

**10/05/15
PRESENTATION
UPDATE ON
FY 16
OPERATING
BUDGET BY
OFFICE OF
MANAGEMENT &
BUDGET**

<TARGET><BILL></BILL><SUBJECT>10-05-15 PRESENTATION
UPDATE ON FY 16 OPERATING BUDGET BY OFFICE OF MANAGEMENT
and BUDGET</SUBJECT><COMM>SFIN29</COMM></TARGET>

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Anna MacKinnon, Co-Chair
State Capitol, Room 516
Juneau, Alaska 99801
Phone: (907) 465-3777
Sen.Anna.MacKinnon@akleg.gov



Senator Pete Kelly, Co-Chair
State Capitol, Room 518
Juneau, Alaska 99801
Phone: (907) 465-3709
Sen.Pete.Kelly@akleg.gov

September 22, 2015

Ms. Pat Pitney, Director
Office of Management and Budget
PO Box 110020
Juneau, AK 99811-0020

Dear Director Pitney:

We are writing to invite you to a Senate Finance Committee meeting in Fairbanks on Monday, October 5, 2015 at the Fairbanks Legislative Information Office. We anticipate the meeting to start at 10:00 AM and end late in the afternoon with a break for lunch.

The purpose of the meeting is to get an overview from the administration on the "1st Quarter" of the FY2016 budget. Listed below are questions that have been proposed by our committee members that we plan to discuss at the hearing:

1. What is the daily "burn rate" on our savings accounts? Given a price of \$50 price per barrel of oil scenario, what date will our savings accounts be depleted? 2017-18
2. Will your administration introduce legislation this session that will utilize the Permanent Fund to help balance future budget shortfalls?
3. Has the administration reevaluated its revenue forecast given the current price of oil? What is the current budget deficit projected at current oil prices?
4. What price per barrel are you using to budget for FY2017 and what shortfall will it create?
5. Please provide an update on current bargaining agreements and their financial impact on future budgets. In addition, what impact did the unallocated reduction, used to pay for FY16 salary increases, have on the rest of the budget?
6. Please update the committee on any privatization activities the administration is pursuing at this time and the potential savings they may achieve.

7. Has your administration taken any additional budget reductions since the end of the second special session?
8. What is the administration's best guess estimate on an FY16 supplemental?
9. Is the administration going to pursue Pension Obligation Bonds this session? If so, please provide information on their impact to the operating budget and the unfunded liability.
10. Please update the committee on the impact of the recently adopted expansion of the Medicaid program.
 - a. Has the Xerox system been certified by the Federal Government? If not then when?
11. Will the administration be requesting additional money for the AKLNG project, including a proposal to buy out TransCanada?
12. Does the administration anticipate implementing a hiring freeze in the future?

We appreciate your consideration of these questions and requests. We welcome any additional information you believe would be valuable as we prepare for the upcoming session and budget discussions. We look forward to working with you on addressing Alaska's fiscal future during the coming year.

