



Updated Fiscal Outlook

Senate Finance Committee
March 19, 2025
Legislative Finance Division

Fiscal Summary of Governor's Amended Budget with Spring Revenue Forecast

FY25-FY26 Governor’s Amended Budget (UGF Only)					
	FY25	FY26	Difference		
Spring Revenue Forecast	6,261.4	6,128.6			
Agency Operations	4,693.1	4,562.7	(130.4))	(2.8%)	
Statewide Items	400.1	416.0	15.9	4.0%	
Capital Budget	330.7	294.0	(36.7)	(11.1%)	
Permanent Fund Dividend	914.3	2,504.4	1,590.1	173.9%	
Total Budget (pre-Supplementals)	6,338.2	7,777.2	1,439.0	22.7%	
Pre-Transfer Surplus/(Deficit)	(76.8)	(1,648.6)			
Fund Transfers	4.3	6.6			
Post-Transfer Surplus/(Deficit)	(81.1)	(1,655.2)	Ending Balance	FY25	FY26
			SBR	-	-
Governor’s Supplementals	91.4		CBR	2,965.0	1,463.8
Post-Transfer Surplus/Deficit	(172.5)				

K-12 Funding Legislation

Cost of K-12 Funding Bills	FY26	FY27	FY28	FY26-FY28 Total
HB 69 (H. Ed)	325,616.8	499,566.0	644,143.9	1,469,326.7
HB 69 (House)	275,352.6	275,325.6	275,325.6	826,003.8
SB 82/HB 76	116,240.0	181,540.5	181,540.5	479,321.0
SB 66/HB 59	17,466.8	12,051.9	12,051.9	41,570.6

- The FY25 budget included \$174.7 million in funding above the Foundation Formula (equivalent to \$680 in the Base Student Allocation) and \$7.3 million above the Pupil Transportation formula (\$182.0 million total).
- The Governor proposed two major K-12 bills this year: SB 66 (Tribal Compacting) and SB 82 (Education Omnibus). HB 69, which is currently in the Senate Education Committee, would increase the BSA by \$1,000 and add reading incentive grants that were proposed in the Governor's bill.
- The amounts for this bill have been updated to match the Department of Education and Early Development's fiscal notes reflecting all amendments made in the House.

Senate Finance FY26 Budget Scenario

- The Senate Finance co-chairs requested a scenario to envision what the final FY26 budget could look like. This does not reflect final decisions and is illustrative only.
- Since the March 10 presentation, the revenue forecast has been updated to the Spring DOR forecast, and the Governor's March 13 budget amendments have been incorporated

Senate Finance FY26 Budget Scenario

\$680 BSA Increase, 75/25 PFD

(Illustration only, millions)

Item	FY26	Notes
1 Spring UGF Revenue Forecast	6,128.6	
2 GovAmend Operating Budget/Fund Transfers	4,985.4	Includes 3/13 amendments
3 Surplus Remaining	1,143.2	
4 Placeholder for New Contracts	40.0	
5 Foundation Formula Increase	172.7	\$680 BSA increase
6 Pupil Transportation Increase	7.3	Matches FY25
7 Community Assistance	6.7	For \$30m total FY26 distribution
8 Child Care	10.0	FY25 = \$7.5 million
9 Fire Suppression (above Gov)	27.7	Average year is \$27.7 million above Gov
10 Disaster Relief Fund (above Gov)	3.8	Average year is \$3.8 million above Gov
11 AMHS Backstop	10.0	Matches FY25, FY28 increase to \$76.5
12 Capital Budget	300.0	GovAmend = 294.0
13 Legislative Capital Budget Additions	-	
14 DM, School Construction/Maintenance, UA DM	50.0	
15 Fiscal Notes	-	
16 Other Changes	20.0	Subcommittee and other additions
17 75/25 PFD	949.7	\$1,420 per recipient
18 Total Additions	1,597.9	
19 Deficit	(454.6)	+ \$50 million placeholder for future supp: (504.6)

House Finance Co-Chairman's FY26 Budget Scenarios

- A House Finance Co-Chairman did a similar exercise in a March 5, 2025 meeting, but included several PFD scenarios:
 1. 75/25 PFD
 2. \$1,000 PFD
 3. \$2,000 PFD
 4. Statutory PFD
 5. “Balanced Budget” PFD
- The Senate Finance Co-Chairs asked to show Scenario 5 in this presentation. The remaining scenarios are part of the meeting documents for the March 5 House Finance Committee meeting.
- This presentation shows that scenario modified to use the Governor’s amended budget and the spring forecast as the starting point, plus the House-passed version of HB 69 rather than the pre-amendment version.

