

1/24/08

FY 09

BUDGET

DISCUSS:

FOLLOW-

UP

HFIN

FILE

handout 1/24/08

State of Alaska Fiscal Summary
(\$ millions)

	FY08 Management Plan with Adjustments				FY09 Governor's Request				GF Change	
	GF	Federal	Other	Total	GF	Federal	Other	Total	\$	%
REVENUE (Excludes Permanent Fund Earnings)										
1 Unrestricted General Fund Revenue (1)	3,572.6			3,572.6	5,238.4			5,238.4	1,665.8	147%
2 Carryforward (2)	18.6	0.2	2.0	20.8						
3 Bond Proceeds and Other Borrowing (3)				0.0			60.0	60.0		
4 Net Corporate Dividends (4)			80.5	80.5			87.6	87.6		
5 Federal and Other Funds		2,538.9	1,114.4	3,653.3		2,571.2	1,217.3	3,788.5		
Total Revenue	3,691.2	2,546.1	1,202.8	7,339.1	5,238.4	2,571.2	1,364.9	9,174.5		
APPROPRIATIONS										
7 Total Operating Appropriations	3,763.0	1,751.8	1,024.2	6,539.0	4,241.7	1,779.5	1,131.4	7,152.7	478.7	13%
9 Agency Operating Appropriations	3,081.1	1,717.0	920.6	5,718.7	3,410.7	1,739.0	993.8	6,143.5	329.6	11%
10 Agency Operations (Non-Formula)	1,573.0	851.1	1,459.5	3,933.7	1,673.4	890.9	1,586.8	4,151.1	100.4	6%
11 K-12 Education	673.9			673.9	885.1			885.1	(88.8)	-9%
12 Other Formula Programs	534.2	853.9	47.5	1,442.0	655.9	843.1	98.3	1,597.3	121.7	23%
13 RPLs	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0	0%
14 New Legislation (5)					155.3	0.0	0.4	155.7	155.3	
15 Governor's Unspecified Amendments					41.0	5.0	16.0	62.0	41.0	
16 Duplicated Authorization (6)	0.0	0.0	(672.4)	(672.4)	0.0	0.0	(707.7)	(707.7)		
17 Statewide Operating Appropriations	681.9	34.8	103.6	820.3	831.0	40.6	137.6	1,009.2	149.1	22%
18 Debt Service	124.8	11.8	217.9	354.5	115.2	13.1	245.9	374.1	(9.6)	-8%
19 Fund Capitalization	2.4	23.0	23.0	48.4	32.4	27.5	28.0	87.9	4.0	14%
20 Direct Appropriations to Retirement	453.0	0.0	0.0	453.0	408.4	0.0	0.0	408.4	(46.6)	-10%
21 Revenue Sharing	48.7	0.0	0.0	48.7	75.0	0.0	0.0	75.0	26.3	54%
22 Oil & Gas Investment Credits	25.0	0.0	0.0	25.0	200.0	0.0	0.0	200.0	175.0	700%
23 Duplicated Authorization (6)	0.0	0.0	(137.3)	(137.3)	0.0	0.0	(136.2)	(136.2)		
24 Capital Appropriations	358.8	790.1	178.6	1,327.5	317.8	791.7	233.5	1,343.0	(41.0)	-11%
25 Project Appropriations & RPLs (Revised Programs)	345.3	762.0	215.8	1,341.1	292.8	791.6	322.6	1,407.0		
26 Mental Health Projects	10.6	0.0	5.5	16.1	4.6	0.0	13.0	17.6		
