

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

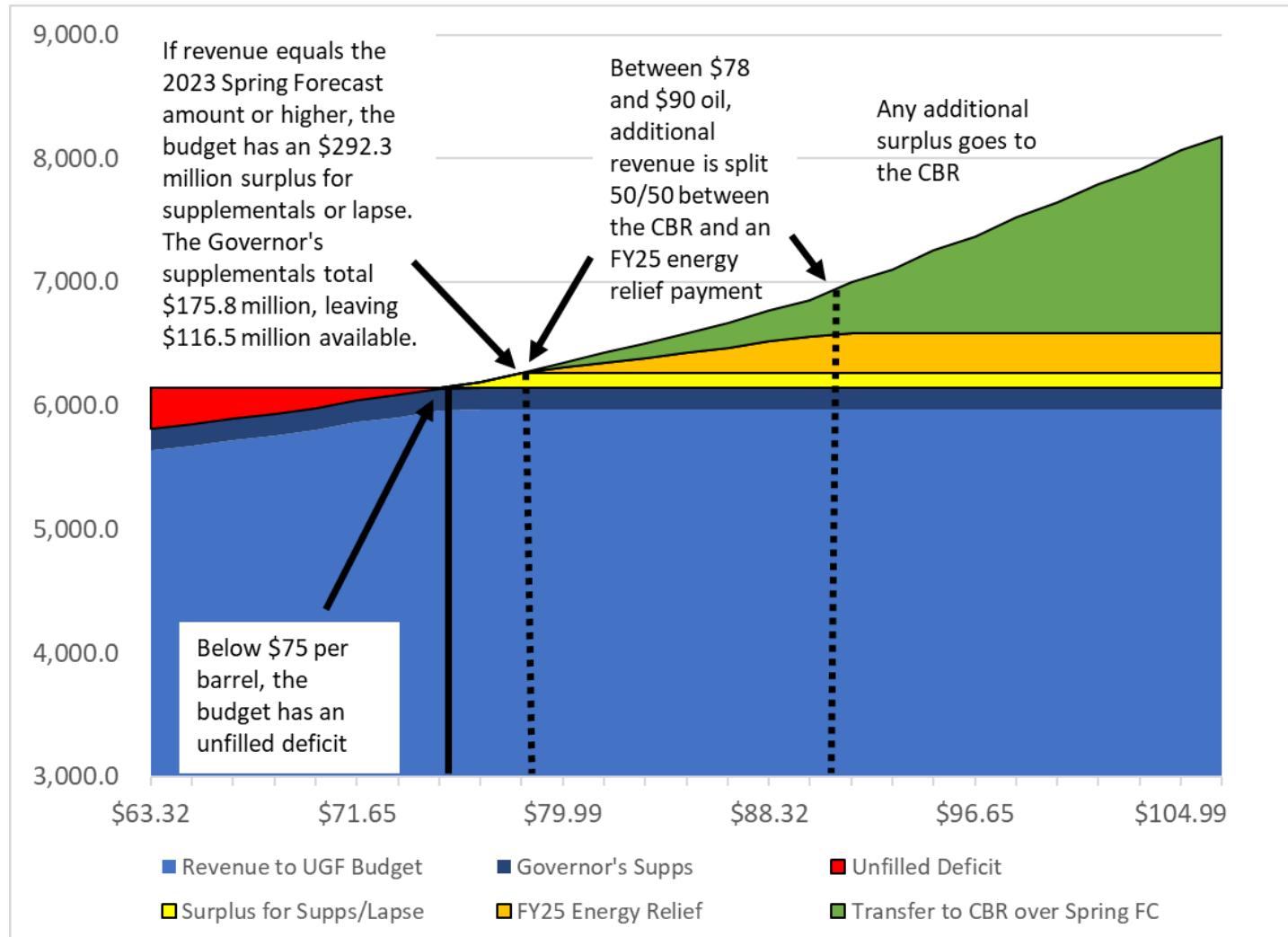
Fiscal Update

Senate Finance Committee
March 18, 2024
Legislative Finance Division

Fiscal Summary of Governor's Amended Budget: Spring Forecast

FY24-FY25 Governor's Amended Budget (UGF Only)				
	FY24	FY25	Difference	
Spring Revenue Forecast	6,591.7	6,448.5	(143.2)	-2.2%
Agency Operations	4,411.1	4,344.5	(66.6)	-1.5%
Statewide Items	346.8	365.0	18.2	5.3%
Capital Budget	360.2	297.1	(63.1)	-17.5%
Permanent Fund Dividend	881.5	2,303.7	1,422.2	161.3%
Energy Relief (for FY25 PFD)	143.3	-	(143.3)	-100.0%
Total Budget (pre-Supplementals)	6,142.9	7,310.4	1,167.5	18.5%
Pre-Transfer Surplus/(Deficit)	448.9	(861.9)		
Fund Transfers	156.5	5.3		
Post-Transfer Surplus/(Deficit)	292.3	(867.1)		
Governor's Supplementals	175.8			
Post-Transfer Surplus/Deficit	116.5			

FY24 Budget and Oil Revenue



Major Outstanding Items

- SB 241 (Education bill): fiscal notes total \$241.3 million.
 - If the veto is sustained, the BSA and pupil transportation increases could be converted to one-time item budget items.
