

Permanent Fund healthy, and so are dividends

Permanent Fund Dividend checks will be \$718 per Alaskan this year, the fund's managers announced this week.

The state is expected to pay out close to \$390 million statewide for dividends sometime after the end of the current fiscal year on June 30.

And by the time the fiscal year ends, the Permanent Fund will have set a record by earning \$1.056 billion in 1987, about \$35 million more than the year before.

The fund's most recent report, released last week, says the state savings account earned a record 12.1 percent on its investments in fiscal year

1987, far above the figure of three percent above inflation set by the trustees as a long-term goal.

But if the pattern of high earnings caught the eye of those looking to the long-term health of the fund, it is the amount of the dividend that caught the most public attention.

The \$718 checks, which will go to every qualified Alaskan, are the highest since the one-time, \$1,000 dividends distributed in 1982, the first year of the program.

The deadline for applying for the dividend is June 30. Even if you and

your family have applied in other years, you must apply again this year.

The state Department of Revenue mailed applications to every household earlier in the year. If you have not received an application, you can get them from the Department of Revenue or from the Office of the Governor.

It may seem strange that dividends are going up, even as state oil revenues and the price of oil are going down. However, the dividends are not based on those factors.

The Permanent Fund, established in 1976, gets at least 25 percent of all oil revenues generated on state lands,

such as Cook Inlet and Prudhoe Bay.

However, the fund earns most of its money on investments made with the principal of the fund, which in April was about \$7.5 billion.

The dividends are paid out from money earned on those investments, not from direct oil and gas revenues.

Part of the annual earnings are paid out in dividends, part goes back into the fund to make up for the effects of inflation.

Earnings can be used for state spending, although that has not happened to date.