

State of Alaska

Office of Management and Budget

Overview of the FY2025 Governor's Budget

House Finance Committee

January 22, 2024 (Revised)

Lacey Sanders, Director



FY2025 Fiscal Summary

FY2024 Management Plan plus Proposed Supplementals						FY2025 Governors Proposed					FY2024 to FY2025						
Revenues	UGF	DGF	Other	Federal	FY2024 Total	UGF	DGF	Other	Federal	FY2025 Total	UGF Change	UGF %					
Unrestricted Revenue	2,959.5	-	-	-	2,959.5	2,651.2	-	-	-	2,651.2	(308.3)	-10%					
POMV ERA Draw For Government ⁴	3,526.0	-	-	-	3,526.0	3,657.2	-	-	-	3,657.2	131.2	4%					
Restricted Revenue	-	992.3	1,922.7	5,366.3	8,281.2	-	1,045.2	1,879.3	6,229.4	9,153.9	-						
Carryforward and Adjustments	41.5	54.4	40.0	605.0	740.9	-	-	-	-	-	(41.5)	-100%					
Total Revenues	6,527.0	1,046.7	1,962.7	5,971.3	15,507.6	6,308.4	1,045.2	1,879.3	6,229.4	15,462.3	(218.6)	-3%					
Expenditures						UGF	DGF	Other	Federal	FY2025 Total	UGF Change	UGF %					
Total Operating	4,831.5	896.7	1,772.3	3,833.2	11,333.7	4,686.8	887.0	1,706.8	3,238.4	10,519.0	(144.7)	-3%					
Agency Operations	4,484.7	782.1	1,700.5	3,734.3	10,701.5	4,321.8	794.3	1,625.7	3,154.3	9,896.1	(163.0)	-4%					
Appropriations	4,411.7	782.1	1,700.0	3,730.6	10,624.4	4,321.8	794.3	1,625.7	3,154.3	9,896.1	(90.0)	-2%					
RPLs	-	-	0.5	0.9	1.4	-	-	-	-	-	-						
Supplementals ¹	73.0	-	-	2.8	75.8	-	-	-	-	-	(73.0)	-100%					
Statewide Operations	346.8	114.7	71.8	99.0	632.2	365.0	92.7	81.2	84.1	622.9	18.2	5%					
Appropriations	346.8	114.7	71.8	99.0	632.2	365.0	92.7	81.2	84.1	622.9	18.2	5%					
Total Capital	364.8	73.5	190.4	2,138.1	2,766.8	305.2	76.2	172.4	2,991.0	3,544.8	(59.6)	-16%					
Appropriations	359.8	73.5	190.4	2,138.1	2,761.8	305.2	76.2	172.4	2,991.0	3,544.8	(54.6)	-15%					
RPLs	-	-	-	-	-	-	-	-	-	-	-						
Supplementals	5.0	-	-	-	5.0	-	-	-	-	-	(5.0)	-100%					
Total Appropriations	5,118.3	970.3	1,962.2	5,967.6	14,018.3	4,991.9	963.2	1,879.3	6,229.4	14,063.8	(126.3)	-2%					
Total Supplementals and RPLs	78.0	-	0.5	3.7	82.2	-	-	-	-	-	(78.0)	-100%					
Total Expenditures	5,196.3	970.3	1,962.7	5,971.3	14,100.5	4,991.9	963.2	1,879.3	6,229.4	14,063.8	(204.3)	-4%					
Permanent Fund Appropriations						UGF	DGF	Other	Federal	FY2025 Total	UGF Change	UGF %					
Permanent Fund Appropriations						881.5	76.4	-	-	957.9	2,303.7	82.0	-	-	2,385.7	1,422.2	161%
Fund Transfers						UGF	DGF	Other	Federal	FY2025 Total	UGF Change	UGF %					
Fund Transfers (non-additive)						59.1	3.7	0.2	10.6	73.6	47.9	2.9	0.2	-	51.1	(11.2)	-19%
Surplus/(Deficit)						449.2	-	-	-	449.2	(987.2)	-	-	-	(987.2)	(1,436.4)	
Available Reserve Balances			Post Draw Balances														
Constitutional Budget Reserve ²			2,734.3			1,768.0											
Statutory Budget Reserve ³			20.9			0.0											
Total			2,755.2			1,768.0											
													(Dollars				