House Finance Co-Chairman's FY26 Scenario 5
Modified by SFIN to Add Spring Forecast, 3/13 GovAmends, and full HB 69
Cost
(Illustration only, millions)

Item	FY26	Notes
1 Spring UGF Revenue Forecast	6,128.6	
2 GovAmend Operating Budget/Fund Transfers	4,985.4	Includes 3/13 amendments
3 Surplus Remaining	1,143.2	
4 Placeholder for New Contracts	40.0	
5 Foundation Formula Increase	275.4	House passed HB 69, incl. \$1,000 BSA increase
6 Pupil Transportation Increase	7.3	Matches FY25
7 Community Assistance	6.7	For \$30m total FY26 distribution
8 Child Care	7.5	Matches FY25
9 Fire Suppression (above Gov)	-	Matches Gov (\$25.8 million)
10 Disaster Relief Fund (above Gov)	-	Matches Gov (\$13.0 million)
11 AMHS Backstop	10.0	Matches FY25, FY28 increase to \$76.5
12 Capital Budget	300.0	GovAmend = 294.0
13 Legislative Capital Budget Additions	-	
14 DM, School Construction/Maintenance, UA DM	50.0	
15 Fiscal Notes	-	
16 Other Changes	40.0	Subcommittee and other additions
17 Balanced Budget PFD	406.3	\$570 per recipient
18 Total Additions	1,143.2	
19 Deficit	-	

FY26-28 Senate Finance Scenario

- Assumes existing schedules for statewide items, adds \$7.8m placeholder for new school bond debt starting in FY27.
- Agency operations and the capital budget grow with inflation (2.5%) over FY26 levels (from scenario on previous page), except Medicaid is shown with a 4.5% growth rate. This change has also been applied to the House scenario.
- Adds additional \$66.5 million for AMHS in FY28 to replace expired federal funds.
- \$50.0 million supplemental budget placeholder in FY26 and beyond.

Senate Finance FY25-28 Scenario

\$680 BSA Increase, 75/25 PFD

(Illustration only, millions)

		FY25	FY26	FY27	FY28
1	POMV Revenue	3,657.3	3,798.9	3,978.0	4,017.0
2	Traditional Revenue	2,604.1	2,329.7	2,356.6	2,372.6
3	UGF Revenue Total	6,261.4	6,128.6	6,334.6	6,389.6
4	ANS Oil Price	\$74.48	\$68.00	\$67.00	\$66.00
5					
6	Agency Operations	4,693.1	4,822.7	4,958.2	5,164.3
7	Statewide Items	400.1	454.2	524.5	531.3
8	Capital Budget	330.7	350.0	358.8	367.7
9	75/25 PFD	914.3	949.7	994.9	1,004.6
10	Pre-Transfer Surplus/(Deficit)	(76.8)	(448.0)	(501.8)	(678.2)
11	PFD/Person	\$1,702	\$1,420	\$1,493	\$1,505
12					
13	Supplementals	91.4	50.0	50.0	50.0
14	Fund Transfers	4.3	6.6	0.3	0.3
15	Final Surplus/Deficit	(172.5)	(504.6)	(552.1)	(728.5)

FY25-26 Deficits total \$677.1 million

House Finance Co-Chairman's FY25-28 Scenario 5
 Modified by SFIN to Add Spring Forecast, 3/13 GovAmends, Medicaid Growth
 of 4.5% from MESA Report and full HB 69 Cost
 (Illustration only, millions)

		FY25	FY26	FY27	FY28
1	POMV Revenue	3,657.3	3,798.9	3,978.0	4,017.0
2	Traditional Revenue	2,604.1	2,329.7	2,356.6	2,372.6
3	UGF Revenue Total	6,261.4	6,128.6	6,334.6	6,389.6
4	ANS Oil Price	\$74.48	\$68.00	\$67.00	\$66.00
5					
6	Agency Operations	4,693.1	4,943.0	5,081.5	5,290.6
7	Statewide Items	400.1	422.7	493.0	499.8
8	Capital Budget	330.7	350.0	358.8	367.7
9	Balanced Budget PFD	914.3	406.3	401.1	231.2
10	Pre-Transfer Surplus/(Deficit)	(76.8)	6.6	0.3	0.3
11	PFD/Person	\$1,702	\$570	\$576	\$310
12					
13	Supplementals	91.4	50.0	50.0	50.0
14	Fund Transfers	4.3	6.6	0.3	0.3
15	Final Surplus/Deficit	(172.5)	(50.0)	(50.0)	(50.0)

FY25-26 Deficits total \$222.5 million

Questions?

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