

Severance Tax Permanent Fund: History, Performance and Projections

Revenue Stabilization and Tax Policy Committee

Representative Christine Chandler, Chair

Senator Benny Shendo, Vice-Chair

Steve Moise, State Investment Officer
Charles Wollmann, Director of Communications, Legislative & Client Relations
Dawn Iglesias, Investment Strategist
October 6, 2022



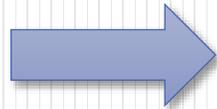
Fund Values 6/30/22 & FY23 Distributions

Land Grant
Permanent Fund
\$24.38 billion



LGPF Beneficiary
Distributions
FY23: **\$1,014.32M**

Severance Tax
Permanent Fund
\$6.83 billion



General Fund
Distributions
FY23: **\$265.79M**

Presentation Overview

- History and background of the Severance Tax Permanent Fund (STPF)
- STPF inflows and distributions to the general fund
- STPF investment performance
- Scenario analysis of additional inflows into the STPF, as requested by RSTP

New Mexico State Investment Council Severance Tax Permanent Fund



The Severance Tax Permanent Fund (STPF) was established by the legislature as a constitutionally-protected permanent endowment in 1976, to receive and invest severance taxes collected on natural resources extracted from New Mexico lands.



INFLOWS
A severance tax is imposed on oil, natural gas, other liquid hydrocarbons, carbon dioxide and hard rock minerals severed from the land.
Collected by Tax & Revenue Department

Most of the fluctuation in severance tax revenue is due to wide and frequent swings in the market price of oil and gas. States that rely on revenue from severance taxes face volatility in production, demand and price changes.

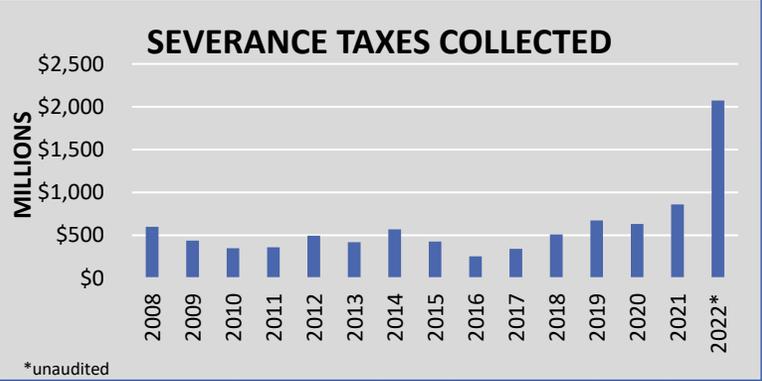
Taxes are transferred monthly to the **Severance Tax Bonding Fund** administered by the State Treasurer's Office for **Debt Service Requirements** on Senior and Supplemental Bonds issued under the **Severance Tax Bonding Act** for capital projects



Amounts in the Bonding Fund in excess of the amounts necessary to service bond principal and interest payments are transferred twice a year to the

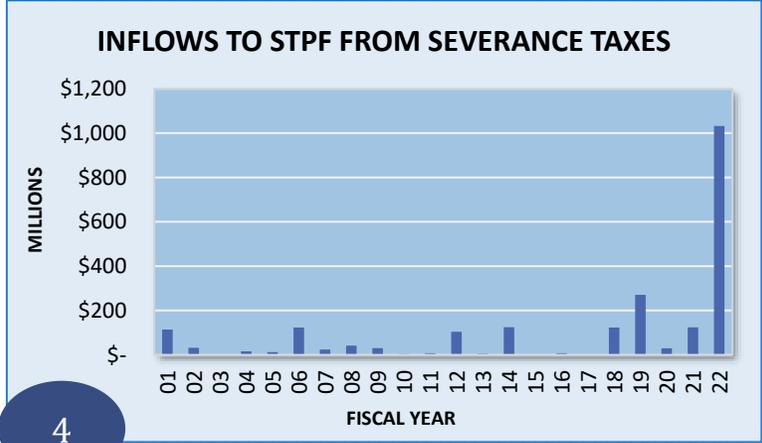
Bonding Capacity Statute Changes	
Year(s)	% split between bond payments & deposits
1976-1999	50/50
1999	62.5/37.5
2000	87.5/12.5
2004	95/5
2016-2022	86.2/13.8

(phased-in thru FY22)



Severance Tax Permanent Fund

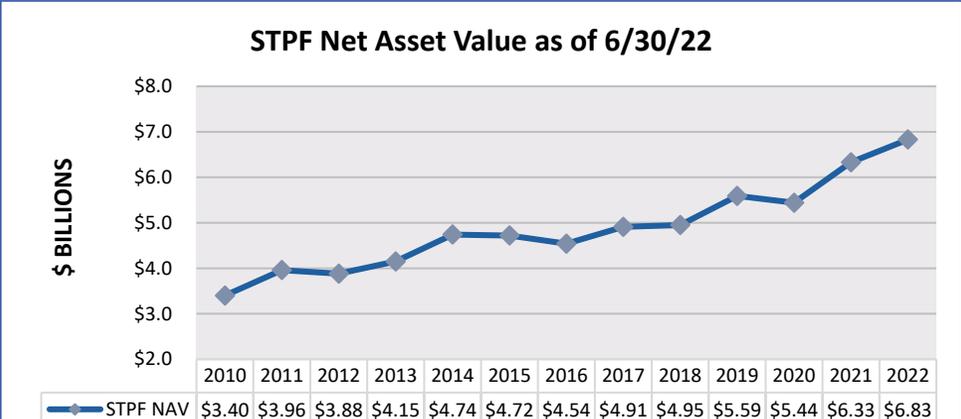
	1 Year	3 yrs	5yrs	10yrs
STPF Returns (net of fees, 6/30/22)	-4.39%	5.16%	5.85%	7.21%



Constitutional distribution formula to the state general fund 4.7% of 5-year average market value

Distributions to the General Fund	
FY 2014	\$ 170,472,647
FY 2015	\$ 182,772,980
FY 2016	\$ 193,509,941
FY 2017	\$ 200,442,327
FY 2018	\$ 210,377,643
FY 2019	\$ 220,621,476
FY 2020	\$ 225,258,444
FY 2021	\$ 234,040,104
FY 2022	\$ 246,398,028

Averages 3% of state budget
\$1.997B over the past 10 years



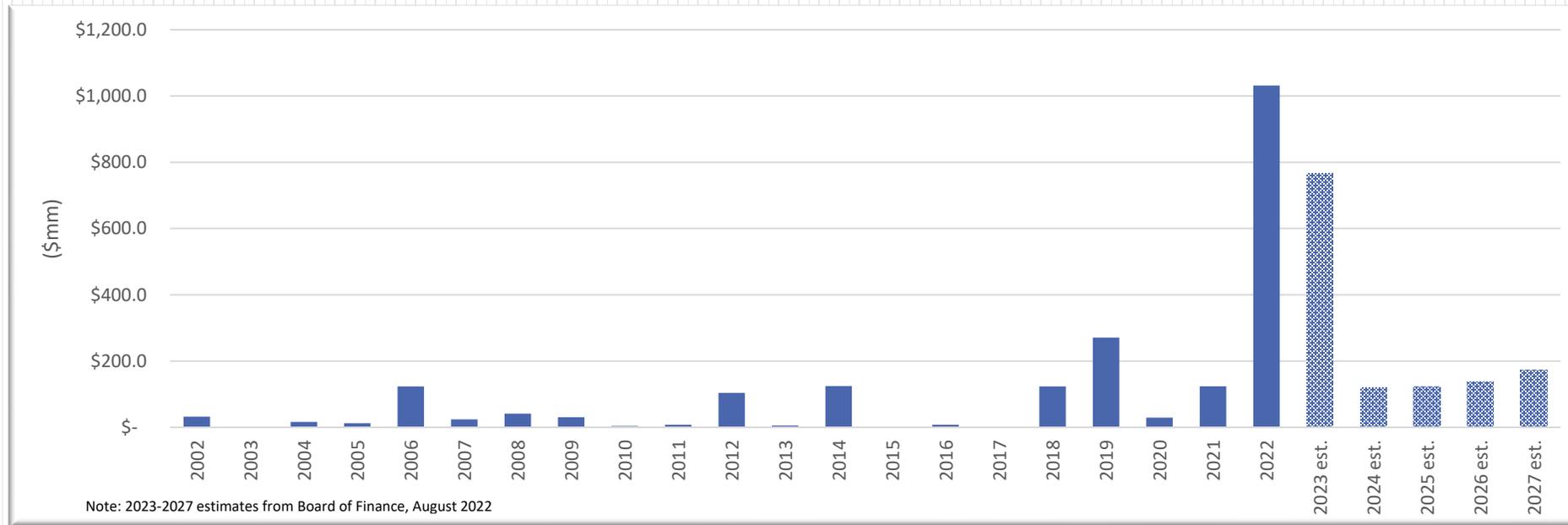
STPF History and Background

Severance Taxes & Relationship to the Severance Tax Bonding Fund

- The Severance Tax Permanent Fund (STPF) was created by the New Mexico Legislature in 1973 to save and invest the severance taxes not being used to bond capital projects.
- The **severance tax** is one of three production taxes the state levies on oil, natural gas, and other natural resources as they are “severed” from lands in New Mexico.
 - Tax rate on oil and natural gas = 3.75% of the taxable value*
 - Tax rate on other natural resources: potash (2.5%), copper (0.5%), timber (0.125%), nonmetallic materials (0.125%), metals (0.125%), gold and silver (0.2%), surface coal (\$0.57 + surtax), underground coal (\$0.55 + surtax), uranium (3.5%)
- Severance tax revenue is deposited into the Severance Tax Bonding Fund and is used to issue and service debt for severance tax bonds each year.
 - By law, total debt is limited to set percentages of the lesser of current-year or prior-year bonding fund revenue (*Section 7-27-17 NMSA 1978*).
 - For decades, the amount of total debt was limited to 50 percent of prior-year revenue.
 - Beginning in 1999, the state began issuing short-term “supplemental severance tax bonds” and increased the limits on the amount of bonding fund revenue that could be used for debt. By 2004, the limit had grown to 95 percent.
 - In 2015, the Legislature adopted a plan to phase-in lower limits and stabilize contributions to the permanent fund.
 - Under the plan, total debt was limited to 92.8 percent in FY16 and was phased down to 86.2 percent in FY22.
 - **Uncommitted money in the bonding fund is transferred twice a year to the Severance Tax Permanent Fund, which is invested by the State Investment Council.**

