

State of Alaska Office of Management and Budget

FY2020 Governor's Amended Budget

Presentation to the House Finance Committee

February 21, 2019

Director Donna Arduin



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

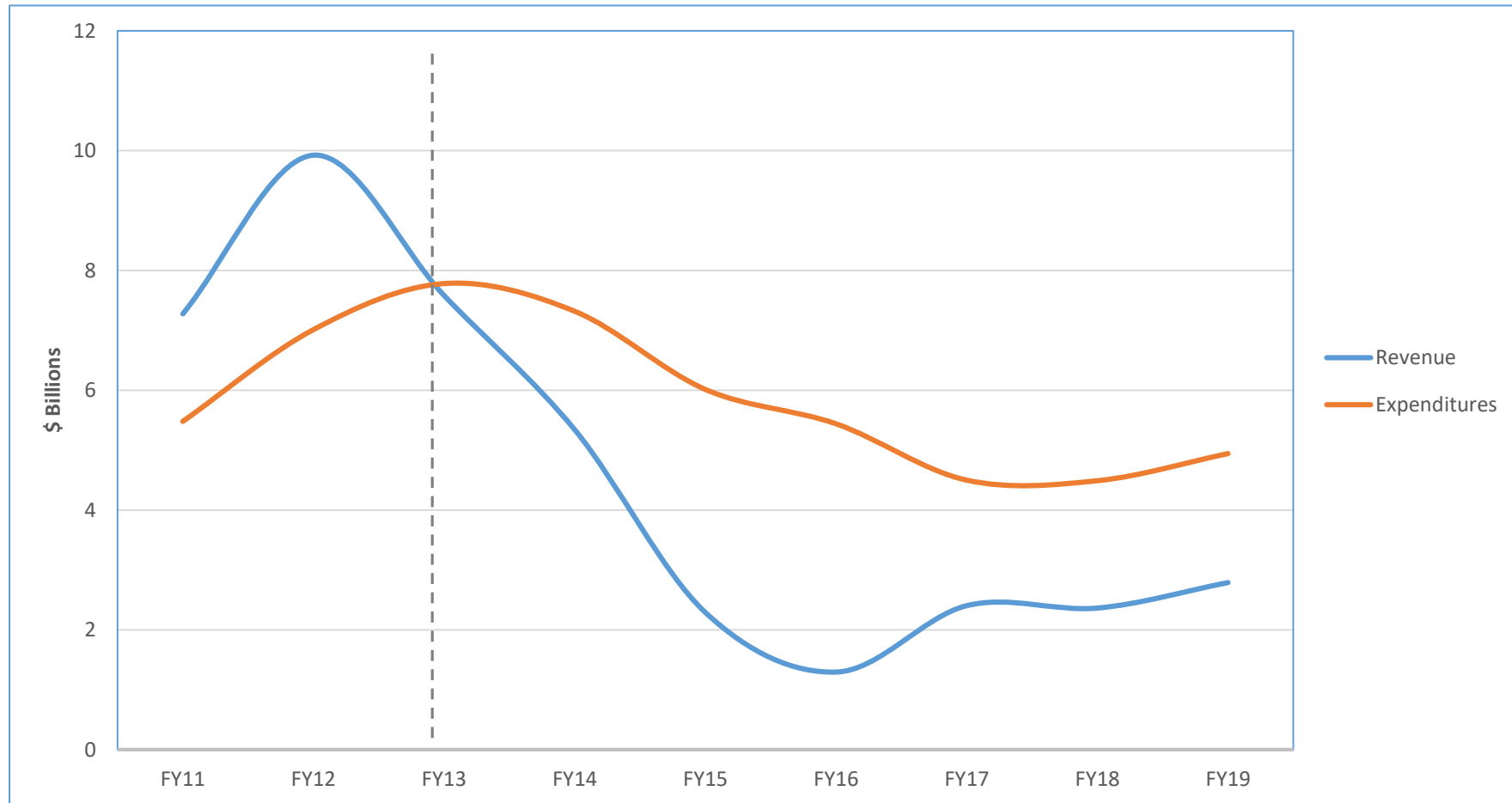
Building the Budget: Core Programs

- Public Safety
- Management of our natural resources
- Preserving maintenance of our transportation infrastructure

