



September 19, 2022

Department of Revenue Notification

Due to the volatility associated with petroleum revenues, the Department of Revenue has implemented a process to notify policymakers regarding changes in the revenue outlook. Our goal is to ensure that policymakers have the most accurate and up-to-date information when making decisions that impact the fiscal condition of the state.

The Department of Revenue currently develops a monthly revenue outlook for the current and next fiscal year (for FY 2023 and FY 2024) that is used internally to review actual revenue for the current fiscal year and to update our estimated revenue based on the most recent information. While this update does not incorporate the level of rigor and detail that we put into the official spring and fall revenue forecasts, it does give an indication of how revenues are expected to perform based on the most currently available information. If the non-POMV unrestricted revenues are estimated to be 10% more or less than the previous official forecast, a notification will be sent to Legislators and others who have requested to be included on the distribution list.

Oil price estimates in this notification are based on futures market prices for Brent, the global oil price benchmark. Historically, Alaska North Slope (ANS) oil prices have generally been very close to Brent prices, but ANS has traded at a premium to Brent for much of FY 2023. The FY 2023 projections shown here incorporate an assumption that recent ANS premiums will slowly decrease over the remainder of FY 2023. For FY 2024, no premium or discount to Brent is assumed.

	FY 2023 (\$millions)			FY 2024 (\$millions)		
	Spring Forecast (3/15/2022)	Current Futures (9/15/2022)	Difference	Spring Forecast (3/15/2022)	Current Futures (9/15/2022)	Difference
Price Per Barrel (\$)	\$ 101.00	\$ 91.96	\$ (9.04)	\$ 90.00	\$ 80.21	\$ (9.79)
Estimated Revenues (Excluding POMV)	\$ 4,970.4	\$ 4,252.9	\$ (717.5)	\$ 4,064.7	\$ 3,273.1	\$ (791.6)
Estimated Revenues (Including POMV)	\$ 8,331.0	\$ 7,613.5	\$ (717.5)	\$ 7,665.7	\$ 6,874.1	\$ (791.6)

To be included on the distribution list, please contact DOR's legislative liaison, Joseph Felkl, joseph.felkl@alaska.gov.