

01/17/13
BUDGET
OVERVIEW
FY 14:
OFFICE OF
MANAGEMENT
AND BUDGET

<TARGET><BILL></BILL><SUBJECT>01-17-13 BUDGET OVERVIEW
FY 14 OFFICE OF MANAGEMENT AND
BUDGET</SUBJECT><COMM>HF IN28</COMM></TARGET>

FY2014 Budget Overview



House Finance Committee

January 17, 2013

Office of Management and Budget

Budget Vision

Governor Parnell's vision

Economic Growth and Strengthening Families



Budget Priorities

Focus on Administration's strategic investment priorities

- **Resources and Energy**
- **Education**
- **Public Safety**
- **Transportation/Infrastructure**
- **Military Support**



Fall 2012 revenue forecast

Significant decrease from Spring 2012 forecast

<u>FY2013</u>	<u>Spring forecast</u>	<u>Fall forecast</u>	<u>Change</u>
Unrestricted GF Revenue	\$8,440.1	\$7,511.7	-\$928.4
<u>FY2014</u>			
Unrestricted GF Revenue	\$7,680.4	\$7,001.9	-\$678.5
<u>Total for FY2013 & FY2014</u>			
Unrestricted GF Revenue	\$16,120.5	\$14,513.6	-\$1,606.9



FY2013 / FY2014 Budgets: Big Picture

The changing revenue picture reshaped FY2013

<u>FY2013</u>	<u>5/14/12</u>	<u>12/15/12</u>
Unrestricted GF Revenue ^{1/}	\$8,440.1	\$7,566.7
Spending*	\$7,926.0	\$7,977.5
Projected amount to/from SBR*	\$514.1	-\$410.8

FY2014

Unrestricted GF Revenue	\$7,680.4	\$7,001.9
Proposed Spending (Gov. Dec 15)	n/a	\$6,493.8
Projected amount to/from SBR	n/a	\$508.1

1. December 15 revenue includes \$7,511.7 forecast revenue plus \$55.0 in reappropriations and carry forward.

*Spending includes a \$250 million early deposit to the SBR. Total net projected draw from SBR would be -\$160.8.