Sincerely,



Senator Pete Kelly

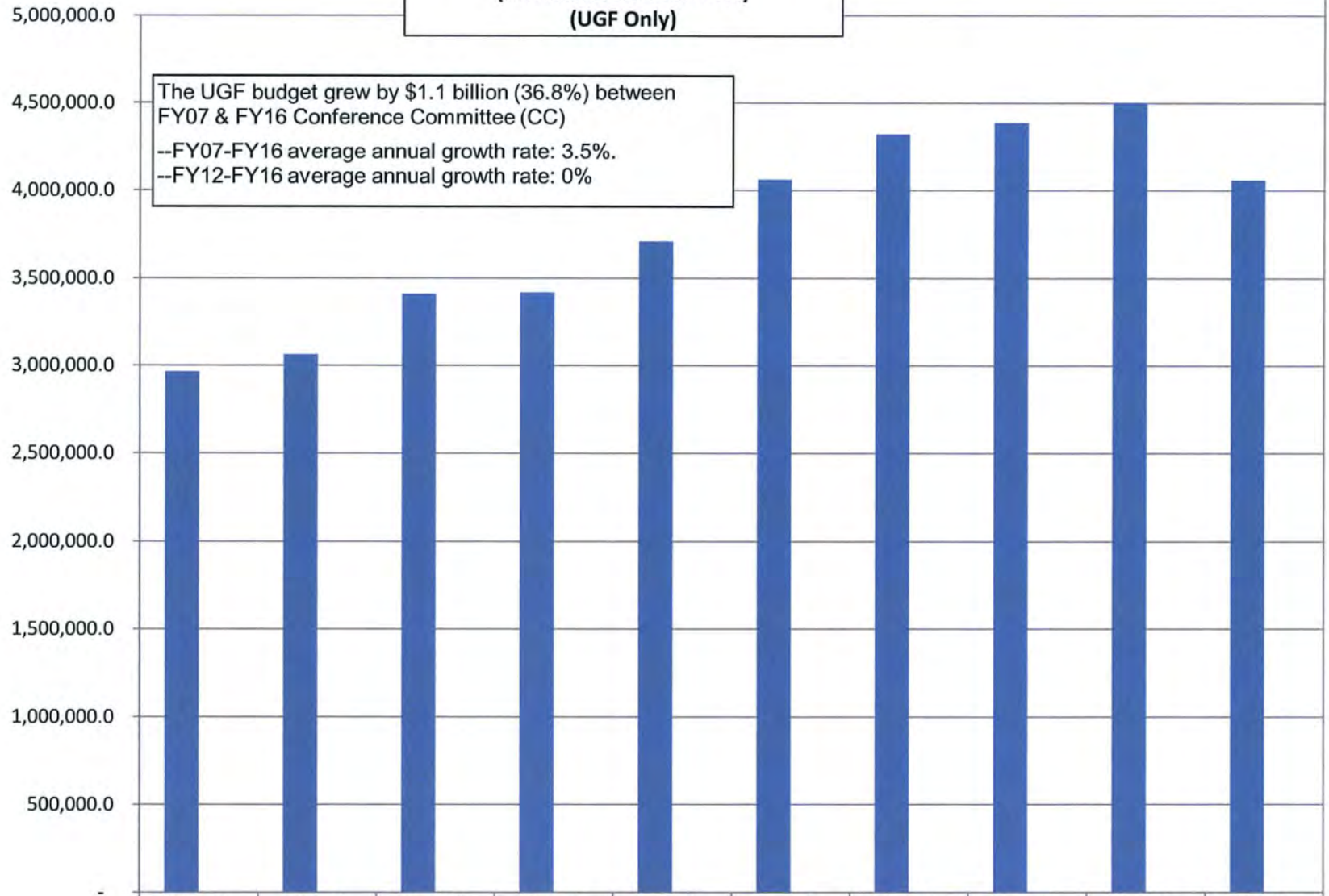
Senator Anna MacKinnon

PK:AM/jja

4-26-15 UGF Non-Formula + Formula
FY07-16

provided by Sen. Kelly

FY07-FY16 Agency Operations
(Formula & Non-Formula)
(UGF Only)

