

2006 BUDGET ALTERNATIVES BY JAMES GARHART (LAZY MOUNTAIN JIM)

Both of the following plans show that with the proper fund allocations there is NO DEFICIT. Both plans call for a Constitutional spending limit. Both limit the draw, if needed, on the Constitutional Budget Reserve, C.B.R., to \$250 million. This increases C.B.R. earnings as more longterm investing is possible. Both plans are based on projections from the Alaska Department of Revenue Tax Division Revenue Source Book of December 2003 and are for Fiscal Year 2006. I used \$32 Billion for the 2006 Permanent Fund Market Value. Both plans show a slight budget SURPLUS at \$22 per barrel oil, a larger surplus at \$28 per barrel oil, and a dividend check over \$1,500 in all cases.

JAMES GARHART BUDGET PLAN A

Constitutional Budget Limit

Limit on C.B.R. draw (\$250 Million) by simple majority, over limit by 3/4 vote  
ALL oil revenues to General Fund (change Art. 9, Sect 15, Alaska Constitution)  
 Enact P.O.M.V. Plan (5%) 3% Market Value is maximum amount for dividend checks.  
 Funds remaining after government budget and dividend checks are paid stay in the Permanent Fund as inflationproofing plus.

Plan A at \$22 per barrel oil

Oil Revenue	\$1,474,732,000
Other Taxes	291,100,000
2% Market Value	640,000,000
2006 Budget	\$2,405,832,000
Dividend Check (3% M.V.)	\$1,525

Plan A at \$28 per barrel oil

Oil Revenue	\$1,872,908,640
Other Taxes	291,100,000
1% Market Value	320,000,000
2006 Budget	\$2,484,008,640
Dividend Check (3% M.V.)	\$1,525

JAMES GARHART BUDGET PLAN B

Constitutional Budget Limit

Limit on C.B.R. draw (\$250 Million) by simple majority, over limit by 3/4 vote  
 New General Fund consisting of: 5% maximum of Permanent Fund Market Value, all other tax revenues such as gasoline, tobacco, alcohol, fish, etc., and 1/3 of ALL oil revenues. (change Article 9, Section 15, Alaska Constitution). Remaining 2/3 of oil revenues pay Constitutionally protected dividend checks.

Plan B at \$22 per barrel oil

5% Market Value	\$1,600,000,000
Other Taxes	291,100,000
1/3 Oil Revenue	491,577,300
2006 Budget	\$2,382,677,300
2/3 Oil Dividend Check	\$1,560

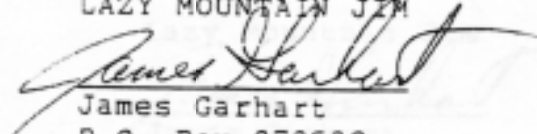
Plan B at \$28 per barrel oil

5% Market Value	\$1,600,000,000
Other Taxes	291,100,000
1/3 Oil Revenue	615,000,000
2006 Budget	\$2,506,100,000
2/3 Oil Dividend Check	\$1,952

Both plans show a SURPLUS over current projections, require NO NEW TAXES, no C.B.R. draw, and pay a dividend check over \$1,500.

Study both GARHART PLANS, check the math, then contact your legislators. Any legislator that finds these suggestions unacceptable should be required to produce the alternative plan they support that achieves similar results.

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