27 Projects Funded with General Obligation Bonds (3)	0.0	0.0	0.0	0.0	0.0	0.0	240.0	240.0		
28 Projects Funded with Other Debt Proceeds (3)	3.6	0.0	64.2	67.8	0.0	0.0	86.6	86.6		
29 Fund Capitalization	2.9	0.1	78.1	81.1	10.0	0.1	127.8	137.9		
30 Governor's Unspecified Amendments					10.5	0.0	0.0	10.5		
31 Duplicated Authorization (6)	0.0	0.0	(212.0)	(212.0)	0.0	0.0	(556.5)	(556.5)		
32 Unadjusted Authorization (unduplicated)	4,121.8	2,541.9	1,202.8	7,866.5	4,559.6	2,571.2	1,364.9	8,495.7	437.8	11%
33 Unadjusted Surplus (Draw From CBRF)	(530.6)				678.8					
34 ADJUSTMENTS TO REVENUE										
35 Fall 2007 Revenue Adjustment (1)	3,181.9	2.7	0.0	3,184.6						
36 Total Adjusted Revenue	6,773.1	2,547.8	1,202.9	10,523.8	5,238.4	2,571.2	1,364.9	9,174.5	(1,534.7)	-23%
37 Adjusted Surplus (Draw From CBRF)	2,651.3				678.8					
38 ADJUSTMENTS TO AUTHORIZATION										
39 K-12 GF Obligations paid by the PEF (7)	(614.7)	0.0	0.0	(614.7)	(1,026.5)	0.0	0.0	(1,026.5)		
40 Governor's Proposed Supplemental Appropriations	717.3	2.7	0.0	720.0	50.0	0.0	0.0	50.0		
41 Operating Placeholder	108.3	0.0	(0.0)	108.3	50.0	0.0	0.0	50.0		
42 Capital Projects (net of Duplication)	34.0	2.7	0.1	36.8	0.0	0.0	0.0	0.0		
43 Deposits to Retirement Accounts	450.0	0.0	0.0	450.0	0.0	0.0	0.0	0.0		
44 Oil & Gas Investment Credits	125.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0		
45 Permanent Fund Appropriations	0.0	0.6	4,468.0	4,468.6	0.0	0.0	2,160.0	2,160.0		
46 Permanent Fund Dividends	0.0	0.0	1,251.0	1,251.0	0.0	0.0	1,357.0	1,357.0		
47 Permanent Fund Inflation Proofing	0.0	0.0	769.0	769.0	0.0	0.0	803.0	803.0		
48 Other Deposits (8)	0.0	0.6	2,448.0	2,448.6	0.0	0.0	0.0	0.0		
49 Adjusted Surplus (Draw From CBRF)	2,548.7				1,655.3					
50 Governor's Proposed Transfers	2,548.7	0.0	0.0	2,548.7	1,655.3	0.0	0.0	1,655.3	(893.4)	-35%
51 Public Education Fund for Future Fiscal Years	1,575.0	0.0	0.0	1,575.0	1,000.0	0.0	0.0	1,000.0		
52 Transportation Fund	500.0	0.0	0.0	500.0	500.0	0.0	0.0	500.0		
53 Energy Fund	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0		
54 Deposit to Constitutional Budget Reserve Fund (9)	223.7	0.0	0.0	223.7	155.3	0.0	0.0	155.3		
55 Final Anticipated Authorization (unduplicated)	6,773.1	2,545.1	5,670.9	14,989.1	5,238.4	2,571.2	3,524.9	11,334.5		
56 Final Anticipated Surplus (Draw From CBRF)	0.0				0.0					