STPF History and Background

Fund Inflows from the Severance Tax Bonding Fund



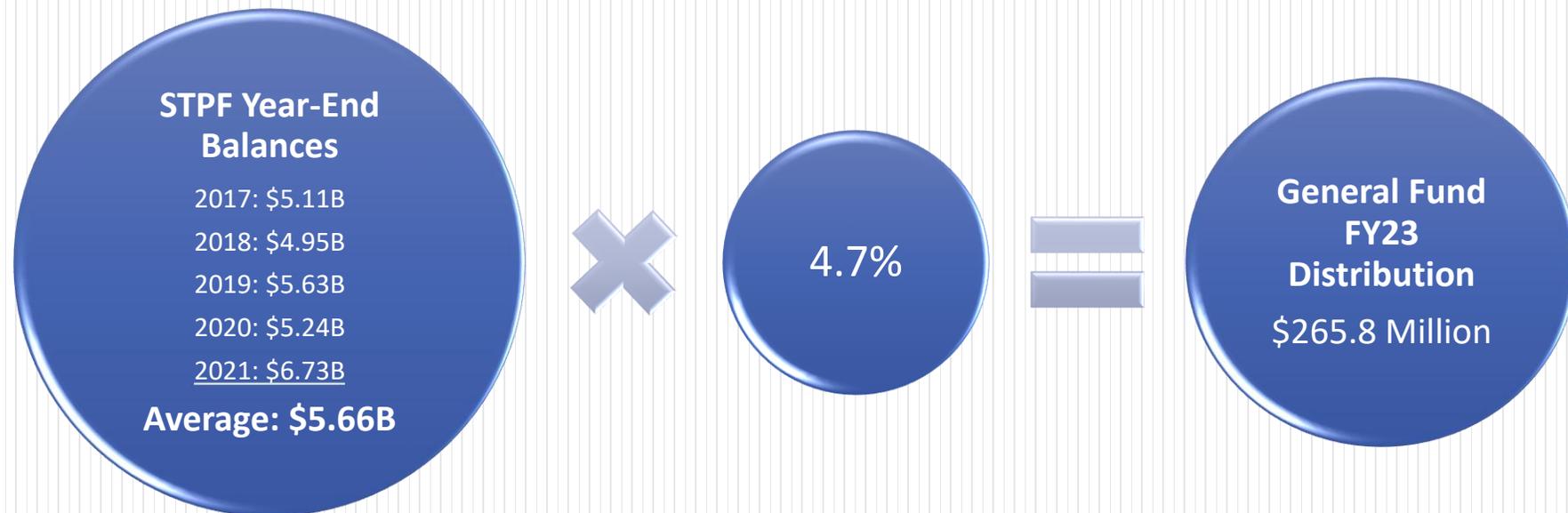
Calendar Year	Contributions to STPF (\$mm)
2002	\$ 32.0
2003	\$ 1.0
2004	\$ 16.3
2005	\$ 12.4
2006	\$ 123.2
2007	\$ 24.1
2008	\$ 41.4
2009	\$ 30.2
2010	\$ 3.5
2011	\$ 7.6
2012	\$ 103.9
2013	\$ 5.3
2014	\$ 124.7
2015	\$ 0.8
2016	\$ 7.7
2017	\$ 0.0
2018	\$ 123.4
2019	\$ 270.9
2020	\$ 29.3
2021	\$ 123.8
2022	\$ 1,031.9
2023 est.	\$ 766.6
2024 est.	\$ 118.9
2025 est.	\$ 122.4
2026 est.	\$ 137.4
2027 est.	\$ 173.6

- In the 20 years between 2002-2021, the STPF received a total of \$1.082 billion of inflows into the fund.
- In 2022, the STPF received a contribution of \$1.032 billion due to the statutory limitation of bonding against the lesser of current- or prior-year severance tax revenues.
 - Oil and gas taxable values more than doubled from FY21 to FY22, limiting bonding capacity to FY21 revenues.
 - The August 2022 consensus revenue estimates project oil and gas taxable values will increase again in FY23, limiting bonding capacity to FY22 revenues and likely resulting in another large contribution to the STPF in 2023.

STPF History and Background

Distributions to the General Fund

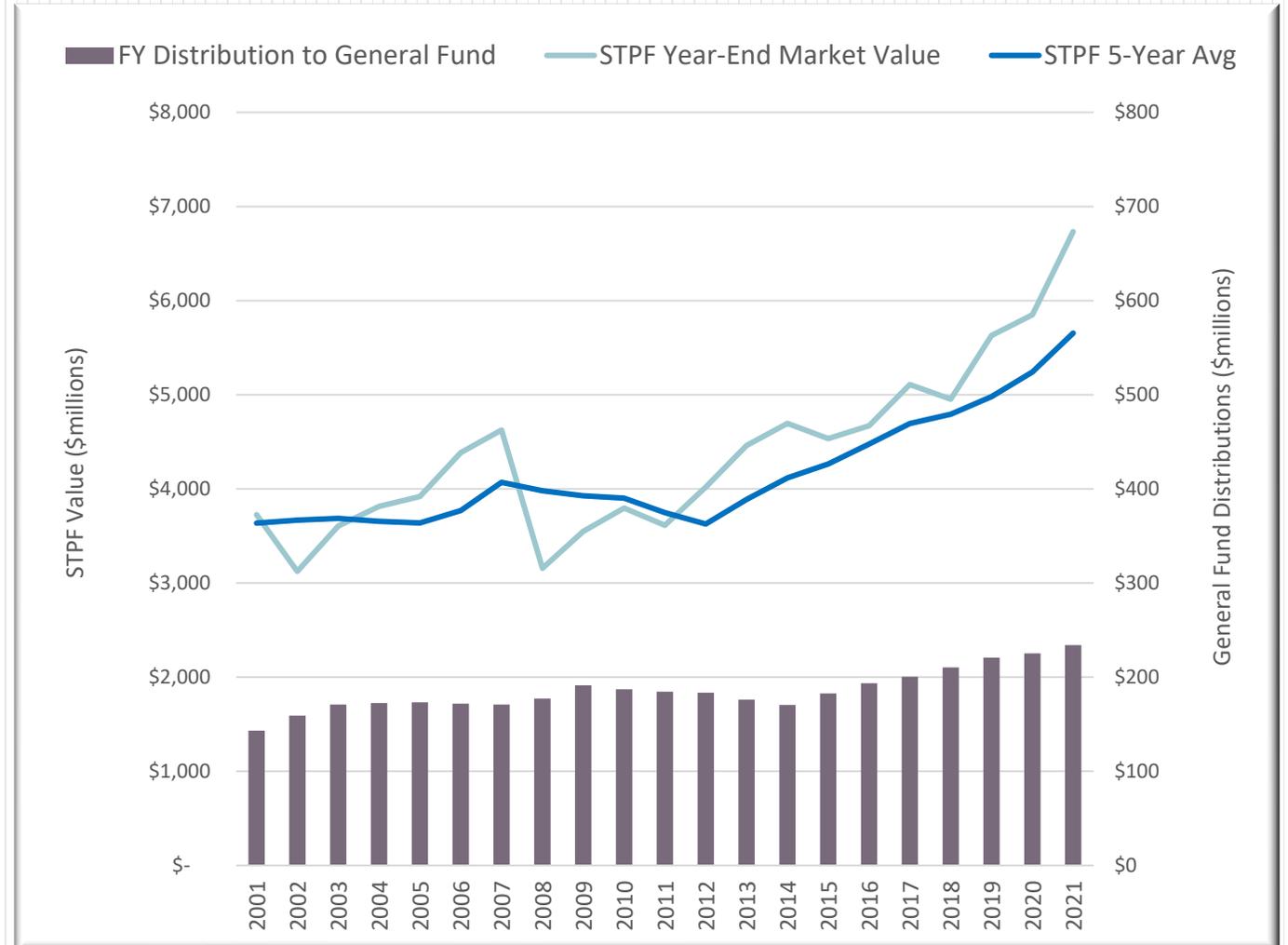
- In 1976, voters approved constitutional protections for the STPF that restrict the ability to appropriate from the corpus of the fund.
 - Under these original provisions, distributions from the STPF to the general fund were limited to the income generated from investments (i.e. investment earnings only).
- In 1996, voters passed a constitutional amendment to allow for a general fund distribution of 4.7 percent of the five-year average value of the STPF.
 - Annual distributions from the STPF flow to the general fund in equal monthly installments and are not earmarked for any specific purpose, allowing STPF revenues to broadly support general fund budgets.



