USER'S GUIDE TO SUSTAIN1
A FISCAL PLANNING MODEL FOR ALASKA

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The ISER Sustainable Spending Worksheet

I. Introduction

The ISER Sustainable Spending Worksheet (SUSTAIN1) is a simplified representation of the State of Alaska's General Fund appropriations, saving and dissaving activity, and General and Permanent Fund balances. It is designed to explore the effects of various Permanent Fund policies and revenue assumptions on the life of the Permanent Fund and the State's ability to fund various future appropriation levels.¹ For a user-supplied level of future appropriations, expected future revenues, and policy choices regarding Permanent Fund dividends and personal income taxes, SUSTAIN1 answers the following questions:

- What is the annual pattern of saving and spending over the next 50 years?
- When do savings out of revenues stop and withdrawals from funds begin?
- When does Permanent Fund principal begin to be drawn upon to sustain future appropriation levels?
- When are the General and Permanent Funds exhausted?

SUSTAIN1 starts with a set of assumptions about state revenues:

- Current financial assets (General and Permanent Fund balances)
- Recurring revenues (corporate taxes, sales tax, etc.)

Petroleum revenues

- Petroleum revenue contributions to the Permanent Fund
- New revenue sources (mineral development, TAPS tariff settlement, etc.)
- Return on state financial assets

Coupled with these exogenous revenue variables are a set of annually specified fiscal policy choices:

- Are dividends paid out of the Permanent Fund?
- Is a state personal income tax levied?
- Do General Fund accruals stay in the General Fund or are they transferred to the Permanent Fund?

Finally, the user sets a target (desired) level of state appropriations in real (1984) dollars—either constant at some level or varying from year to year.

With this information, the model computes for each year from 1985 to 2035 (in either nominal or real dollars):

- Total state revenues
- Realized General Fund appropriations (which may be less than desired appropriations)
- General Fund earnings and balance
- Permanent Fund earnings and balance
- Permanent Fund dividends paid
- Total state saving or dissaving
- Fund which is the source of dissaving

The model runs as a Lotus 1-2-3 electronic worksheet (requiring 256K), but it is not necessary to know 1-2-3 in order to use it productively. A simple example is presented in section II, followed by a more detailed description of the worksheet in section III. Procedures for updating the model are described in the final section.
II. Using the Model: An Example

The best way to understand SUSTAIN1 is to use it. This section will completely describe a sample session with the model. We will investigate the implications of setting the spending limit at $2 billion (1984$) and then look at the effect of eliminating dividends in 1990. You are encouraged to follow along by executing the underlined commands that follow. Whatever happens, do not be afraid to strike keys. There are backup copies of the model on your disk should you change the working version more than you intend to.

LOAD MODEL

To begin, you must have 1-2-3 software loaded into your machine and actually be in 1-2-3 with a spreadsheet showing on your screen. The details involved in this step vary somewhat, depending on what type of computer you are using. Have someone familiar with 1-2-3 load it and show you how. Next, insert the SUSTAIN1 disk in the unused disk drive. Now type:

```
/fr
```

1-2-3 will display a menu of files to retrieve. (The pointer should be highlighting 'SUSTAIN1.' If not, use the right arrow key to highlight 'SUSTAIN1'.)

Hit the enter or 'return' key

It takes about 30 seconds for SUSTAIN1 to load. When the model loads successfully, you will see a welcome message on the screen.
HOW TO ESCAPE

Look at the upper right of the screen for a READY sign. This highlighted "mode indicator" tells where 1-2-3 is "at." Most of the time, 1-2-3 is READY for your next command. If the mode is flashing WAIT, then you must wait a few more seconds; for recalculation and file retrieval, up to 30 seconds. The [ESC] or escape key is very useful for getting back to READY mode. You may find yourself caught in MENU or CMD MENU mode; to get out, press [ESC] one or more times. Sometimes it shows ERROR. You can usually get from ERROR back to READY by pressing [ESC] or [RETURN]. Sometimes there seems to be no way to get back to READY and you must use the "panic button": hold down [CTRL] and press [SCROLL LOCK] at the same time. (This procedure works for IBM and Compaq machines only.) This works even if WAIT is flashing, but using it could mean losing a printout or calculation.