FY2025 Fiscal Summary - Continued

FY2024 Management Plan plus Proposed			FY2025 Governor		FY2024 to FY2025	
Revenues	UGF	FY2024 Total	UGF	FY2025 Total	UGF Change	UGF %
Unrestricted Revenue	2,959.5	2,959.5	2,651.2	2,651.2	(308.3)	-10%
POMV ERA Draw For Government ⁴	3,526.0	3,526.0	3,657.2	3,657.2	131.2	4%
Restricted Revenue	-	-	-	-	-	0%
Carryforward and Adjustments	41.5	41.5	-	-	(41.5)	-100%
Total Revenue	6,527.0	6,527.0	6,308.4	6,308.4	(218.6)	-3%
Expenditures	UGF	FY2024 Total	UGF	FY2025 Total	UGF Change	UGF %
Total Operating	4,758.5	4,758.5	4,686.8	4,686.8	(71.7)	-2%
Agency Operations	4,411.7	4,411.7	4,321.8	4,321.8	(90.0)	-2%
Statewide Operations	346.8	346.8	365.0	365.0	18.2	5%
Total Capital	359.8	359.8	305.2	305.2	(54.6)	-15%
Total Appropriations	5,118.3	5,118.3	4,991.9	4,991.9	(126.3)	-2%
Total Supplementals and RPLs ¹	78.0	78.0	-	-	(78.0)	-100%
Final Budget	5,196.3	5,196.3	4,991.9	4,991.9	(204.3)	-4%
Permanent Fund Appropriations	UGF	FY2024 Total	UGF	FY2025 Total	UGF Change	UGF %
Appropriations	881.5	881.5	2,303.7	2,303.7	1,422.2	161%
Fund Transfers	UGF	FY2024 Total	UGF	FY2025 Total	UGF Change	UGF %
Fund Transfers	59.1	59.1	47.9	47.9	(11.2)	-19%
Surplus/(Deficit)	449.2	449.2	(987.2)	(987.2)		
Available Reserve Balances			Post Draw Balances			
Constitutional Budget Reserve ²		2,734.3		1,768.0		
Statutory Budget Reserve ³		20.9		0.0		
Total		2,755.2		1,768.0		