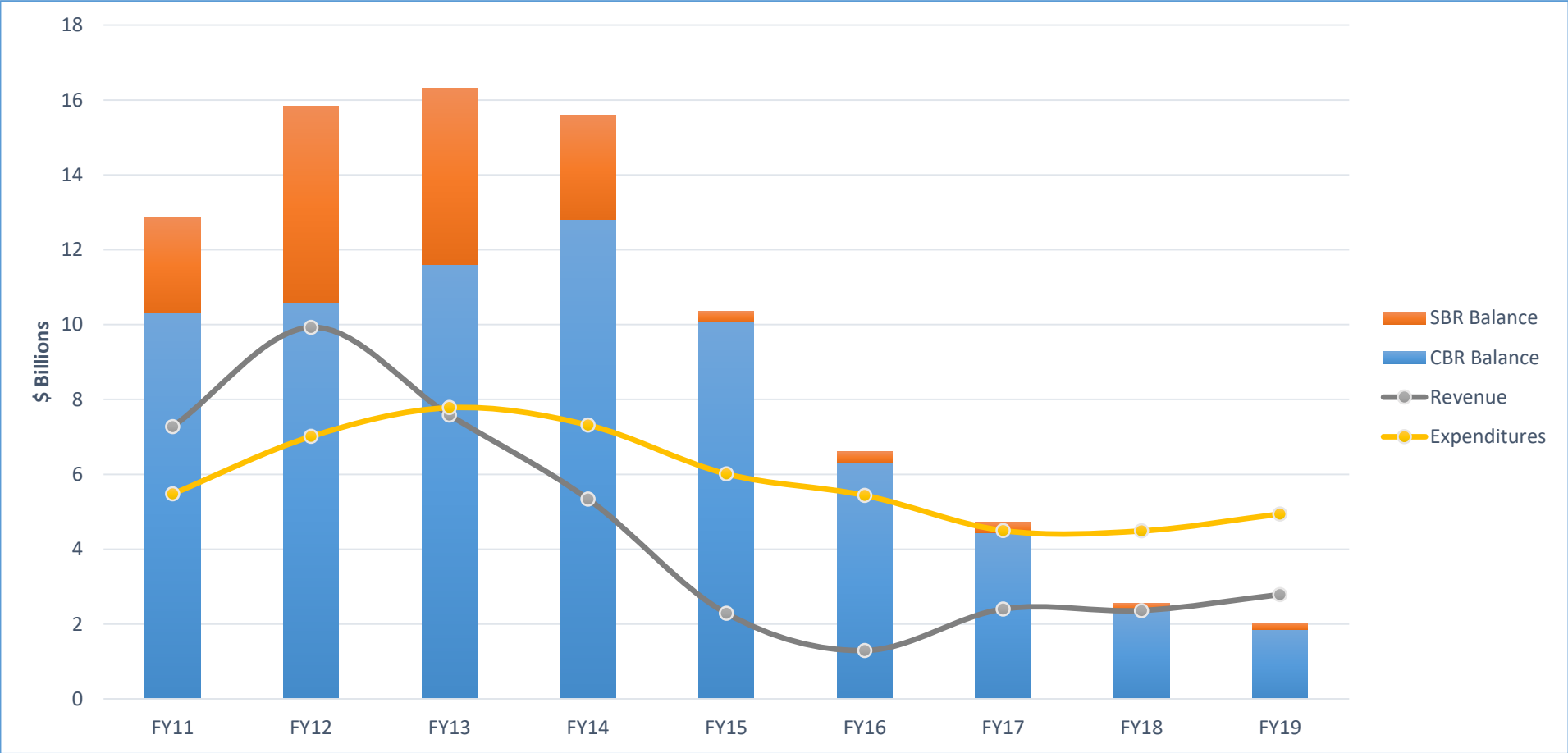
Building the Budget: **Guiding Principles**

- Expenditures cannot exceed existing revenues
- The budget is built on core functions
- Maintaining and protecting our reserves
- The budget does not take additional taxes from Alaskans through taxes or PFD
- It must be sustainable, predictable, affordable