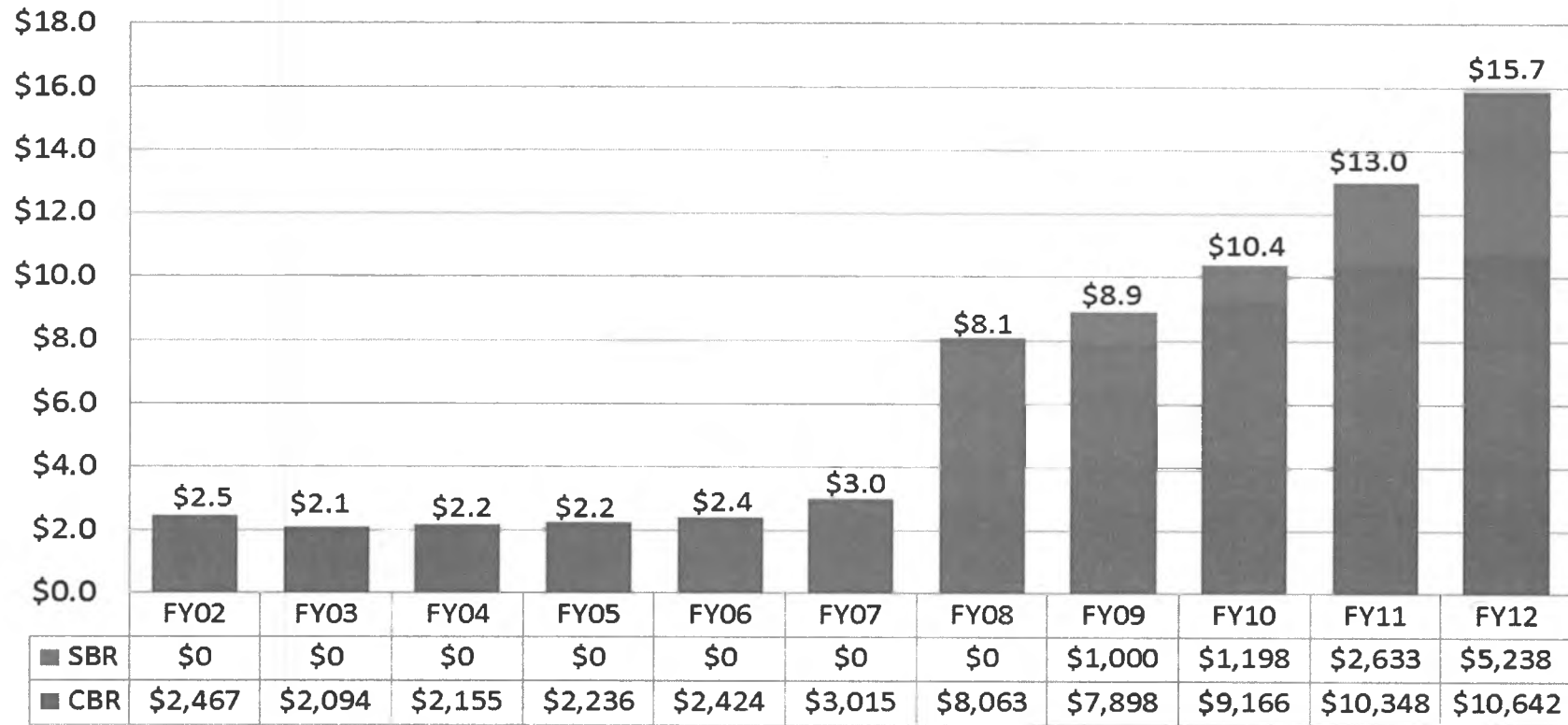


Alaska's Reserve Accounts

Constitutional and Statutory Budget Reserve Funds are strong

Fiscal Year-end Balances in the CBR and SBR

Billions



Sources: Alaska Department of Administration, Division of Finance.