STPF Distributions to the General Fund

Distribution Formula Reduces General Fund Revenue Volatility

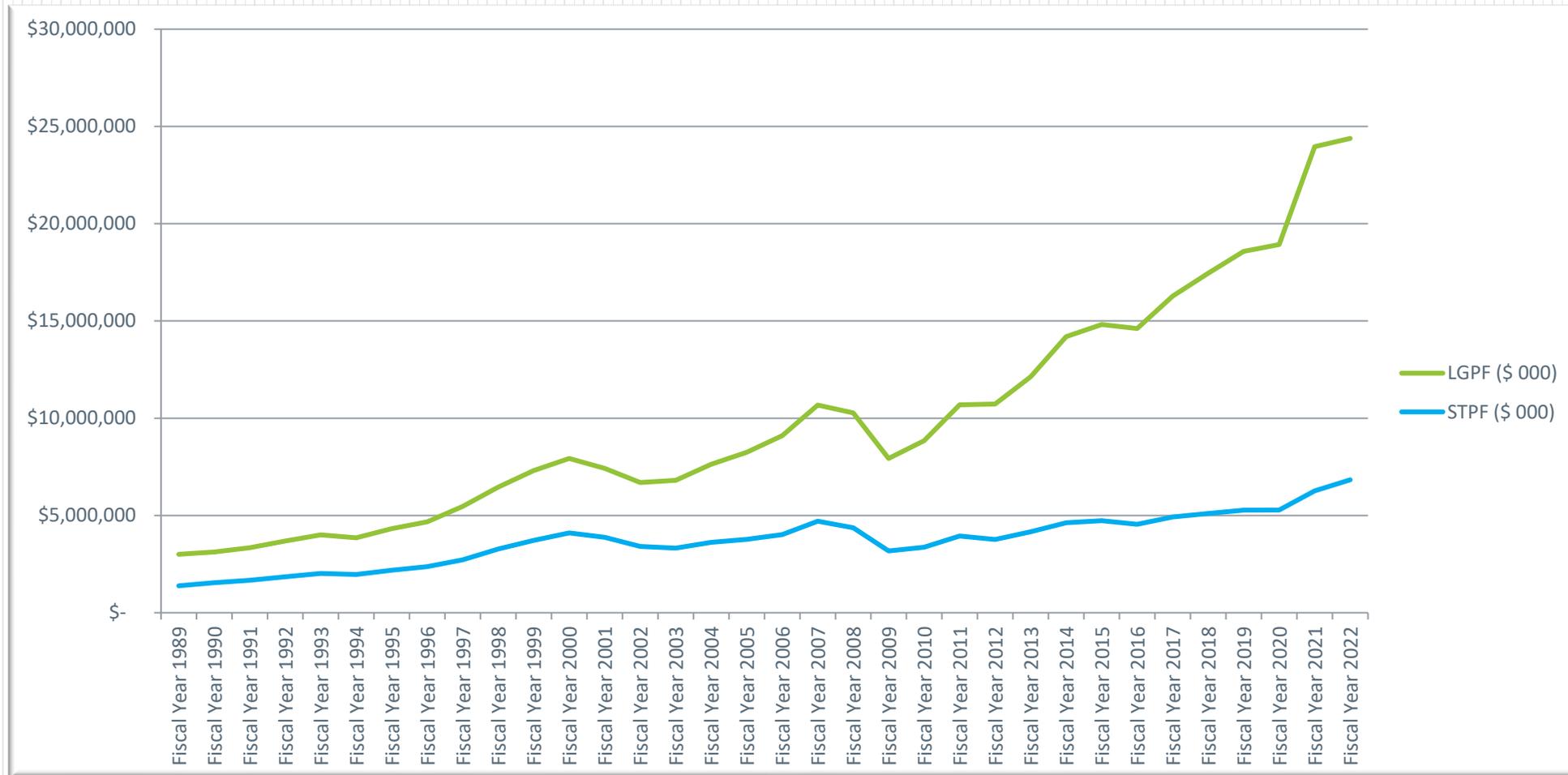
- Basing distributions on the 5-year average reduces annual volatility in the STPF caused by market swings.
 - For example, in 2008 the value of the STPF fell nearly 32% during the Global Financial Crisis
 - However, general fund distributions from the STPF **grew** by 3.6% in FY08 and by 8% in FY09.
- A 2019 LFC volatility analysis found that distributions from the permanent funds are the state's most stable (i.e. least volatile) source of general fund revenue.



STPF Performance

Growth Relative to the Land Grant Permanent Fund (LGPF)

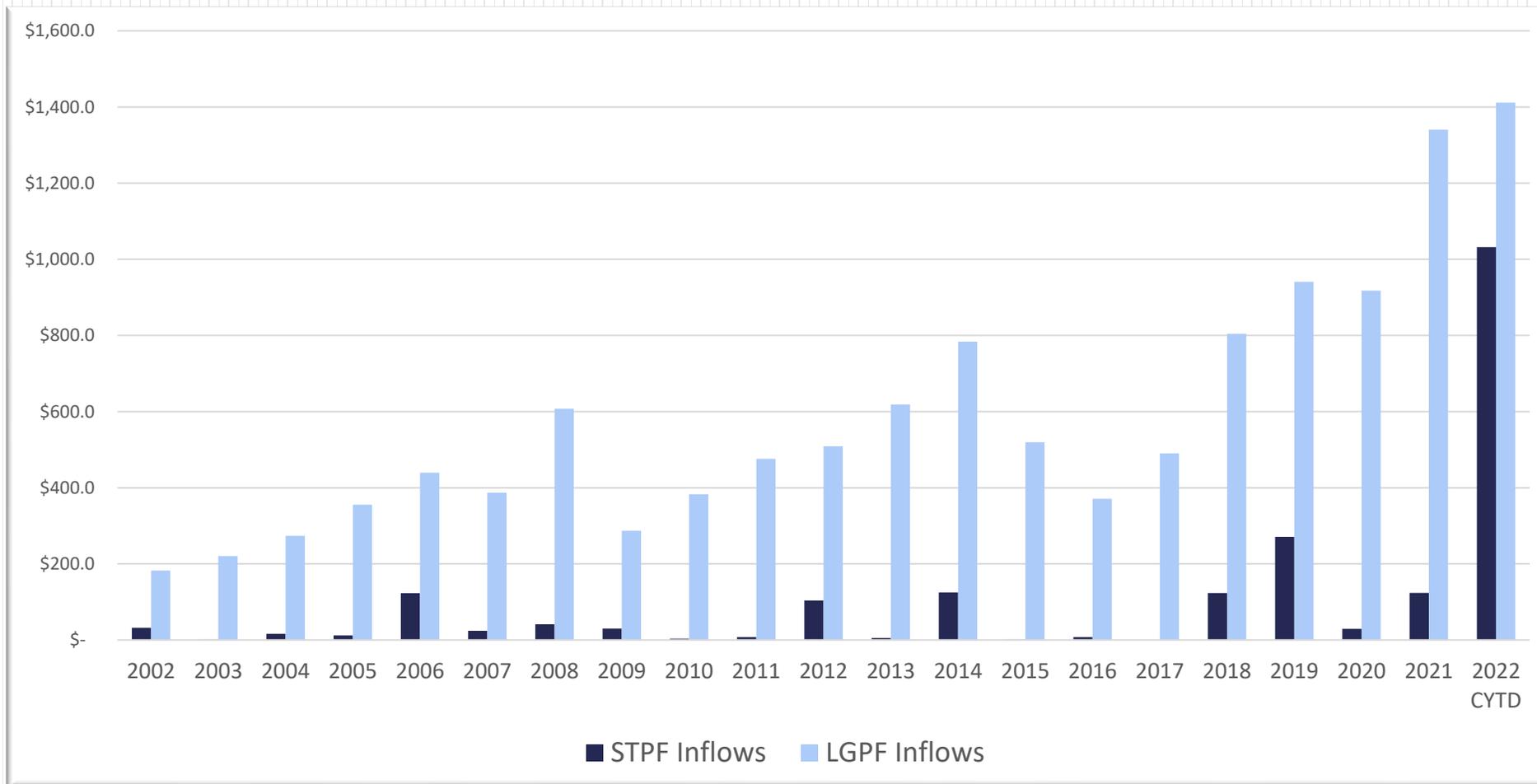
Permanent Fund Growth, 1989-2022



STPF Performance

Difference in Fund Inflows

Permanent Fund Contributions (\$mm)



Cumulative Inflows (2002 - 2021)

STPF: \$1.082 billion

LGPF: \$10.906 billion

STPF Performance

Investment Returns

Returns, net of fees, annualized, as of 6/30/22

	1-year	3-year	5-year	7-year	10-year
Land Grant Permanent Fund	-2.22	7.21	7.14	6.92	7.99
<i>Benchmark</i>	<i>-1.72</i>	<i>7.54</i>	<i>7.37</i>	<i>6.97</i>	<i>8.07</i>
Severance Tax Permanent Fund	-4.39	5.16	5.85	5.99	7.21
<i>Benchmark</i>	<i>-3.73</i>	<i>6.43</i>	<i>6.74</i>	<i>6.54</i>	<i>7.77</i>
Peer Median, public funds > \$1B*	-7.56	6.11	6.41	6.33	7.49
LGPF Total Fund Rank*	11	21	27	28	36
STPF Total Fund Rank*	23	77	72	58	65

*RVK public fund universe
 Long-term investment return targets: LGPF (7.0%), STPF (6.75%)

STPF Performance

Economically Targeted Investments (ETIs)

- Various statutes authorize below market rates of return for STPF investments intended to stimulate the economy of New Mexico – these are known as ETIs or “differential rate” investments.

