

Budget 101 Training

House Finance Committee
Wednesday, February 20, 2019

David Teal, Director, Legislative Finance Division
Amanda Ryder, Operating Budget Coordinator , Legislative Finance Division

Goal of this Presentation

- Provide legislators and staff with basic budget information.
- An introduction to the budget process and terminology, specifically:
 - What is an appropriation?
 - What is the appropriation process?
 - What do appropriation bills look like?
 - How is an appropriation bill generated?
 - What are Fund Groups and why are they important?
 - Budget resources available to analyze and prepare subcommittee budgets

Note: This is not a discussion of the fiscal situation or revenue options.

What is an appropriation?

An appropriation is authorization to withdraw funding from the treasury and to spend funds for a stated purpose.

Five characteristics of an appropriation:

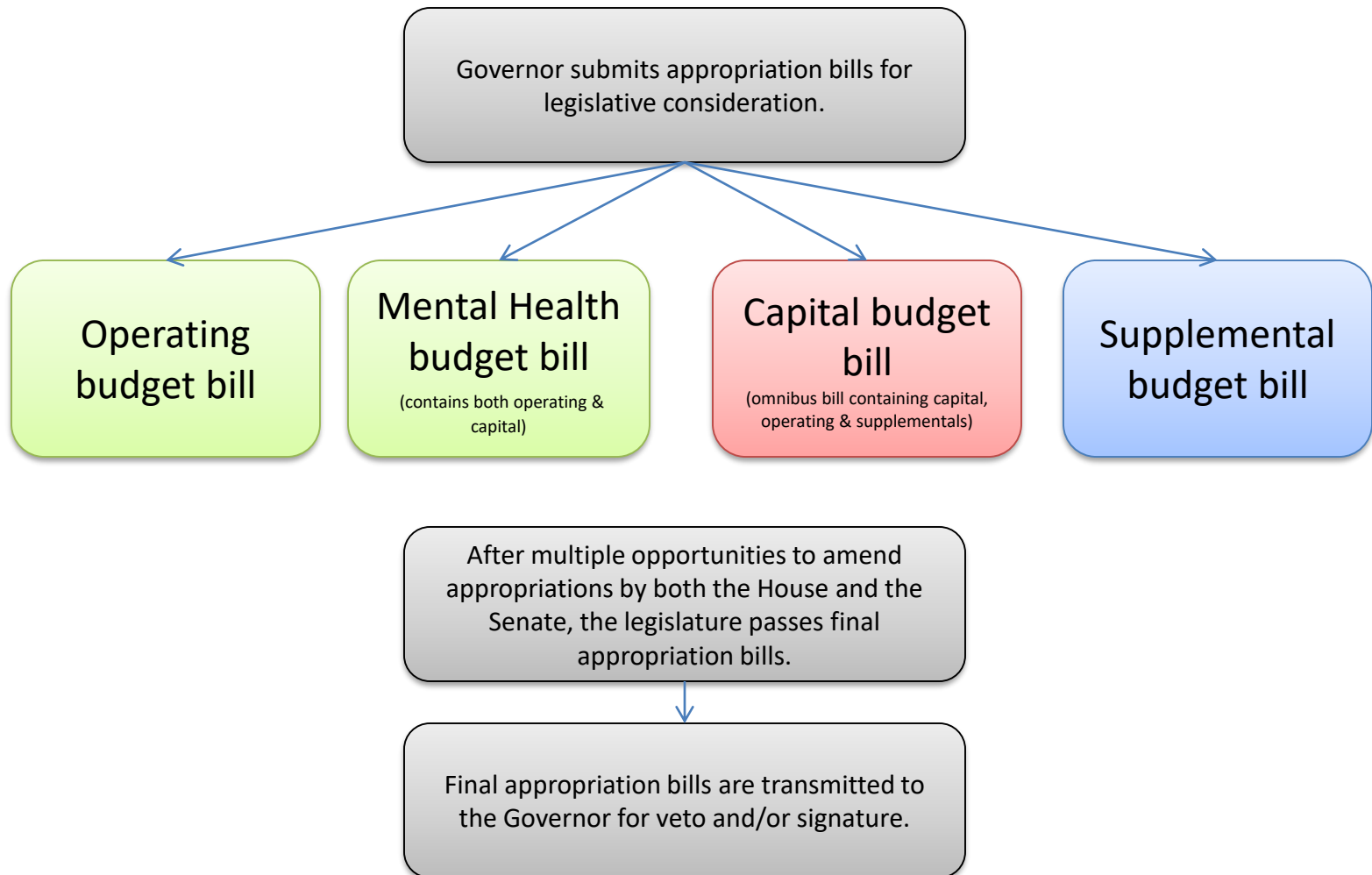
1. Who gets the money
2. The amount of money
3. The sources of money
4. The purpose
5. The time frame

An appropriation must occur in an appropriation bill.

A bill cannot mix a substantive bill and an appropriation bill.

NOTE: Fiscal notes are informational—not an appropriation. Fiscal note funding occurs ONLY if the funding is included in an appropriation bill.

What is the appropriation process?



What do appropriation bills look like?