Fiscal Summary – Savings Balances

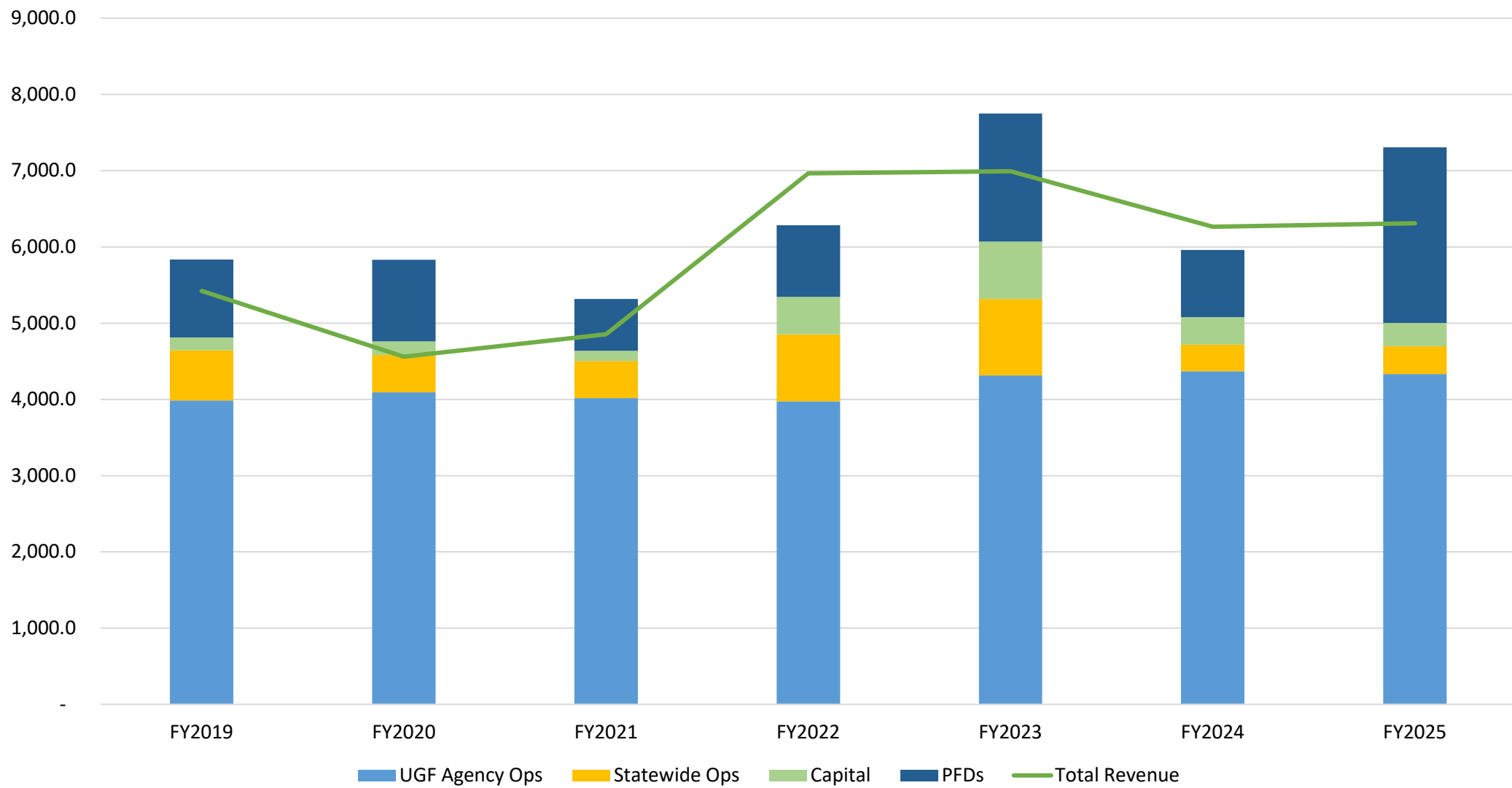
Statutory Budget Reserve (SBR)			Constitutional Budget Reserve (CBR)		
	FY2024	FY2025		FY2024	FY2025
Beginning Balance	20.9	20.9	Beginning Balance	2,734.3	2,829.1
Withdrawals	0.0	(20.9)	Earnings & Deposits	94.8	76.7
Deposits	0.0	0.0	Surplus/(Deficit) ¹	0.0	(966.3)
End Balance	20.9	0.0	End Balance	2,829.1	1,939.5