THE SUSTAIN1 MENU OF ACTIVITIES

All 1-2-3 worksheets are controlled with a series of commands selected from menus offered at the top of the screen. In addition, the SUSTAIN1 model has a special set of "customized" menu choices.

Enter the SUSTAIN1 main menu by holding down [ALT] and typing the letter z.

You may hear a buzzer, which is completely normal. 1-2-3 shows CMD MENU as the mode; you are in the special menu. The control panel at the top of the screen shows these command choices:

VIEW PRINT CHANGE RECALC SAVE QUIT HELP        CMD MENU
View selected parts of the worksheet
Use the left arrow and right arrow keys on the numeric keypad to highlight a choice with the pointer. As you highlight different choices, a description of each choice appears on the next line down. To actually execute a highlighted choice, hit [RETURN]. As a shortcut, you may choose and execute a menu task simply by pressing the first letter of that choice.

Choose VIEW by highlighting it and then pressing [RETURN] or simply pressing v.

A new menu appears, offering a choice of what table of information about the current model run to view:

CASE EXOG FISCAL SUMMARY GEN PERM QUIT

Summary of assumptions

Move the pointer back and forth to check out the descriptions of your options. QUIT will take you back one step to the main menu. Another important way to back up is to hit [ESC] once. Each time you press it, you will back up one step: 1st to the main menu, then out of the menu, and back to READY mode.

Type c to choose CASE.

You should now be looking at the following screen which summarizes important parameters and policies used in the current run:
The cell pointer should be over the current spending limit figure. Let's try setting a spending limit of $2000 (1984 millions of $). With the pointer still over the old limit,

Type in 2000 [RETURN]

Re-Enter main menu by pressing [ALT] z

Now calculate the new results with this change:

Choose RECALC with pointer and [RETURN] or type r

It is critical to recalculate whenever the CALC sign is on at the bottom of the screen, otherwise results may be erroneous. It takes about 12 seconds. (1-2-3 Users: use this menu procedure and not the F9 key because the RECALC macro makes changes to the column headings
to show real versus nominal dollars.) When the CMD MENU shows again, the screen displays the top of the summary table. At the lower right, we see that with a spending limit of 2000 (≈$2 billion), the Permanent Fund is exhausted in the year 2006 if it is used to sustain this level of appropriation.

Type q to return to READY mode

You should now be in READY mode. You can now view yearly results that are 'off-screen' by using the down arrow key to move the pointer down to the years in question. Similarly, you can bring new columns on screen by "scrolling over" using the left and right arrow keys. The [Pg Up] and [Pg Dn] keys are handy for jumping down 20 rows at a time. Of course, to view results of unknown location, you should use the VIEW choice in the main menu. If you now want to see results for the Permanent Fund:

Enter main menu with [ALT] z

Choose VIEW then PERM by typing vp

To complete this example, we will implement a policy change that will extend the life of the Permanent Fund: the elimination of dividends beginning in 1990.

Enter main menu with [ALT] z

Choose VIEW then CASE (as before)

Use arrow keys to move pointer down 4 rows and 2 columns right.

7
The pointer should be under SWITCH DATE on the Pay Dividends ? line.

Type in 1990 [RETURN].

This sets the date when the dividend policy will change from yes (=1) to no (=0).

Enter main menu with [ALT] z; then choose RECALC.

After waiting 12 seconds you see the new results: the Permanent Fund is exhausted 4 years later as a result of the policy change.

The basic procedure for using the model should now be clear: type over one or more assumptions, then recalculate and look at the results. When using the model, keep these points in mind:

1. Enter the main menu with [ALT] 'z' whenever 1-2-3 shows READY.
2. Make menu choices whenever CMD MENU shows, or 'back up' with [ESC].
3. The PRINT choice allows a number of tables to be printed.
4. The SAVE choice stores the current version of the worksheet on disk under the name SUSTAIN1.
5. Those cells that contain information which should not be altered are "write protected" to avoid accidental alteration.