Appropriation bills contain two major parts:

- 1) **Numbers Section** (section 1 of the operating bill) generated by Legislative Finance Division (LFD)
- 2) **Language Sections** generated by Legal Services

Example of a Numbers Section

	Appropriation Allocations	General Items	Other Funds	Other Funds
June 30, 2018, of receipts collected under the Department of fect cost plan for expenditures incurred by the Department of				
7 Commercial Fisheries	69,004,900	50,255,800	18,749,100	
8 The amount appropriated for Commercial Fisheries includes the unexpended and				
9 unobligated balance on June 30, 2018, of the Department of Fish and Game receipts from				
10 commercial fisheries test fishing operations receipts under AS 16.05.050(a)(14), and				
11 from commercial crew member licenses.				
12 Southeast Region Fisheries	12,831,800			
13 Management				
14 Central Region Fisheries	10,721,600			
15 Management				
16 AYK Region Fisheries	9,489,500			
17 Management				
18 Westward Region Fisheries	13,997,400			
19 Management				
20 Statewide Fisheries	18,649,200			
21 Management				
22 Commercial Fisheries Entry	3,315,400			
23 Commission				
24 The amount appropriated for Commercial Fisheries Entry Commission includes the				
25 unexpended and unobligated balance on June 30, 2018, of the Department of Fish and				
26 Game, Commercial Fisheries Entry Commission program receipts from licenses, permits				
27 and other fees.				
28 Sport Fisheries	46,716,100	1,970,100	44,746,000	
29 Sport Fisheries	40,948,600			
30 Sport Fish Hatcheries	5,767,500			
31 Wildlife Conservation	48,140,300	1,898,500	46,241,800	
32 Wildlife Conservation	47,223,400			
33 Hunter Education Public	916,900			

-13- FY2019 Operating Budget Bill, Sec. 1

Example of Language Sections

1 of the Mt. Edgecumbe Aquatic Center for the
2 June 30, 2019.

3 (b) Section 20, ch. 2, 4SSLA 2016, is amended to read:

4 Sec. 20. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT.

5 The sum of \$300,000 is appropriated from the general fund to the Department of
6 Education and Early Development, education support services, executive
7 administration, for multi-year funding for [DEDICATED TO] a temporary position or
8 contract personnel and other expenses relating to P.L. 114-95 (Every Student Succeeds
9 Act) for the fiscal years ending June 30, 2017, [AND] June 30, 2018, and June 30,
10 2019.

11 * Sec. 13. DEPARTMENT OF FISH AND GAME. (a) An amount equal to the dive fishery
12 management assessment collected under AS 43.76.150 - 43.76.210 in the fiscal year ending
13 June 30, 2018, estimated to be \$500,000, and deposited in the general fund, is appropriated
14 from the general fund to the Department of Fish and Game for payment in the fiscal year
15 ending June 30, 2019, to the qualified regional dive fishery development association in the
16 administrative area where the assessment was collected.

17 (b) After the appropriation made in sec. 24(t) of this Act, the remaining balance of the
18 Alaska sport fishing enterprise account (AS 16.05.130(e)) in the fish and game fund
19 (AS 16.05.100), not to exceed \$500,000, is appropriated to the Department of Fish and Game
20 for sport fish operations for the fiscal year ending June 30, 2019.

The Numbers Section

(generated by the Legislative Finance Division)

The numbers section (section 1) is generated using a “budget structure”. The budget structure consists of appropriations and allocations and is important because it is the mechanism the legislature uses to control where funding can be spent. Funding cannot be transferred between appropriations, however, it can be transferred between the various allocations within an appropriation.

Appropriation =

Second level of a budget structure and may relate to divisions within a Department/Agency

Allocations =

Lowest level of budget structure and may relate to programs within a division

Wordage = Clarifying language (typically conditional language or intent language) that is inserted in the numbers section of an appropriation bill.

4 Fish and Game's federal indirect cost plan for expenditures incurred by the Department of
5 Fish and Game.

6
7 **Commercial Fisheries** 69,004,900 50,255,800 18,749,100
8 The amount appropriated for Commercial Fisheries includes the unexpended and
9 unobligated balance on June 30, 2018, of the Department of Fish and Game receipts from
10 commercial fisheries test fishing operations receipts under AS 16.05.050(a)(14), and
11 from commercial crew member licenses.

12 Southeast Region Fisheries 12,831,800
13 Management
14 Central Region Fisheries 10,721,600
15 Management
16 AYK Region Fisheries 9,489,500
17 Management
18 Westward Region Fisheries 13,997,400
19 Management
20 Statewide Fisheries 18,649,200
21 Management
22 Commercial Fisheries Entry 3,315,400
23 Commission

24 The amount appropriated for Commercial Fisheries Entry Commission includes the
25 unexpended and unobligated balance on June 30, 2018, of the Department of Fish and
26 Game, Commercial Fisheries Entry Commission program receipts from licenses, permits
27 and other fees.

28 **Sport Fisheries** 46,716,100 1,970,100 44,746,000
29 Sport Fisheries 40,948,600
30 Sport Fish Hatcheries 5,767,500
31 **Wildlife Conservation** 48,140,300 1,898,500 46,241,800
32 Wildlife Conservation 47,223,400
33 Hunter Education Public 916,900