Total Reserves (SBR and CBR)		
	FY2024	FY2025
End Balance	2,850.0	1,939.5

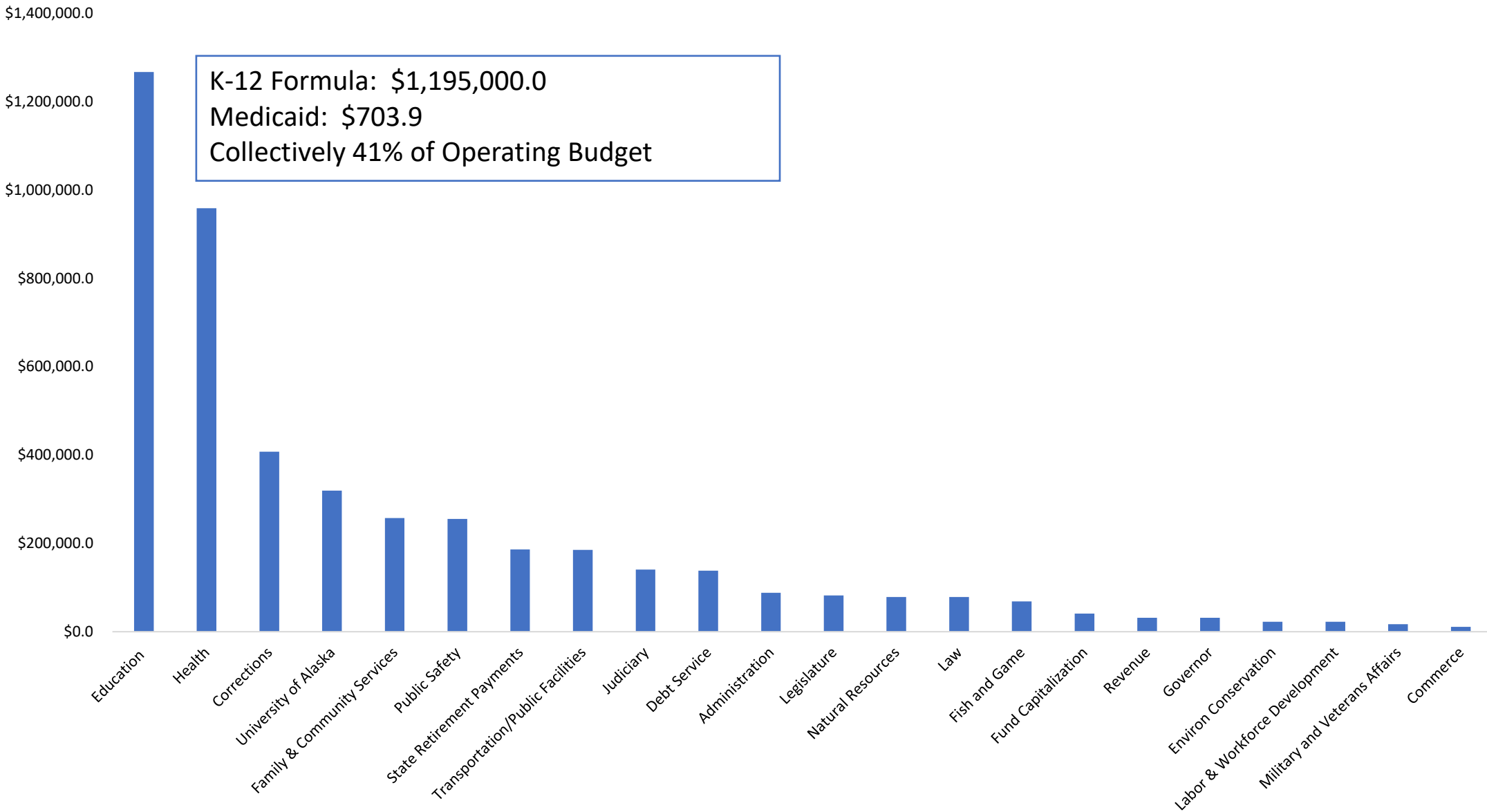
- Minimum savings balance of \$500 million required to maintain cashflows
- Savings balances assume status quo revenue
- Based on unaudited financial data

Budget Lookback

UGF Budget and Revenue, FY2019-FY2025 Governor's Budget



FY2025 Operating Budget by Agency (UGF)



Operating Budget Significant Highlights - Affordability

Alaska Permanent Fund Dividend

- \$2,303,700.0 UGF for a full statutory Alaska Permanent Fund Dividend

Department of Commerce, Community, and Economic Development

- \$3,000.0 UGF FY2024 Supplemental for food banks and food pantries across Alaska
- \$48,049.8 DGF to fully fund the Power Cost Equalization Program

Department of Health

- \$1,500.0 UGF to provide access to food at food banks and food pantries across Alaska
- \$8,829.2 (\$6,078.2 UGF/ \$2,751.0 FED) FY2024 Supplemental adding 30 non-permanent Eligibility Technician positions to address the Supplemental Nutrition Application Program (SNAP) application backlog
- \$1,800.0 UGF to change 20 previously added non-permanent Eligibility Technician positions to full time and continue to address the SNAP application backlog

Operating Budget Significant Highlights - Education

Department of Education and Early Development

- \$1,237,175.7 (\$1,181,295.8 UGF; \$35,088.9 Other; \$20,791.0 Federal Receipts) Full funding for school districts according to the Foundation Program and Pupil Transportation statutory formulas
- \$5,000.0 UGF for the Alyeska Reading Institute
- \$5,000.0 UGF for a grant to Alaska Native Science and Engineering Program
- \$1,500.0 UGF for continued Teacher Recruitment, Retention, Certification and Apprenticeship Development
- \$1,500.0 UGF for continued Career and Technical Education initiative
- \$1,200.0 UGF for continued access to the Coding in Minecraft Program statewide
- \$1,000.0 UGF for a grant to Alaska Education Resource
- \$1,000.0 UGF for support of Youth Hunter Education programs statewide

