,000,000	
Double Deposit amount (est.)		
Art.9, Sect. 15 Royalty % to P.F. Corpus		\$ 370,000,000.00

The excess earnings of the permanent fund alone could possibly be enough by itself to fund an entire general fund budget for one year. If this happens the State could then be on a forward funded process in perpetuity. If P.F. earnings fell slightly short of expectations there is still the almost \$400,000,000.00 of the double deposit oil revenues that could be captured by counting the oil revenue double deposit amount towards the amount required for inflationproofing the P.F. Corpus. This would then release that exact amount from the P.F. earnings no longer needed to meet full inflationproofing requirements.

If both amounts are still not quite enough due to unexpected circumstances resulting in a dramatic decline in the stock market, then a few hundred million could be used from the Constitutional Budget Reserve in order to achieve a perpetually forward funded budget.

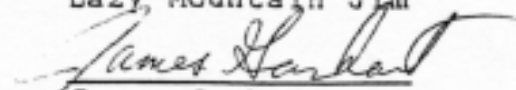
Oil price per barrel as of 2/23/04: \$33.20
 Each \$1.00 per barrel brings \$65 Million to GENERAL FUND (per Cheryl Frasca)
 An additional amount goes to the "double deposit"
TOTAL oil revenues to State at \$33.20, (current general fund and double deposit combined) \$2,546,440,000.00

JAMES GARHART BUDGET PLAN B AT \$33.20 per barrel oil:

5% Market Value	\$1,600,000,000
Other taxes	291,100,000
1/3 oil revenue	<u>848,813,333</u>
2006 Budget	\$2,739,913,333
2/3 Oil Dividend Check	\$2,694

630,000 applicants
 \$1,697,620,000 2/3 oil revenues
 \$ 2694+ Dividend Check amount
 63/169762

Lazy, Mountain Jim



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