Example of a Numbers Section

-13- FY2019 Operating Budget Bill, Sec. 1

Language Sections

Generated by Legal Services

Example of Language Section appropriations

1	boarding school, for maintenance and operation of the Mt. Edgecumbe Aquatic Center for the	
2	fiscal years ending June 30, 2018, and June 30, 2019.	
3	(b) Section 20, ch. 2, 4SSLA 2016, is amended to read:	
4	Sec. 20. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT.	
5	The sum of \$300,000 is appropriated from the general fund to the Department of	
6	Education and Early Development, education support services, executive	
7	administration, for multi-year funding <u>for</u> [DEDICATED TO] a temporary position or	
8	contract personnel and other expenses relating to P.L. 114-95 (Every Student Succeeds	
9	Act) for the fiscal years ending June 30, 2017, [AND] June 30, 2018, <u>and June 30,</u>	
10	<u>2019.</u>	
11	* Sec. 13. DEPARTMENT OF FISH AND GAME. (a) An amount equal to the dive fishery	
12	management assessment collected under AS 43.76.150 - 43.76.210 in the fiscal year ending	
13	June 30, 2018, estimated to be \$500,000, and deposited in the general fund, is appropriated	
14	from the general fund to the Department of Fish and Game for payment in the fiscal year	
15	ending June 30, 2019, to the qualified regional dive fishery development association in the	
16	administrative area where the assessment was collected.	
17	(b) After the appropriation made in sec. 24(t) of this Act, the remaining balance of the	
18	Alaska sport fishing enterprise account (AS 16.05.130(e)) in the fish and game fund	
19	(AS 16.05.100), not to exceed \$500,000, is appropriated to the Department of Fish and Game	
20	for sport fish operations for the fiscal year ending June 30, 2019.	

How is an appropriation bill generated?

2018 Legislature - Operating Budget Transaction Change Detail - ConfCom Structure

Numbers and Language
Exclude Transaction Types: PosAdj

Agency: Department of Fish and Game

Appropriation: Sport Fisheries
Allocation: Sport Fisheries

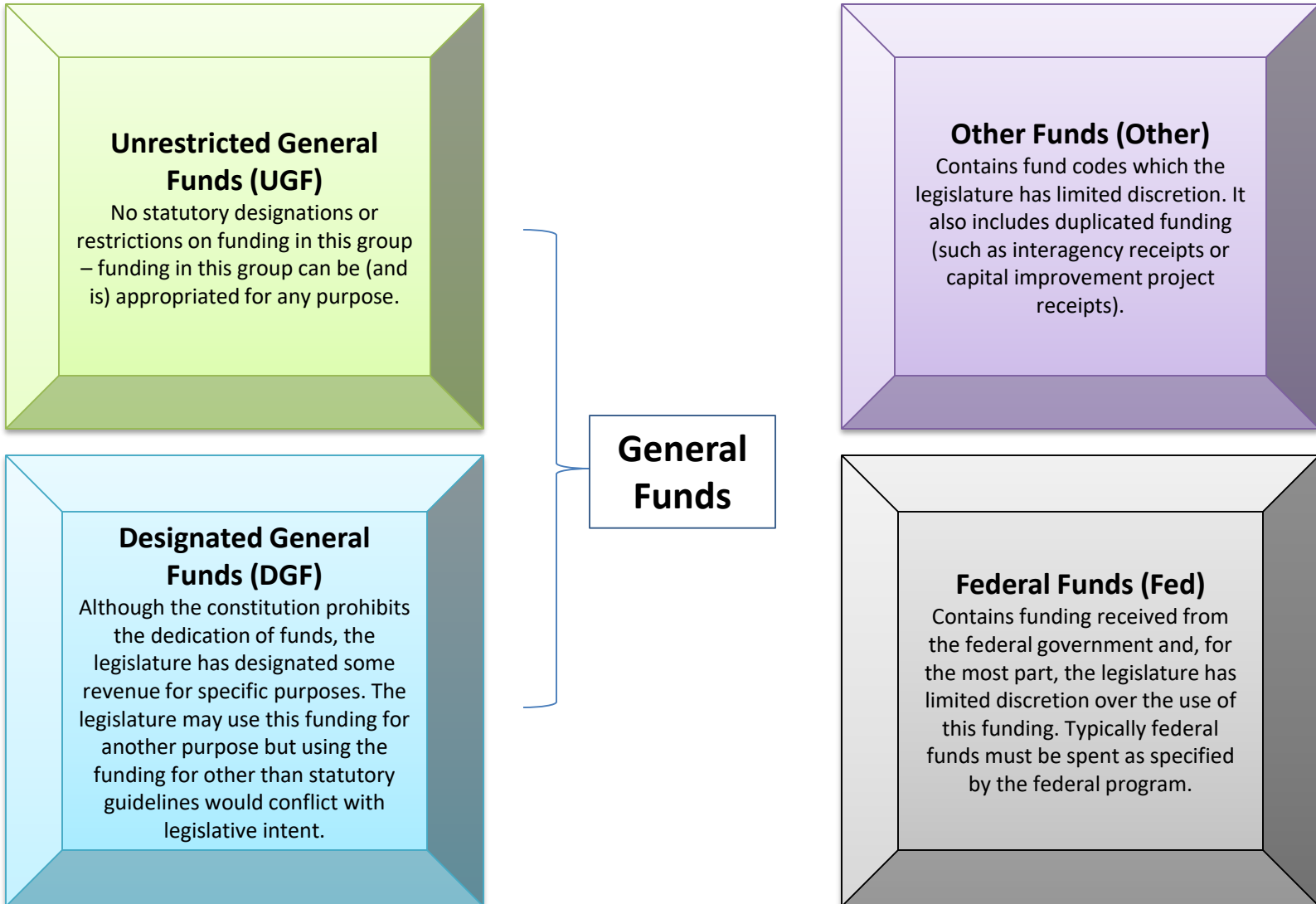
Transaction Title	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
FY18 Conference Committee	ConfCom	40,870.0	24,789.0	326.7	13,049.3	1,993.5	711.5	0.0	0.0	154	149	9
1002 Fed Rcpts (Fed)		16,371.5										
1003 GF/Match (UGF)		498.4										