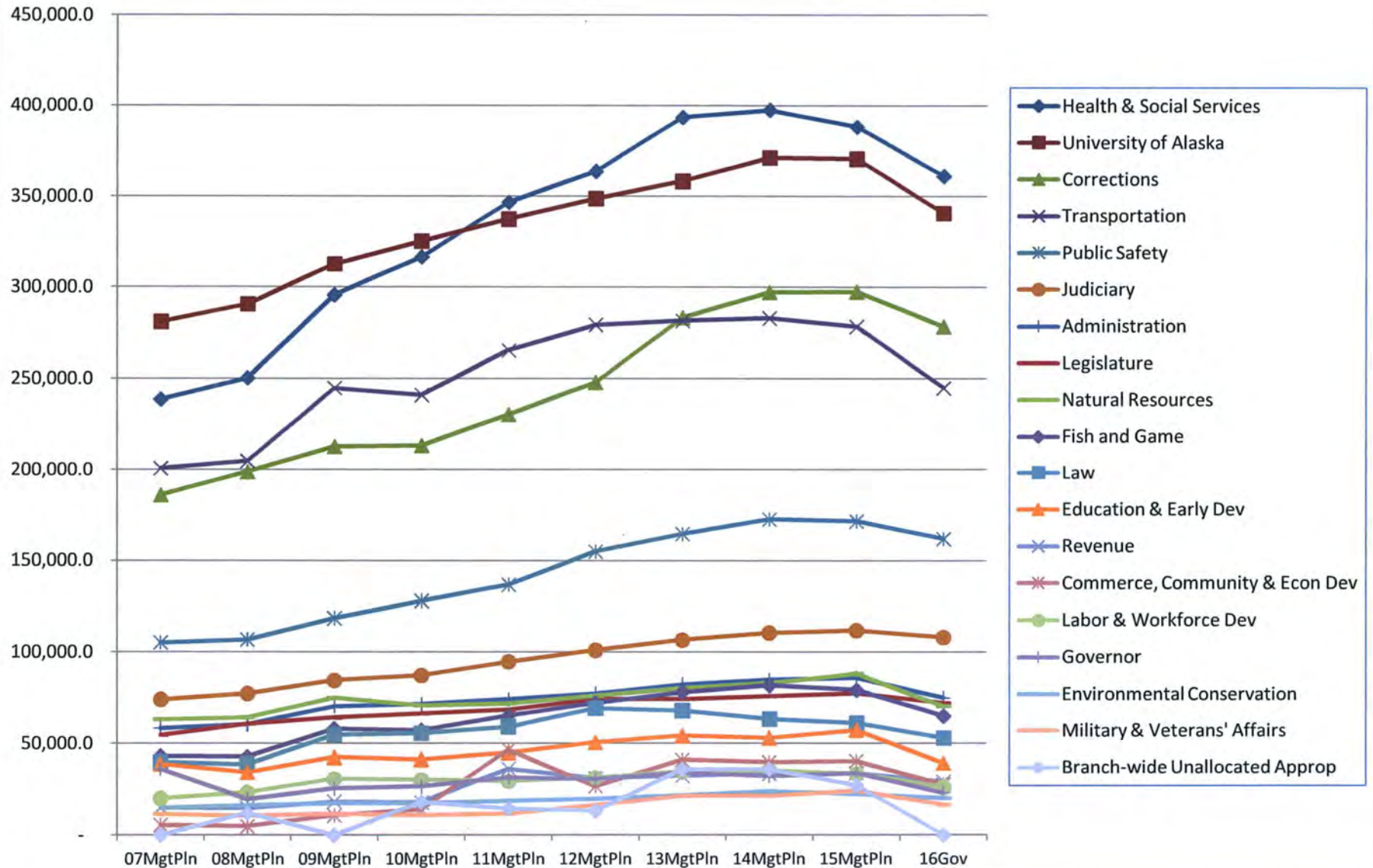


The UGF budget grew by \$1.1 billion (36.8%) between FY07 & FY16 Conference Committee (CC)
 --FY07-FY16 average annual growth rate: 3.5%.
 --FY12-FY16 average annual growth rate: 0%

	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16ConfCom
Total Unrestricted General Funds	2,966,453.9	3,062,746.6	3,410,124.0	3,417,726.3	3,711,575.9	4,062,183.1	4,322,491.6	4,386,157.3	4,503,018.6	4,059,039.9
Percentage Change from Prior Year	-	3.2%	11.3%	0.2%	8.6%	9.4%	6.4%	1.5%	2.7%	-9.9%

The UGF budget grew by \$526 million (35.4%) between FY07 & the FY16 CC Budget--an average annual growth rate of 3.4%.

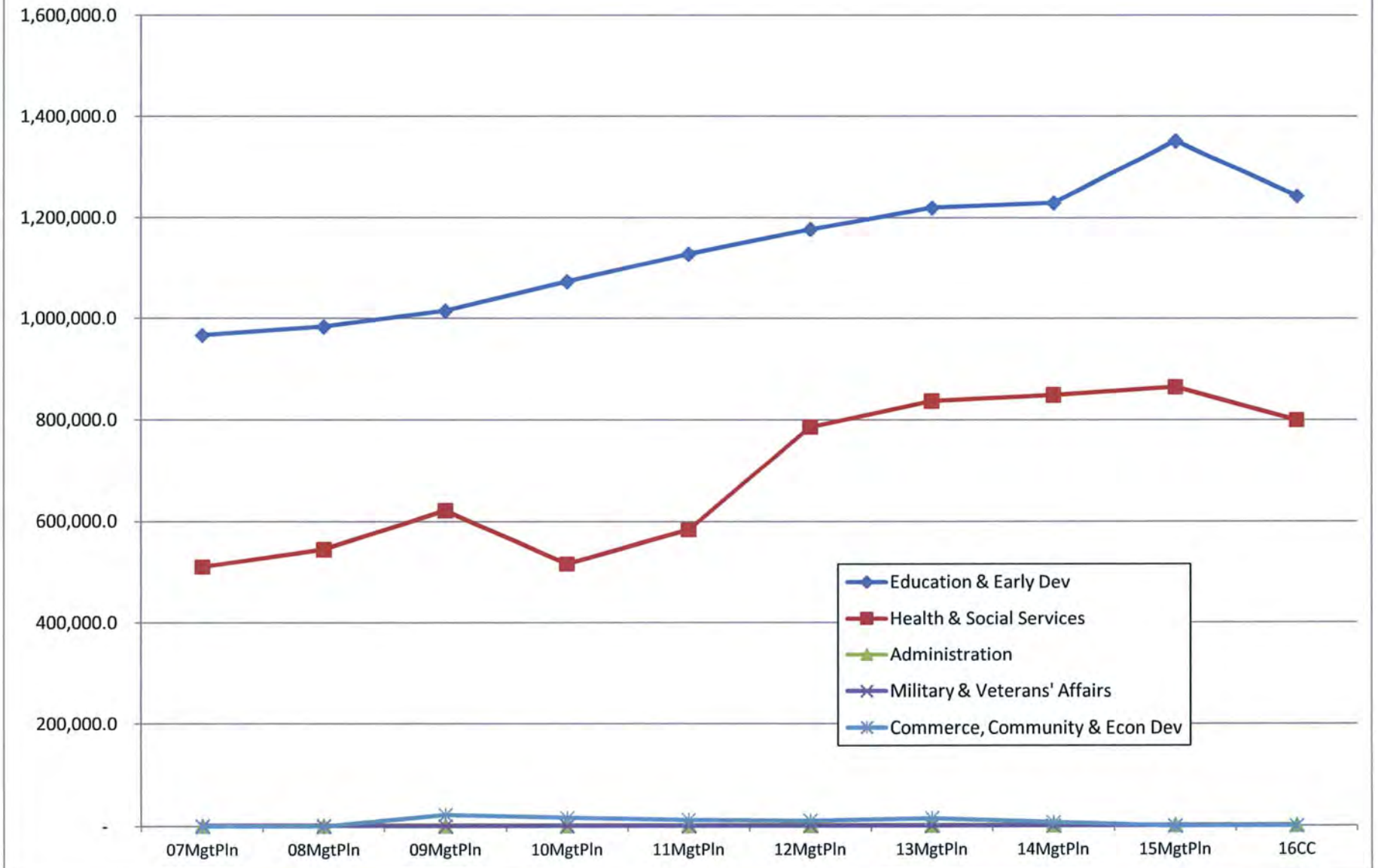
FY07-FY16 Agency Operations (Non-Formula Only) (UGF Only)



The UGF budget grew by \$566 million (38.3%) between FY07 & the FY16 CC Budget—an average annual growth rate of 3.7%.

