

Capital Budget estimate

Produced by Senator Bishop office

\$	200	State Match for federal funds Most likely will increase as more IJA grants are put forth
\$	125	Department-wide Capital Rebuild/replace delapidated buildings/equipment Based on GOV current budget of \$303m minus the match, rounded up
\$	75	Department-wide Initiatives, New Builds, New Equipment For NEW GOV initiatives, i.e. Statehood defense, DPS initiatives, F&G research..
\$	155	2% Deferred Maintenance 2-4% rule to avoid accruing new Deferred Maintenance, the 2% figure would halt the backlog from growing, but not address the \$2.2B Backlog (4% would be \$310m)
\$	50	AEA Bulk Fuel Deferred Maintenance backlog of \$800m per AEA in 2021 Annual Report
\$	100	University DM Priority list typically is \$50-75m. Current Backlog is over \$1.5B. Following the 2-4% rule would be \$98-196m
\$	50	School Major Maintenance Current FY24 list is \$413.5m. List is recurring yearly.
\$	50	School Construction Current FY24 list is \$195.6m. List is recurring yearly.
\$	20	Legislative Adds Estimated based on \$1m per Senate District. Potentially a low estimate, for example last year the State put match forward for Port of Nome, Army Corps projects
\$	825	million

*Gov proposed Cap budget of \$303m does not include:

University DM

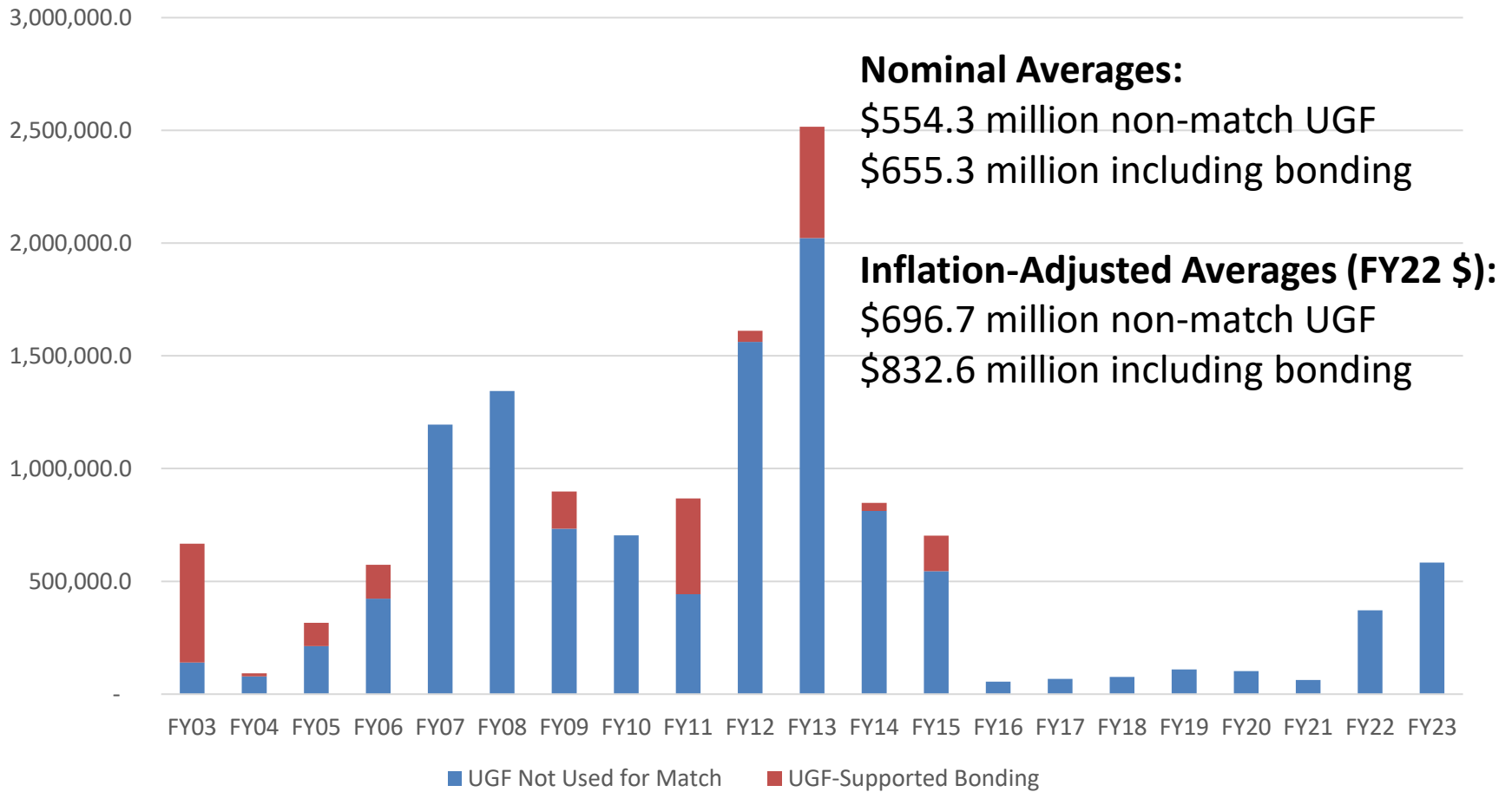
School Major Maintenance

School Construction

Harbor Matching Grants

State supported match for Muni's who received federal BUILD grants, or the like

Historical UGF Capital Budgets



Obligations and Funding Needs of the State of Alaska

- This is not an exhaustive list. The total for these items is about **\$13.1 billion**
- PERS/TRS Unfunded Liability: **\$7.1 billion**
 - Payment plan: annual payments through FY39. FY24 payment is \$140.3 million
- **General Obligation Bonds and State Supported Debt: \$1.1 billion**
 - Payment plan: annual payments through FY41. FY24 Governor's Budget includes \$90.9 million UGF
- State Share of Municipal School Debt Service: **\$457.0 million**
 - Payment plan: annual payments through FY39. FY24 Governor's Budget includes \$67.2 million GF
- Oil and Gas Tax Credits: **\$42.7 million**
 - Payment plan: remaining payment in full is in FY24 Governor's Budget.
- **Deferred Maintenance: \$2.2 billion**
 - Payment plan: annual appropriations using Alaska Capital Income Fund (\$32.3 million in FY24).
- **State Share of School Major Maintenance and Construction Lists: \$413.5 million**
 - Payment plan: FY24 Governor's Budget does not include an appropriation for this. REAA fund can also be used for some projects
- **Rural Alaska Sanitation Funding Need (per DEC FY21 list): \$1.8 billion**
 - Payment plan: Village Safe Water capital program. FY24 Governor's Budget includes \$25.0 million UGF, \$247.7 million all funds

Funding Recommendations and Targets

There is no one definitive rule on the level of preventive maintenance necessary **to avoid** deferred maintenance, but a 2012 National Research Council publication references a range of 2-4% of replacement cost value

FY2021 replacement cost value (excluding University): \$7,678,370.1

1% = \$76.8 million

2% = \$153.6 million

4% = \$307.1 million