

# State of Alaska

# Office of Management and Budget

## **Overview of the FY2025 Governor's Budget**

Senate Finance Committee

January 22, 2024 (Revised)

**Lacey Sanders, Director**



# FY2025 Fiscal Summary

FY2024 Management Plan plus Proposed Supplementals

Revenues	UGF	DGF	Other	Federal	FY2024 Total
Unrestricted Revenue	2,959.5	-	-	-	2,959.5
POMV ERA Draw For Government <sup>4</sup>	3,526.0	-	-	-	3,526.0
Restricted Revenue	-	992.3	1,922.7	5,366.3	8,281.2
Carryforward and Adjustments	41.5	54.4	40.0	605.0	740.9
<b>Total Revenues</b>	<b>6,527.0</b>	<b>1,046.7</b>	<b>1,962.7</b>	<b>5,971.3</b>	<b>15,507.6</b>

Expenditures	UGF	DGF	Other	Federal	FY2024 Total
<b>Total Operating</b>	<b>4,831.5</b>	<b>896.7</b>	<b>1,772.3</b>	<b>3,833.2</b>	<b>11,333.7</b>
Agency Operations	4,484.7	782.1	1,700.5	3,734.3	10,701.5
Appropriations	4,411.7	782.1	1,700.0	3,730.6	10,624.4
RPLs	-	-	0.5	0.9	1.4
Supplementals <sup>1</sup>	73.0	-	-	2.8	75.8
Statewide Operations	346.8	114.7	71.8	99.0	632.2
Appropriations	346.8	114.7	71.8	99.0	632.2
<b>Total Capital</b>	<b>364.8</b>	<b>73.5</b>	<b>190.4</b>	<b>2,138.1</b>	<b>2,766.8</b>
Appropriations	359.8	73.5	190.4	2,138.1	2,761.8
RPLs	-	-	-	-	-
Supplementals	5.0	-	-	-	5.0
<b>Total Appropriations</b>	<b>5,118.3</b>	<b>970.3</b>	<b>1,962.2</b>	<b>5,967.6</b>	<b>14,018.3</b>
<b>Total Supplementals and RPLs</b>	<b>78.0</b>	<b>-</b>	<b>0.5</b>	<b>3.7</b>	<b>82.2</b>
<b>Total Expenditures</b>	<b>5,196.3</b>	<b>970.3</b>	<b>1,962.7</b>	<b>5,971.3</b>	<b>14,100.5</b>

Permanent Fund Appropriations	UGF	DGF	Other	Federal	FY2024 Total
Permanent Fund Appropriations	881.5	76.4	-	-	957.9

Fund Transfers	UGF	DGF	Other	Federal	FY2024 Total
Fund Transfers (non-additive)	59.1	3.7	0.2	10.6	73.6
Surplus/(Deficit)	449.2	-	-	-	449.2

Available Reserve Balances		Post Draw Balances
Constitutional Budget Reserve <sup>2</sup>	2,734.3	1,768.0
Statutory Budget Reserve <sup>3</sup>	20.9	0.0
<b>Total</b>	<b>2,755.2</b>	<b>1,768.0</b>

FY2025 Governors Proposed

UGF	DGF	Other	Federal	FY2025 Total
2,651.2	-	-	-	2,651.2
3,657.2	-	-	-	3,657.2
-	1,045.2	1,879.3	6,229.4	9,153.9
-	-	-	-	-
<b>6,308.4</b>	<b>1,045.2</b>	<b>1,879.3</b>	<b>6,229.4</b>	<b>15,462.3</b>

UGF	DGF	Other	Federal	FY2025 Total
4,686.8	887.0	1,706.8	3,238.4	10,519.0
4,321.8	794.3	1,625.7	3,154.3	9,896.1
4,321.8	794.3	1,625.7	3,154.3	9,896.1
-	-	-	-	-
-	-	-	-	-
365.0	92.7	81.2	84.1	622.9
365.0	92.7	81.2	84.1	622.9
305.2	76.2	172.4	2,991.0	3,544.8
305.2	76.2	172.4	2,991.0	3,544.8
-	-	-	-	-
-	-	-	-	-
4,991.9	963.2	1,879.3	6,229.4	14,063.8
-	-	-	-	-
4,991.9	963.2	1,879.3	6,229.4	14,063.8