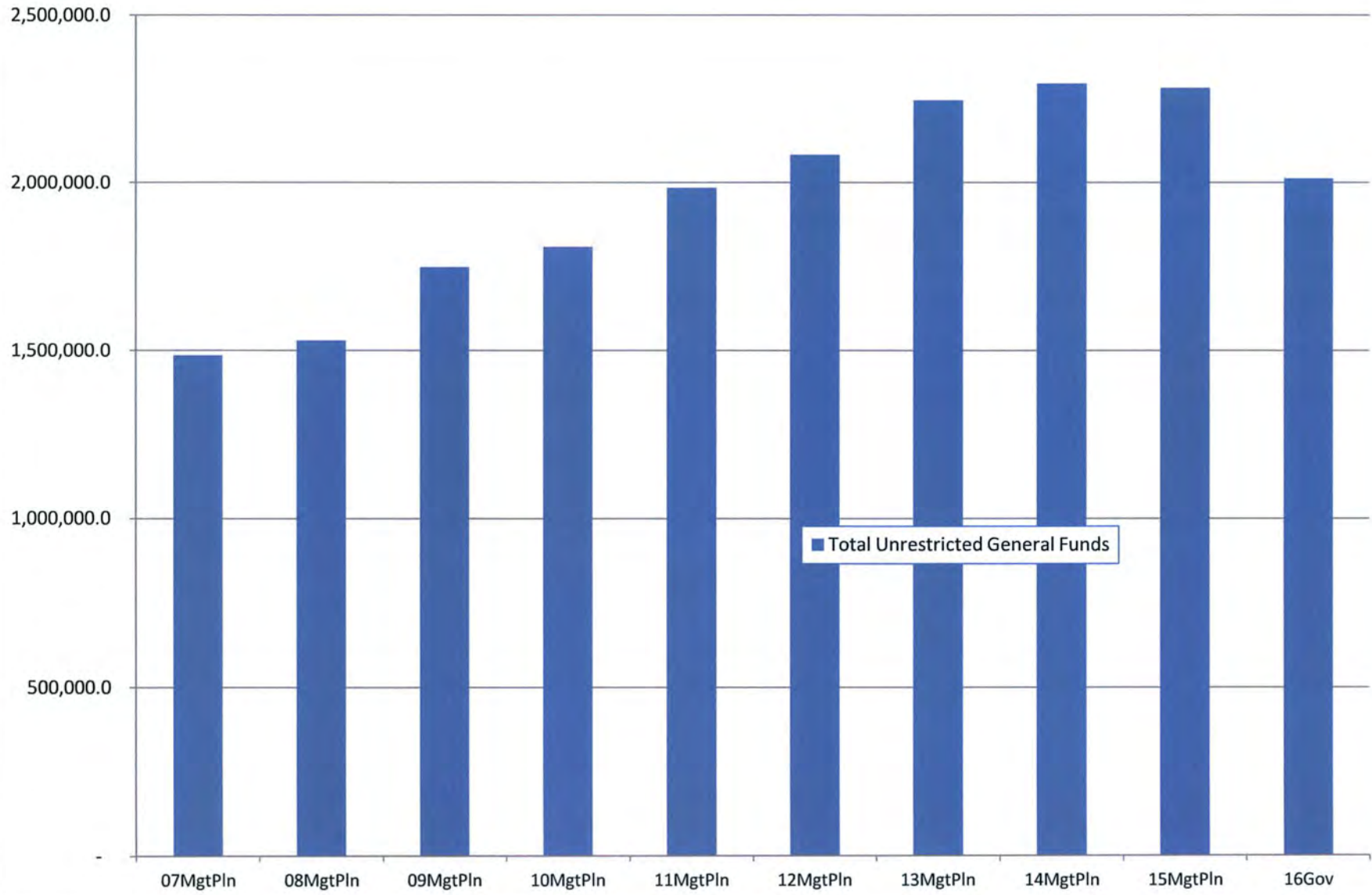
FY07-FY16 Agency Operations

(Formula Only)
(UGF Only)



The UGF budget grew by \$526 million (35.4%) between FY07 & the FY16 CC Budget--an average annual growth rate of 3.4%.