1004 Gen Fund (UGF)		1,519.0										
1007 I/A Rcpts (Other)		830.7										
1024 Fish/Game (Other)		18,067.8										
1061 CIP Rcpts (Other)		2,113.7										
1108 Stat Desig (Other)		1,468.9										
L FY18 Conference Committee	LangCC	500.0	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0
1199 Sportfish (Other)		500.0										
FY18 Conference Committee Total		41,370.0	24,789.0	326.7	13,549.3	1,993.5	711.5	0.0	0.0	154	149	9
*** Changes from FY18 Conference Committee to FY18 Authorized ***												
FY18 Authorized Total		41,370.0	24,789.0	326.7	13,549.3	1,993.5	711.5	0.0	0.0	154	149	9
*** Changes from FY18 Authorized to FY18 Management Plan ***												
FY18 Management Plan Total		41,370.0	24,789.0	326.7	13,549.3	1,993.5	711.5	0.0	0.0	154	149	9
*** Changes from FY18 Management Plan to FY19 Adjusted Base ***												
FY2019 GGU Health Insurance Premium Increase from \$1,389 to \$1,432	Sa1Adj	78.6	78.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed)		33.9										
1004 Gen Fund (UGF)		2.7										
1007 I/A Rcpts (Other)		1.3										
1024 Fish/Game (Other)		29.0										
1061 CIP Rcpts (Other)		8.5										
1108 Stat Desig (Other)		3.2										
Transfer Assistant Director (11-5022) from Commercial Fisheries	TrIn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Statewide Fisheries Management												
FY19 Adjusted Base Total		41,448.6	24,867.6	326.7	13,549.3	1,993.5	711.5	0.0	0.0	155	149	9
*** Changes from FY19 Adjusted Base to FY19 Governor Request ***												
L Reverse Sport Fishing Enterprise Account for Sport Fish Operations	OTI	-500.0	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
1199 Sportfish (Other)		-500.0										
L Sec 12(b), HB286 Restore Sport Fishing Enterprise Account for Sport Fish Operations	IncM	500.0	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0
1199 Sportfish (Other)		500.0										
Replace Unrestricted General Fund with Fish and Game Funds	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-50.0										
1024 Fish/Game (Other)		50.0										
FY19 Governor Request Total		41,448.6	24,867.6	326.7	13,549.3	1,993.5	711.5	0.0	0.0	155	149	9
*** Changes from FY19 Governor Request to FY19 Governor w/LFD Adjust ***												
FY19 Governor w/LFD Adjust Total		41,448.6	24,867.6	326.7	13,549.3	1,993.5	711.5	0.0	0.0	155	149	9

