

A black and white photograph of the Alaska State Capitol building. The image shows the grand entrance with four large, fluted columns supporting a portico. Above the columns, the words "ALASKA · STATE · CAPITOL" are inscribed on the entablature. The building has large windows and a set of wide stone steps leading up to the entrance, flanked by black metal railings. Three lantern-style light fixtures hang from the portico. A semi-transparent white banner is overlaid across the middle of the image, containing the text "Fiscal Update". Below this, another semi-transparent white box contains the text "Senate Finance Committee", "February 29, 2024", and "Legislative Finance Division".

ALASKA · STATE · CAPITOL

# Fiscal Update

Senate Finance Committee  
February 29, 2024  
Legislative Finance Division

# Fiscal Summary of Governor's Amended Budget

FY24-FY25 Governor's Amended Budget (UGF Only)				
	FY24	FY25	Difference	
<b>Fall Revenue Forecast</b>	<b>6,526.4</b>	<b>6,308.4</b>	<b>(177.1)</b>	<b>-2.7%</b>
Agency Operations	4,411.7	4,342.5	(68.6)	-1.6%
Statewide Items	346.8	365.0	18.2	5.3%
Capital Budget	359.8	293.5	(66.7)	-18.5%
Permanent Fund Dividend	881.5	2,303.7	1,422.2	161.3%
Energy Relief (for FY25 PFD)	110.6	-	(110.6)	-100.0%
<b>Total Budget (pre-Supplementals)</b>	<b>6,110.4</b>	<b>7,304.7</b>	<b>1,175.0</b>	<b>19.2%</b>
<b>Pre-Transfer Surplus/(Deficit)</b>	<b>416.6</b>	<b>(996.3)</b>		
Fund Transfers	123.9	5.3		
<b>Post-Transfer Surplus/(Deficit)</b>	<b>292.7</b>	<b>(1,001.6)</b>		
Governor's Supplementals	183.0			
<b>Post-Transfer Surplus/Deficit</b>	<b>109.3</b>			

# SB 140 (House Amended) Fiscal Notes

Provision	FY25 Projected Cost
School BAG Change from 25mb to 100mb	\$39,425.0
\$680 BSA Increase	\$174,633.5
Pupil Transportation Increase	\$7,305.9
Correspondence Rate from 90% to 100%	\$14,551.0
Charter School Coordinator Position	\$186.4
\$500 per Student Requiring Reading Improvement Plan	\$5,177.5
<b>Total</b>	<b>\$241,279.3</b>

# Major Outstanding Items

- Senior Benefits Legislation (SB 170): Passed Senate with \$23.5 million UGF fiscal note
- Alaska Energy Authority Electrical Grid Grant: Not yet included in Governor's budget. Estimated need for this year is \$30-35 million
- Alaska Marine Highway: Shortfall in CY25 of up to \$38.0 million
- Ongoing Employee Bargaining Negotiations: three unions (Alaska Correctional Officers Association, Alaska Public Employees Association Supervisory Unity, and Labor, Trades and Crafts) are currently negotiating new contracts to begin in FY25.

# Getting to a Balanced FY25 Budget

Fall Revenue Forecast	6,308.4		
GovAmend Op. Budget plus Transfers	4,712.8		
GovAmend Capital Budget	293.5		
<b>Remainder</b>	<b>1,302.1</b>		
<b>Legislation Passed by One or Both Bodies</b>			
SB 140 (Passed both)	241.3		
Senior Benefits (Senate passed)	23.5		
<b>Remainder</b>	<b>1,037.3</b>		
<b>Additional Items</b>			
AEA Grid Project Match	30.0	Estimated minimum FY25 need	
AMHS Shortfall	38.0	Maximum amount	
<b>Remainder</b>	<b>969.3</b>		
	<b>Cost</b>	<b>Amount Remaining</b>	<b>PFD Amounts excl. Energy Relief (est. to be \$175 per person)</b>
75/25 PFD	914.3	55.0	\$1,360 per person
50/50 PFD	1,828.6	(859.3)	\$2,277 per person
Statutory PFD	2,303.0	(1,333.7)	\$3,513 per person