UGF	DGF	Other	Federal	FY2025 Total
2,303.7	82.0	-	-	2,385.7

UGF	DGF	Other	Federal	FY2025 Total
47.9	2.9	0.2	-	51.1
(987.2)	-	-	-	(987.2)

FY2024 to FY2025

UGF Change	UGF %
(308.3)	-10%
131.2	4%
-	-
(41.5)	-100%
(218.6)	-3%

UGF Change	UGF %
(144.7)	-3%
(163.0)	-4%
(90.0)	-2%
-	-
(73.0)	-100%
18.2	5%
18.2	5%
(59.6)	-16%
(54.6)	-15%
-	-
(5.0)	-100%
(126.3)	-2%
(78.0)	-100%
(204.3)	-4%

UGF Change	UGF %
1,422.2	161%

UGF Change	UGF %
(11.2)	-19%
(1,436.4)	-

# 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 <sup>4</sup>	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 <sup>1</sup>	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 <sup>2</sup>		2,734.3		1,768.0		
Statutory Budget Reserve <sup>3</sup>		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) <sup>1</sup>	0.0	(966.3)
End Balance	20.9	0.0	End Balance	2,829.1	1,939.5

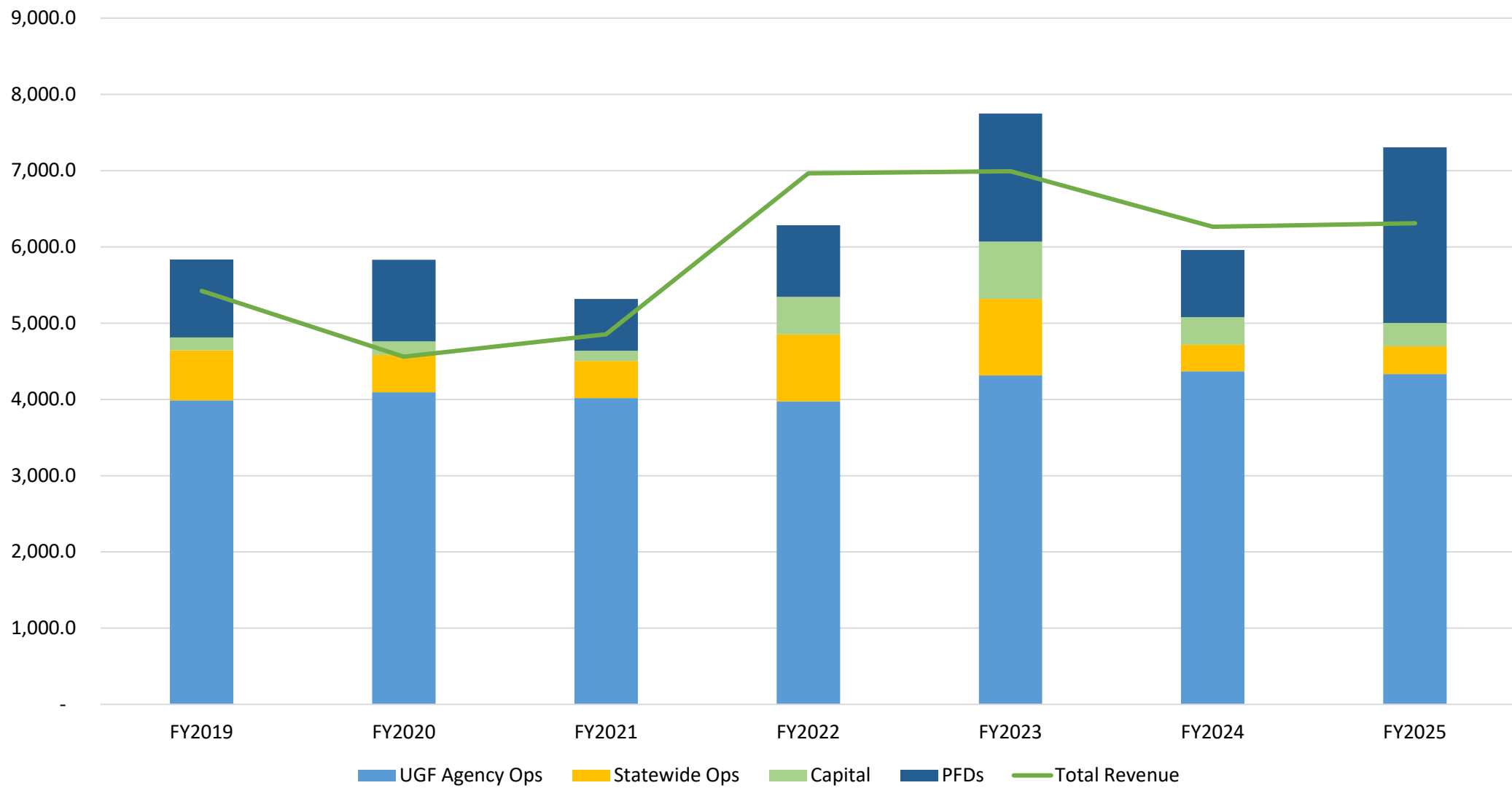
  

Total Reserves (SBR and CBR)		
	FY2024	FY2025
End Balance	2,850.0	1,939.5

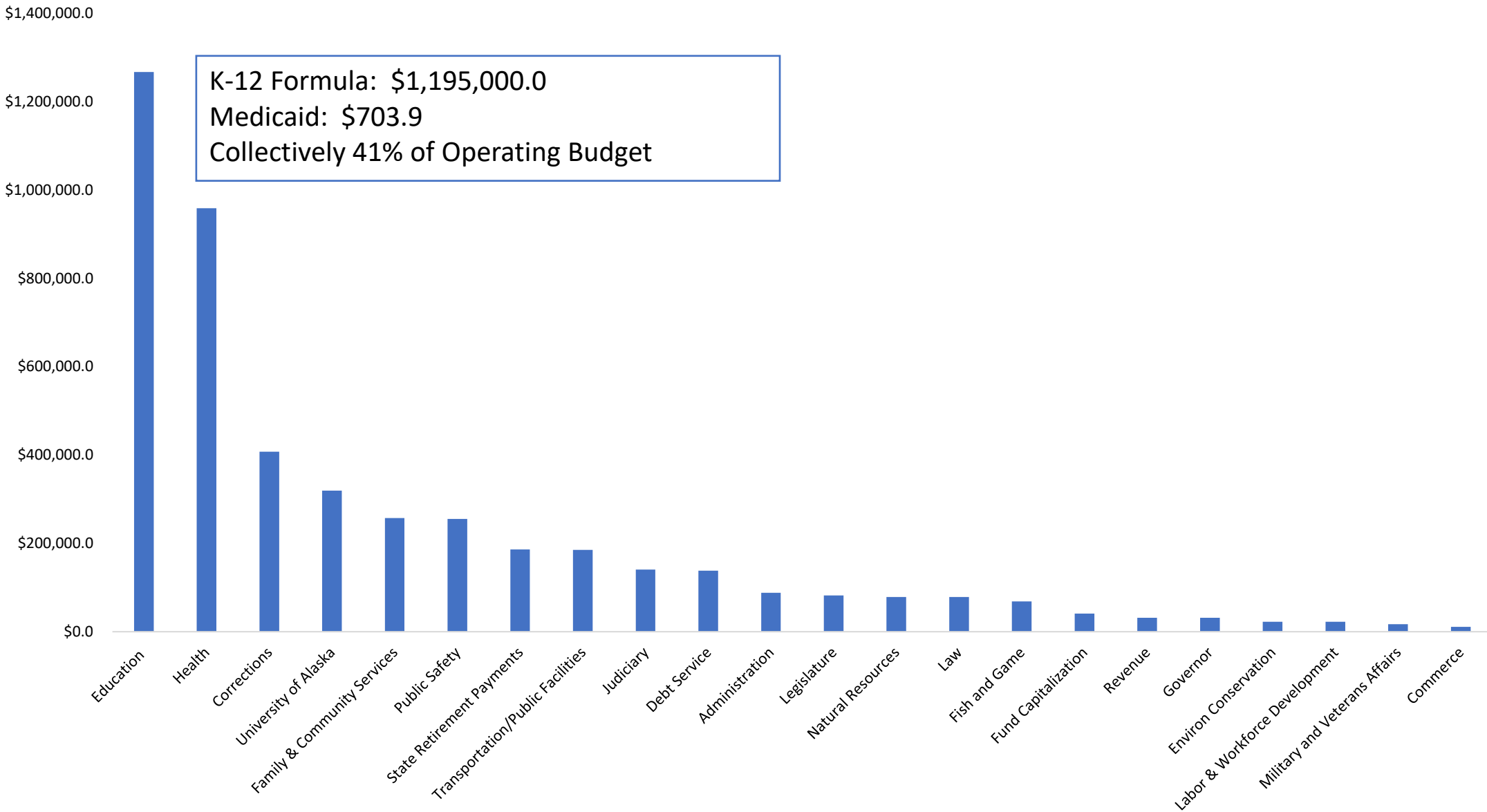
- Minimum savings balance of \$500 million required to maintain cashflows
- Savings balances assume status quo revenue
- Based on unaudited financial data

