

**1/19/11
FY 12 BUDGET
OVERVIEW:
OFFICE OF
MANAGEMENT AND
BUDGET**

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OVERVIEW OFFICE OF MANAGEMENT AND
BUDGET</SUBJECT><COMM>HFIN27</COMM></TARGET>

FY2012 Budget Overview



House Finance Committee

January 19, 2011

Office of Management and Budget

DRAFT - Effective January 16, 2011

**Office of Management and Budget
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<p>John Boucher</p> <p>Senior Economist 465-4677</p> <p>Long Range Fiscal Plan Revenue/Financing Permanent Fund Div/Corp Economic/Resource Dev Statewide Admin Issues</p>	<p>Craig Kahklen</p> <p>Policy Analyst 465-3559</p> <p>Performance Framework Federal Requests Denali Commission Energy/Community Dev Health/Education/Workforce</p>	<p>Vacant</p> <p>Policy Analyst 465-4676</p> <p>Legislative Liaison Fiscal Notes Criminal Justice Transportation/Infrastructure</p>	<p>Diane Burnham</p> <p>Internal Auditor 465-4663</p> <p>Program/Performance Audits ARRA 2009 Coordinator Indirect/Cost Allocation Plans</p>	<p align="center">Alaska Budget System (ABS) Webmaster</p> <p>Will Belknap 465-4674 Mike Dau 465-4787 Heather Crondahl 465-4694</p>			
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Budget Vision

Governor Parnell's vision and mission

**‘Position Alaska’s economy
for growth and Alaska’s
families for opportunity.’**



FY2012 Budget principles

Guiding principles

- **Fiscal Restraint**
- **Strategic Investments**
- **Maintain Cash Reserves**



FY2012 Budget priorities

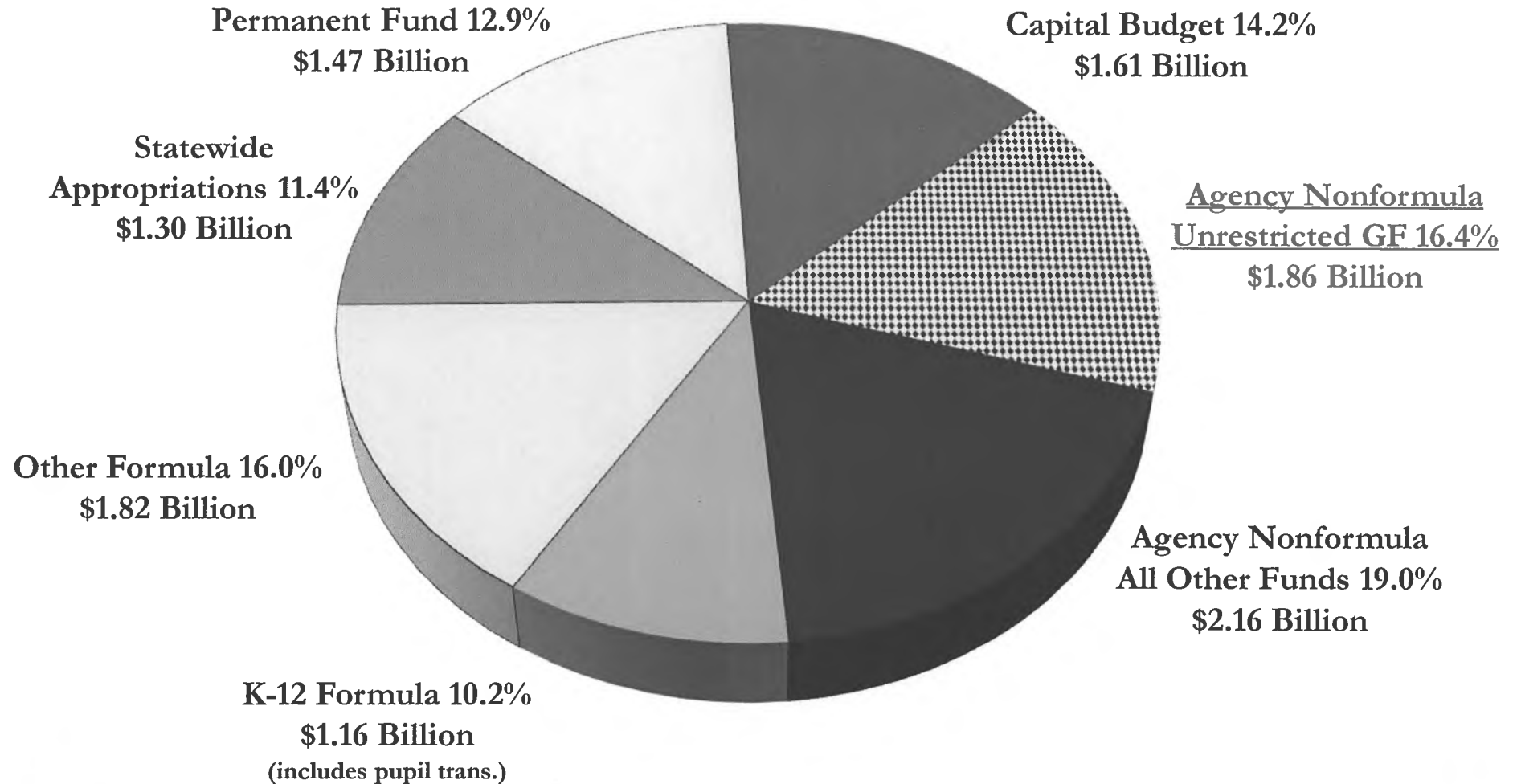
Focus is on Alaska's constitutional priorities