2019-02-19 12:04:10

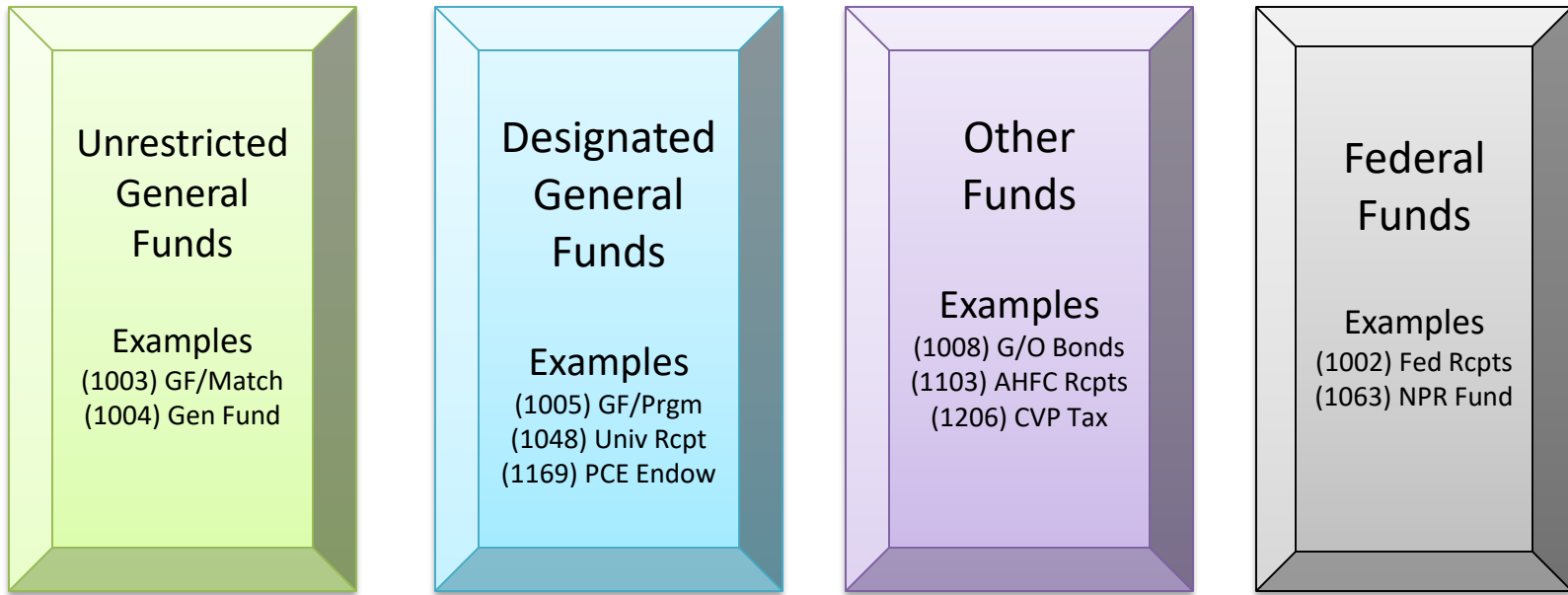
Legislative Finance Division

Page: 1

What are the Fund Groups?