# 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

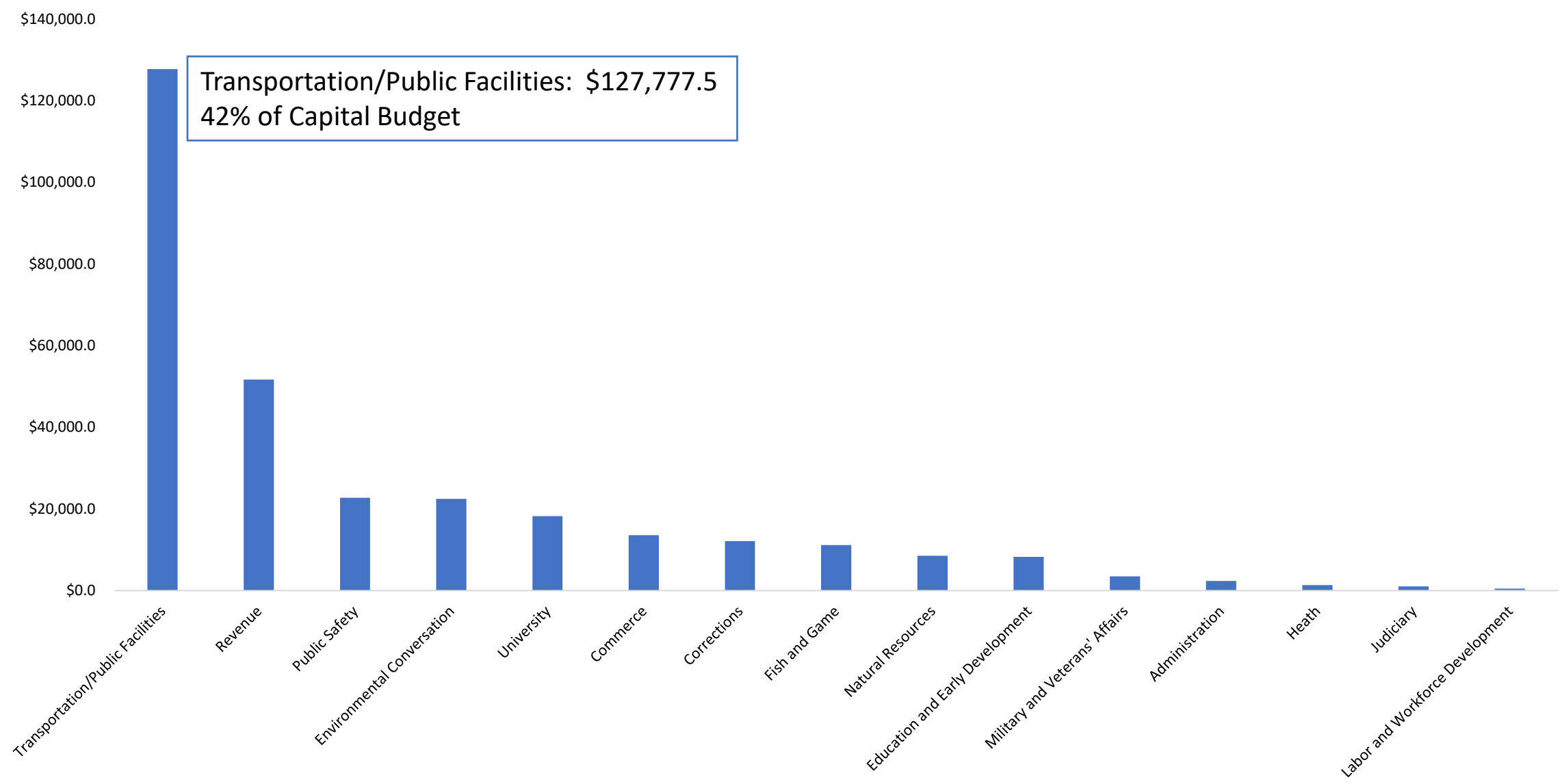
## Department of Transportation and Public Facilities