Small Business Investment Corporation (SBIC)

- Statute requires 2% of the STPF to be committed to the SBIC for the purpose of creating new job opportunities in the state.
- Made venture capital equity investments in the past, but now focuses on small business lending.

Small Business Recovery and Stimulus Act (2021)

- Statute provides for up to \$500 million for small business loans at a very low interest rate.

STPF Performance

Economically Targeted Investments (ETIs)

New Mexico Private Equity Investment Program (NMPEIP)

- Statute allows up to 11% of the STPF to be allocated toward NM private equity and business investments.
- Created in 1993, the statutory limits began at 3% and were later increased to 6% in 2003, to 9% in 2006, and to 11% in 2021.
- NMPEIP performance since inception has generated a 1.6% internal rate of return (IRR), compared with the National Private Equity Program which has generated a 13.1% IRR since inception.

NMPEIP IRR Horizon Performance							
<i>As of March 31, 2022 (\$ in millions)</i>							
Portfolio	Quarter	1-year	3-year	5-year	10-year	Inception	
	IRR	IRR	IRR	IRR	IRR	IRR	Net Gain/Loss
Catalyst Fund	0.0%	1.8%	1.5%	3.8%	N/A	1.5%	\$ 0.2
Co-Investment Funds	0.0%	(7.8%)	(8.4%)	(1.1%)	3.3%	0.6%	15.9
Recovery Fund	1.0%	4.0%	N/A	N/A	N/A	1.6%	1.9
Fund Investments	1.3%	21.4%	20.1%	12.2%	7.0%	2.5%	62.5
2008 and Before	(3.5%)	(12.3%)	2.2%	(0.5%)	1.8%	(0.2%)	(4.4)
2016 and After	2.3%	32.4%	31.0%	26.7%	N/A	26.2%	66.9
Grand Total	0.6%	2.0%	(0.8%)	2.8%	4.7%	1.6%	\$ 80.5

Source: Invient
Note that fund investments are divided by vintage year representing a removal in the requirement for a fund manager to open an office in New Mexico which increased the number of fund investments beginning in 2016.

Outlook & Investment Strategy

- In 2017, the Council recognized the potential for weaker returns from the largest investment market that we invest in—the global stock markets:
 - Began lowering exposure to those markets and diversifying into investments in real estate, real assets, credit and private equity.
 - Since that time, the global stock index that we use to measure returns from stocks has underperformed long history, providing less than 7% returns annually
- The economic underpinnings for investment markets over the next 7-10 year period look weaker than average:
 - We have a recession in our forecast in the nearer-term.
 - We believe inflation will be much more of an issue over the next ten years than it was in the past ten.
 - We believe that interest rates will move higher over our forecast period.
 - We believe that current global economic issues of supply chain disruption/rebuilding, trade, energy and increasing food security concerns will continue to play out in the period.

STPF Modeled Scenarios

At RSTP's request, SIC staff along with our consultant RVK, have modeled several scenarios illustrating the estimated change in general fund distributions through FY50 if the STPF received additional inflows into the fund.

1. Investing future Oil and Gas Emergency School Tax and Federal Mineral Leasing revenues above FY23 levels that would otherwise flow into the general fund
2. Investing future Oil and Gas Emergency School Tax and Federal Mineral Leasing revenues above FY24 levels that would otherwise flow into the general fund
3. A one-time investment of \$250 million, versus an investment of \$250 million every year for five years
4. A one-time investment of \$500 million, versus an investment of \$500 million every year for five years
5. A one-time investment of \$1 billion, versus an investment of \$1 billion every year for five years

STPF Scenario Assumptions

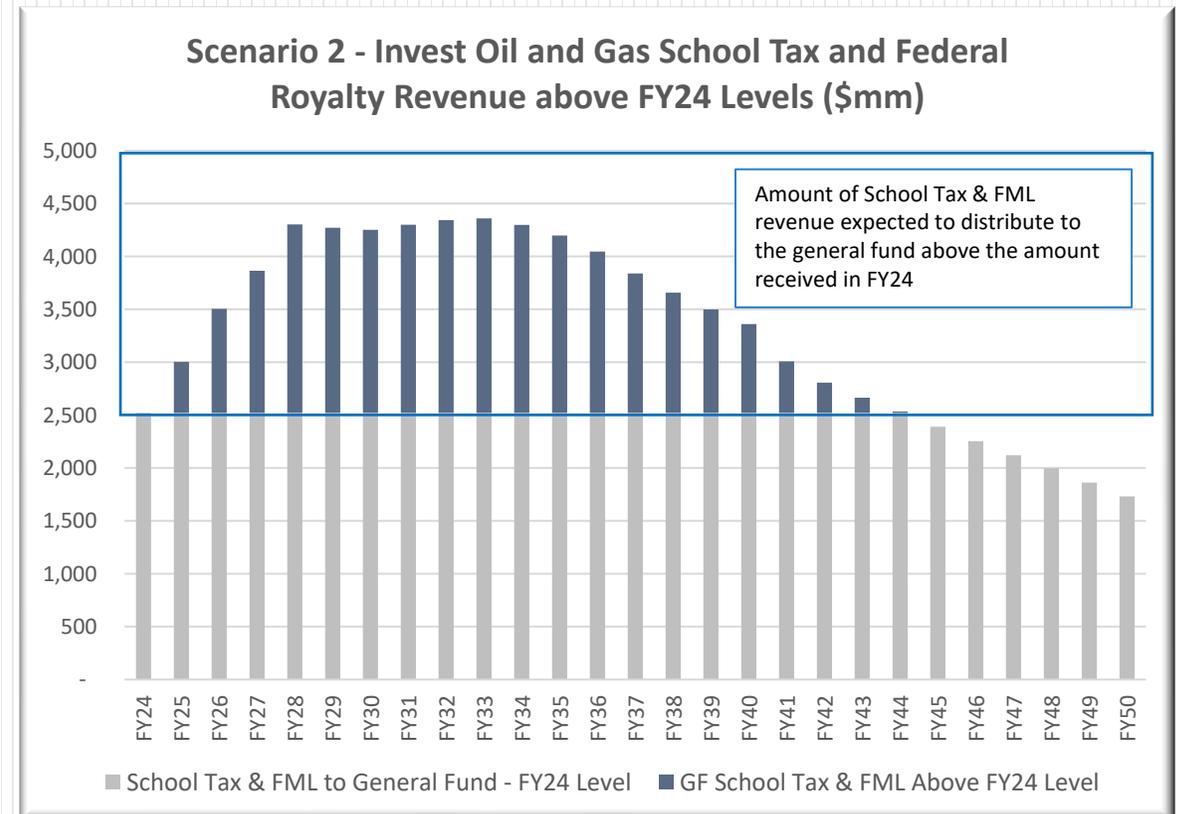
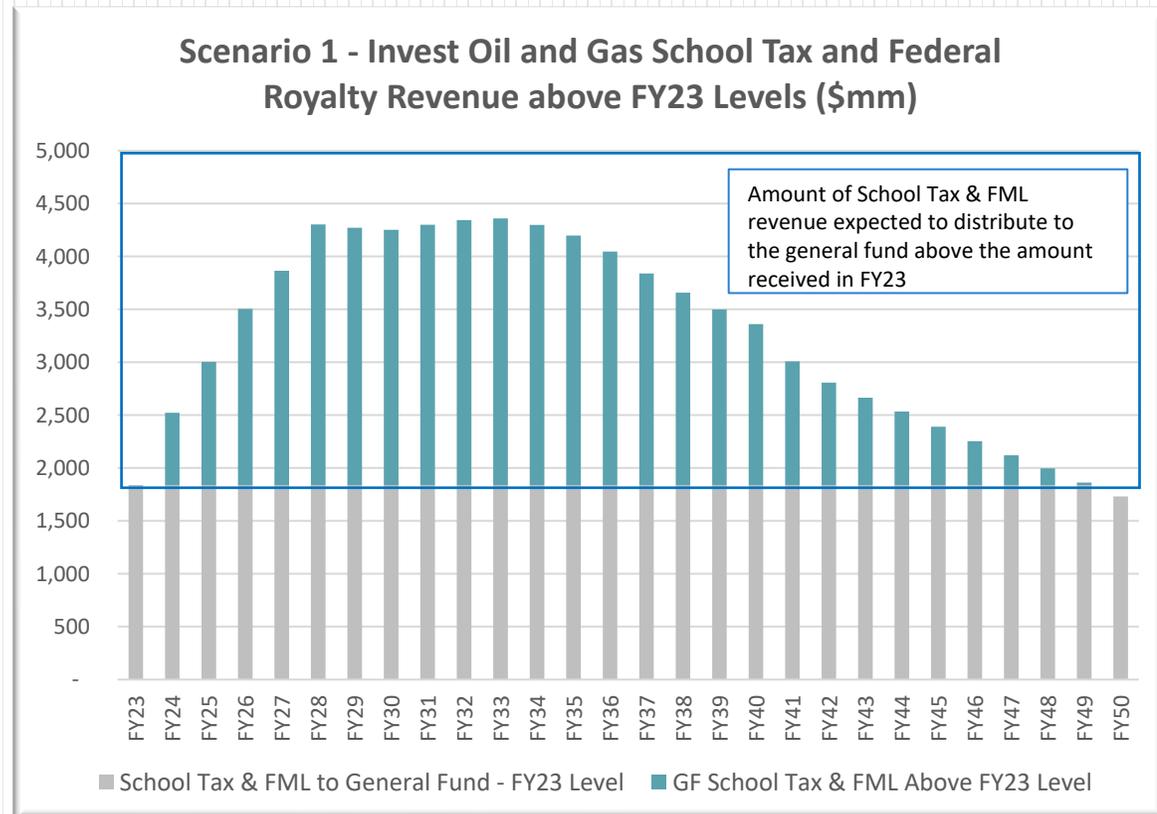
The baseline projection and all scenarios assume the following:

- Expected Arithmetic Return: 6.2%
- Expected Standard Deviation: 10.6%
- Expected Compound Return: 5.7%
- Contributions to the STPF consistent with the August 2022 severance tax bonding fund projections from the Board of Finance for FY23-FY27
- Contributions to the STPF of \$50 million/year from the severance tax bonding fund in FY28 and beyond, consistent with the historical 20-year average
- Distributions to the general fund of 4.7% of the five-year average market value of the STPF, consistent with current law
- All data is shown in nominal terms

STPF Scenarios 1 & 2 - Inputs

Investing Select Oil and Gas Revenues above FY23 and FY24 Levels

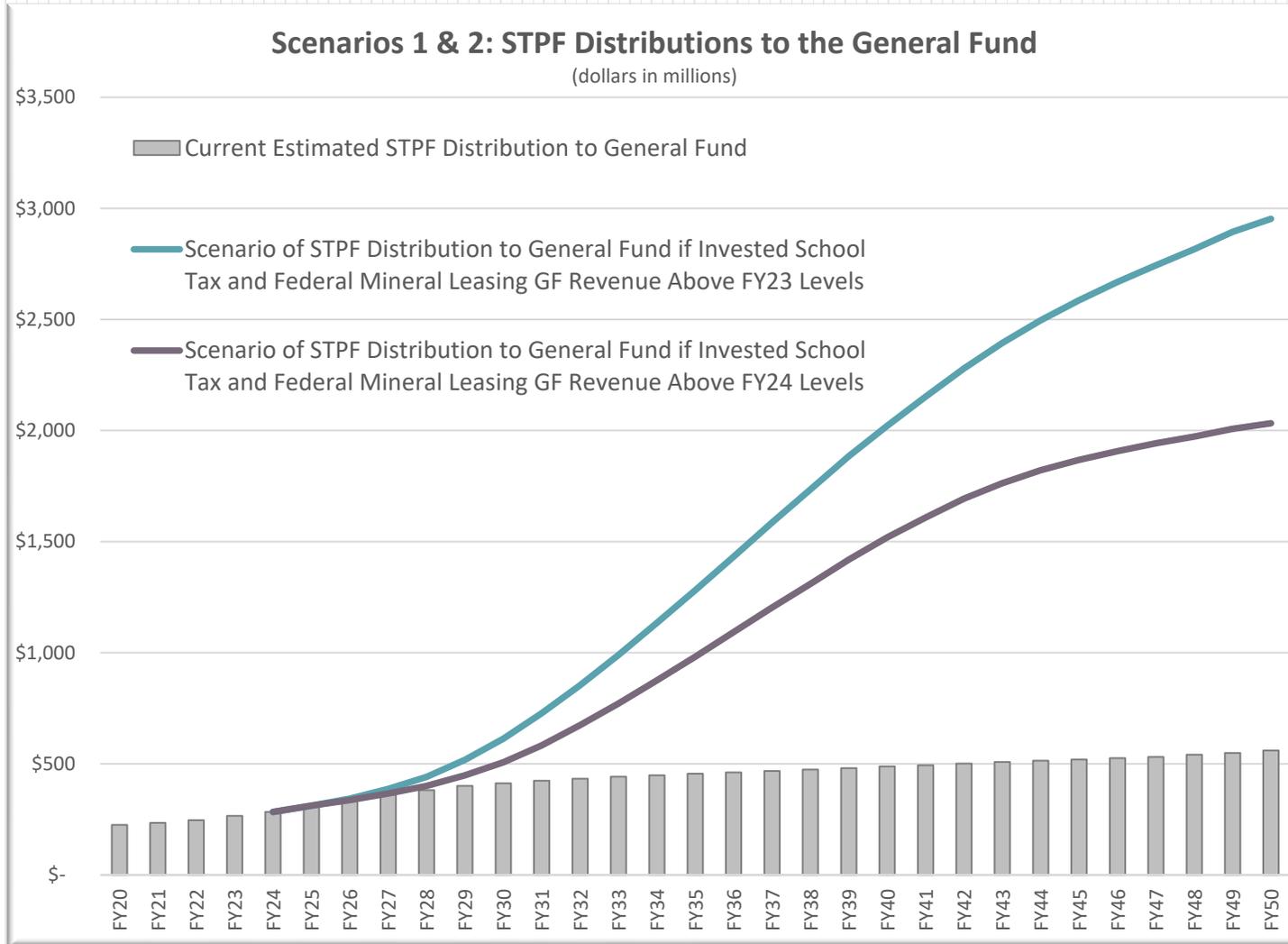
To perform this analysis, SIC staff used general fund estimates of oil and gas school tax and federal mineral leasing revenue provided in the August 2022 consensus revenue estimate for FY23-FY27 and estimates from LFC staff for FY28-FY50, as shown below.



Note, these scenarios only assume the amount of estimated general fund revenues from these two sources. The excess of the five-year averages for the school tax and federal mineral leasing revenues are still assumed to be distributed to the tax stabilization reserve or the early childhood trust fund per statutory requirements.