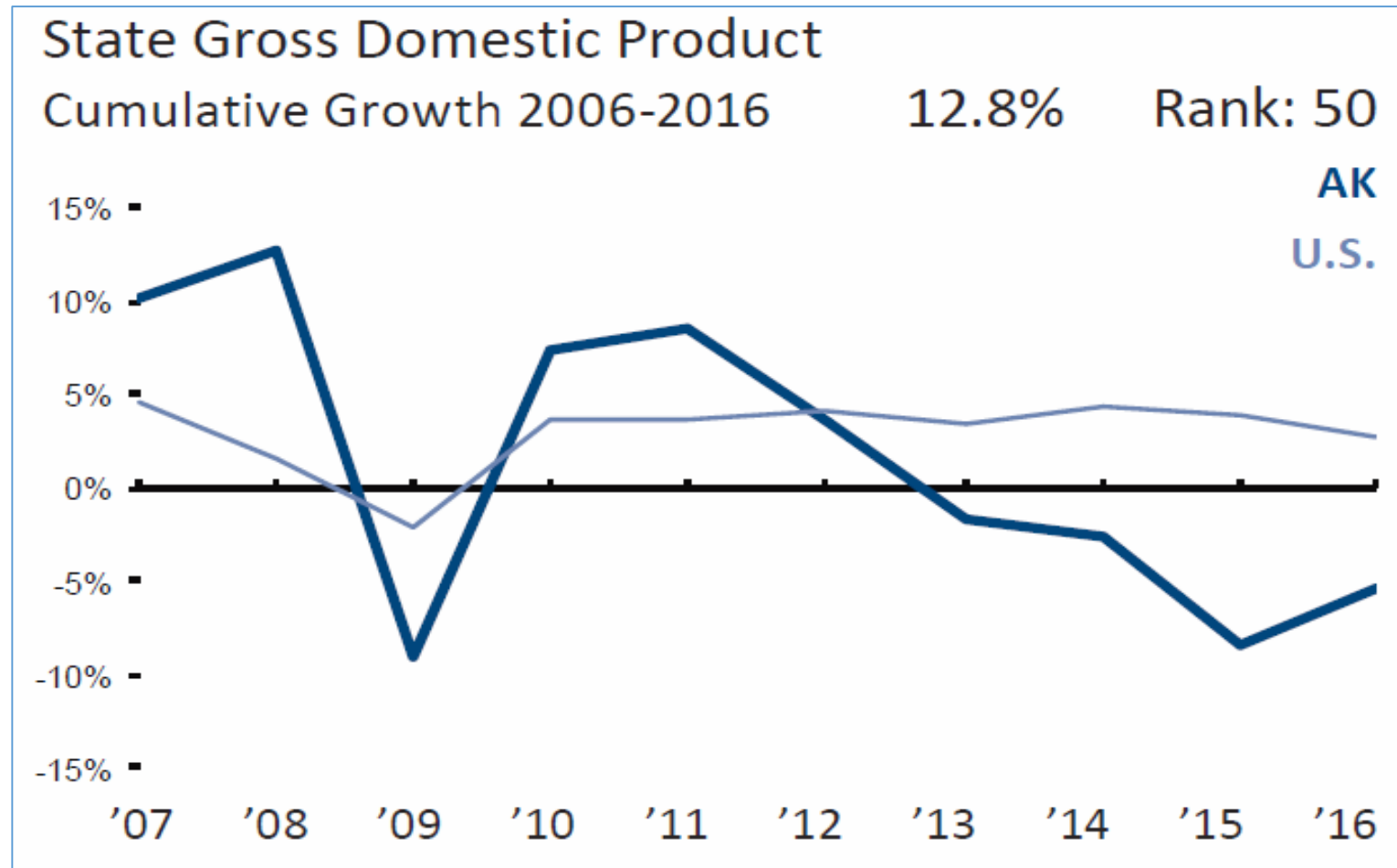
Building the Budget: Historical Look-Back