Department of Military and Veterans' Affairs

- \$843.1 UGF and two PFT positions to address the Alaska Military Youth Academy's operational expenses associated with the return to pre-COVID class sizes and additional staffing

Debt Service

- \$57,517.7 (\$44,417.7 UGF/ \$13,100.0 DGF) Full funding for School Debt Reimbursement Program based on the statutory formula
- \$26,978.0 Full funding for the Regional Educational Attendance Area (REAA) and Small Municipal School District Fund based on the statutory formula

Operating Budget Significant Highlights – Public Safety

Department of Corrections

- \$19,300.0 UGF for Physical Health Care, Institutions, Community Residential Centers, and Pre-Trial Services

Department of Law

- \$2,328.6 UGF and 12 full-time positions for consent law changes (House Bill 325, Chapter 44, SLA 2022)
- \$1,900.0 UGF and 10 full-time positions for drug prosecutions, child protection cases, expand consumer protection investigations, and grand jury

Department of Military and Veterans' Affairs

- \$399.8 UGF and one full-time position for the Alaska State Defense Force, Naval Militia, and Civil Air Patrol

Department of Public Safety

- \$3,500.0 UGF for 10 additional Village Public Safety Officer positions and address salaries
- \$700.0 UGF for three positions for investigators focused on crimes against children
- \$557.0 UGF for two Aircraft Pilots and an Aircraft Maintenance Inspector
- \$450.0 UGF to fully fund four Missing and Murdered Indigenous Persons investigators
- \$250.0 UGF for one position for new and innovative recruitment strategies to attract qualified Alaska State Trooper applicants

Operating Budget Significant Highlights – Additional

Department of Family and Community Services

- \$5,000.0 (\$1,392.8 Federal Receipts; \$3,607.2 UGF) for increasing the Foster Care Base Rate

Department of Fish and Game

- \$1,302.0 UGF to continue evaluation of the Threatened and Endangered Species Program and Marine Mammals Program

Department of Law

- \$1,072.8 UGF for expansion of an Internship/Externship and Fellowship Programs
- \$2,018.0 UGF for continued statehood defense efforts across multiple agencies

Department of Natural Resources

- \$1,800.0 UGF for Fire Suppression Activity and Preparedness incentive pay for Wildland Firefighters and to address firefighter vacancies
- \$900.0 UGF for Forestry Management and Development to provide increased access to land and resources