STPF Scenarios 1 & 2 - Results

Investing Select Oil and Gas Revenues above FY23 and FY24 Levels

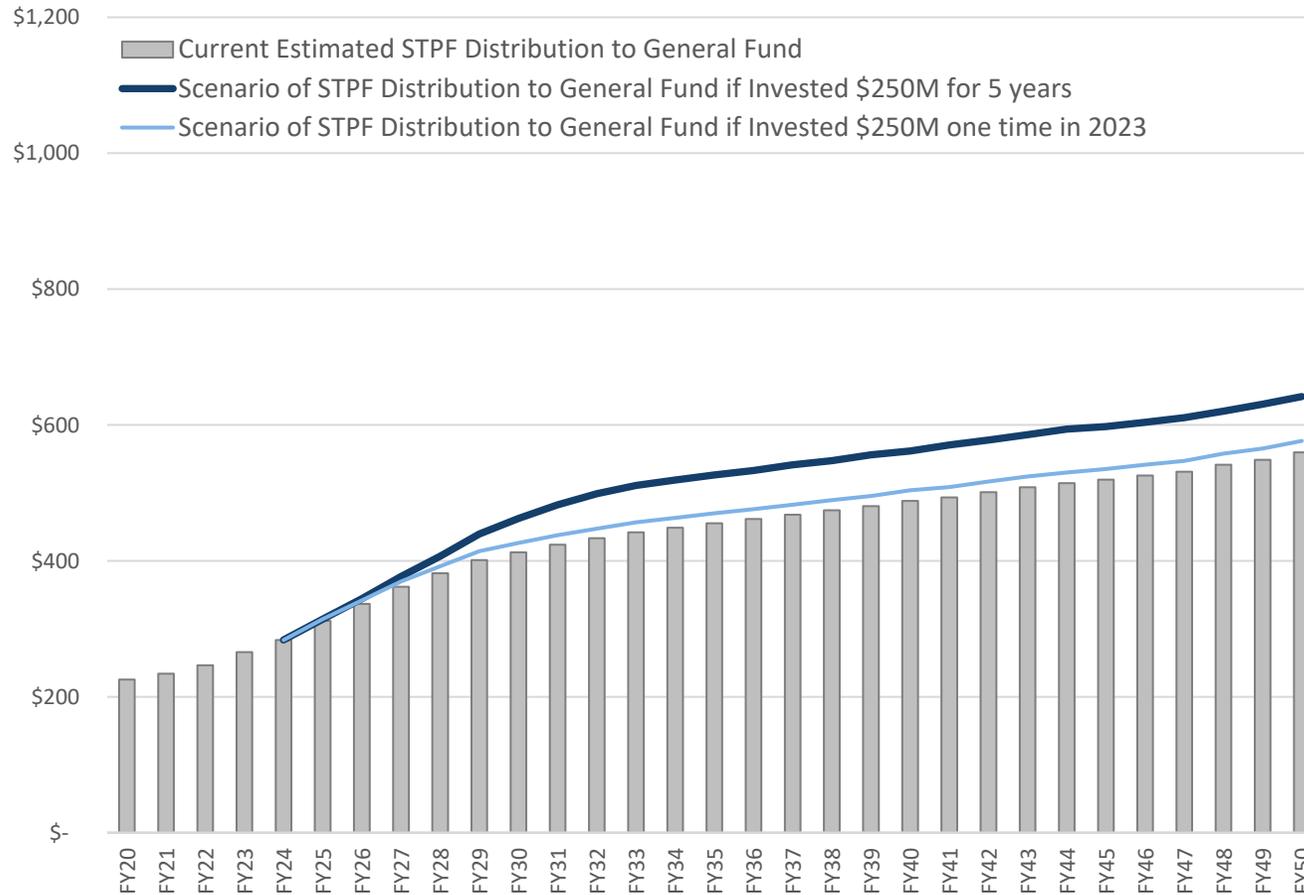


		Change in STPF Projected Distributions to the General Fund (\$MM)			
		Scenario - School Tax & FML above FY23 Levels	Difference from Current	Scenario - School Tax & FML above FY24 Levels	Difference from Current
Current Estimated STPF Distribution to General Fund					
FY20	\$ 225.3	\$ -	\$ -	\$ -	\$ -
FY21	\$ 234.0	\$ -	\$ -	\$ -	\$ -
FY22	\$ 246.4	\$ -	\$ -	\$ -	\$ -
FY23	\$ 265.8	\$ 265.8	\$ -	\$ 265.8	\$ -
FY24	\$ 283.6	\$ 283.6	\$ -	\$ 283.6	\$ -
FY25	\$ 311.8	\$ 311.8	\$ -	\$ 311.8	\$ -
FY26	\$ 336.8	\$ 343.5	\$ 6.7	\$ 336.8	\$ -
FY27	\$ 361.9	\$ 386.8	\$ 25.0	\$ 366.6	\$ 4.8
FY28	\$ 381.8	\$ 441.3	\$ 59.5	\$ 400.7	\$ 18.9
FY29	\$ 401.1	\$ 517.8	\$ 116.7	\$ 448.5	\$ 47.4
FY30	\$ 412.7	\$ 613.1	\$ 200.4	\$ 506.9	\$ 94.2
FY31	\$ 423.7	\$ 727.3	\$ 303.6	\$ 583.0	\$ 159.3
FY32	\$ 433.3	\$ 854.1	\$ 420.8	\$ 673.9	\$ 240.6
FY33	\$ 442.0	\$ 989.7	\$ 547.8	\$ 771.2	\$ 329.2
FY34	\$ 448.8	\$ 1,134.5	\$ 685.7	\$ 875.4	\$ 426.6
FY35	\$ 455.3	\$ 1,281.2	\$ 825.8	\$ 982.1	\$ 526.7
FY36	\$ 461.6	\$ 1,432.1	\$ 970.5	\$ 1,092.9	\$ 631.3
FY37	\$ 467.9	\$ 1,586.1	\$ 1,118.2	\$ 1,203.6	\$ 735.7
FY38	\$ 474.5	\$ 1,734.4	\$ 1,259.9	\$ 1,309.4	\$ 834.8
FY39	\$ 480.5	\$ 1,884.7	\$ 1,404.2	\$ 1,419.1	\$ 938.6
FY40	\$ 488.3	\$ 2,021.0	\$ 1,532.7	\$ 1,519.2	\$ 1,030.9
FY41	\$ 493.4	\$ 2,152.4	\$ 1,659.0	\$ 1,608.6	\$ 1,115.2
FY42	\$ 501.2	\$ 2,279.5	\$ 1,778.3	\$ 1,693.1	\$ 1,191.9
FY43	\$ 508.4	\$ 2,394.0	\$ 1,885.6	\$ 1,763.2	\$ 1,254.9
FY44	\$ 514.5	\$ 2,496.1	\$ 1,981.6	\$ 1,821.7	\$ 1,307.2
FY45	\$ 519.6	\$ 2,586.7	\$ 2,067.1	\$ 1,868.2	\$ 1,348.6
FY46	\$ 525.6	\$ 2,668.7	\$ 2,143.1	\$ 1,907.2	\$ 1,381.6
FY47	\$ 531.2	\$ 2,743.6	\$ 2,212.5	\$ 1,942.8	\$ 1,411.6
FY48	\$ 541.4	\$ 2,816.4	\$ 2,275.0	\$ 1,972.7	\$ 1,431.3
FY49	\$ 548.7	\$ 2,894.3	\$ 2,345.6	\$ 2,007.6	\$ 1,458.8
FY50	\$ 559.7	\$ 2,952.7	\$ 2,393.0	\$ 2,032.8	\$ 1,473.1
Subtotal			\$ 30,218.5	Subtotal	\$ 19,393.5

STPF Scenario 3

Investing \$250 million for 5 years, vs. \$250 million one-time

Scenario 3: STPF Distributions to the General Fund – \$250M for 5 years vs. \$250M One-time
(dollars in millions)