III. Model Structure and Details

This section lists all the available parameter, variable, and menu choices. Figure 1 shows an overall schematic diagram of the worksheet for reference.
### SUSTAIN1: SCHEMATIC

<table>
<thead>
<tr>
<th>Column</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>G</th>
<th>J</th>
<th>Q</th>
<th>AB</th>
<th>AF</th>
<th>AK</th>
<th>AQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Help</td>
<td>Instructions on changing parameters</td>
<td>MACROS CASE</td>
<td>Instructions on Case Assumptions Summary changing variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
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<td>44</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>EXOG</td>
<td>FISCAL</td>
<td>SUMM</td>
<td>GENEUND</td>
<td>PERMEUND</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Y</td>
<td>Exogenous Fiscal Summary General Permanent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>E</td>
<td>Variables Policy of Fund Fund Auxiliary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>84</td>
<td>A</td>
<td>Switches Results Activity Activity Vectors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>94</td>
<td>R</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>104</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Figures**

- Computations take place in the double-lined rectangle.
MODEL PARAMETERS

Table 1 shows the parameters which can be found on the case summary screen using the VIEW CASE menu combination.

<table>
<thead>
<tr>
<th>Policy Switches</th>
<th>Name</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AE9</td>
<td>DIVSTRT</td>
<td>Enter a 1 if Permanent Fund dividends are to be paid beginning in 1987; 0 if not.</td>
</tr>
<tr>
<td>AE9</td>
<td>TAXSTRT</td>
<td>Enter a 1 if the personal income tax is levied beginning in 1987; 0 if not.</td>
</tr>
<tr>
<td>AE10</td>
<td>GFSWCH</td>
<td>Enter a 1 if General Fund savings and earnings are to stay in the General Fund; 0 if they are to be transferred to the Permanent Fund. Transferring General Fund dollars to the Permanent Fund increases the level of dividends paid out and reduces the level of sustainable spending.</td>
</tr>
</tbody>
</table>
Table 1 (continued)

Policy Switch Dates

A switch date must be a year greater than 1987 and indicate when a once-and-for-all change should be made to the policy (subsequent to the initial value). The value "9999" is used to indicate no change through the analysis period.

<table>
<thead>
<tr>
<th>Cell Location</th>
<th>Name</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AF8</td>
<td>DIVSWCH</td>
<td>Enter the year to switch dividend policy from payment to nonpayment or vice versa.</td>
</tr>
<tr>
<td>AF9</td>
<td>TAXSWCH</td>
<td>Enter the year to repeal (or adopt) the personal income tax.</td>
</tr>
</tbody>
</table>

Other Parameters

<table>
<thead>
<tr>
<th>Cell Location</th>
<th>Name</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AF14</td>
<td>ROR.RL</td>
<td>Enter the real rate of return on state financial assets as a decimal (.03 represents 3 percent).</td>
</tr>
<tr>
<td>AF15</td>
<td>GR.IPD</td>
<td>Enter the general rate of inflation as a decimal.</td>
</tr>
<tr>
<td>AF16</td>
<td>MULT</td>
<td>Enter the ratio of future annual personal income tax revenue to future annual other recurring revenues.</td>
</tr>
<tr>
<td>AF18</td>
<td>NOMSWCH</td>
<td>Enter a 1 to express the results in nominal dollars without adjustment for inflation. A value of zero specifies results in constant 1984 dollars.</td>
</tr>
<tr>
<td>AD4</td>
<td>SPENDLIM</td>
<td>This parameter sets a constant real spending limit for the fiscal years 1987 through 2035.</td>
</tr>
</tbody>
</table>
A higher general inflation rate (GR.IP) reduces the sustainable spending level by increasing the amount of dividends (expressed in real $) which are paid out. Changing NOMSWCH from 0 to 1 does not change the maximum sustainable spending level (or year of fund exhaustion). Expressing results in nominal dollars does delay the reported year when Permanent Fund "principal" is first drawn upon. This phenomenon occurs because the nominal value of the principal may be increasing while the real value has begun to decline.

Table 2 lists parameters which are one screen to the right of the case screen. They may be viewed using the 1-2-3 tab key or by using the right arrow key. There should be no need to change these parameters in the normal course of running the model.