FY07-FY16 Agency Operations (Non-Formula Only) (UGF Only)



FY16 Fiscal Summary 8.12.15 Draft

provided by Sen. Kelly

State of Alaska Fiscal Summary--FY15 and FY16 (Part 1)

(\$ millions)

	FY15 BUDGET						FY16 BUDGET						Change in UGF	
	Unrestricted General Funds	Designated General Funds	Total General Funds	Other State Funds	Federal Receipts	All Funds	Unrestricted General Funds	Designated General Funds	Total General Funds	Other State Funds	Federal Receipts	All Funds	\$	%
REVENUE (Excludes Permanent Fund Earnings) (1)	2,287.4	964.1	3,251.5	650.5	3,142.4	7,044.4	2,205.7	926.8	3,132.4	632.7	3,297.6	7,062.8	(81.7)	-3.6%
Unrestricted General Fund Revenue (Spring 2015) (2)	2,216.3	-	2,216.3	-	-	2,216.3	2,205.7	-	2,205.7	-	-	2,205.7		
Carryforward & Repeals (3)	71.1	0.2	71.3	-	0.4	71.7	-	-	-	-	-	-		
Designated General Fund Revenue (4)	-	963.9	963.9	-	-	963.9	-	926.8	926.8	-	-	926.8		
Other State Funds and Federal Receipts	-	-	-	650.5	3,142.0	3,792.5	-	-	-	632.7	3,297.6	3,930.3		
APPROPRIATIONS														
TOTAL OPERATING APPROPRIATIONS	5,402.2	776.9	6,179.1	3,583.9	2,022.0	11,784.9	5,061.7	830.6	5,892.3	605.0	2,022.7	8,520.0	(340.5)	-6.3%
Agency Operations	4,475.8	756.0	5,231.8	528.0	1,994.2	7,754.0	4,091.0	805.0	4,896.1	556.3	1,993.9	7,446.3	(384.8)	-8.6%
Current Fiscal Year Appropriations (Includes Fiscal Notes)	4,503.0	751.7	5,254.7	517.7	1,992.2	7,764.7	4,091.0	805.0	4,896.1	556.3	1,993.9	7,446.3	(412.0)	-9.1%
Agency Operations (Non-Formula)	2,283.4	666.8	2,950.2	514.8	904.2	4,369.2	2,025.5	714.1	2,739.5	553.1	905.9	4,198.6	(257.9)	-11.3%
K-12 Foundation Formula and Pupil Transportation (5)	1,287.6	10.0	1,297.6	-	20.8	1,318.4	1,247.5	13.0	1,260.5	-	20.8	1,281.3	(40.1)	-3.1%
K-12 Foundation Formula Future Years (5)	52.1	-	52.1	-	-	52.1	-	-	-	-	-	-	(52.1)	-100.0%
Medicaid Services (Formula)	693.0	1.8	694.8	2.8	966.3	1,663.9	641.2	1.8	643.0	2.8	966.2	1,612.0	(51.9)	-7.5%
Other Formula Programs	186.9	73.1	259.9	-	100.9	360.9	176.9	76.2	253.1	-	101.0	354.1	(10.0)	-5.3%
Revised Programs Legislatively Approved	-	-	-	0.1	-	0.1	-	-	-	-	-	-	-	-
Fiscal Notes (FY15 notes are included in Management Plan)	-	-	-	-	-	-	-	0.0	0.0	0.3	-	0.3	-	-
Vetoes (non-additive)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Duplicated Authorization (non-additive) (6)	-	-	-	736.4	-	736.4	-	-	-	747.3	-	747.3	-	-
Supplemental Appropriations (Agency Operations) (7)	(27.2)	4.3	(22.9)	10.3	2.0	(10.7)	-	-	-	-	-	-	-	-
Statewide Obligations	926.4	20.9	947.3	3,055.9	27.7	4,030.9	970.7	25.6	996.3	48.7	28.7	1,073.7	44.3	4.8%
Current Fiscal Year Appropriations	919.9	20.9	940.8	3,055.9	27.7	4,024.4	970.7	25.6	996.3	48.7	28.7	1,073.7	50.8	5.5%
Debt Service	218.8	19.3	238.1	50.3	5.2	293.7	206.2	23.9	230.1	43.3	5.2	278.7	(12.6)	-5.8%
Fund Capitalization	682.5	1.6	684.1	5.6	22.5	712.1	502.0	1.7	503.7	5.4	23.5	532.5	(180.5)	-26.4%
Local Government Support	52.0	-	52.0	-	-	52.0	-	-	-	-	-	-	(52.0)	-100.0%
Oil & Gas Production Tax Credits	625.0	-	625.0	-	-	625.0	500.0	-	500.0	-	-	500.0	(125.0)	-20.0%
Other Fund Capitalization	5.5	1.6	7.1	5.6	22.5	35.1	2.0	1.7	3.7	5.4	23.5	32.5	(3.5)	-63.6%
Retirement Costs: Actuarial Recommendation	5.2	-	5.2	702.9	-	708.1	262.5	-	262.5	-	-	262.5	257.3	4908.4%
Retirement Costs: Additional Contributions	-	-	-	2,297.1	-	2,297.1	-	-	-	-	-	-	-	-
Judgments, Claims and Settlements	13.4	-	13.4	-	-	13.4	-	-	-	-	-	-	(13.4)	-100.0%
Vetoes (non-additive)	-	-	-	-	-	-	(200.0)	-	(200.0)	-	-	(200.0)	-	-
Duplicated Authorization (non-additive) (6)	-	-	-	15.3	-	15.3	-	-	-	12.2	-	12.2	-	-
Supplemental Appropriations (Statewide) (7)	6.5	-	6.5	-	-	6.5	-	-	-	-	-	-	-	-
TOTAL CAPITAL APPROPRIATIONS	611.4	164.5	775.8	66.6	1,120.4	1,962.9	118.4	56.6	175.0	27.7	1,275.0	1,477.7	(493.0)	-80.6%
Current Fiscal Year Appropriations	594.9	164.5	759.4	65.1	1,119.7	1,944.2	118.4	56.6	175.0	27.7	1,275.0	1,477.7	(476.5)	-80.1%
Project Appropriations & RPLs (Revised Programs)	594.9	164.5	759.4	65.1	1,119.7	1,944.2	118.4	56.6	175.0	27.7	1,275.0	1,477.7	(476.5)	-80.1%
Projects Funded with Other Debt Proceeds (non-additive)	-	-	-	172.5	-	172.5	-	-	-	6.5	-	6.5	-	-
Capital Vetoes (non-additive)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Duplicated Authorization (non-additive) (6)	-	-	-	200.9	-	200.9	-	-	-	32.5	-	32.5	-	-
Supplemental Appropriations (Capital) (7)	16.5	-	16.5	1.5	0.7	18.7	-	-	-	-	-	-	-	-
Money on the Street (includes all fund sources) (8)	611.4	164.5	775.8	267.4	1,120.4	2,163.7	118.4	56.6	175.0	60.2	1,275.0	1,510.1	(493.0)	-80.6%
Pre-Transfers Authorization (unduplicated)	6,013.6	941.3	6,954.9	3,650.5	3,142.4	13,747.8	5,180.2	887.2	6,067.3	632.7	3,297.6	9,997.7	(833.4)	-13.9%
Pre-Transfers Surplus/(Deficit)	(3,726.2)	-162.9%	of UGF Revenue				(2,974.5)	-134.9%	of UGF Revenue					