Building the Budget: Historical Savings, Revenue & Expenditures



Alaska Economic Trends: GDP



Alaska Economic Trends: Population

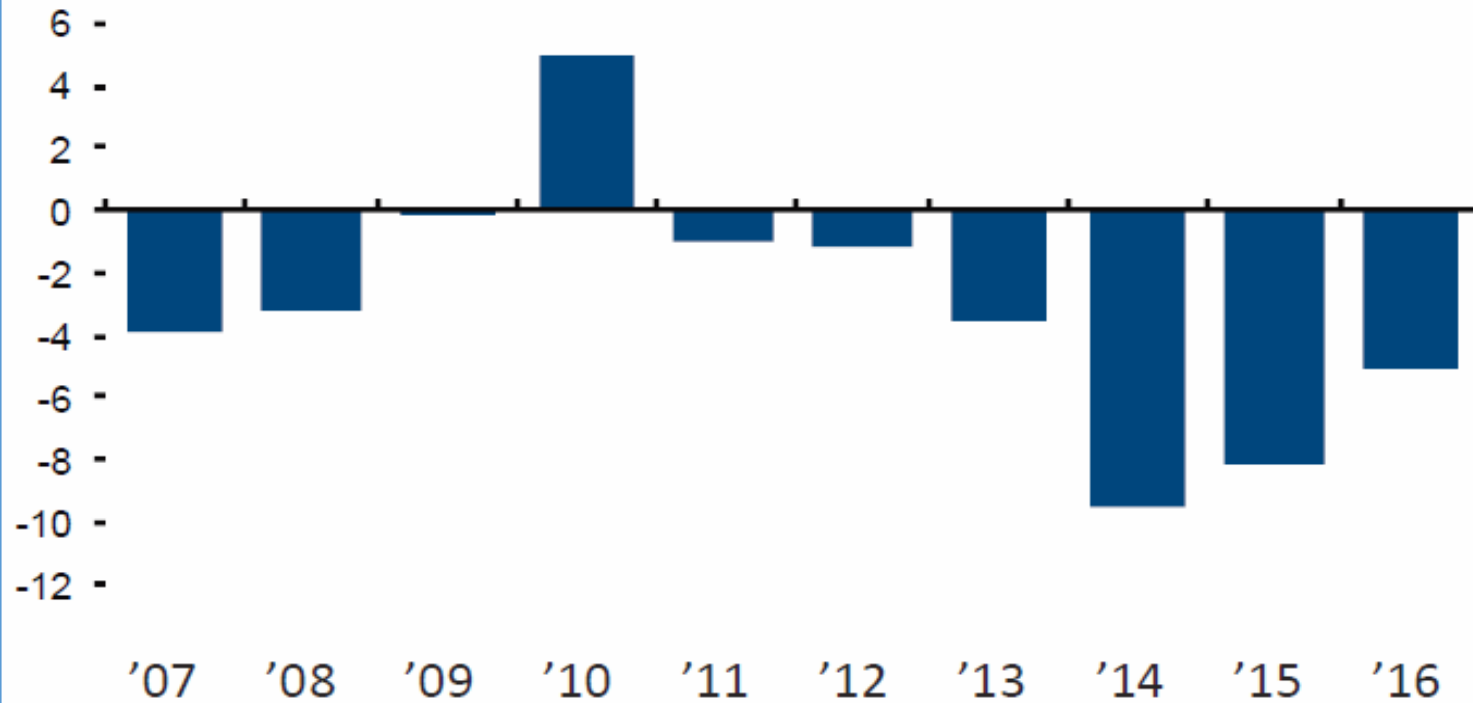
Absolute Domestic Migration

Cumulative 2007-2016

-31,094

Rank: 31

(in thousands)