- \$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

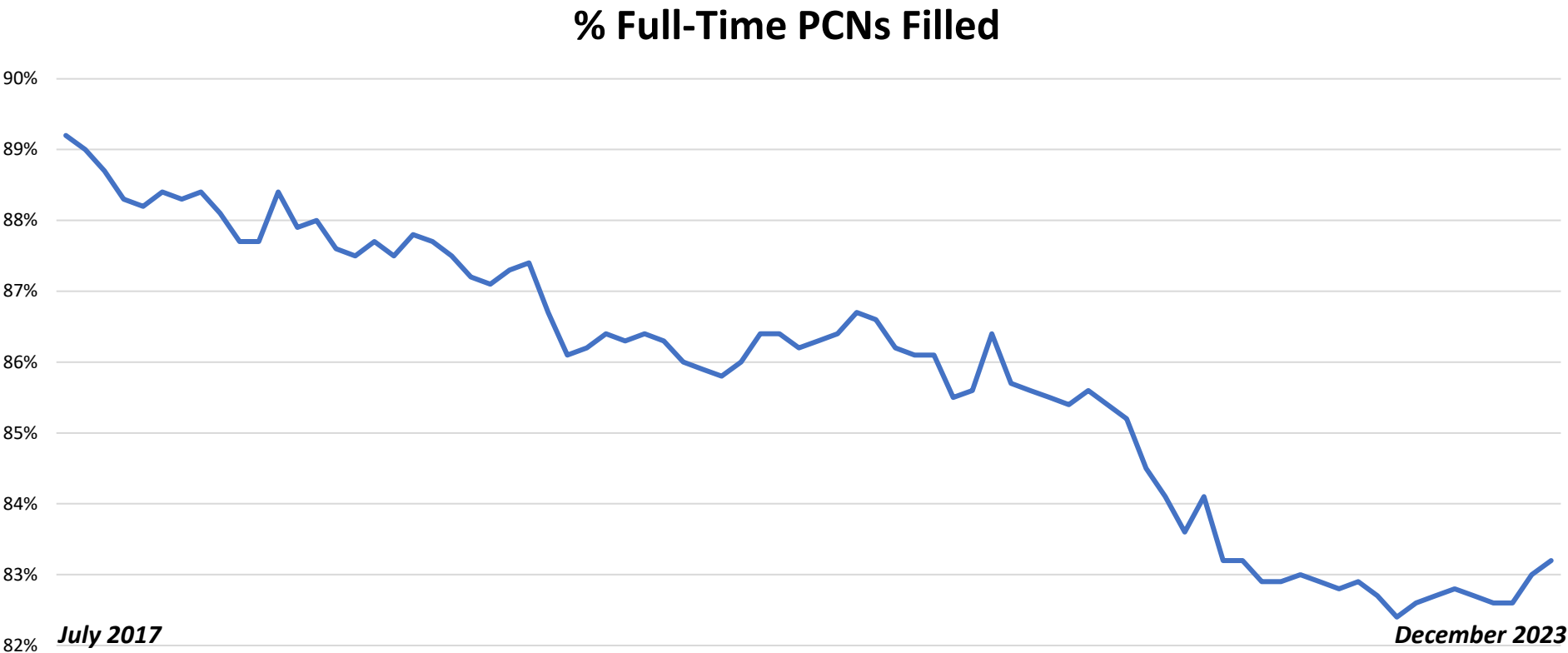
## Department of Transportation and Public Facilities

- \$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%
<b>Total</b>	<b>17.3%</b>



- 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

Phone: (907) 465-4660

More information, reports, and detailed department budget books at [omb.Alaska.gov](https://omb.Alaska.gov)

[FY2025 Fiscal Summary](#)

[FY2025 Budget Overview and 10-Year Plan](#)