State of Alaska Fiscal Summary--FY15 and FY16 (Part 1)

(\$ millions)

	FY15 BUDGET						FY16 BUDGET						Change in UGF	
	Unrestricted General Funds	Designated General Funds	Total General Funds	Other State Funds	Federal Receipts	All Funds	Unrestricted General Funds	Designated General Funds	Total General Funds	Other State Funds	Federal Receipts	All Funds	\$	%
42 Fund Transfers (9)	(1,008.3)	22.8	(985.5)	(3,000.0)	-	(3,985.5)	(226.1)	39.6	(186.5)	-	-	(186.5)	782.2	-77.6%
43 Current Fiscal Year Transfers	67.7	22.8	90.5	(3,000.0)	-	(2,909.5)	(226.1)	39.6	(186.5)	-	-	(186.5)	(293.9)	-43.8%
44 Designated Reserves (Public Education Fund)	58.4	-	58.4	-	-	58.4	(280.5)	-	(280.5)	-	-	(280.5)	(338.8)	-580.6%
45 Undesignated Reserves (Alaska Housing Capital Corp)	(63.1)	-	(63.1)	-	-	(63.1)	-	-	-	-	-	-	63.1	-100.0%
46 Oil & Hazardous Substance Fund	8.4	3.4	11.8	-	-	11.8	15.6	7.5	23.0	-	-	23.0	7.2	85.1%
47 REAA School Fund	40.0	-	40.0	-	-	40.0	38.8	-	38.8	-	-	38.8	(1.2)	-3.0%
48 AMHS Fund	0.1	-	0.1	-	-	0.1	-	-	-	-	-	-	(0.1)	-100.0%
49 Renewable Energy Fund	20.0	-	20.0	-	-	20.0	-	-	-	-	-	-	(20.0)	-100.0%
50 Vaccine Assessment Account	4.0	18.5	22.5	-	-	22.5	-	31.2	31.2	-	-	31.2	(4.0)	-100.0%
51 Other Funds	-	0.9	0.9	(3,000.0)	-	(2,999.1)	-	0.9	0.9	-	-	0.9	-	-
52 <i>Vetoes (non-additive)</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53 Supplemental Appropriations (Fund Transfers) (7)	(1,076.0)	-	(1,076.0)	-	-	(1,076.0)	-	-	-	-	-	-	-	-
54 Designated Reserves (Public Education Fund) (5)	(1,123.6)	-	(1,123.6)	-	-	(1,123.6)	-	-	-	-	-	-	-	-
55 Undesignated Reserves (Alaska Housing Capital Corp)	37.3	-	37.3	-	-	37.3	-	-	-	-	-	-	-	-
56 Oil & Hazardous Substance Fund	0.8	-	0.8	-	-	0.8	-	-	-	-	-	-	-	-
57 AMHS Fund	(0.1)	-	(0.1)	-	-	(0.1)	-	-	-	-	-	-	-	-
58 Renewable Energy Fund	9.5	-	9.5	-	-	9.5	-	-	-	-	-	-	-	-
59 <i>Vetoes (non-additive)</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 Post-Transfers Authorization (unduplicated)	5,005.3	964.1	5,969.4	650.5	3,142.4	9,762.3	4,954.0	926.8	5,880.8	632.7	3,297.6	9,811.2	(51.3)	-1.0%
61 Post-Transfer Balance to/(from) the SBR or CBR (10)	(2,717.9)	-118.8%	of UGF Revenue				(2,748.4)	-124.6%	of UGF Revenue					
62 Permanent Fund	-	2,023.0	2,023.0	159.3	-	2,182.3	-	2,362.4	2,362.4	170.8	-	2,533.2		
63 Permanent Fund Dividends	-	1,342.0	1,342.0	-	-	1,342.0	-	1,402.0	1,402.0	-	-	1,402.0	(384.8)	-8.6%
64 Deposits to Principal	-	622.0	622.0	-	-	622.0	-	889.0	889.0	-	-	889.0	44.3	4.8%
65 Alaska Capital Income Fund	-	23.0	23.0	-	-	23.0	-	23.0	23.0	-	-	23.0	(340.5)	-6.3%
66 Permanent Fund Corporation (included in op/cap budget) (11)	-	-	-	150.8	-	150.8	-	-	-	162.3	-	162.3	(493.0)	-80.6%
67 Other Uses of Earnings (included in op/cap budget) (11)	-	36.0	36.0	8.5	-	44.5	-	48.4	48.4	8.6	-	57.0	782.2	-77.6%
68 Total Authorization (unduplicated)	5,005.3	2,951.1	7,956.4	650.5	3,142.4	11,749.3	4,954.0	3,240.8	8,194.8	632.7	3,297.6	12,125.2	(51.3)	-1.0%
FISCAL YEAR SUMMARY	6,013.6	2,928.3	8,941.9	3,650.5	3,142.4	15,734.8	5,180.2	3,201.2	8,381.3	632.7	3,297.6	12,311.7	(833.4)	-13.9%
Agency Operations	4,475.8	756.0	5,231.8	528.0	1,994.2	7,754.0	4,091.0	805.0	4,896.1	556.3	1,993.9	7,446.3	(384.8)	-8.6%
Statewide Operations	926.4	20.9	947.3	3,055.9	27.7	4,030.9	970.7	25.6	996.3	48.7	28.7	1,073.7	44.3	4.8%
Total Operating	5,402.2	776.9	6,179.1	3,583.9	2,022.0	11,784.9	5,061.7	830.6	5,892.3	605.0	2,022.7	8,520.0	(340.5)	-6.3%
Capital	611.4	164.5	775.8	66.6	1,120.4	1,962.9	118.4	56.6	175.0	27.7	1,275.0	1,477.7	(493.0)	-80.6%
Unduplicated Appropriation of Permanent Fund Earnings	0.0	1,987.0	1,987.0	0.0	0.0	1,987.0	0.0	2,314.0	2,314.0	0.0	0.0	2,314.0	782.2	-77.6%
Transfers (non-additive)	(1,008.3)	22.8	(985.5)	(3,000.0)	-	(3,985.5)	(226.1)	39.6	(186.5)	-	-	(186.5)	782.2	-77.6%