 - However, it would likely be too late to address broadband this year with another bill.
- Senior Benefits Legislation (SB 170): Passed Senate with \$23.5 million UGF fiscal note.
- Alaska Marine Highway: Shortfall in CY25 of up to \$38.0 million (assuming the same size grant as CY24 and a 7-ship schedule).
- Ongoing Employee Bargaining Negotiations: four unions (Alaska Correctional Officers Association, Alaska Public Employees Association Supervisory Unit, Labor, Trades and Crafts, and new University of Alaska Graduate Student Employees union) are currently negotiating new contracts to begin in FY25.

Getting to a Balanced FY25 Budget

Spring Revenue Forecast	6,448.5
GovAmend+ Op. Budget plus	
Transfers	4,714.8
GovAmend+ Capital Budget	297.1
Remainder	1,436.6

Legislation Passed by One or Both Bodies

SB 140 (Passed both)	241.3
Senior Benefits (Senate passed)	23.5
Other Bills Passing One Body	11.4
Remainder	1,160.4

		PFD Amounts excl. Energy	
	Cost	Amount	Relief (est. to be \$222 per Remaining person)
75/25 PFD	914.3	246.1	\$1,360 per person
50/50 PFD	1,828.6	(668.2)	\$2,277 per person
Statutory PFD	2,303.0	(1,142.6)	\$3,513 per person