**TABLE 2. ADDITIONAL CASE PARAMETERS**

<table>
<thead>
<tr>
<th>Cell Location</th>
<th>Name</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AK13</td>
<td>GFSTART</td>
<td>General Fund balance at the end of 1984.</td>
</tr>
<tr>
<td>AK16</td>
<td>PFSEQSTART</td>
<td>Permanent Fund contributed equity at the end of 1984.</td>
</tr>
<tr>
<td>AK18</td>
<td>GR.REC</td>
<td>Growth rate of recurring revenue after 2010.</td>
</tr>
</tbody>
</table>
GR.REC has been set, based on the average rate of growth of projected revenues for the period 2006 to 2010, the last five years for which MAP model projections are available. This rate is computed in cell AK18, allowing cell AK18 to be changed by direct input of a new growth rate. To restore the formula, retype "+AH21" in cell AK18.

EXOGENOUS VARIABLES

SUSTAIN1 requires four vectors of exogenous variables, contained in columns C through F, beginning on line 54, as listed in Table 3. For each variable, yearly values must be present for the years from 1984 until 2035 (or the desired end of the planning horizon, if shorter). All revenue numbers must be entered in 1984 dollars, whether or not you plan to compute results in nominal dollars.

<table>
<thead>
<tr>
<th>Column</th>
<th>Name</th>
<th>Description</th>
<th>Default Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>RSGF.REC</td>
<td>Exogenous Recurring Revenues (nonpetroleum General Fund revenues net of General Fund earnings)</td>
<td>MAP Model Simulation DSET A5.11</td>
</tr>
<tr>
<td>D</td>
<td>RSGF.PET</td>
<td>General Fund Petroleum Revenues</td>
<td>ADOR March '85 50% case, as reflected in MAP model DSET A5.11</td>
</tr>
<tr>
<td>E</td>
<td>RSGF.MISC</td>
<td>General Fund Miscellaneous Revenues Not Currently Collected</td>
<td>Supplied by user, to include proposed mineral or other development projects</td>
</tr>
<tr>
<td>F</td>
<td>RSPF.PET</td>
<td>Petroleum Revenue Contributions to Permanent Fund</td>
<td>MAP Model Simulation DSET A5.11</td>
</tr>
</tbody>
</table>
FISCAL POLICY VARIABLES

Fiscal variables are summarized in Table 4.

The three vectors specifying fiscal policy are normally determined by parameters from the CASE SUMMARY screen and hence do not need to be input directly. The vector of annual spending limits is installed as a constant amount determined by the SPENDLIM parameter in cell AD4. Similarly, the DIVPOL and TAXPOL vectors of zeros and ones are each determined by a starting value and switch date (e.g. DIVSTRT, DIVSWCH).

<table>
<thead>
<tr>
<th>Column</th>
<th>Name</th>
<th>Description</th>
<th>Default Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>G</td>
<td>SPENDLIM</td>
<td>Spending Limit (1984 $)</td>
<td>Set as a parameter in cell AD4, on CASE SUMMARY screen</td>
</tr>
<tr>
<td>H</td>
<td>DIVPOL</td>
<td>Vector of ones and zeros determining if dividends are paid</td>
<td>Controlled by parameters DIVSTRT, DIVSWCH</td>
</tr>
<tr>
<td>I</td>
<td>TAXPOL</td>
<td>Vector of ones and zeros determining if income taxes are levied</td>
<td>Controlled by parameters TAXSTRT, TAXSWCH</td>
</tr>
</tbody>
</table>

It is possible, however, to directly enter these vectors to produce any desired annual pattern of spending limits or fiscal policy changes. To enter your own vectors, simply type the desired numbers directly into the appropriate cells in columns G, H, or I. Any values you do not type over will still be determined by their respective controlling parameters. A special macro has been
provided to restore the original dependence of these three vectors on the parameters. Simply use the CHANGE DEFAULT menu sequence. Separate macros can restore the formulas for individual vectors while leaving others in their altered states. Press [ALT] and either G, H, or I simultaneously to restore individual columns G, H, or I, respectively.

**Example:** You want to investigate the effects of a spending limit that declines gradually until the year 2000, then remains constant at 1200 (millions of 1984 $). Use the VIEW FISCAL menu sequence and then type over Column H cells through the year 2000. To set the value of 1200 for the remaining years, choose VIEW CASE and type 1200 in the SPENDING LIMIT cell (AD4). After recalculation, you decide to restore the constant spending limit. The CHANGE DEFAULT menu sequence accomplishes this.