Notes:

- Although Permanent Fund earnings may be appropriated for any purpose, the legislature traditionally excludes them from the definition of available revenue. Appropriations of Permanent Fund earnings are reported in lines 62-67 of the summary. Permanent Fund earnings and balance information is reported in part 2 of the Fiscal Summary.
- The Department of Revenue's Spring 2015 oil forecast for FY15 is 0.508 mbd at \$67.49 per barrel; the FY16 forecast is 0.520 mbd at \$66.03 per barrel.
- Carryforward is money that was appropriated in a prior year that is made available for spending in a later year via multiyear appropriations. Repeals increase revenue by reducing prior year authorization. Total carryforward into FY16 will be unknown until the close of FY15.
- Designated general funds include 1) program receipts that are restricted to the program that generates the receipts and 2) revenue that is statutorily designated for a specific purpose.
- The K-12 Foundation Formula and Pupil Transportation funding lines include a one-time, multi-year appropriation of \$95.1 million UGF in FY15. The additional funding for state aid to school districts was outside of the K-12 Foundation Formula but was distributed in proportion to the K-12 formula. The appropriation covered three fiscal years -- \$43 million for FY15 (included on line 10); \$32.2 million for FY16; and \$19.9 million for FY17 (FY16 & FY17 are shown on line 11). The 2015 Legislature repealed the appropriations made for FY16 and FY17 (included on line 18).
- Duplicated authorization is 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.
- FY16 Supplemental Appropriations are unknown and a placeholder has not been included.
- Including duplicated fund sources in the amount of capital spending provides a valuable measure of "money on the street" because it includes projects funded with bond proceeds and other duplicated fund sources.
- "Transfers" refer to appropriations that move money from one fund to another within the Treasury. Although transfers are not true expenditures, they reduce the amount of money available for other purposes so must be included in the calculation of the surplus/deficit. For reserve accounts, a positive number indicates a deposit and a negative number indicates a withdrawal. When money is withdrawn and spent, the expenditure is included in the operating or capital budget, as appropriate.
- The post-transfer withdrawal necessary to balance the budget is anticipated to be \$2.7 billion in FY15 (from the Statutory Budget Reserve Fund) and \$2.7 billion in FY16 (from the Constitutional Budget Reserve Fund).
- Amounts shown on lines 66 and 67 can be considered duplicated appropriations -- they are included in the operating or capital budgets above. The Designated General Funds column includes amounts associated with the dividend program. Amounts in the Other column reflect gross earnings of the Permanent Fund.