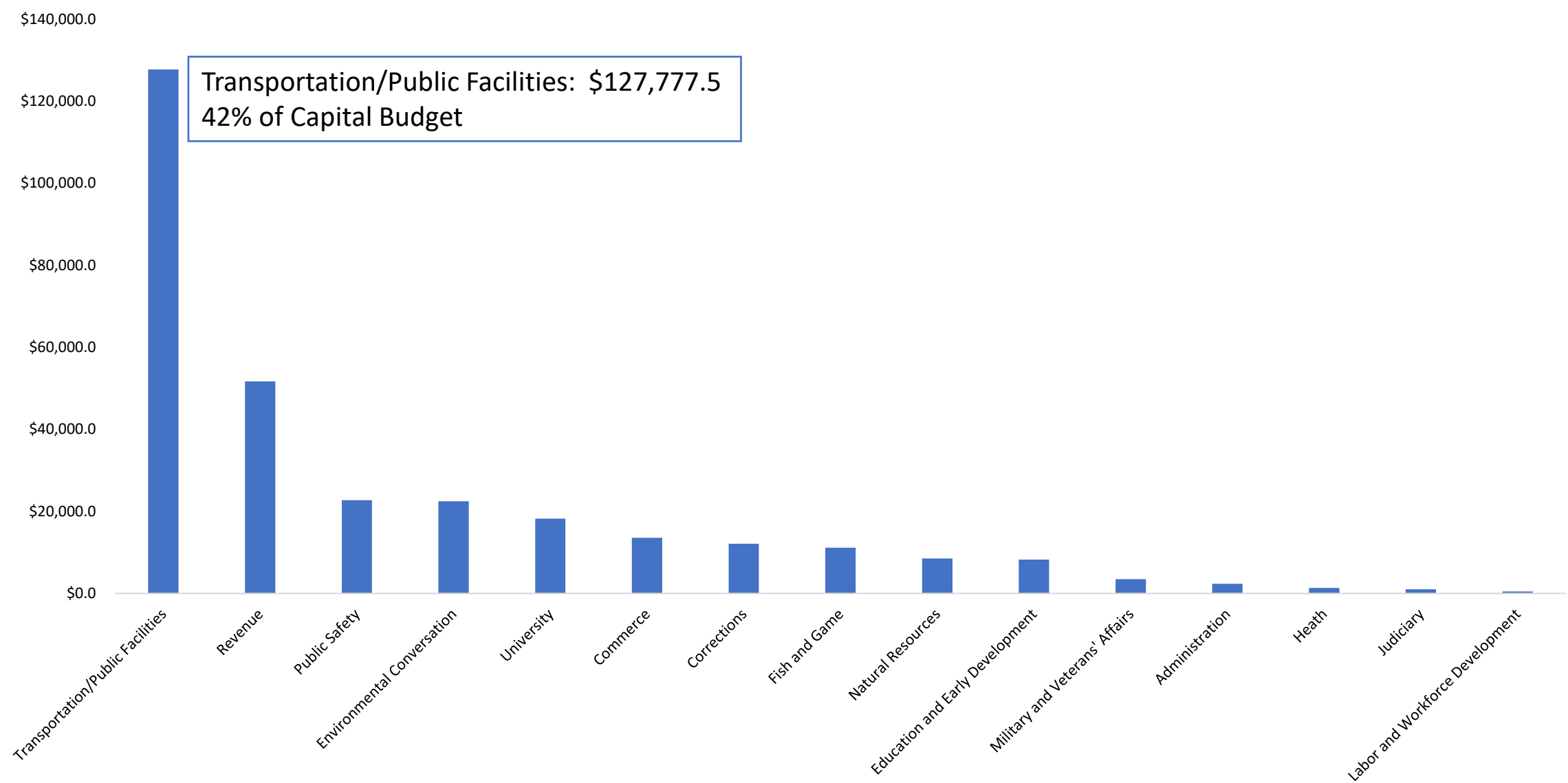
Department of Transportation and Public Facilities

- \$915.0 UGF for Statewide contracted snow removal when unexpected snowfall exceeds existing operational capacity

Statewide Items

- \$30,000.0 (\$27,818.1 DGF; \$2,181.9 UGF) to capitalize the Community Assistance Fund

FY2025 Capital Budget by Agency (UGF)



Capital Budget Significant Highlights – Affordability

Department of Revenue

- \$25,000.0 UGF for Alaska Housing Finance Corporation Down Payment Assistance Grants
- \$62,720.0 (\$26,700.0 UGF; \$14,420.0 Other Receipts; \$21,600.0 Federal Receipts) for Alaska Housing Finance Corporation Annual Housing Programs

Department of Commerce, Community, and Economic Development

- \$5,000.0 DGF for continued investment in Renewable Energy Project Grants
- \$4,500.0 UGF to Advance Commercial Investment in the AKLNG Project and Maintain Project Assets in Ready Status

University of Alaska

- \$1,000.0 UGF for Alaska Center for Energy and Power – Energy Data Storage and Access Revitalization Project
- \$11,100.0 (\$8,880.0 Federal Receipts; \$2,220.0 UGF) for University of Alaska Fairbanks Alaska Railbelt Carbon Capture and Sequestration Project

Capital Budget Significant Highlights – Education

Department of Education and Early Development

- \$3,986.5 UGF for School Construction Grant Funds
- \$4,270.2 UGF for Major Maintenance Grant Funds

University of Alaska

- \$10,000.0 (\$5,000.0 UGF; \$5,000.0 DGF) for University of Alaska Drones Program – Year Three
- \$20,000.0 (\$10,000.0 UGF; \$10,000.0 DGF) for University of Fairbanks to Achieve Research 1 Status