Alaska Economic Trends: Employment

Non-Farm Payroll Employment

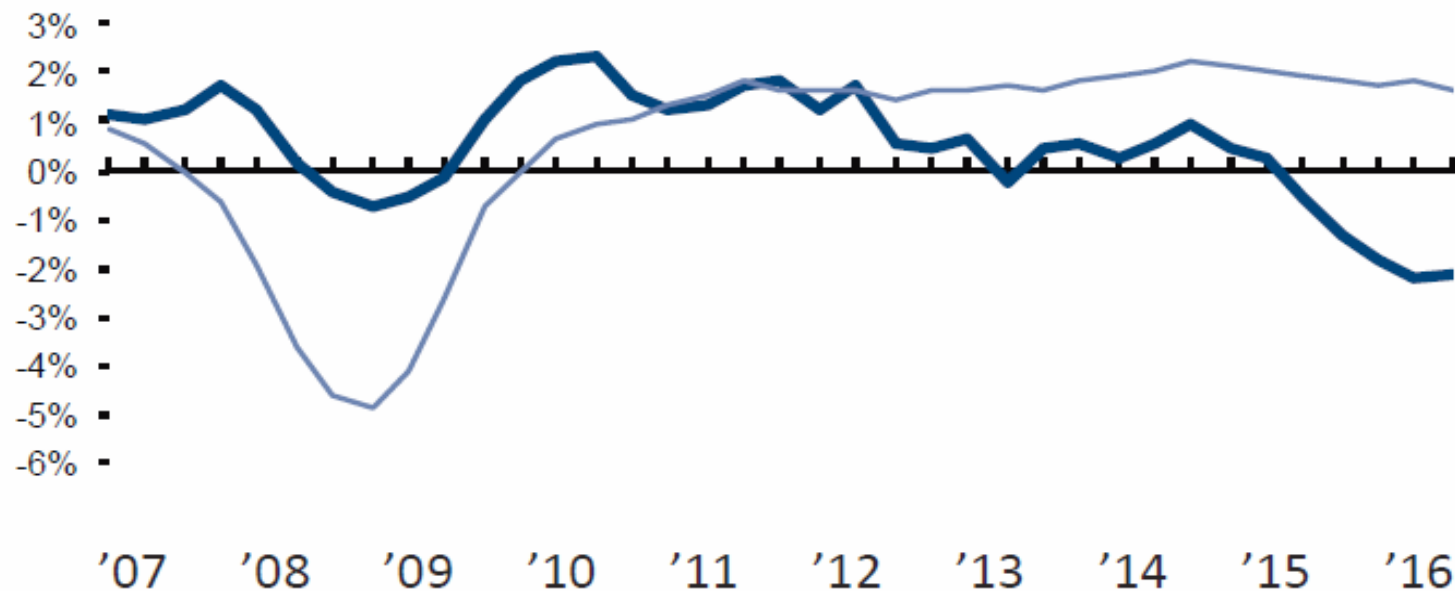
Cumulative Growth 2006-2016

4.7%

Rank: 24

AK

U.S.



Building the Budget: Defining the Problem

FY2019 Management Plan plus Supplemental

Revenues	General Fund	Other Restricted	Federal	FY2019 Total
General Fund Revenue	2,833.8	-	-	2,833.8
Fund Withdrawal	1,871.8			1,871.8
Restricted Revenue	1,102.3	844.5	4,002.1	5,948.8
Revenue from Fiscal Notes	-			-
Total Revenue	5,807.8	844.5	4,002.1	10,654.4

FY2020 Unendorsed Dec. 14 Budget

General Fund	Other Restricted	Federal	FY2020 Total
2,311.4	-	-	2,311.4
989.1			989.1
931.7	743.5	3,783.2	5,458.4
-			-
4,232.1	743.5	3,783.2	8,758.8

Appropriations	General Fund	Other Restricted	Federal	FY2019 Total
Agency Operations	4,952.2	613.1	2,719.9	8,285.2
Statewide Operations	807.2	154.8	64.9	1,026.9
Total Operating	5,759.4	767.9	2,784.8	9,312.1
Capital	331.0	76.6	1,217.2	1,624.8
Fiscal Notes	-	-	-	-
Total Appropriations	6,090.4	844.5	4,002.1	10,936.9

General Fund	Other Restricted	Federal	FY2020 Total
4,863.0	632.4	2,683.2	8,178.6
749.4	68.0	36.5	853.9
5,612.4	700.4	2,719.7	9,032.5
246.5	43.2	1,063.5	1,353.1
-	-	-	-
5,858.9	743.5	3,783.2	10,385.6

Surplus/(Deficit)	(282.6)	-	-	(282.6)
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(1,626.8)	-	-	(1,626.8)
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Balancing the Budget: Fiscal Summary