Why are Fund Groups important?



Legislature's discretion on use of funds.



Budget Resources

1) Fiscal Summary

<http://www.legfin.akleg.gov/FisSum/DisplayReports.php>

There are three parts to the Fiscal Summary:

- 1) Fiscal Year to Fiscal Year
- 2) SLA to SLA
- 3) Balance of Reserve Accounts

State of Alaska Fiscal Summary--FY18 and FY19 (Part 1)
(\$ millions)

	FY18 Budget						FY19 Budget						Change in UGF	
	Unrestricted General Funds	Designated General Funds	Total General Funds	Other State Funds	Federal Receipts	All Funds	Unrestricted General Funds	Designated General Funds	Total General Funds	Other State Funds	Federal Receipts	All Funds	\$	%
REVENUE	3,121.5	1,018.5	4,140.1	745.1	3,075.4	8,860.6	5,960.5	1,002.0	6,962.5	741.4	3,780.3	10,584.2	1,939.0	62.1%
1 Unrestricted General Fund Revenue (Top 10 Revenue) (1)	2,330.3	-	2,330.3	-	-	2,330.3	1,298.1	-	1,298.1	-	-	1,298.1	-	-
2 Revenues beyond 20% Constitutional Deduction (2)	-	-	-	-	-	-	18.9	-	18.9	-	-	18.9	-	-
3 POLY Payroll from LSA for Public Services (3)	-	-	-	-	-	-	1,009.4	-	1,009.4	-	-	1,009.4	-	-
4 POLY Payroll from ERA for Dividends (4)	-	-	-	-	-	-	1,023.5	-	1,023.5	-	-	1,023.5	-	-
5 Transfer from ERA for Dividends (FY18)	700.0	-	700.0	-	-	700.0	-	-	-	-	-	-	-	-
6 Commitment, Projects, and Appropriations (6)	24.2	35.0	59.2	0.6	59.8	-	-	-	-	-	-	-	-	-
7 Restricted Revenue (5)	-	953.5	953.5	745.1	3,075.4	5,753.5	-	1,002.0	1,002.0	741.4	3,780.3	5,523.7	-	-
APPROPRIATIONS	4,334.3	946.3	5,301.1	968.4	2,797.9	8,756.5	4,552.1	801.8	5,353.9	964.5	2,879.8	8,748.2	217.8	6.0%
TOTAL OPERATING APPROPRIATIONS	3,550.3	889.3	4,739.3	585.4	2,756.4	8,085.1	3,537.3	789.9	4,727.2	611.3	2,842.7	7,989.9	87.8	2.3%
10 Agency Operations	3,120.1	858.7	3,978.8	585.4	2,756.4	7,399.4	3,073.3	789.9	4,227.2	611.3	2,842.7	7,889.9	188.9	5.0%
11 Current Fiscal Year Appropriations	1,250.5	556.7	1,807.2	20.0	1,230.3	3,314.2	1,250.5	556.7	1,807.2	20.0	1,230.3	3,314.2	32.4	2.0%
12 P-12 Foundation and Page Transportation (Formula)	566.2	0.3	566.5	20.0	20.0	1,296.5	1,297.0	0.3	1,297.3	0.3	20.0	1,317.6	20.0	1.5%
13 Reduced Services (Formula)	147.7	55.7	203.4	6.7	1,585.1	1,750.5	161.2	56.2	187.4	7.3	1,881.1	2,068.4	87.6	17.2%
14 Other Formula Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Reduced Programs, legislatively Approved (RPA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Fiscal Notes (FY18 notes are included in MP)	-	0.0	0.0	-	-	0.0	4.8	1.6	6.4	18.4	0.0	25.2	4.8	4.8
17 Notes (non-additive)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Disposition of Appropriation (non-additive) (8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Supplemental Appropriations (Agency Operations)	39.3	29.3	68.6	5.4	5.3	89.3	-	-	-	-	-	-	29.3	3.3%
Statewide Items	484.1	77.8	561.9	79.9	30.8	674.4	514.3	71.9	586.2	53.5	27.9	768.3	136.7	27.8%
20 Current Fiscal Year Appropriations	484.1	47.3	531.4	79.9	27.8	639.5	514.3	71.9	586.2	53.5	27.9	768.3	146.4	30.0%
21 Debt Service	200.4	14.1	214.5	7.7	7.7	230.0	115.7	30.3	146.0	4.7	5.2	166.2	166.2	17.4%
22 Public Utilities	96.7	6.1	102.8	9.8	25.4	138.0	45.7	5.1	50.8	8.4	2.9	59.2	44.0	15.1%
23 Community Assistance	8.0	-	8.0	-	-	8.0	4.0	30.0	34.0	-	-	34.0	34.0	100.0%
24 Oil & Gas Production Tax Credits	37.0	-	37.0	-	-	37.0	-	-	-	-	-	-	-	-
25 RMA School Fund	40.0	-	40.0	-	-	40.0	39.7	-	39.7	-	-	39.7	39.7	100.0%
26 Public Education Fund	177.0	-	177.0	-	-	177.0	39.0	2.1	41.1	22.7	31.2	72.3	31.2	43.1%
27 Other Fund Contributions	16.0	29.0	45.0	6.2	22.4	73.6	21.0	-	21.0	-	-	21.0	21.0	100.0%
28 Public Programs to Redesign Systems	5.3	-	5.3	-	-	5.3	127.1	-	127.1	-	-	127.1	127.1	100.0%
29 Fiscal Notes (FY18 notes are included in MP) (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Legislative Claims and Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Disposition of Appropriation (non-additive) (8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Supplemental Appropriations (Statewide Items)	54.1	38.0	92.1	-	3.0	95.1	-	-	-	-	-	-	38.0	4.0%
33 Community Assistance	10.0	-	10.0	-	-	10.0	-	-	-	-	-	-	-	-
34 Election Fund	10.0	-	10.0	-	-	10.0	-	-	-	-	-	-	-	-
35 Transfer Fund	10.0	-	10.0	-	-	10.0	-	-	-	-	-	-	-	-
36 Outcomes, Claims and Settlements	5.1	-	5.1	-	-	5.1	-	-	-	-	-	-	-	-
TOTAL CAPITAL APPROPRIATIONS	154.8	37.2	191.8	75.7	1,198.4	1,456.9	147.8	112.8	260.6	76.8	1,109.6	1,447.0	(6.9)	-4.4%
40 Current Fiscal Year Appropriations	130.0	28.0	158.0	6.6	1,184.4	1,416.1	147.8	112.8	260.6	76.8	1,089.6	1,447.0	13.0	1.3%
41 Project Appropriations (FY18)	130.0	28.0	158.0	6.6	1,184.4	1,416.1	147.8	112.8	260.6	76.8	1,089.6	1,447.0	13.0	1.3%
42 Capital Notes (non-additive) (9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 Disposition of Appropriation (non-additive) (8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44 Supplemental Appropriations (Capital)	24.8	9.2	34.0	11.1	-	45.1	-	-	-	-	-	-	24.8	5.6%
45 Notes on the Other (includes all fund accounts) (8)	154.8	37.2	191.8	75.7	1,198.4	1,456.9	147.8	112.8	260.6	76.8	1,109.6	1,447.0	(6.9)	-4.4%
Pre-Transfer Fund Authorization (unapportioned)	4,489.0	1,003.9	5,492.9	745.1	3,075.4	10,213.4	4,099.9	974.6	5,074.5	741.4	3,780.3	10,196.2	217.0	4.7%
Permanent Fund Earnings Reserve	760.9	-	760.9	-	-	760.9	1,023.5	-	1,023.5	-	-	1,023.5	262.6	34.7%
46 Permanent Fund Dividends	760.9	-	760.9	-	-	760.9	1,023.5	-	1,023.5	-	-	1,023.5	262.6	34.7%
47 Inflation-Protected Deposits to Principal from the ERA	-	-	-	-	-	-	1,023.5	-	1,023.5	-	-	1,023.5	262.6	34.7%
48 Inflation-Protected Deposits from ERA to Principal	-	-	-	-	-	-	(960.0)	-	(960.0)	-	-	(960.0)	-	-
Pre-Transfer Authorization (unapportioned)	5,249.0	1,003.9	6,252.9	745.1	3,075.4	10,073.4	5,723.4	974.6	6,698.0	741.4	3,780.3	11,219.7	474.4	9.0%
50 Pre-Transfer Balance (includes the CBF) (3)	(2,127.4)	-	(2,127.4)	-	-	(2,127.4)	(862.9)	-	(862.9)	-	-	(862.9)	-	-