Spending Controls

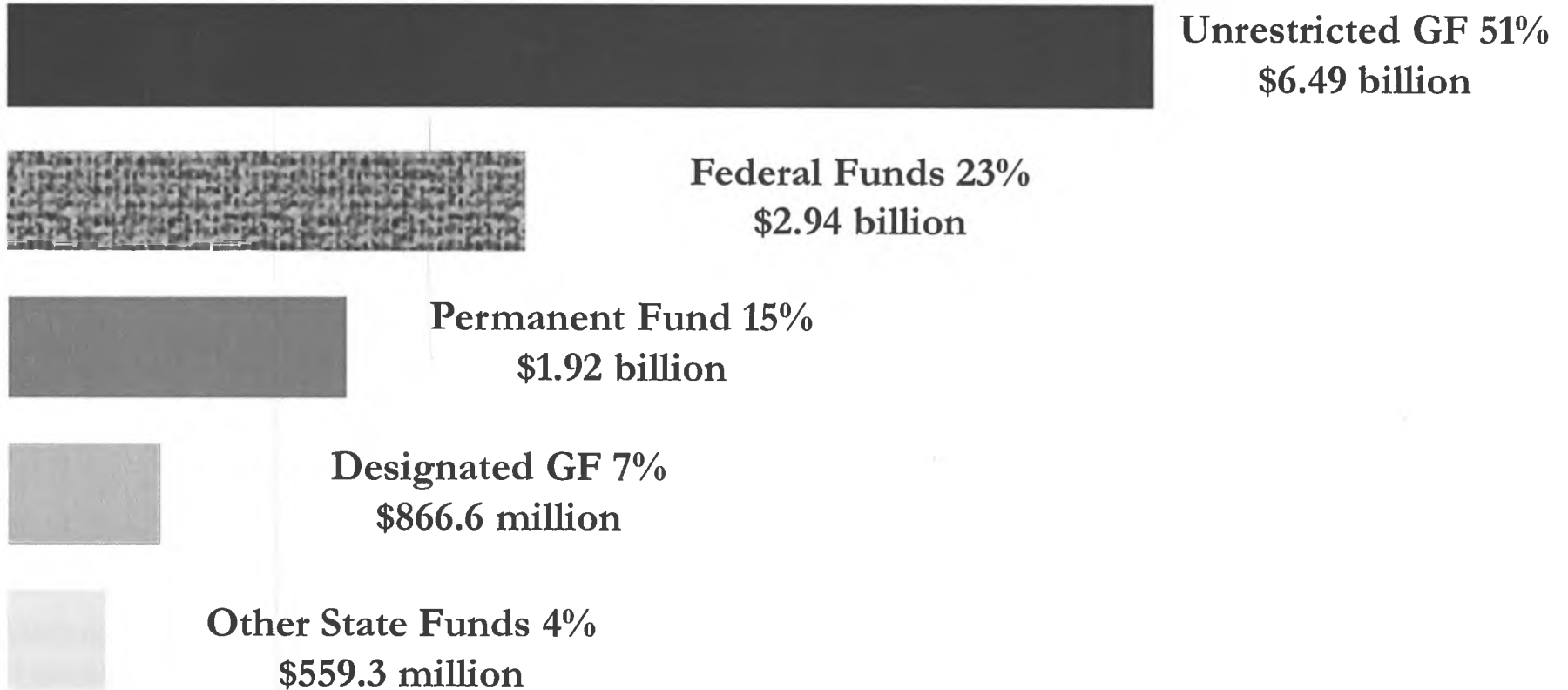
Maximize efficiency/Rein in spending

- **Improve/Streamline Business Processes**
- **Enhance technology**
- **Lower cost of purchasing**
- **Reduce footprint/cost of office space**
- **Share services**



FY2014 Budget by Fund Source

Total FY2014 Budget \$12.8 Billion



FY2014 Budget Priorities

Safe Homes and Strong Families

• Public Safety

Choose Respect- \$14.8 million

- Prevention and Intervention \$5.25 million
- Support for Survivors \$2.6 million
- Law Enforcement \$6.9 million

New Troopers

- Railbelt: 15 Troopers \$2.8 million
- Hooper Bay: 2 Troopers \$823.7 thousand



FY2014 Budget Priorities

Comprehensive energy strategy

- **Energy**

- Susitna-Watana Hydro \$95.0 million
- Weatherization/Home Energy \$51.5 million
- Sustainable Energy Fund \$125.0 million
- Energy Assistance \$67.2 million
- Renewable Energy Projects \$25.0 million



FY2014 Budget Priorities

Preparing Alaska's Students for Success

- **Education**

- **90% Graduation rate by 2020**
- **Jobs for Alaska's graduates**
- **Alaska Performance Scholarships**
- **Digital Learning Initiative**
- **K-3 Literacy Initiative**



FY2014 Budget Priorities

Build and Maintain Alaska's Infrastructure

• Transportation/Infrastructure

Over \$1 billion for Statewide infrastructure projects

- Highways and Aviation \$971.3 million
- Village Safe Water \$56.5 million
- Municipal Water & Sewer \$34.0 million

Schools

- Construction \$46.2 million
- Major maintenance \$22.3 million

Deferred Maintenance \$100.0 million



FY2014 Budget Priorities

Jobs for Alaskans

- **Resources and Permitting**
 - Gasline development \$50.0 million
 - Geologic Material Center \$15.0 million
 - Permitting and Statewide Digital Mapping \$7.3 million
 - Roads to resources \$18.0 million



