

## Potential Increases in the FY19 Budget

UGF Only

EXPENDITURES		FY18	Change from FY18	FY19	Notes
<b>Agency Operations</b>		<b>3,732.6</b>	<b>116.7</b>	<b>3,849.3</b>	
1	Medicaid		32.0		Anticipated FY18 shortfall after \$30m in cost savings. (no additional growth assumed for FY19). OMB projects \$75 million.
2	AMHS		40.0		Attempted use of one-time money in FY18
3	Fire Suppression		15.0		Typically funded with supplemental
4	Salary and Benefits		15.0		Anticipated increases in health care (excludes School Districts)
5	Inmate Health Care		10.0		Used power project fund in FY17 and did not adjust in FY18 (expect a supplemental as well as a request for money for FY19 costs)
6	Mt Edgecumbe		4.7		Used Public School Trust in FY18. Not repeatable.
<b>Statewide</b>		<b>423.0</b>	<b>182.0</b>	<b>605.0</b>	
7	Debt Service	209.4	5.0		
8	Fund Capitalizations	50.1	34.0		
	9 Community Assistance	8.0			Need a \$30m supplemental in FY18. PCE can pay the entire \$30m in FY19.
	10 Oil & Gas Tax Credits	57.0	17.0		Used \$20m SBR supplemental, less \$3m decline
	11 Public Education Fund	(17.0)	17.0		Adds \$17.0 to replace U-med Road Supplemental
12	State Assistance to Retirement	163.5	143.0		Adds \$114.0 for new valuation + replacing \$29m of higher ed money
<b>Capital Budget</b>		132.0	-	132.0	Unknown, but reappropriations will be increasingly difficult to find
<b>Dividends</b>		760.0	-	760.0	Unknown, but bigger dividends translate to bigger deficits if they reduce the amount of the ERA payout to the general fund
<b>Transfers</b>		(70.6)	-	(70.6)	
<b>TOTAL UGF BUDGET and Projected FY19 Hole</b>		<b>4,977.0</b>	<b>298.7</b>	<b>5,275.7</b>	Projected increase in FY19 to maintain FY18 level of service. OMB estimate is \$297 million. <b>But note that the LFD fiscal model already builds in about \$200m of the increase.</b>
<b>REVENUE</b>		<b>FY18</b>		<b>FY19</b>	
Baseline Revenue		1,831.9		1,919.8	FY19 oil price projected at \$60. Out-of-date forecast
POMV from ERA		760.0		760.0	Assumed to be same as FY18
Adjustments		53.1		53.1	AmHess and Carryforward
Insurance Premium Tax				55.0	Insurance premiums begin going to GF as ACHI sunsets in FY18
<b>TOTAL REVENUE</b>		<b>2,645.0</b>		<b>2,787.9</b>	
<b>ESTIMATED DEFICIT</b>		<b>(2,332.0)</b>		<b>(2,487.8)</b>	
<b>CBR Balance at Beginning of FY19:</b>				<b>2,134.6</b>	revised 10/11/17
<b>FY19 Deficit exceeds CBR Balance by:</b>				<b>353.2</b>	The CBR alone will not fill the projected deficit. Cuts, additional revenue or use of the ERA may be required.