# Other Potential Budget Items

Item	Governor Amount	Full List	Note
Renewable Energy Fund	5.0	32.0	Gov amount is top 2+ projects
School Construction	4.0	260.5	Gov amount is top project
School Major Maintenance	4.3	249.1	Gov amount is top 2 projects
Deferred Maintenance	28.2	2,182.5	University (\$1.5 billion of backlog) requests additional \$35.0 million through HB 236

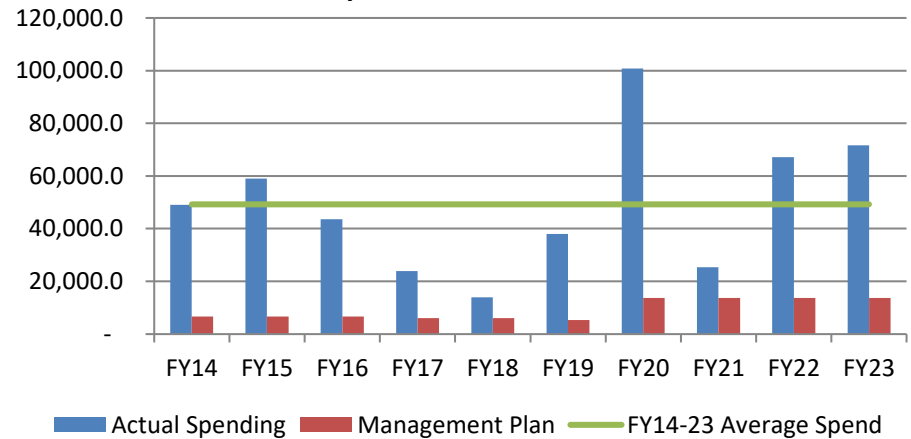
# Other Potential Budget Items (cont.)

- Governor vetoed \$30.0 million FY24 capitalization of Community Assistance Fund; without that, the FY25 distribution will be \$20.0 million instead of the full \$30.0 million.
- Fiscal notes for Governor's bills:
  - Governor's Alaska Affordability Act (SB 237) could cost up to \$237.6 million in tax revenue.
  - Governor's Teacher bonuses bill (SB 97) has an estimated cost of \$54.5 million.
- Legislative capital budget additions and district projects are not yet included.
- Other potential additions include:
  - University of Alaska (\$18.6 million UGF operating difference between Regents' request and Governor's budget, \$27.0 million difference in the capital budget).
  - Additional items that emerge in subcommittee process.

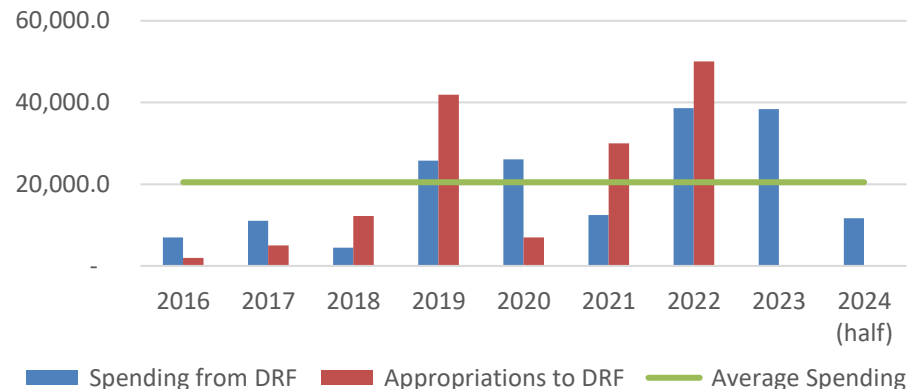
# Fire and Disaster Funding

- FY14-23 actual UGF spending for Fire Suppression averaged \$49.3 million. The FY25 Governor's budget is \$14.2 million, a difference of **\$35.1 million**.
- The FY24 Governor's supplemental includes \$94.0 million for this purpose.
- Underbudgeting this item leads to routine supplemental needs.
- FY16-23 average spending from the Disaster Relief Fund is \$20.5 million. The Governor's FY25 budget requests \$5.0 million, a difference of **\$15.5 million**.
- Disasters are unpredictable, but annually funding the average usage would make the budget more consistent.

Fire Suppression Initial UGF Budget vs. Actual Expenditures, FY14-23



Disaster Relief Fund UGF Deposits vs. Expenditures, FY16-24





# Questions?

## Contact Information

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