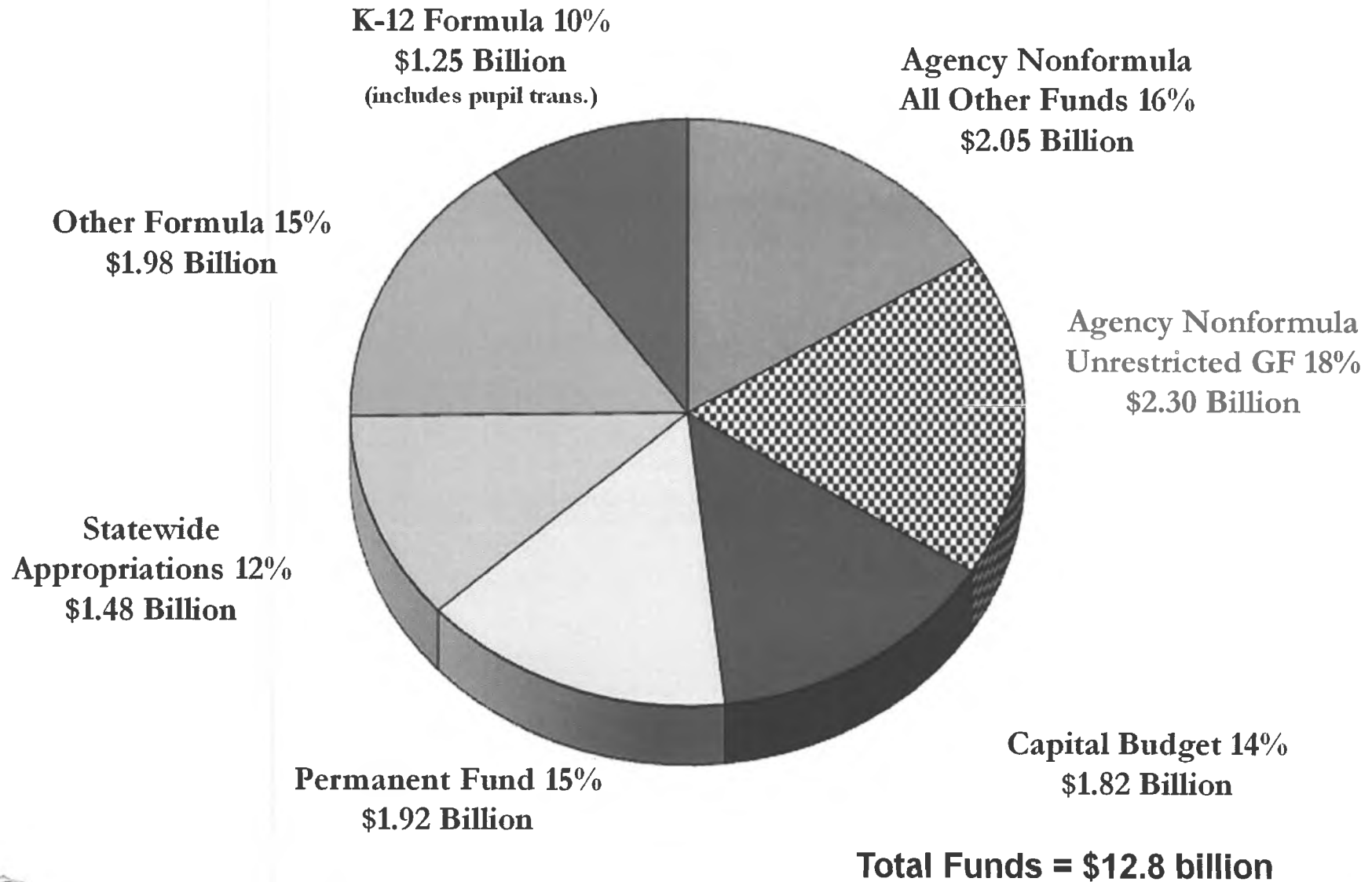
FY2014 Operating Budget Highlights

Restrain growth

- Fully fund K-12 Education and Pupil Transportation \$1.2 billion
- Retirement unfunded liability \$633.8 million
- Community Revenue Sharing \$60.0 million

