

State of Alaska

Office of Management and Budget

Senate Finance Committee

Third Special Session Budget Overview – SB 3001

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Office of Governor
MIKE DUNLEAVY

Third Special Session

Durable Fiscal Plan

- Constitutionally protect Permanent Fund, PFD, and PCE
- Establish meaningful limits to expenditure growth
- Provide for a bridge to a sustainable fiscal plan

FY22 Budget

- 2021 Permanent Fund Dividend – Resolved in SB3001
- FY22 Sweep impacts
 - Power Cost Equalization Endowment – Resolved by the AFN case decision
 - Higher Education Scholarship Programs – Resolved in SB3001
 - Other operating and capital budget shortfalls – Ongoing

Permanent Fund Dividend Payment

- \$1.53 billion for the payment of the 2021 PFD based on 50% of the POMV draw, providing an estimated \$2,350 per eligible Alaskan

Alaska Student Scholarships and Grants

- \$11.7 million to Alaska Performance Scholarship Awards
- \$6.4 million to Alaska Education Grants
- \$3.3 million to WWAMI Medical Education

Constitutional Budget Reserve (CBR) Deposit

- \$1.47 billion one-time transfer from the earnings reserve account to the CBR

Budget Impacts of CBR Vote Failure

Immediate Issues

- Unfunded operating items – Scholarships and education grants
 - Resolved in SB3001 with UGF backfill

Delayed Issues

- Unfunded capital projects
 - Projects delayed until valid funding source is appropriated
- Partially funded operating items
 - Programmatic impacts likely in second half of FY22
 - Legislative options exist to address shortfalls

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budget books at omb.Alaska.gov**



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