

Lucinda Mahoney
Commissioner

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Department of
Revenue

Juneau, Alaska

STATE OF ALASKA

PRESS RELEASE

For Immediate Release
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Department of Revenue Provides Preliminary Revenue Outlook for FY 2022 and FY 2023 and Upcoming Release of an Interactive Revenue and Spending Fiscal Model

Friday, October 29, 2021 (Anchorage) – Department of Revenue (DOR) Commissioner Lucinda Mahoney released the preliminary Fall 2021 forecast today. The Department has previously published an early estimate of the state’s revenue picture when prices have strayed significantly from the preceding official forecast. Today’s forecast illustrates the state’s revenue improvement of an additional \$1.2 billion for FY 2022 and \$1.0 billion in FY 2023 as compared to the previous forecast. The total amount of expected UGF revenue is \$5,975.5 billion for FY2022 and \$6,128.6 billion for FY2023. Commissioner Mahoney stated, “Recent oil price increases have significantly improved our current fiscal situation and I’m pleased to report that the outlook for Alaska’s budget is good. We are optimistic about the current oil price and production trends”.

The Department’s Economic Research Group develops the oil and gas revenue forecast by utilizing the Brent futures market to estimate oil prices. The Department’s Spring 2021 forecast estimated FY 2022 prices to be \$61.00 per barrel with North Slope production of 459,700 barrels per day. This updated forecast reflects an increased price of \$81.31 per barrel with 488,400 per day North Slope production. Current market prices for ANS West Coast oil are \$85.50 per barrel as of October 28, 2021.

The Department of Natural Resources develops the production forecast which has near-term increases from the Spring 2021 Forecast to North Slope production for FY 2022 and FY 2023 due to the resumption of drilling and favorable oil prices. The newly revised production forecast has decreased from the last forecast starting in FY 2024 due primarily to the increased uncertainty for large projects caused by federal litigation and financing issues.

The Department of Revenue is in the process of finalizing an interactive revenue and spending fiscal model based on this preliminary forecast, which will be made available to the public next week on Wednesday, November 3rd. The fiscal model will allow Alaskans and policymakers to select assumptions such as a range of oil prices, reductions or increases to spending, the amount of the PFD, new or increased revenues, investment returns, and other variables over a nine-year time horizon. The result of

the selections will be displayed to the user both graphically and in spreadsheet form. The fiscal model intends to provide Alaskans with an interactive tool that will enable a better understanding of our current fiscal situation. This fiscal model will be updated when the final Fall 2021 forecast is released this December.

The preliminary forecast will be available on DOR's Tax Division website, at <http://tax.alaska.gov/>

This fiscal model will be available on the Department of Revenue website, at <http://DOR.alaska.gov/>

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