FY2019 Management Plan plus Supplemental

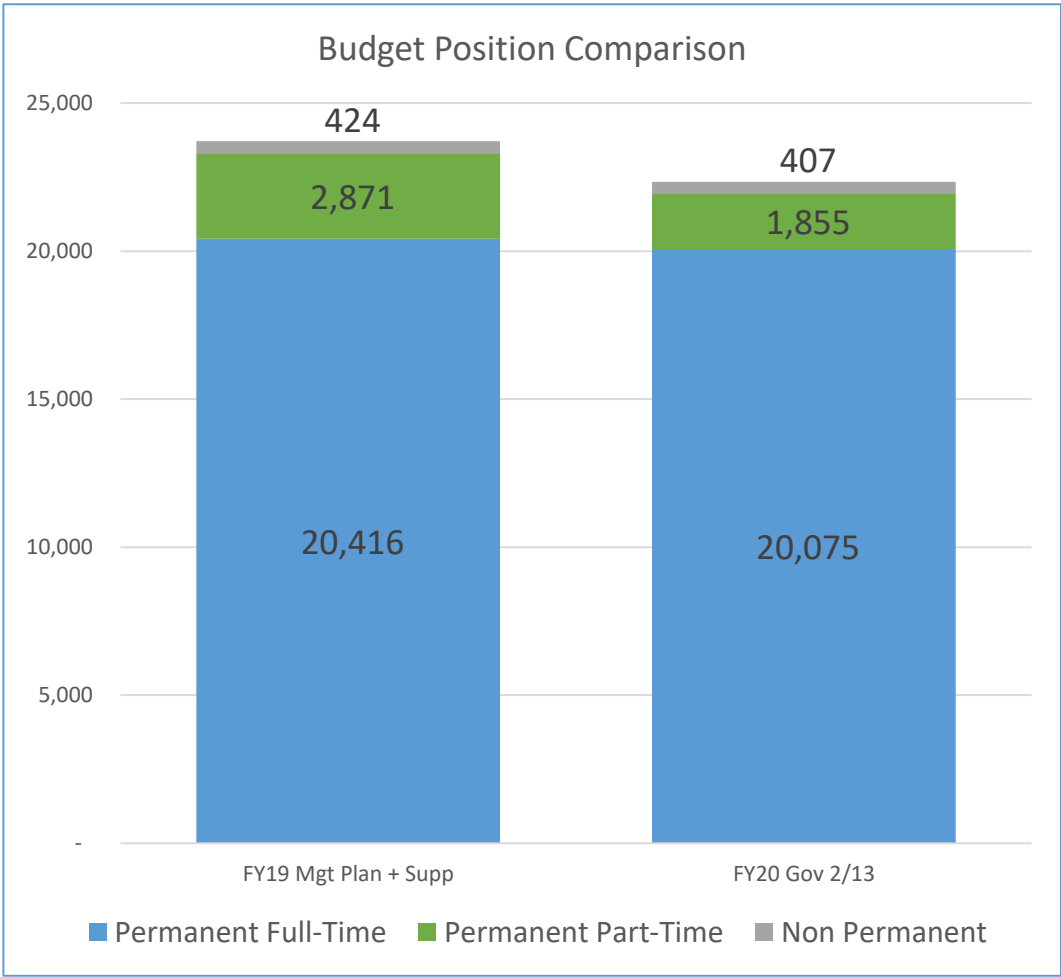
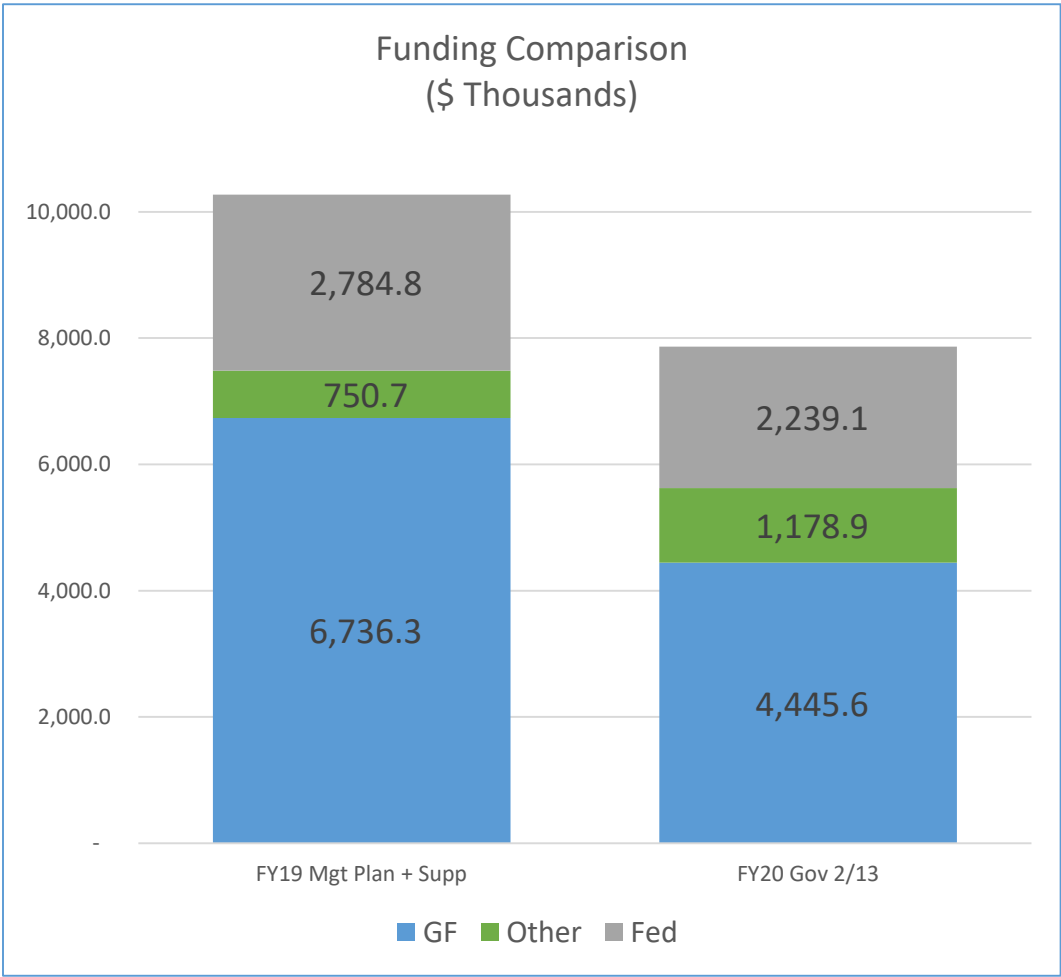
FY2020 Governor's Amended Budget