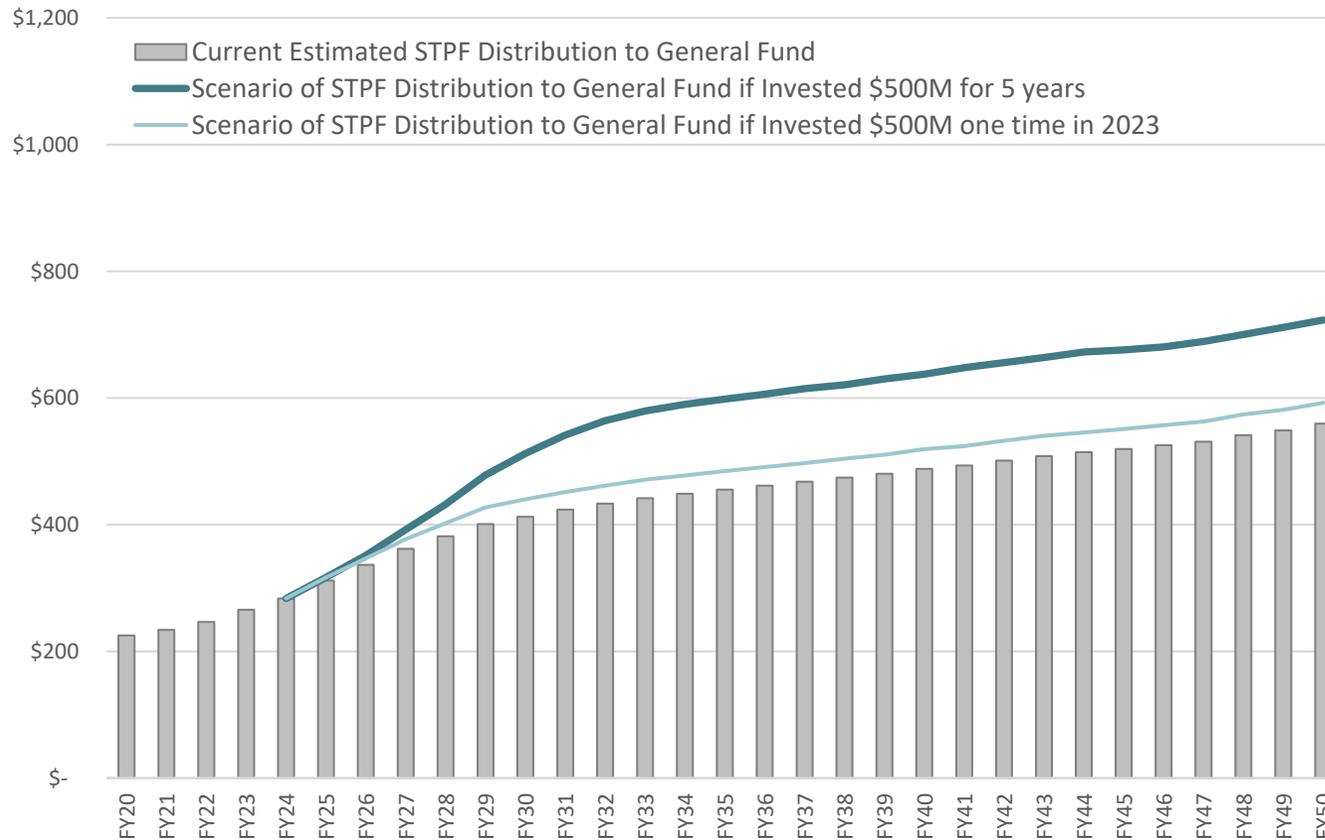


		Change in STPF Projected Distributions to the General Fund (\$MM)			
	Current Estimated STPF Distribution to General Fund	Scenario - \$250M for 5 Years	Difference from Current	Scenario - \$250M one time in 2023	Difference from Current
FY20	\$ 225.3	\$ -	\$ -	\$ -	\$ -
FY21	\$ 234.0	\$ -	\$ -	\$ -	\$ -
FY22	\$ 246.4	\$ -	\$ -	\$ -	\$ -
FY23	\$ 265.8	\$ 265.8	\$ -	\$ 265.8	\$ -
FY24	\$ 283.6	\$ 283.6	\$ -	\$ 283.6	\$ -
FY25	\$ 311.8	\$ 314.3	\$ 2.4	\$ 314.3	\$ 2.4
FY26	\$ 336.8	\$ 344.2	\$ 7.5	\$ 341.8	\$ 5.0
FY27	\$ 361.9	\$ 377.0	\$ 15.2	\$ 369.6	\$ 7.7
FY28	\$ 381.8	\$ 406.9	\$ 25.2	\$ 392.1	\$ 10.3
FY29	\$ 401.1	\$ 439.7	\$ 38.6	\$ 414.4	\$ 13.3
FY30	\$ 412.7	\$ 462.4	\$ 49.7	\$ 426.4	\$ 13.7
FY31	\$ 423.7	\$ 482.5	\$ 58.8	\$ 437.8	\$ 14.1
FY32	\$ 433.3	\$ 498.8	\$ 65.5	\$ 447.4	\$ 14.1
FY33	\$ 442.0	\$ 511.0	\$ 69.0	\$ 456.7	\$ 14.7
FY34	\$ 448.8	\$ 518.9	\$ 70.1	\$ 463.3	\$ 14.5
FY35	\$ 455.3	\$ 526.4	\$ 71.0	\$ 470.0	\$ 14.7
FY36	\$ 461.6	\$ 533.0	\$ 71.4	\$ 476.2	\$ 14.5
FY37	\$ 467.9	\$ 541.4	\$ 73.5	\$ 482.7	\$ 14.8
FY38	\$ 474.5	\$ 547.5	\$ 72.9	\$ 489.4	\$ 14.8
FY39	\$ 480.5	\$ 556.0	\$ 75.6	\$ 495.4	\$ 14.9
FY40	\$ 488.3	\$ 561.8	\$ 73.5	\$ 504.0	\$ 15.7
FY41	\$ 493.4	\$ 570.7	\$ 77.3	\$ 508.6	\$ 15.2
FY42	\$ 501.2	\$ 577.9	\$ 76.7	\$ 516.7	\$ 15.5
FY43	\$ 508.4	\$ 585.7	\$ 77.4	\$ 524.3	\$ 15.9
FY44	\$ 514.5	\$ 594.0	\$ 79.5	\$ 530.0	\$ 15.5
FY45	\$ 519.6	\$ 597.6	\$ 78.0	\$ 535.1	\$ 15.5
FY46	\$ 525.6	\$ 603.9	\$ 78.4	\$ 541.4	\$ 15.9
FY47	\$ 531.2	\$ 610.8	\$ 79.7	\$ 547.2	\$ 16.0
FY48	\$ 541.4	\$ 620.3	\$ 78.9	\$ 557.8	\$ 16.4
FY49	\$ 548.7	\$ 630.6	\$ 81.9	\$ 565.4	\$ 16.7
FY50	\$ 559.7	\$ 641.8	\$ 82.1	\$ 576.5	\$ 16.8
	Subtotal	\$ 1,629.6		Subtotal	\$ 358.8

STPF Scenario 4

Investing \$500 million for 5 years, vs. \$500 million one-time

**Scenario 4: STPF Distributions to the General Fund –
\$500M for 5 years vs. \$500M One-time**
(dollars in millions)

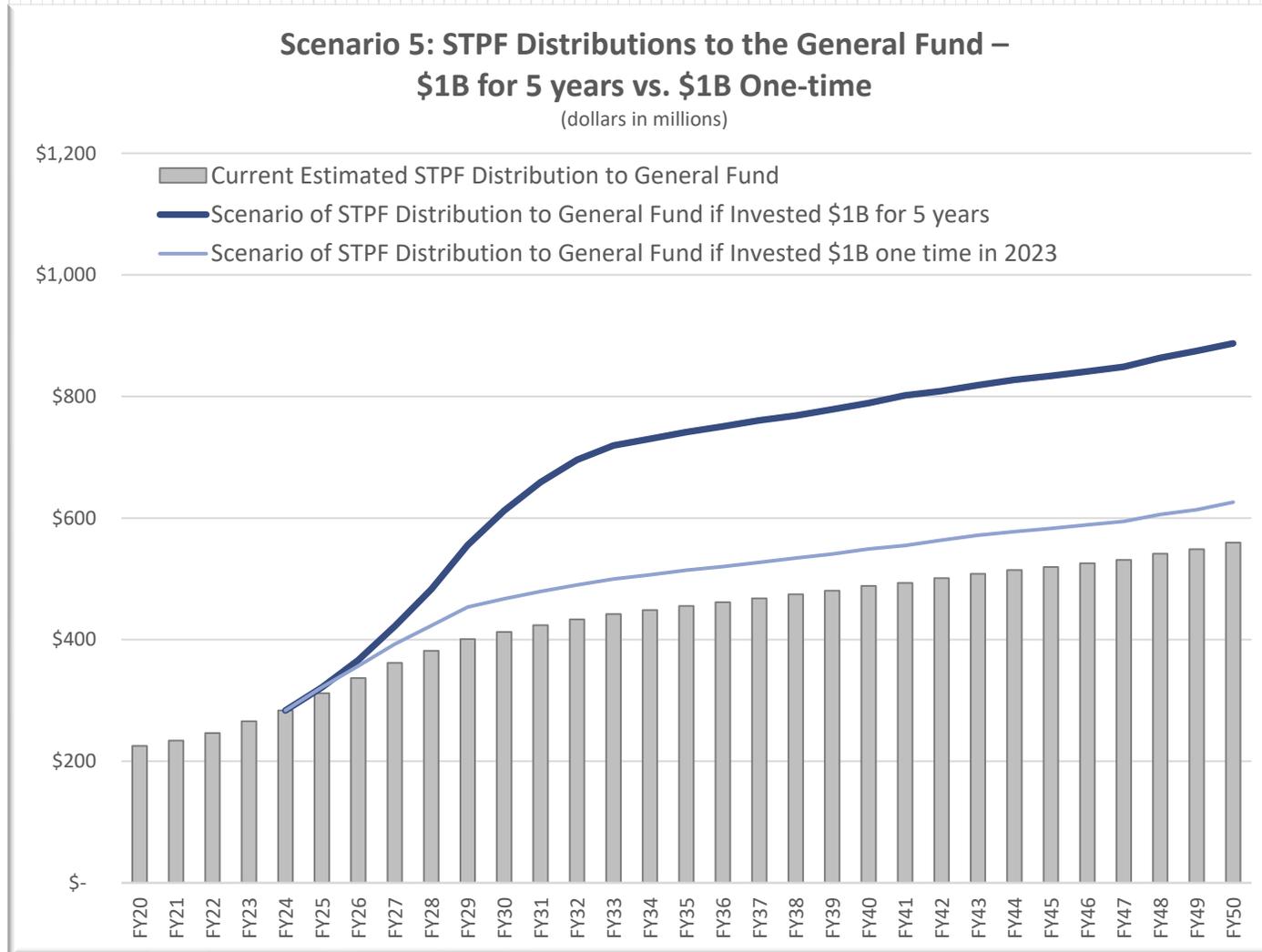


Change in STPF Projected Distributions
to the General Fund (\$MM)

Current Estimated STPF Distribution to General Fund	Change in STPF Projected Distributions to the General Fund (\$MM)			
	Scenario - \$500M for 5 Years	Difference from Current	Scenario - \$500M one time in 2023	Difference from Current
FY20	\$ 225.3	\$ -	\$ -	\$ -
FY21	\$ 234.0	\$ -	\$ -	\$ -
FY22	\$ 246.4	\$ -	\$ -	\$ -
FY23	\$ 265.8	\$ 265.8	\$ 265.8	\$ -
FY24	\$ 283.6	\$ 283.6	\$ 283.6	\$ -
FY25	\$ 311.8	\$ 316.7	\$ 316.7	\$ 4.9
FY26	\$ 336.8	\$ 351.7	\$ 346.8	\$ 10.0
FY27	\$ 361.9	\$ 392.1	\$ 377.2	\$ 15.3
FY28	\$ 381.8	\$ 432.2	\$ 402.4	\$ 20.6
FY29	\$ 401.1	\$ 478.3	\$ 427.4	\$ 26.3
FY30	\$ 412.7	\$ 512.4	\$ 440.1	\$ 27.4
FY31	\$ 423.7	\$ 541.5	\$ 451.7	\$ 27.9
FY32	\$ 433.3	\$ 564.3	\$ 461.8	\$ 28.5
FY33	\$ 442.0	\$ 579.6	\$ 471.1	\$ 29.2
FY34	\$ 448.8	\$ 590.0	\$ 477.8	\$ 29.0
FY35	\$ 455.3	\$ 598.4	\$ 484.6	\$ 29.3
FY36	\$ 461.6	\$ 606.0	\$ 490.9	\$ 29.2
FY37	\$ 467.9	\$ 614.9	\$ 497.2	\$ 29.3
FY38	\$ 474.5	\$ 620.8	\$ 504.4	\$ 29.8
FY39	\$ 480.5	\$ 630.2	\$ 510.6	\$ 30.1
FY40	\$ 488.3	\$ 637.6	\$ 519.2	\$ 30.9
FY41	\$ 493.4	\$ 647.9	\$ 524.1	\$ 30.7
FY42	\$ 501.2	\$ 655.9	\$ 532.5	\$ 31.3
FY43	\$ 508.4	\$ 664.0	\$ 540.3	\$ 31.9
FY44	\$ 514.5	\$ 672.8	\$ 545.7	\$ 31.2
FY45	\$ 519.6	\$ 675.8	\$ 551.1	\$ 31.6
FY46	\$ 525.6	\$ 680.6	\$ 557.1	\$ 31.5
FY47	\$ 531.2	\$ 689.3	\$ 562.8	\$ 31.7
FY48	\$ 541.4	\$ 700.3	\$ 574.1	\$ 32.7
FY49	\$ 548.7	\$ 711.6	\$ 581.5	\$ 32.8
FY50	\$ 559.7	\$ 723.0	\$ 592.5	\$ 32.8
Subtotal		\$ 3,262.2	Subtotal	\$ 715.8