Other Potential Budget Items

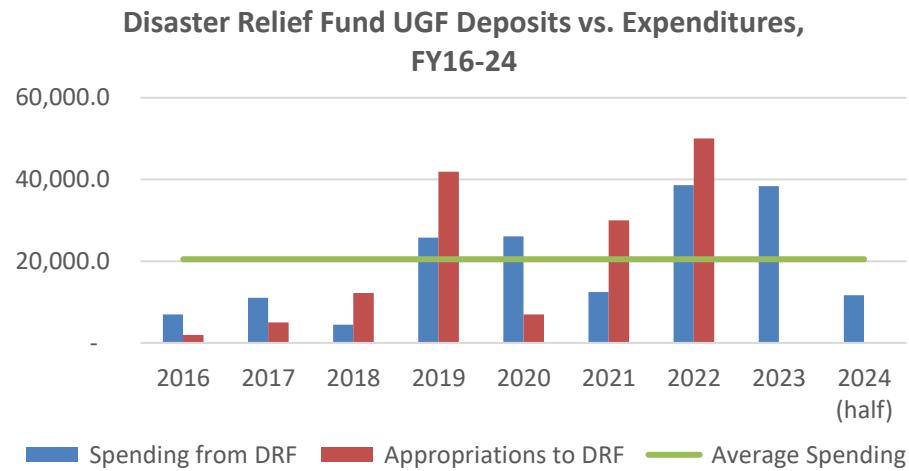
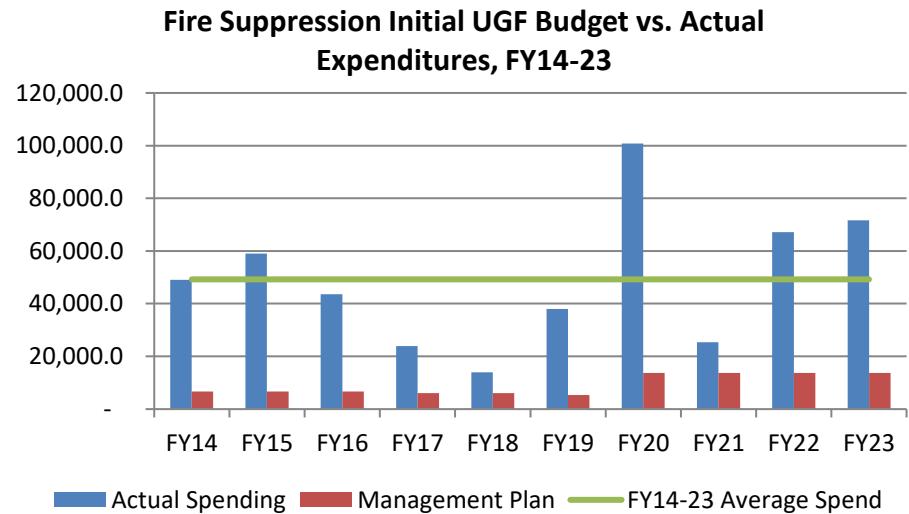
Item	Governor Amount	Full List	Note
Renewable Energy Fund	5.0	32.0	Gov amount is top 2+ projects
School Construction	4.0	260.5	Gov amount is top project
School Major Maintenance	4.3	249.1	Gov amount is top 2 projects
Deferred Maintenance	28.2	2,182.5	University (\$1.5 billion of backlog) requests additional \$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.
 - House Finance CS for operating budget includes \$10.0 million in FY25 to increase distribution to \$30.0 million, but no additional capitalization.
- Fiscal notes for bills that have passed one body:
 - HB 89 (Childcare): \$5.9 million UGF cost and \$4.8 million revenue reduction
 - SB 104 (Civil Legal Services Fund): \$444.8 UGF cost
 - SB 24 (Mental Health Education): \$256.0 UGF cost
- 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).
 - Replacing one-time items from FY24 (childcare \$7.5 million, Council on Domestic Violence and Sexual Assault \$3.7 million, Head Start \$2.5 million, etc.)
 - 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 \$75.0 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.



Change in Budgeted Positions

Agency	24MgtPln	GovAmd+	Difference	%
Administration	1,178	1,185	7	0.6%
Commerce, Community & Econ Dev	557	572	15	2.7%
Corrections	2,124	2,124	0	0.0%
Education & Early Dev	285	287	2	0.7%
Environmental Conservation	546	546	0	0.0%
Family and Community Services	1,866	1,866	0	0.0%
Fish and Game	829	842	13	1.6%
Governor	145	146	1	0.7%
Health	1,537	1,542	5	0.3%
Labor & Workforce Dev	679	680	1	0.1%
Law	566	600	34	6.0%
Military & Veterans' Affairs	274	282	8	2.9%
Natural Resources	738	745	7	0.9%
Public Safety	991	1,003	12	1.2%
Revenue	835	835	0	0.0%
Transportation	3,007	3,011	4	0.1%
University of Alaska	3,664	3,664	0	0.0%
Judiciary	748	754	6	0.8%
Legislature	270	270	0	0.0%
Total	20,839	20,954	115	0.6%

Questions?

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