



ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE


Legislative Finance Division

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MEMORANDUM

DATE: February 3, 2023

TO: Representative DeLena Johnson
Representative Neil Foster
Representative Bryce Edgmon
Co-Chairs, House Finance Committee

FROM: Alexei Painter
Legislative Fiscal Analyst 

SUBJECT: Responses to Committee Questions from January 27 Meeting

Thank you for inviting the Legislative Finance Division to present an overview of the State's fiscal situation and the Governor's FY24 budget. Responses to questions and requests for follow-up information from the committee hearing are below.

Representative Stapp asked about the current unfunded liability amount.

The Unfunded Actuarial Accrued Liability for the pension funds, based on the 2022 draft statements, are \$5,277.5 million for PERS and \$1,777.4 million for TRS, for a total of \$7,054.9 million. Since the healthcare funds have a funded ratio greater than 100%, the combined liability is smaller than this, but the separation of the funds makes the combined figure misleading.

Representative Ortiz asked about the impact of the ARM Board's decision to adopt a zero rate for the healthcare unfunded liability.

In FY24, the savings to the State as a result of this decision is \$79.3 million.

Representative Hannan asked about the implementation for the Alaska Reads Act and whether the funding to districts is competitive.

The FY24 budget includes a \$3,360.7 increment in the Student and School Achievement allocation for year two of the Alaska Reads Act fiscal note. This funding is entirely for State

costs associated with the Reads Act, although it includes funding for reading specialists that will work directly with school districts.

Another other impact in the FY24 budget is \$3 million for pre-kindergarten grants. These are competitive grants as provided by AS 14.03.410.