State of Alaska Fiscal Summary-- FY18 and FY19 (Part 3)
(\$ millions)

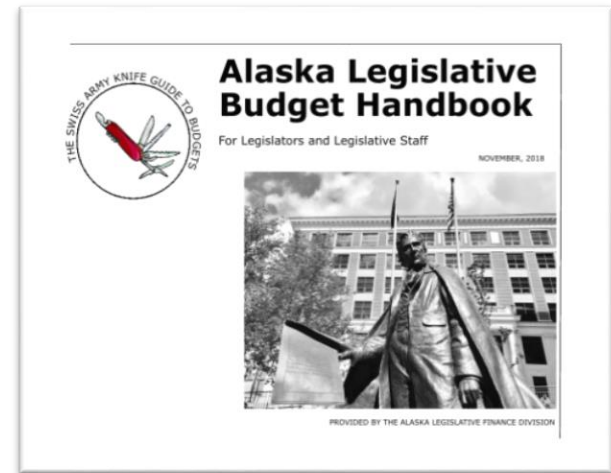
Approximate Balances of Reserve Accounts

	FY18			EoY Balance	FY19			EoY Balance
	BoY Balance	In	Out		BoY Balance	In	Out	
Permanent Fund Principal -- Market Value (no appropriations allowed)	46,969.0	(768.0)	0.0	46,201.0	46,201.0	1,172.5	0.0	47,373.5
Un-designated Reserves	17,477.0	4,598.9	3,010.4	19,065.6	19,065.6	4,264.3	4,449.4	18,880.5
Total Excluding Permanent Fund	4,662.6	206.9	2,252.4	2,617.2	2,617.2	194.3	756.5	2,055.0
Constitutional Budget Reserve Fund (cash)	4,373.3	166.6	2,131.8	2,408.1	2,408.1	166.3	692.7	1,881.7
Statutory Budget Reserve Fund	268.0	-	95.6	172.4	172.4	-	-	172.4
Alaska Housing Capital Corporation Fund	21.8	0.2	-	22.0	22.0	-	21.8	0.2
Alaska Capital Income Fund	(0.4)	40.1	25.0	14.7	14.7	28.0	42.0	0.7
Permanent Fund Earnings Reserve Account	12,814.4	4,392.0	758.0	16,448.4	16,448.4	4,070.0	3,692.9	16,825.5
Designated Reserves	1,470.0	1,375.4	1,372.1	1,473.3	1,473.3	1,361.5	1,388.6	1,446.2
Alaska Higher Education Investment Fund	369.8	25.9	52.6	343.1	343.1	22.1	23.5	341.7
Community Assistance Fund	98.0	30.0	38.0	90.0	90.0	34.0	34.0	90.0
Power Cost Equalization Endowment	1,002.2	76.6	38.6	1,040.2	1,040.2	62.4	88.1	1,014.6
Reserves (Excluding Permanent Fund Principal)	18,947.1	5,974.4	4,382.5	20,539.0	20,539.0	5,625.8	5,838.0	20,326.7
Unrestricted General Fund Appropriations	-	-	-	5,253.3	-	-	-	5,753.2
Years of Reserves (Reserves/UGF Appropriations)	-	-	-	3.91	-	-	-	3.53

Budget Resources (continued)

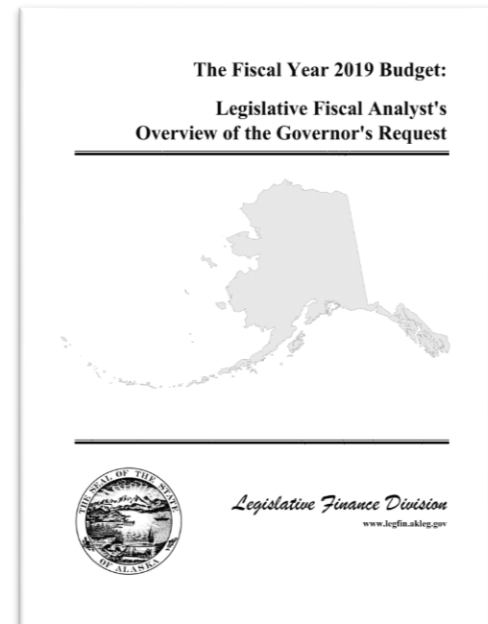
2) Alaska Legislative Budget Handbook (*The Swiss Army Knife Guide to Budget*)

<http://www.legfin.akleg.gov/Other/SwissArmyKnife18.pdf>



3) Legislative Fiscal Analyst's Overview of the Governor's Request

<http://www.legfin.akleg.gov/Overview/SelectYear.php>

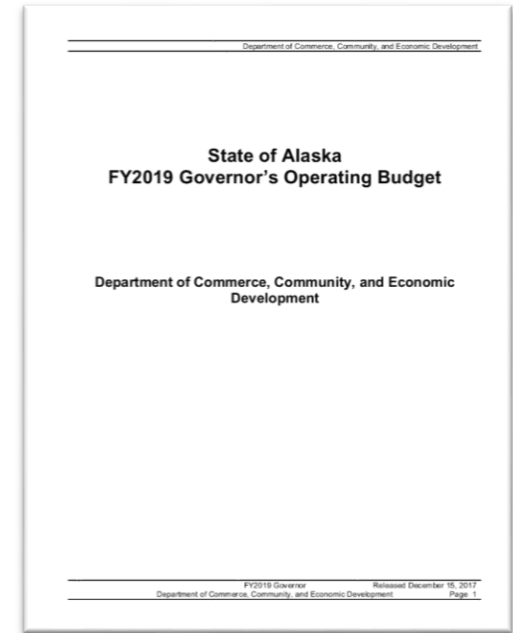


Budget Resources (continued)

4) Governor's Budget Summary Books *(Governor's Detail Budget Books)*

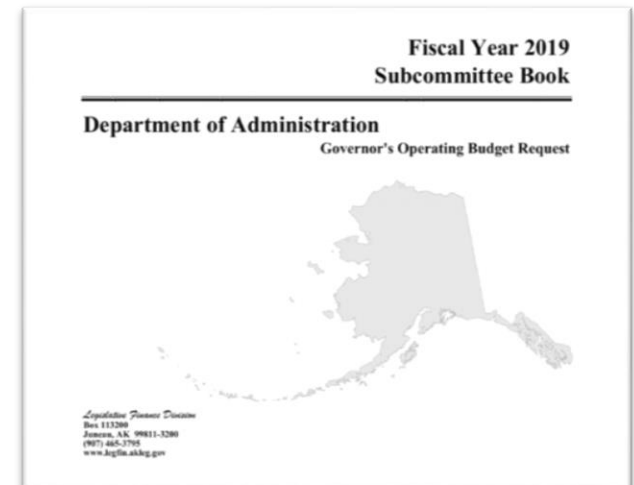
<https://www.omb.alaska.gov/>

Also available in both House and Senate Finance committee Rooms and may be checked out by staff.