Revenues	UGF	DGF	General Fund	Other Restricted	Federal	FY2019 Total	UGF	DGF	General Fund	Other Restricted	Federal	FY2020 Total
General Fund Revenue	2,833.8	-	2,833.8	-	-	2,833.8	2,311.4	-	2,311.4	-	-	2,311.4
Fund Withdrawal	1,871.8		1,871.8			1,871.8	989.1		989.1			989.1
Restricted Revenue	-	1,102.3	1,102.3	844.5	4,002.1	5,948.8		932.8	932.8	1,224.5	3,266.7	5,424.0
Revenue from Fiscal Notes			-			-	420.4		420.4			420.4
Total Revenue	4,705.6	1,102.3	5,807.8	844.5	4,002.1	10,654.4	3,720.8	932.8	4,653.6	1,224.5	3,266.7	9,144.8

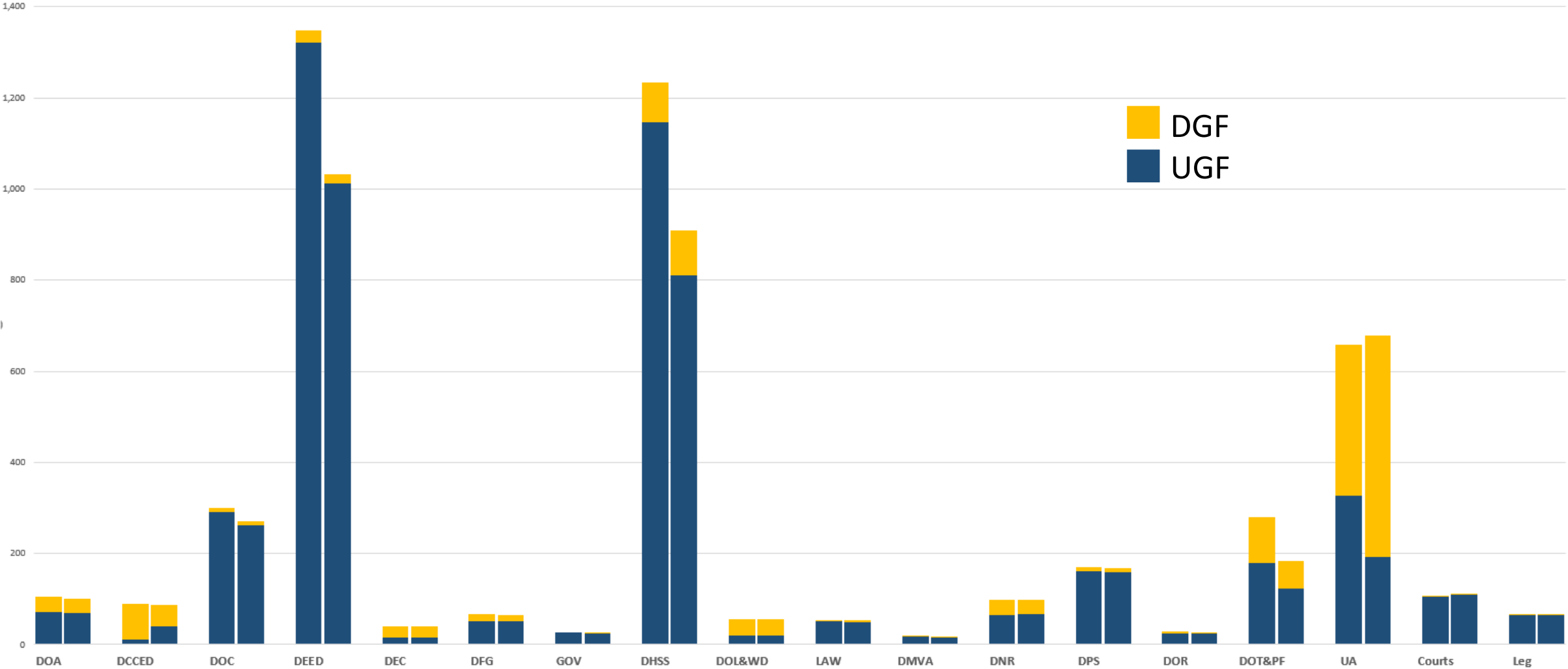
Appropriations	UGF	DGF	General Fund	Other Restricted	Federal	FY2019 Total	UGF	DGF	General Fund	Other Restricted	Federal	FY2020 Total
Agency Operations	4,131.4	820.8	4,952.2	613.1	2,719.9	8,285.2	3,132.6	875.3	4,008.0	940.5	2,202.6	7,151.1
Statewide Operations	707.9	99.3	807.2	154.8	64.9	1,026.9	422.0	15.6	437.6	238.3	36.5	712.4
Total Operating	4,839.3	920.1	5,759.4	767.9	2,784.8	9,312.1	3,554.6	890.9	4,445.6	1,178.9	2,239.1	7,863.5
Capital	148.8	182.2	331.0	76.6	1,217.2	1,624.8	95.8	47.7	143.4	69.3	1,027.7	1,240.4
Fiscal Notes	-	-	-	-	-	-	50.0	(5.9)	44.2	(23.6)	-	20.5
Total Appropriations	4,988.1	1,102.3	6,090.4	844.5	4,002.1	10,936.9	3,700.4	932.8	4,633.2	1,224.5	3,266.7	9,124.4