Notes:

- The FY08 revenue forecast published in the Spring 2007 Sources Book (line 1) is revised upward by \$3.2 billion on line 36. The Fall 2007 revenue forecast for FY08 is 0.731 million barrels per day at \$72.64 per barrel, the FY08 forecast is 0.701 mbd at \$66.32/bbl.
- Carryforward is money that was appropriated in a prior year (but posted to FY08 authorization after June 30, 2006) that is made available for spending in FY08 via multiyear appropriations or reappropriations.
- The FY08 budget includes \$60 million in projects funded with proceeds of bonds to be sold by the Alaska Student Loan Corporation. This amount appears as revenue because the state is not responsible for debt service on these bonds. The Governor proposed \$240 million in projects financed with general obligation bonds. GO bonds proceeds do not appear as revenue because the state is responsible for future debt service payments. The GO bond proceeds are included on line 27 and are deducted on line 31.
- Corporate dividends include funds made available to the State by the boards of AMFC, AIDEA, and ASLC. Dividends retained by AMFC for debt service on state capital project bonds are excluded from the stated amount. Net dividends for FY08 and FY09, respectively, are AMFC: \$73.5 million and \$55.1 million; AIDEA: \$10 million and \$23.8 million; and ASLC: \$1.2 million and \$4.1 million.
- The amount for new legislation includes \$141.5 million to implement proposed changes to the K-12 formula and pupil transportation. An additional \$13.9 million is associated with unspecified legislation.
- Duplicated authorizations are in the budget twice, such as when funds flow in and out of a holding account or one agency pays another for services provided. Duplicated authorization also includes the expenditure of bond proceeds when debt service on bonds (which includes repayment of principal) will be reflected in future operating budgets.
- General fund authorization is reduced by the amount of K-12 costs that are included as general funds on lines 11 and 14, but that are actually paid from the PEF. That amount is \$614.7 million in FY08 and \$1,026.5 million in FY09 (\$805 million under current law plus \$141.5 million for K-12 increases associated with new legislation = \$1,026.5 million, line 38). The proposed FY09 deposit to the PEF is shown on line 52.
- Anticipated FY08 Deposits to the Permanent Fund include \$769 million for inflation proofing plus the Governor's proposed \$2,448 billion transfer from the Earnings Reserve.
- The Governor proposes to deposit specified amounts in the Constitutional Budget Reserve Fund (CBRF) in FY08 and FY09, in addition to available general funds that might be swept to the CBRF at year end.

State of Alaska Fiscal Summary

(\$ millions)