- **Resource and Economic Development**
 - Energy
 - Access to resources
 - Natural gas development
- **Education**
 - Alaska Performance Scholarship
 - Full funding K-12 FY2012
 - Forward fund K-12 FY2013
- **Public Safety**
 - Prevention
 - Investigation
 - Services to Victims
 - Child Safety/Cybercrimes



FY2012 Expenditures by Category

Governor's December 15 Spending Plan



FY2012 Operating Budget-Formula

Formula growth driving FY2012 overall increase

- **Formula programs \$2.98 billion**
 - **K-12 and pupil transportation \$1.16 billion**
 - \$8.2 million Alaska Performance Scholarship
 - Fully fund K-12 in FY2012 \$1.13 billion
 - Forward fund K-12 for FY2013 \$1.14 billion
 - **Other Formula programs \$1.82 billion**
 - Medicaid is \$1.5 billion of the total



FY2012 Operating Budget-Statewide

Retirement system, debt obligations are also drivers in FY2012 growth

- **Statewide Appropriations \$1.30 billion**
 - \$479 million retirement unfunded liability
 - \$400 million oil tax credits
 - \$290 million debt service
 - \$60 million Community Revenue Sharing



FY2012 Capital Budget

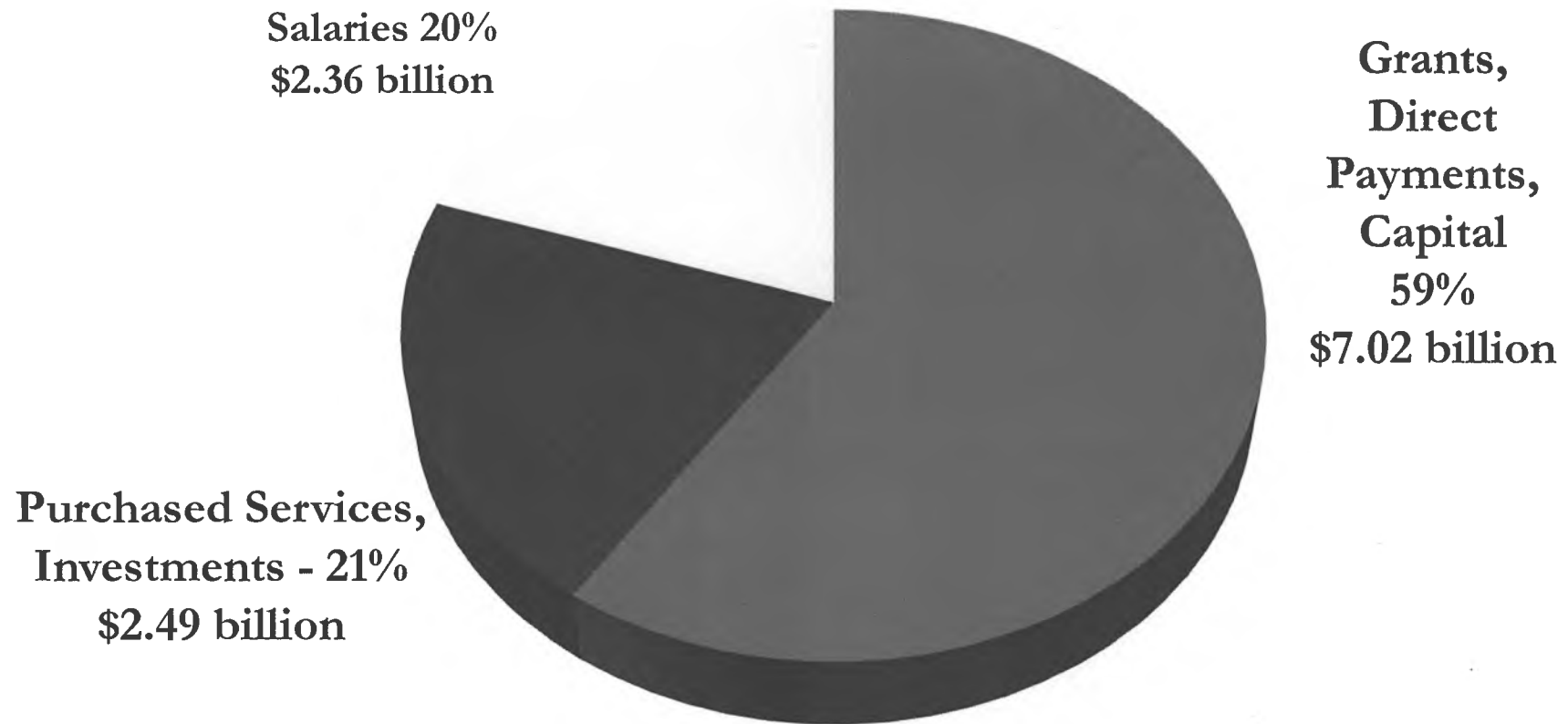
Putting Alaskans to work

- **\$1.6 billion in capital spending proposed**
- **\$644.9 million in state general funds**
 - \$160 million for AGIA gas pipeline work
 - \$103 million match leverages \$705 million federal funds
 - transportation, highway, aviation & water/sewer projects
 - \$60 million for resource roads and ports
 - \$65.7 million for Susitna hydro planning and design
 - \$25 million each for Renewable Energy and Weatherization
 - \$100 million year 2 deferred maintenance



State Budget- Another Perspective

Nearly 60% of Alaska's budget benefits communities, organizations and individuals through grants, direct payments and capital project funding



Includes duplicate funds, savings, investments and the Permanent Fund



For More Information on the Budget

How can I get more details about the Governor's FY2012 budget?

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

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