**SUSTAIN1 MENU CHOICES**

Table 5 lists all available choices on the SUSTAIN1 menu. The SUSTAIN1 main menu is called with [ALT] z. The VIEW, PRINT, and CHANGE choices are also titles of their respective sub-menus. Both the RECALC and SAVE menu choices on the main menu are quite similar, but not equivalent, to commonly used 1-2-3 commands. Please note the differences:

1. **RECALC** does more than invoke the F9/CALC key. It also checks to see if nominal or real dollars have been selected and retypes column headings accordingly. Hence, it is critical to use RECALC when switching from nominal to real dollars.

2. **SAVE** is equivalent to issuing:

   `/FILE SAVE SUSTAIN1 [RETURN] REPLACE`

   from 1-2-3 READY mode. Any pre-existing worksheets named SUSTAIN1 on the current data disk will be overwritten.
### TABLE 5. SUSTAIN1 MENU STRUCTURE

<table>
<thead>
<tr>
<th>Main Menu Choices</th>
<th>Sub-Menu Choices</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIEW</td>
<td></td>
<td>Calls the VIEW sub-menu to look at different parts of worksheet</td>
</tr>
<tr>
<td>CASE</td>
<td></td>
<td>Summary of assumptions</td>
</tr>
<tr>
<td>EXOG</td>
<td></td>
<td>Exogenous variables</td>
</tr>
<tr>
<td>FISCAL</td>
<td></td>
<td>Fiscal policy variables</td>
</tr>
<tr>
<td>SUMMARY</td>
<td></td>
<td>Summary of results</td>
</tr>
<tr>
<td>GENERAL</td>
<td></td>
<td>General Fund activity</td>
</tr>
<tr>
<td>PERM</td>
<td></td>
<td>Permanent Fund activity</td>
</tr>
<tr>
<td>QUIT</td>
<td></td>
<td>Return to SUSTAIN1 main menu</td>
</tr>
<tr>
<td>HELP</td>
<td></td>
<td>Abbreviated help screen</td>
</tr>
<tr>
<td>PRINT</td>
<td></td>
<td>Calls the PRINT sub-menu to print tables</td>
</tr>
<tr>
<td>CASE</td>
<td></td>
<td>Summary of assumptions</td>
</tr>
<tr>
<td>EXOG</td>
<td></td>
<td>Exogenous and fiscal variables</td>
</tr>
<tr>
<td>SUMMARY</td>
<td></td>
<td>Summary of results</td>
</tr>
<tr>
<td>GENERAL</td>
<td></td>
<td>General Fund activity</td>
</tr>
<tr>
<td>PERM</td>
<td></td>
<td>Permanent Fund activity</td>
</tr>
<tr>
<td>ALL</td>
<td></td>
<td>All 5 tables in sequence</td>
</tr>
<tr>
<td>QUIT</td>
<td></td>
<td>Return to SUSTAIN1 main menu</td>
</tr>
<tr>
<td>CHANGE</td>
<td></td>
<td>Calls the CHANGE sub-menu to change assumptions</td>
</tr>
<tr>
<td>PARAMS</td>
<td></td>
<td>Receive instructions on changing parameters</td>
</tr>
<tr>
<td>VARIABLES</td>
<td></td>
<td>Receive instructions on changing variables</td>
</tr>
<tr>
<td>DEFAULT</td>
<td></td>
<td>Restore the original formulas for spending limit, dividend, and tax policy vectors</td>
</tr>
<tr>
<td>QUIT</td>
<td></td>
<td>Return to SUSTAIN1 main menu</td>
</tr>
<tr>
<td>RECALC</td>
<td>NA</td>
<td>Recomputes the worksheet</td>
</tr>
<tr>
<td>SAVE</td>
<td>NA</td>
<td>Saves the current version of the worksheet on disk under the name SUSTAIN1</td>
</tr>
<tr>
<td>QUIT</td>
<td>NA</td>
<td>Returns user to 1-2-3 READY mode</td>
</tr>
</tbody>
</table>
MODEL EQUATIONS