Surplus/(Deficit)	(282.6)	-	(282.6)	-	-	(282.6)	20.4	-	20.4	-	-	20.4
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FY2020 Budget: Statewide (Operating Only)



FY2020 Budget: UGF and DGF By Department – FY19 Management Plan vs FY20 Gov Amend



FY2020 Budget: Significant Budget Changes & Legislative Proposals (\$ Thousands)

- **Department of Corrections:**

- Crime Bill Repeal - Fiscal Note (+\$37,598.9 GF)
- Transfer 500 Inmates Out of State (-\$12,802.5 GF)
- Close Sentenced Wing of Wildwood Correctional Center (-\$6,000.0 GF)

- **Department of Law:**

- Crime Bill Repeal - Fiscal Note (+\$1,121.1 GF)

- **Judiciary:**

- Trial Courts – Re-Open Courts on Friday Afternoons (+\$3,098.0 GF & +15 PFT)

- **Department of Public Safety:**

- Federal Receipt authority for Council on Domestic Violence & Sexual Assault and the High Intensity Drug Trafficking Areas Program (+\$9,000.0 FED)

FY2020 Budget: Significant Budget Changes & Legislative Proposals (\$ Thousands)

- **Department of Education & Early Development:**

- K-12 Foundation Formula Funding (-\$269,396.9 GF)
- Repeal Education Funding Outside the Formula (-\$30,000.0 GF)
- Repeal Curriculum Fund Established in SLA 2018 (-\$19,500.0 GF)

- **University of Alaska:**

- Withdraw the State Subsidy for University of Alaska System-wide Campuses (-\$154,339.1 UGF)

- **Department of Health & Social Services:**

- Medicaid Cost Containment Measures & Reform (-\$271,039.5 GF)
- Repeal Senior Benefits (-\$19,986.1 GF)
- Reduce Adult Public Assistance (-\$14,700.0 GF)
- Reduce Temporary Assistance for Needy Families (TANF) Maintenance of Effort (-\$16,912.0 GF)

FY2020 Budget: Significant Budget Changes & Legislative Proposals (\$ Thousands)

- **Department of Transportation & Public Facilities:**

- Alaska Marine Highway System Transition (-\$97,988.8 GF)

- **Statewide:**

- Executive Branch 50% Travel Reduction (-\$4,476.9 GF)
- Repeal Local Petroleum Property Tax (+\$398 million GF)
- Repeal School Debt Reimbursement (-\$100 million GF)
- Repeal Capital Project Debt Reimbursement (-\$4,500.0 GF)
- Paydown Oil & Gas Tax Credits:
 - FY2019: \$84 million AIDEA Receipts
 - FY2020: \$170 million AIDEA Receipts
- Begin to Eliminate Quasi-dedicated Funds
 - Power Cost Equalization Fund (~\$1.1 billion)
 - Community Assistance Fund (\$60 million)
 - Higher Education Investment Fund (~\$344 million)

Sustainable, Predictable, Affordable
