

A black and white photograph of the Alaska State Capitol building. The building features four large, fluted columns supporting a classical entablature. The words "ALASKA · STATE · CAPITOL" are inscribed in capital letters across the center of the entablature. Below the columns, there are three sets of double doors with glass panels. The building is set against a clear sky. Superimposed on the center of the image is a large, bold, black text block.

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	
Fall Revenue Forecast	6,526.4	6,308.4	(177.1)	-2.7%
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%
Total Budget (pre-Supplementals)	6,110.4	7,304.7	1,175.0	19.2%
Pre-Transfer Surplus/(Deficit)	416.6	(996.3)		
Fund Transfers	123.9	5.3		
Post-Transfer Surplus/(Deficit)	292.7	(1,001.6)		
Governor's Supplementals	183.0			
Post-Transfer Surplus/Deficit	109.3			

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
Total	\$241,279.3

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
Remainder	1,302.1

Legislation Passed by One or Both Bodies

SB 140 (Passed both)	241.3
Senior Benefits (Senate passed)	23.5
Remainder	1,037.3

Additional Items

AEA Grid Project Match	30.0	Estimated minimum FY25 need
AMHS Shortfall	38.0	Maximum amount
Remainder	969.3	

	Cost	Amount Remaining	PFD Amounts excl. Energy Relief (est. to be \$175 per person)
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

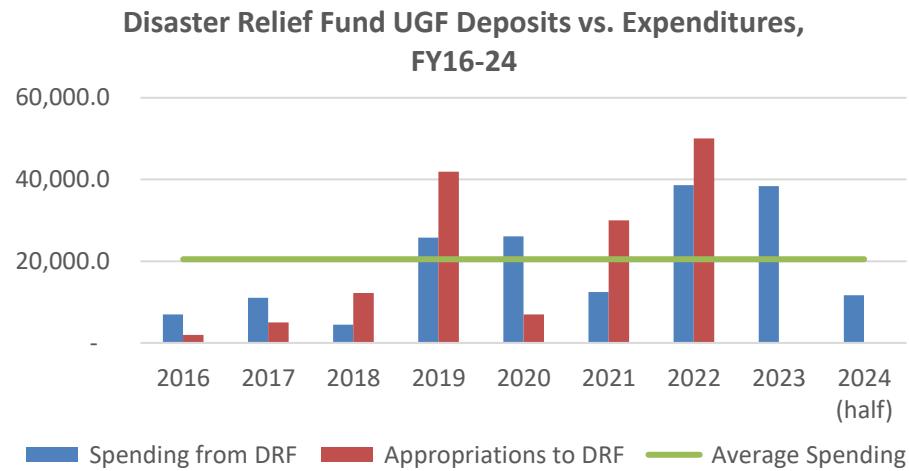
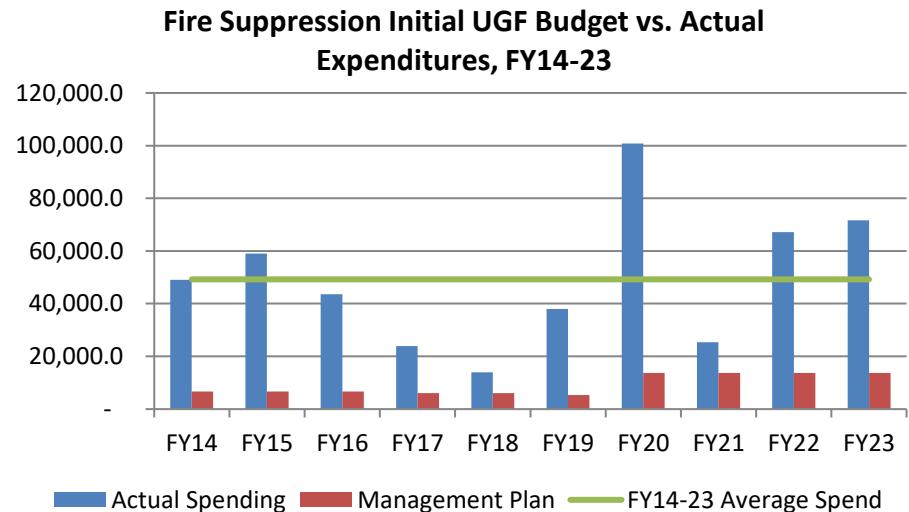
Item	Governor Amount	Full List	Note
Renewable Energy Fund	5.0	32.0	Gov amount is top 2+ projects
School Construction	4.0	260.5	Gov amount is top project
School Major Maintenance	4.3	249.1	Gov amount is top 2 projects
Deferred Maintenance	28.2	2,182.5	University (\$1.5 billion of backlog) requests additional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



Questions?

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