5) Governor's Operating Budget Request Books(*Subcommittee Books*)

<http://www.legfin.akleg.gov/GovBooks/SelectYear.php>



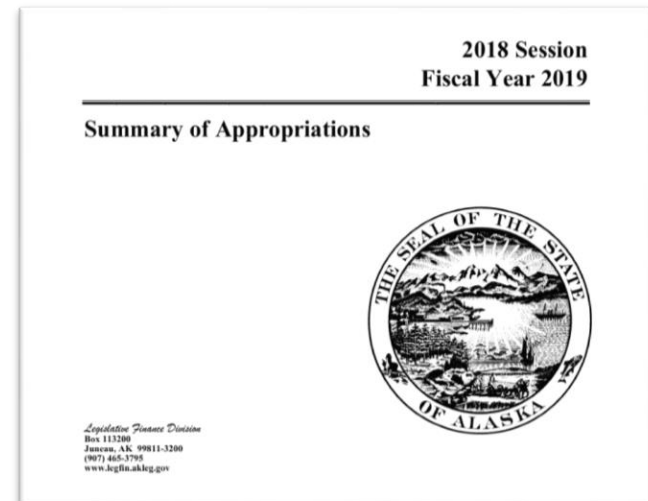
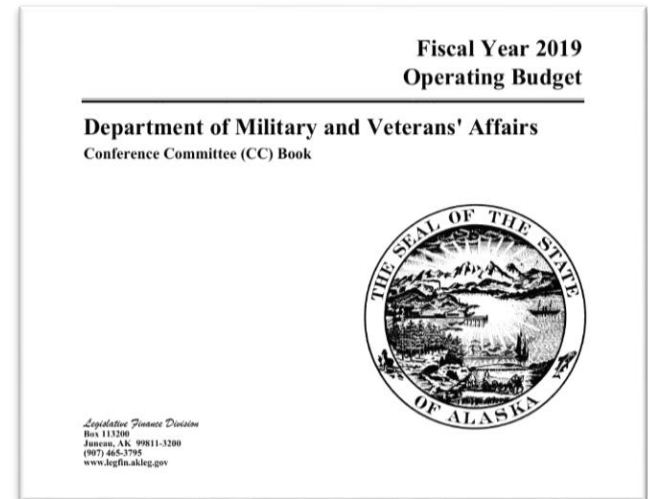
Budget Resources (continued)

6) Conference Committee Books (CC Books)

<http://www.legfin.akleg.gov/CCBooks/SelectYear.php>

7) Summary of Appropriations

<http://www.legfin.akleg.gov/Summary/SelectYear.php>



8) Legislative Finance Division Website

- Budget Reports
- Informational Papers
- Fiscal Note System
- CAPSIS (Capital Project Submission and Information System)
- Analysis Tools

<https://www.omb.alaska.gov//>

- ## Introduction to the Office of Management and Budget's Reports
- Operating Budget Bill**
Annual appropriations covering operating expenses. Appropriations are typically made for a fiscal year, with funds expiring at the end of the fiscal year.

Capital Budget Bill
Appropriations for items exceeding one year and one month and less than \$100,000. Appropriations lapse only if funds remain after the project is completed.

Mental Health Budget Bill
Operating and capital appropriations related to the state's integrated comprehensive mental health program under AS 37.40.030.

The following charts of the operating budget are prepared and submitted to the Governor, the Legislature, and the public:

Conference Committee (if Legislature)	What the Charts Mean – the Annual Operating Budget Cycle	Legislative Committee (if Legislature)	Legislative Committee (if Legislature)	Legislative Committee (if Legislature)	Legislative Committee (if Legislature)
First budget submitted to Governor on October 15th or 20th (at least 10 days to service five item veto requests)	Operating Budget Bill Includes impacts of legislative actions not captured by executive actions and new legislation, and other revenue and savings.	Governor's Proposed Budget Governor's proposed budget for the next fiscal year.	Governor's Proposed Budget Governor's proposed budget for the next fiscal year.	Governor's Proposed Budget Governor's proposed budget for the next fiscal year.	Governor's Proposed Budget Governor's proposed budget for the next fiscal year.
Revised publicly due 10/25	Revised publicly due 10/25	Revised publicly due 10/25	Revised publicly due 10/25	Revised publicly due 10/25	Revised publicly due 10/25
May/June	July	August	December 15th	February	

How the Operating Budget is Organized
The operating budget is presented in one of two ways:
Departmental, Budget Category Units, and Components are used in management reports. They are used to determine the budget for each department, and they are used to determine the budget for each component.

Departmental
Highest level of the budget structure

Component
Lowest level of the budget structure. May relate to programs and usually is equivalent to expenditures in the budget bill.

How the Capital Budget is Organized
The capital budget is presented as projects within departments. Each project is classified as either an expenditure or allocation. Agencies generally cannot receive money between appropriations but they do have discrete source allocations.

Where the Money is Spent
The following line items are used to track each dollar of the operating budget and are reported in the state's accounting system.

Line 1000	Line 1000	Line 1000	Line 1000	Line 1000	Line 1000
Salaries and benefits	Salaries and benefits	Salaries and benefits	Salaries and benefits	Salaries and benefits	Salaries and benefits
Contractual services	Contractual services	Contractual services	Contractual services	Contractual services	Contractual services
Capital equipment	Capital equipment	Capital equipment	Capital equipment	Capital equipment	Capital equipment
Other	Other	Other	Other	Other	Other

Where the Money is Coming From
A 4-digit fund codes specify funding sources for an appropriation. Each fund is categorized as one of four types: LGVF, DGF, Other, or Federal.

Unappropriated General Fund (DGF)
Money with no restrictions on its use.

Designated General Fund (DGF)
Money designated for a specific purpose.

Other
For a more detailed look at the budget process, refer to the [Alaska Legislative Budget Handbook](#) available from the State of Alaska Division of Legislative Finance website at [http://askalaskalaweb.org](#).

Last updated December 12, 2015

Office of Management and Budget
State of Alaska