Capital Budget Significant Highlights – Public Safety

Department of Corrections

- \$10,904.3 UGF for Statewide Institution improvements
 - Perimeter Fences and Gates
 - Security Doors and Windows
 - Backup Power System Upgrades
 - Statewide Closed Circuit Television (CCTV) Systems

Department of Public Safety

- \$9,500.0 UGF for Patrol Vessel Enforcer Replacement
- \$6,200.0 UGF for acquisition of a Pilatus PC-12NG Aircraft Acquisition
- \$4,675.0 UGF for Aircraft and Marine Vessel maintenance and repair
- \$1,300.0 UGF for DataMaster Fleet Replacement
- \$770.0 UGF for Crime Scene Investigative Equipment
- \$309.8 UGF for Aviation Equipment, Gear, and Technology Refreshment

Capital Budget Significant Highlights – Additional

Department of Administration

- \$2,050.0 UGF to Expand and Complete Digitization of Payroll Services and Recruitment

Department of Commerce, Community, and Economic Development

- \$1,012,139.6 Federal Receipts for Broadband Equity Access and Deployment Program
- \$5,000.0 UGF FY2024 Supplemental for Wrangell Dam Safety and Stabilization Improvements
- \$2,500.0 UGF for a grant to Alaska Travel Industry Association
- \$1,500.0 DGF for Regulatory Commission of Alaska – Case Management System Replacement

Department of Fish and Game

- \$7,500.0 UGF for Replacement Research Vessel for the Gulf and Bering Sea
- \$2,000.0 UGF for Stock Identification of Salmon Harvested in South Peninsula Fisheries
- \$1,300.0 UGF for continued funding for the Alaska Marine Salmon Program

Capital Budget Significant Highlights – Additional

Department of Natural Resources

- \$3,575.0 UGF for Silviculture Treatments and Precommercial Thinning

Department of Transportation and Public Facilities

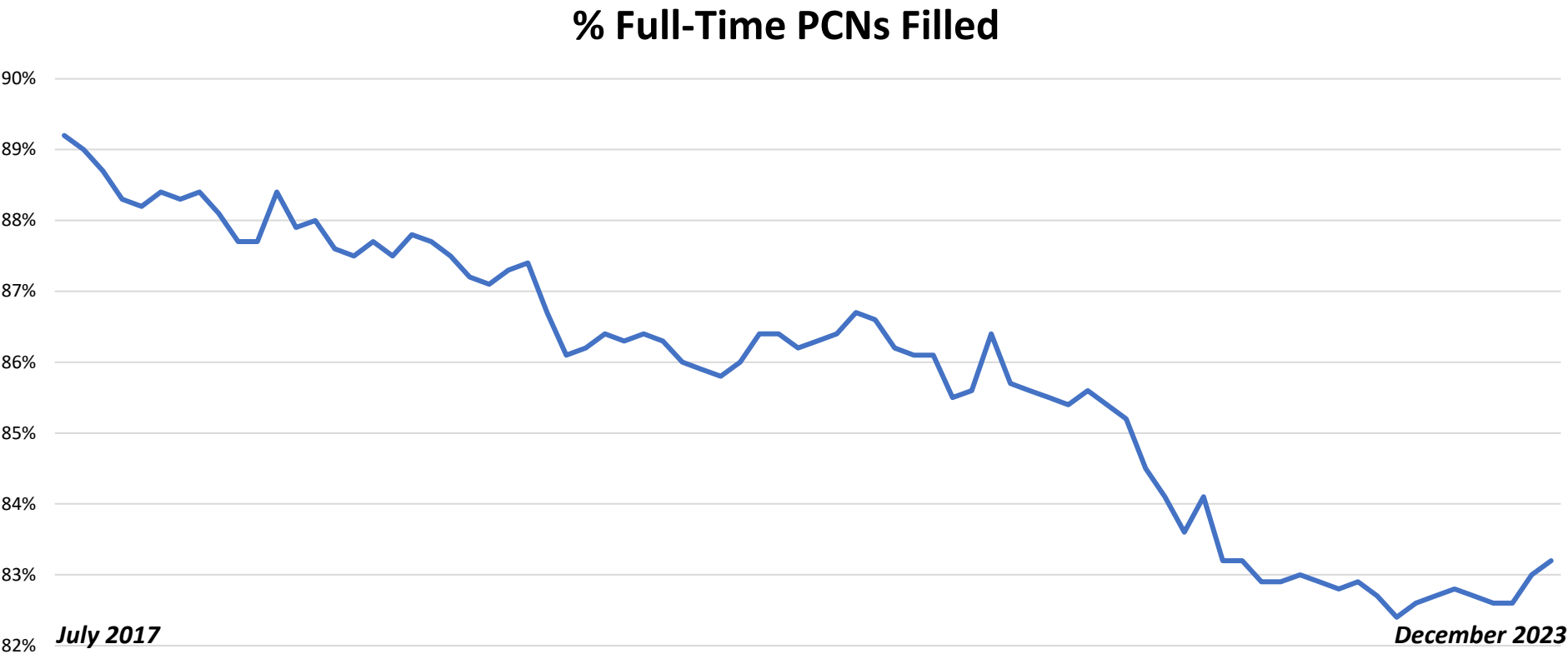
- \$115,983.0 Federal Receipts for Rural Ferry Grants
 - \$23,196.6 Toll Credits for Match
 - \$92,786.4 for M/V Tustumena Replacement Vessel
- \$4,250.0 UGF for Copper River Highway Wood Canyon Bridges and Trails
- \$2,666.6 UGF for Williamsport Iliamna Intermodal Connector
- \$2,533.3 UGF for Statewide Per- and Polyfluoroalkyl Substances (PFAS): Fleetwide Foam Replacement