STPF Scenario 5

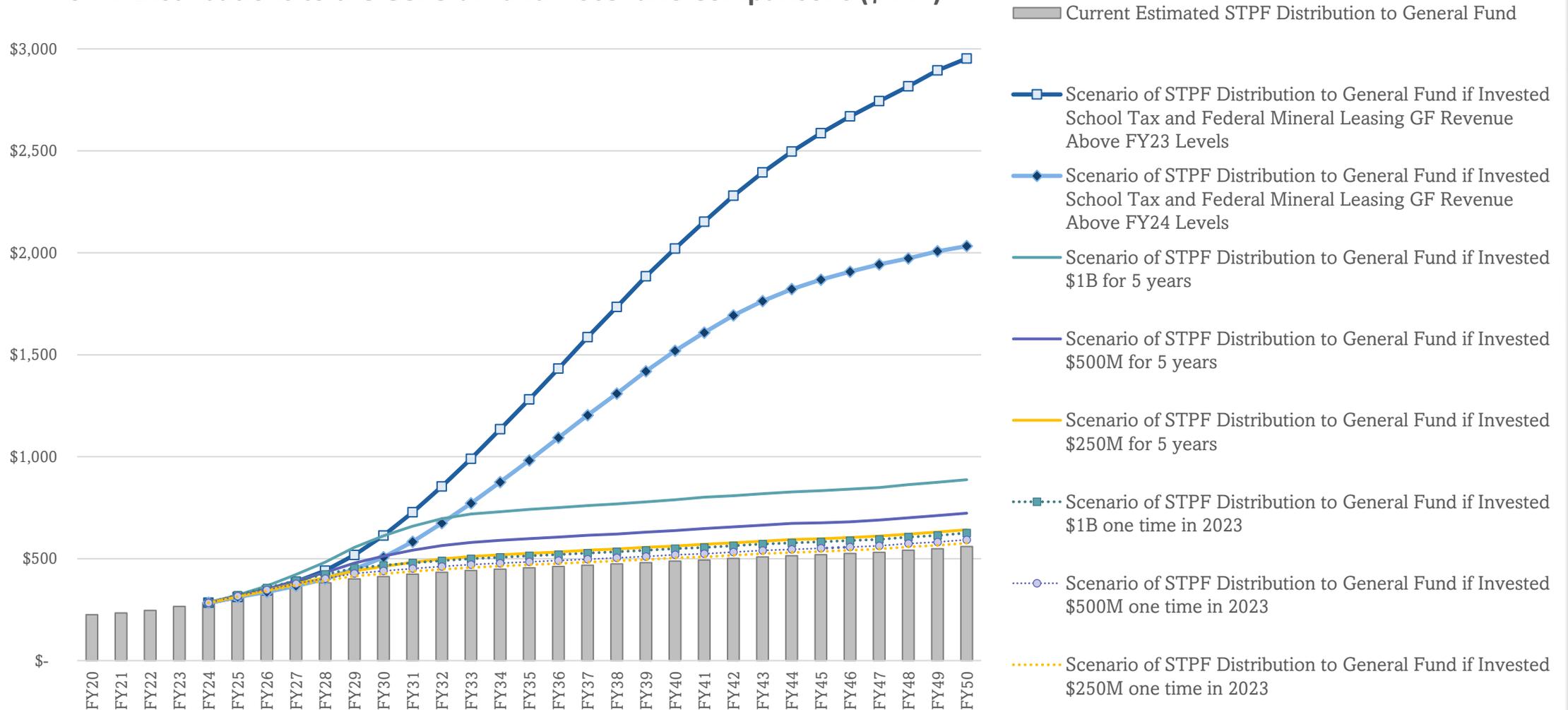
Investing \$1 billion for 5 years, vs. \$1 billion one-time



		Change in STPF Projected Distributions to the General Fund (\$MM)			
	Current Estimated STPF Distribution to General Fund	Scenario - \$1B for 5 Years	Difference from Current	Scenario - \$1B one time in 2023	Difference from Current
FY20	\$ 225.3	\$ -	\$ -	\$ -	\$ -
FY21	\$ 234.0	\$ -	\$ -	\$ -	\$ -
FY22	\$ 246.4	\$ -	\$ -	\$ -	\$ -
FY23	\$ 265.8	\$ 265.8	\$ -	\$ 265.8	\$ -
FY24	\$ 283.6	\$ 283.6	\$ -	\$ 283.6	\$ -
FY25	\$ 311.8	\$ 321.6	\$ 9.7	\$ 321.6	\$ 9.7
FY26	\$ 336.8	\$ 366.4	\$ 29.6	\$ 356.8	\$ 20.0
FY27	\$ 361.9	\$ 422.3	\$ 60.4	\$ 392.6	\$ 30.7
FY28	\$ 381.8	\$ 482.8	\$ 101.0	\$ 423.1	\$ 41.4
FY29	\$ 401.1	\$ 555.5	\$ 154.5	\$ 453.7	\$ 52.6
FY30	\$ 412.7	\$ 612.1	\$ 199.4	\$ 467.2	\$ 54.5
FY31	\$ 423.7	\$ 659.0	\$ 235.3	\$ 479.4	\$ 55.6
FY32	\$ 433.3	\$ 695.9	\$ 262.6	\$ 489.9	\$ 56.6
FY33	\$ 442.0	\$ 719.3	\$ 277.3	\$ 499.7	\$ 57.7
FY34	\$ 448.8	\$ 730.3	\$ 281.5	\$ 506.7	\$ 57.9
FY35	\$ 455.3	\$ 741.5	\$ 286.1	\$ 514.2	\$ 58.9
FY36	\$ 461.6	\$ 750.6	\$ 288.9	\$ 520.2	\$ 58.5
FY37	\$ 467.9	\$ 760.7	\$ 292.8	\$ 527.2	\$ 59.3
FY38	\$ 474.5	\$ 768.4	\$ 293.9	\$ 534.1	\$ 59.6
FY39	\$ 480.5	\$ 778.6	\$ 298.1	\$ 540.8	\$ 60.3
FY40	\$ 488.3	\$ 789.1	\$ 300.8	\$ 549.3	\$ 61.0
FY41	\$ 493.4	\$ 801.8	\$ 308.4	\$ 555.0	\$ 61.5
FY42	\$ 501.2	\$ 808.8	\$ 307.6	\$ 563.6	\$ 62.4
FY43	\$ 508.4	\$ 818.6	\$ 310.2	\$ 571.8	\$ 63.4
FY44	\$ 514.5	\$ 827.4	\$ 313.0	\$ 577.5	\$ 63.1
FY45	\$ 519.6	\$ 833.7	\$ 314.2	\$ 582.8	\$ 63.2
FY46	\$ 525.6	\$ 841.2	\$ 315.7	\$ 588.7	\$ 63.2
FY47	\$ 531.2	\$ 848.8	\$ 317.6	\$ 594.5	\$ 63.3
FY48	\$ 541.4	\$ 863.4	\$ 322.0	\$ 606.0	\$ 64.6
FY49	\$ 548.7	\$ 874.8	\$ 326.1	\$ 613.8	\$ 65.1
FY50	\$ 559.7	\$ 887.3	\$ 327.6	\$ 626.1	\$ 66.4
	Subtotal	\$ 6,534.2		Subtotal	\$ 1,430.5

STPF Scenario Summary

STPF Distributions to the General Fund – Scenario Comparisons (\$mm)



STPF Scenario Observations

- Under every scenario, the cumulative value of the long-term general fund distributions is larger than the additional amount contributed to the fund – the power of compound interest!
 - E.g. under Scenario 5, a one-time contribution of \$1 billion could result in a cumulative additional GF distribution of \$1.4 billion between FY24-FY50
- Recurring inflows into the STPF have a greater positive impact to general fund distributions than one-time contributions
- Scenarios 1 & 2 of recurring investments of additional oil and gas revenues into the fund would position the STPF distributions more in line with the expected growth rates of Land Grant Permanent Fund distributions