	FY08 Management Plan with Adjustments				FY09 Governor's Request				GF Change	
	GF	Federal	Other	Total	GF	Federal	Other	Total	\$	%
REVENUE (Excludes Permanent Fund Earnings)										
1 Unrestricted General Fund Revenue (1)	3,572.6			3,572.6	5,238.4			5,238.4	1,665.8	147%
2 Carryforward (2)	19.0	0.2	2.0	21.2			60.0	60.0		
3 Bond Proceeds and Other Borrowing (3)				0.0			87.6	87.6		
4 Net Corporate Dividends (4)		2,539.9	1,114.4	3,654.3		2,571.2	1,217.3	3,788.5		
5 Federal and Other Funds										
6 Total Revenue	3,591.2	2,545.1	1,202.8	7,339.1	5,238.4	2,571.2	1,364.9	9,174.5		
APPROPRIATIONS										
7 Total Operating Appropriations	3,906.5	1,751.8	1,024.2	6,682.5	4,241.7	1,779.5	1,131.4	7,152.7	335.2	9%
8 Agency Operating Appropriations	3,099.6	1,717.0	920.6	5,737.2	3,410.7	1,739.0	993.8	6,143.5	311.1	10%
9 Agency Operations (Non-Formula)	1,572.0	661.1	1,469.5	3,642.6	1,673.4	690.9	1,586.8	4,151.1	100.4	8%
10 K-12 Education	973.9			973.9	855.1			855.1	(88.8)	-9%
11 Other Formula Programs	552.7	655.6	12.5	1,220.8	655.9	843.1	98.3	1,597.3	103.2	19%
12 RPLs	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0	
13 New Legislation (5)					155.3	0.0	0.4	155.7	155.3	
14 Governor's Unspecified Amendments					41.0	5.0	16.0	62.0	41.0	
15 Duplicated Authorization (6)	0.0	0.0	(692.0)	(692.0)	0.0	0.0	(707.7)	(707.7)		
16 Statewide Operating Appropriations	806.9	34.0	103.6	944.5	831.0	40.6	137.6	1,009.2	24.1	3%
17 Debt Service	124.6	11.8	217.0	353.4	115.2	13.1	245.9	374.1	(9.8)	-8%
18 Fund Capitalization	28.4	23.0	23.0	74.4	32.4	27.5	28.0	87.9	4.0	14%
19 Direct Appropriations to Retirement	455.0	0.0	0.0	455.0	408.4	0.0	0.0	408.4	(46.6)	-10%
20 Revenue Sharing	45.7	0.0	0.0	45.7	75.0	0.0	0.0	75.0	29.3	54%
21 Oil & Gas Investment Credits	150.0	0.0	0.0	150.0	200.0	0.0	0.0	200.0	50.0	33%
22 Duplicated Authorization (6)	0.0	0.0	(12.0)	(12.0)	0.0	0.0	(136.2)	(136.2)		
23 Capital Appropriations	368.9	700.1	178.6	1,247.6	317.8	791.7	233.5	1,343.0	(41.0)	-11%
24 Project Appropriations & RPLs (Revised Programs)	345.1	700.0	200.0	1,245.1	202.8	791.6	322.6	1,407.0	161.9	13%
25 Mental Health Projects	10.0	0.0	0.0	10.0	4.6	0.0	13.0	17.6	7.6	76%
26 Projects Funded with General Obligation Bonds (3)	0.0	0.0	0.0	0.0	0.0	0.0	240.0	240.0		
27 Projects Funded with Other Debt Proceeds (3)	0.0	0.0	0.0	0.0	0.0	0.0	86.6	86.6		
28 Fund Capitalization	123.8	0.0	0.0	123.8	10.0	0.1	127.8	137.9	14.1	11%
29 Governor's Unspecified Amendments					10.5	0.0	0.0	10.5		
30 Duplicated Authorization (6)	0.0	0.0	(216.6)	(216.6)	0.0	0.0	(556.5)	(556.5)		
31 Unadjusted Authorization (unduplicated)	4,265.3	2,541.9	1,202.8	8,010.0	4,559.6	2,571.2	1,364.9	8,495.7	294.3	7%
32 Unadjusted Surplus (Draw From CBRF)	(674.1)				678.8					
ADJUSTMENTS TO REVENUE										
33 Fall 2007 Revenue Adjustment (1)	3,181.9	2.7	0.0	3,184.6	5,238.4	2,571.2	1,364.9	9,174.5	(1,534.7)	-23%
34 Total Adjusted Revenue	6,773.1	2,547.8	1,202.9	10,523.8						
35 Adjusted Surplus (Draw From CBRF)	2,507.8				678.8					
ADJUSTMENTS TO AUTHORIZATION										
36 K-12 GF Obligations paid by the PEF (7)	(614.7)	0.0	0.0	(614.7)	(1,026.5)	0.0	0.0	(1,026.5)		
37 Governor's Proposed Supplemental Appropriations	573.8	2.7	0.0	576.5	50.0	3.0	0.0	53.0		
38 Operating Placeholder	89.8	0.0	(0.0)	89.8	50.0	0.0	0.0	50.0		
39 Capital Projects (net of Duplication)	34.0	2.7	0.0	36.7	0.0	0.0	0.0	0.0		
40 Deposits to Retirement Accounts	450.0	0.0	0.0	450.0	0.0	0.0	0.0	0.0		
41 Oil & Gas Investment Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
42 Permanent Fund Appropriations	0.0	0.6	4,468.0	4,468.6	0.0	0.0	2,160.0	2,160.0		
43 Permanent Fund Dividends	0.0	0.0	1,251.0	1,251.0	0.0	0.0	1,257.0	1,257.0		
44 Permanent Fund Inflation Proofing	0.0	0.0	769.0	769.0	0.0	0.0	803.0	803.0		
45 Other Deposits (8)	0.0	0.6	2,448.0	2,448.6	0.0	0.0	0.0	0.0		
46 Adjusted Surplus (Draw From CBRF)	2,548.7				1,655.3					
47 Governor's Proposed Transfers	2,548.7	0.0	0.0	2,548.7	1,655.3	0.0	0.0	1,655.3	(893.4)	-38%
48 Public Education Fund for Future Fiscal Years	1,575.0	0.0	0.0	1,575.0	1,000.0	0.0	0.0	1,000.0		
49 Transportation Fund	500.0	0.0	0.0	500.0	500.0	0.0	0.0	500.0		
50 Energy Fund	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0		
51 Deposit to Constitutional Budget Reserve Fund (9)	223.7	0.0	0.0	223.7	155.3	0.0	0.0	155.3		
52 Final Anticipated Authorization (unduplicated)	6,773.1	2,545.1	5,670.9	14,989.1	5,238.4	2,571.2	3,524.9	11,334.5		
53 Final Anticipated Surplus (Draw From CBRF)	0.0				0.0					