Operational Challenges - Vacancy

% Vacant PCNs

December 2023

DOA	15.2%
DCCED	18.7%
DOC	15.0%
DEED	16.0%
DEC	13.5%
DFCS	20.0%
DFG	14.2%
Gov	26.9%
DOH	19.3%
DOL&WD	20.9%
Law	9.7%
DMVA	9.9%
DNR	21.4%
DPS	18.0%
DOR	17.9%
DOT&PF	17.8%
Total	17.3%



- Most departments are continuing to experience greater vacancy than pre-pandemic levels
- Recruitment incentives being used to address most critical public needs

FY2023 Unspent Personal Services	
Working Reserve	1.0
Group Health Life	1.6
Catastrophic Reserve	9.8
FY2024 Rate Smoothing	5.0

10-Year Fiscal Outlook

Uses of Funds		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
1	Permanent Fund Dividend Transfer	881.5	2,303.7	2,499.7	2,199.7	2,272.5	2,575.3	2,751.9	2,824.9	2,899.8	2,977.2	3,057.1
2	Per capita PFD (<i>dollars</i>)	\$1,312	\$3,429	\$3,720	\$3,274	\$3,382	\$3,833	\$4,096	\$4,205	\$4,316	\$4,431	\$4,550
Unrestricted General Fund Expenditures		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
3	Operating Budget	4,831.5	4,686.8	4,755.2	4,831.5	4,912.9	4,975.3	5,044.4	5,105.8	5,189.0	5,250.2	5,311.0
4	Capital Budget	364.8	305.2	309.8	314.4	319.1	323.9	328.8	333.7	338.7	343.8	349.0
5	Total General Fund Appropriations	5,196.3	4,992.0	5,065.0	5,145.9	5,232.0	5,299.3	5,373.2	5,439.5	5,527.7	5,594.0	5,659.9
Sources of Funds		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
6	Total Revenue	6,527.0	6,308.4	6,302.3	6,477.8	6,536.3	6,546.2	6,551.2	6,652.5	6,899.4	7,132.9	7,321.5
Deposit/(Draw)		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
7		449.2	(987.2)	(1,262.4)	(867.8)	(968.2)	(1,328.4)	(1,573.9)	(1,611.9)	(1,528.1)	(1,438.3)	(1,395.5)
Reserve Balances		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
8	SBR End Balance	20.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	CBR End Balance	2,829.1	1,939.5	715.9	(137.6)	(1,108.5)	(2,459.1)	(4,082.2)	(5,775.7)	(7,419.3)	(9,006.0)	(10,581.6)



Office of Management & Budget

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