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## Press Release

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### **State Faces Lower Oil Revenue with Lower Oil Price in Fall 2015 Forecast**

**Anchorage** – Department of Revenue (DOR) Commissioner Randall Hoffbeck released the Fall 2015 revenue forecast today. This annual forecast provides basic information about state revenue, as well as a forecast of state revenue over the next 10 years. The basic data for the forecast will be available at 4 p.m. Dec. 8 on the Department's website, at [www.tax.alaska.gov](http://www.tax.alaska.gov). The information will also be available in the Revenue Sources Book, which will be published later this month.

"The reality of our current fiscal condition is that total state revenues have dropped more than 50% from fiscal year 2014, and, of that total, general fund unrestricted revenues have declined nearly 60%," Hoffbeck said.

Total state revenue was \$8.5 billion in fiscal year 2015 from all sources. Of that total, general fund unrestricted revenue (GFUR) totaled \$2.3 billion. For fiscal year 2016, the Department is now forecasting \$9.5 billion in total revenue and \$1.6 billion in GFUR. For fiscal year 2017, the Department is forecasting \$10.3 billion in total revenue and \$1.8 billion in GFUR.

Overall oil production has declined by about 5% in the last year. "While there was a 13.6% increase in production in the Cook Inlet, that was not sufficient to offset a 5.6% decrease on the North Slope," Hoffbeck said. "We are forecasting North Slope annual production to remain above 500 thousand barrels per day until 2018."

The Fall 2015 revenue forecast is based on an annual average ANS oil price of \$49.58 per barrel for fiscal year 2016 and \$56.24 per barrel for fiscal year 2017. "Beyond that, we project that annual average prices will slowly increase to more than the \$80-per-barrel nominal price within the 10-year-forecast period, based on the analysis of the structure of oil markets," Hoffbeck said.

This year's forecast introduces a new presentation of revenue available for current-year appropriation, in the Executive Summary of the Revenue Sources Book. Revenues available for current-year appropriation include, in addition to unrestricted and designated General Fund revenues, realized earnings of the Alaska Permanent Fund accounted for in the Earnings Reserve, earnings of the Constitutional Budget Reserve Fund, and other deposits.

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