Notes:

- (1) Oil and Gas Investment Credits--Move \$125 million from Supplemental to Management Plan
- (2) Senior Care--Move \$10.5 million from Supplemental to Management Plan

State of Alaska Fiscal Summary

(\$ millions)

	FY08 Management Plan with Adjustments				FY09 Governor's Request				GF Change	
	GF	Federal	Other	Total	GF	Federal	Other	Total	\$	%
REVENUE (Excludes Permanent Fund Earnings)										
1 Unrestricted General Fund Revenue (1)	3,572.6			3,572.6	5,238.4			5,238.4	1,665.8	147%
2 Carryforward (2)	111.6	6.2	2.0	120.0			60.0	60.0		
3 Bond Proceeds and Other Borrowing (3)			86.5	86.5			87.6	87.6		
4 Net Corporate Dividends (4)		2,538.0	1,114.4	3,652.4		2,571.2	1,217.3	3,788.5		
5 Federal and Other Funds										
6 Total Revenue	3,591.2	2,545.1	1,202.8	7,339.1	5,238.4	2,571.2	1,364.9	9,174.5		
APPROPRIATIONS										
7 Total Operating Appropriations	3,763.0	1,751.8	1,024.2	6,539.0	4,336.8	1,779.6	1,131.4	7,247.8	673.8	15%
8 Agency Operating Appropriations	3,081.1	1,717.0	920.6	5,718.7	3,430.7	1,739.0	993.8	6,163.5	349.6	11%
9 Agency Operations (Non-Formula)	1,573.0	881.1	1,499.5	3,953.7	1,693.4	890.9	1,586.8	4,171.1	120.4	8%
10 K-12 Education	973.9			973.9	885.1			885.1	(88.8)	-9%
11 Other Formula Programs	534.2	655.9	92.5	1,282.6	655.9	843.1	98.3	1,597.3	121.7	23%
12 RPLs	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0	
13 New Legislation (5)					155.3	0.0	0.4	155.7	155.3	
14 Governor's Unspecified Amendments					41.0	5.0	16.0	62.0	21.0	
15 Duplicated Authorization (6)	0.0	0.0	(672.9)	(672.9)	0.0	0.0	(707.7)	(707.7)		
16 Statewide Operating Appropriations	661.9	34.8	103.6	800.3	906.1	40.6	137.6	1,084.3	224.2	33%
17 Debt Service	124.5	1.5	217.9	343.9	150.8	13.1	245.9	409.7	26.0	21%
18 Fund Capitalization	20.4	27.0	23.0	74.4	32.4	27.5	28.0	87.9	4.0	14%
19 Direct Appropriations to Retirement	455.0	0.0	0.0	455.0	447.9	0.0	0.0	447.9	(7.1)	-2%
20 Revenue Sharing	49.7	0.0	0.0	49.7	75.0	0.0	0.0	75.0	26.3	53%
21 Oil & Gas Investment Credits	25.0	0.0	0.0	25.0	200.0	0.0	0.0	200.0	175.0	700%
22 Duplicated Authorization (6)	0.0	0.0	(137.3)	(137.3)	0.0	0.0	(136.2)	(136.2)		
23 Capital Appropriations	360.8	780.1	178.6	1,320.5	262.2	791.7	233.5	1,287.4	(96.6)	-27%
24 Project Appropriations & RPLs (Revised Programs)	345.0	780.0	210.0	1,335.0	237.2	791.6	322.6	1,351.4		
25 Mental Health Projects	10.6	0.0	5.5	16.1	4.6	0.0	13.0	17.6		
26 Projects Funded with General Obligation Bonds (3)	0.0	0.0	0.0	0.0	0.0	0.0	240.0	240.0		
27 Projects Funded with Other Debt Proceeds (3)	0.0	0.0	94.5	94.5	0.0	0.0	86.6	86.6		
28 Fund Capitalization	2.9	0.1	75.1	78.1	10.0	0.1	127.8	137.9		