The basic model equations are listed in Figure 2 exactly as they are entered in the worksheet. Many of the expressions use the 1-2-3 IF-THEN-ELSE statement which is of the form:

@IF (Expression, THEN result, ELSE result)

This means that if the "expression" is true (or nonzero), then the result of the statement is "THEN result." If the "expression" is false (or equal to zero), then the result of the statement is "ELSE result." Leading dollar signs on range names may be ignored; they have no mathematical significance.
SUSTAIN Equation Reference

B59: (E0) 1990
C59: U 213.178
D59: U 1720.23
E59: U 195
F59: U 236.275
G59: U +SVELDIM
H59: U @IF(E59<$DIVSCH,#DIVISTRT,1-#DIVISTRT)
I59: U @IF(E59<$TAXSCH,#TAXISTRT,1-#TAXISTRT)
J59: +V59
K59: +U59
L59: (,0) +AA59
M59: +Y59
N59: ' | EXHAUSTED:
P59: ' |
Q59: @IF(#NOMSUCH,C59AAU59,C59)+Z59A(@IF(#NOMSUCH,(1+$ROR. RL)A(1+$GR.IPDI)-1,#ROR.RL))
R59: @IF(#NOMSUCH,D59AAU59,B59)
S59: +U59@MULTA(#IF(#NOMSUCH,C59AAU59,C59))
T59: @IF(#NOMSUCH,+E59AAU59,E59)
U59: @SUM(G59..T59)
V59: (,0) @IF(#NOMSUCH,B59AAU59,G59)
W59: (,0) 0.05A(+K59+SS9+159+@IF(#NOMSUCH,C59AAU59,C59))
X59: (,0) +U59+U59
Y59: (,0) +U59-A59
Z59: (,0) +AD58
AA59: (,0) @IF(U59>=X59,U59-X59,0IF(X59-U59<=(-A59+AD58),U59-X59,-(A59+AD58)))
AB59: (,0) @IF(U59-X59>0,(U59-X59)A#GESCH,#IF(X59-U59<=259,U59-X59,-259))
AC59: (,0) +A59-A59
AD59: (,0) @IF(A59,@IF(#NOMSUCH,AE59AAU59,AE59),Z59+AB59)
AE59: (,0) +AL58
AF59: (,0) @IF(#NOMSUCH,E59AAU59,F59)
AH59: (,0) +AF59@IF(#NOMSUCH,(1+$ROR. RL)A(1+$GR.IPDI)-1,#ROR.RL)
AI59: (,0) +A59@IF(A59/2<=AF59+AH59,A59/2,(AE59+AH59))
AJ59: (,0) +A59+AG59+AH59-AI59
AK59: (,0) +AC59
AL59: (,0) @IF(AP59,B59@IF(#NOMSUCH,AP59AAU59,AP59),AJ59+AK59)
AM59: (,0) +A59+/459
AN59: (,0) +AL59-AH59
AO59: @INF(AN59>=0,0,1)
AP59: @IF(AL59>0,1,0)
AS59: @IF((AN59<0)AND(AK59<0)AND(AL59<=0),0,1)
AU59: (E4) +A58A(1+$GR.IPDI)
AV59: @IF(E59<1,AUS59/(1+$ROR. RL)A(1+$GR.IPDI)-1)
AW59: GAV59AV54..AV58/@IF(#NOMSUCH,1,AU59)
IV. Updating the Model

SUSTAIN1 should be updated whenever information on any assumptions changes, primarily when revenue projections are updated or fund balance figures are revised.

REVENUE PROJECTIONS

Revenues are categorized as Recurring (RSGF.REC, Column C), Petroleum (RSGF.PET, Column D), and Miscellaneous (RSGF.MISC, Column E). All exogenous revenue projections must be in millions of 1984 $. General Fund earnings are computed by the model based on the user-specified real rate of return, ROR.RL. To maintain consistency, when General Fund petroleum revenue assumptions are changed, Permanent Fund petroleum revenue assumptions (RSFF.PET, Column F) must also be revised.

FUND BALANCES

Actual balances are reported at the close of each fiscal year. When these figures become available, they should be converted to 1984 $ and typed into the worksheet columns AE and AP, thus updating the General and Permanent Fund year-end balances, respectively.