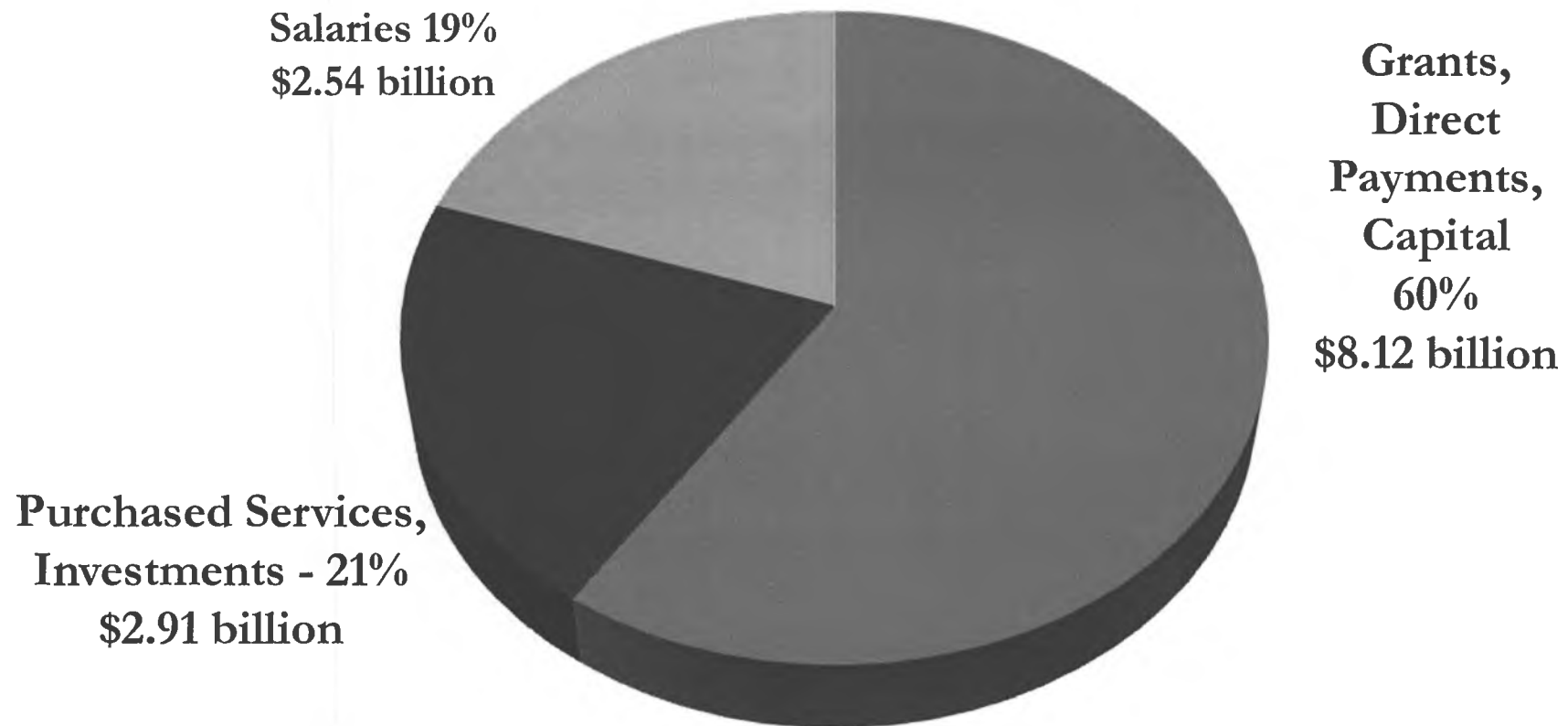


FY2014 Expenditures by Category



FY2014 Budget- Another Perspective

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

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

Karen J. Rehfeld, Director
Office of Management and Budget
907.465.4660
Karen.Rehfeld@alaska.gov