29 Governor's Unspecified Amendments					10.5	0.0	0.0	10.5		
30 Duplicated Authorization (6)	0.0	0.0	(210.0)	(210.0)	0.0	0.0	(556.5)	(556.5)		
31 Unadjusted Authorization (unduplicated)	4,121.8	2,541.9	1,202.8	7,866.5	4,699.1	2,571.2	1,364.9	8,535.2	477.3	12%
32 Unadjusted Surplus (Draw From CBRF)	(530.6)				639.3					
ADJUSTMENTS TO REVENUE										
33 (Fall 2007 Revenue Adjustment (1))	3,181.9	2.7	0.0	3,184.6						
34 Total Adjusted Revenue	6,773.1	2,547.8	1,202.9	10,523.8	5,238.4	2,571.2	1,364.9	9,174.5	(1,534.7)	-23%
35 Adjusted Surplus (Draw From CBRF)	2,651.3				639.3					
ADJUSTMENTS TO AUTHORIZATION										
36 K-12 GF Obligations paid by the PEF (7)	(614.7)	0.0	0.0	(614.7)	(1,026.5)	0.0	0.0	(1,026.5)		
37 Governor's Proposed Supplemental Appropriations	717.3	2.7	7.0	727.0	50.0	0.0	0.0	50.0		
38 Operating Placeholder	108.3	0.0	(6.1)	102.2	50.0	0.0	0.0	50.0		
39 Capital Projects (net of Duplication)	34.0	2.7	0.0	36.7	0.0	0.0	0.0	0.0		
40 Deposits to Retirement Accounts	450.0	0.0	0.0	450.0	0.0	0.0	0.0	0.0		
41 Oil & Gas Investment Credits	125.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0		
42 Permanent Fund Appropriations	0.0	0.6	4,468.0	4,468.6	0.0	0.0	2,160.0	2,160.0		
43 Permanent Fund Dividends	0.0	0.0	1,251.0	1,251.0	0.0	0.0	1,357.0	1,357.0		
44 Permanent Fund Inflation Proofing	0.0	0.0	769.0	769.0	0.0	0.0	603.0	603.0		
45 Other Deposits (8)	0.0	0.6	2,448.0	2,448.6	0.0	0.0	0.0	0.0		
46 Adjusted Surplus (Draw From CBRF)	2,548.7				1,615.8					
47 Governor's Proposed Transfers	2,548.7	0.0	0.0	2,548.7	1,763.9	0.0	0.0	1,763.9	(784.8)	-31%
48 Public Education Fund for Future Fiscal Years	1,575.0	0.0	0.0	1,575.0	1,108.6	0.0	0.0	1,108.6		
49 Transportation Fund	500.0	0.0	0.0	500.0	500.0	0.0	0.0	500.0		
50 Energy Fund	233.7	0.0	0.0	233.7	0.0	0.0	0.0	0.0		
51 Deposit to Constitutional Budget Reserve Fund (9)	239.0	0.0	0.0	239.0	155.3	0.0	0.0	155.3		
52 Final Anticipated Authorization (unduplicated)	6,773.1	2,545.1	5,670.9	14,989.1	5,386.5	2,571.2	3,524.9	11,482.6		
53 Final Anticipated Surplus (Draw From CBRF)	0.0				(148.1)					

Notes:

Changes from the Governor's Presentation

(1) **No Net Impact**
 Move \$13.3 million from capital budget to nonformula operations
 Move \$35.9 million corporate dividends from debt service to capital budget
 Move \$4.1 million corporate dividends from nonformula operations to capital budget
 Move \$9.6 million of Capital Income Fund used in the operating budget to capital budget

(2) **Increased Appropriations**
 \$108.6 million GF for K-12 funding to prefund FY2010
 \$30.5 million to Retirement to meet actual recommendations