August 12, 2015

Options (Oil Taxes)

FY16 General Fund Revenue (\$ Billions)
Budget = \$4.9 Billion

Price of Oil	Barrels Per Day			
	500,000	600,000	700,000	800,000
\$40	\$ 1.5	\$ 1.7	\$ 1.9	\$ 2.1
\$50	\$ 1.8	\$ 2.1	\$ 2.3	\$ 2.6
\$60	\$ 2.0	\$ 2.3	\$ 2.6	\$ 2.9
\$70	\$ 2.3	\$ 2.7	\$ 3.0	\$ 3.4
\$80	\$ 2.5	\$ 2.9	\$ 3.3	\$ 3.8
\$90	\$ 3.2	\$ 3.8	\$ 4.4	\$ 4.9
\$100	\$ 4.0	\$ 4.8	\$ 5.5	\$ 6.4
\$110	\$ 4.9	\$ 5.8	\$ 6.8	\$ 7.7
\$120	\$ 5.8	\$ 6.9	\$ 8.0	\$ 9.1

Current Production: Break even Price = \$109/ bbl

Current Price: Break even Production = 1.6 million bbl/day



Alaska State Legislature

Conference Committee

HB 2001-APPROP: OPERATING BUDGET/LOANS/FUNDS

Official Business

June 9, 2015

The Honorable William Walker
Governor, State of Alaska
P.O. Box 110001
Juneau, AK 99801-0001

Dear Governor Walker:

This correspondence is intended to communicate the progress that members of the Conference Committee on HB 2001 have made in deliberations of the Fiscal Year (FY) 2016 operating budget and to solicit your support for a compromise that we have reached.

The leadership of the Conference Committee considering HB 2001 met with the leadership of several unions that represent state employees, including the AFL-CIO, the Alaska State Employees Association (ASEA), Public Employees Local 71, and the Public Safety Employees Association (PSEA).

The purpose of the meeting was to discuss the previously negotiated contracts and the 2.5% Cost of Living Allowance (COLA) that, for many of the covered State of Alaska employees, will be in effect July 1, 2015, if approved by the legislature. As you are aware, this has been a very contentious issue in our deliberations.

Through the course of the meetings and by all participants, we have agreed to the following:

- The COLA will be funded in the FY 2016 budget for covered and non-covered employees. The funding will be a one-time increment to the budget and will be funded as such.
- Any unallocated reduction that is adopted by the Conference Committee on HB 2001 is intended to be implemented in a manner that results in a minimum number of state employee lay-offs. An unallocated reduction is intended to be implemented in a manner that is geared towards finding internal agency and department efficiencies (IT, procurement, leasing, etc...).
- It is anticipated that no FY 2016 supplemental funding will be requested during the next regular session to fill the unallocated reduction that is adopted by this Conference Committee.
- The Walker Administration and union leadership will support flat funding in contract negotiations, beginning with contracts negotiated in 2015.

June 9, 2015

The Honorable William Walker

Page Two

- The Walker Administration and union leadership intend to include language in each of the negotiated contracts, which allows for a re-opener of the contract if the price of West Texas Intermediate (WTI) reaches \$95.00 and if that price is maintained or increases over that amount for a period of 60 consecutive days. This language should be reviewed at the end of the three year negotiated contract.
- The Walker Administration and union leadership intend to include language in each of the negotiated contracts, which allows for a re-opener of the negotiated contract if the price of WTI falls below \$45.00 and remains below this price point for 60 consecutive days. This language should be reviewed at the end of the three year negotiated contract.

This compromise is not intended to invade the powers of the executive branch, but was reached in an effort to solve the current budget impasse. While we understand that this is not a binding legal agreement, your support of this compromise will allow the legislature to move forward and take action on HB 2001 and move towards securing an affirmative $\frac{3}{4}$ vote of the members of each house of the legislature.

It is important to members of the Legislature and the representatives of the unions that were present in the meetings, for you and Commissioner Fisher to review this compromise and reply favorably.

The agreement was discussed and negotiated in good faith in an effort to resolve our differences, while maintaining our fiduciary responsibilities to the people of Alaska. We believe the compromise reflects fiscal policies that will protect our state in the future, in light of our current fiscal situation.

Thank you for your timely consideration. We look forward to working with you to complete this process and allow for the State of Alaska to continue providing necessary services to Alaskans.

Sincerely,



Representative Mark Neuman
Chair



Senator Pete Kelly
Vice-Chair

State of Alaska Fiscal Summary-- FY15 and FY16 (Part 2)
(\$ millions)

Approximate Balances of Reserve Accounts

	FY15				FY16			
	BoY Balance	In	Out	EoY Balance	BoY Balance	In	Out	EoY Balance
Permanent Fund Principal -- Market Value (no appropriations allowed)	45,002.0	1,340.0	0.0	46,342.0	46,342.0	1,696.0	0.0	48,038.0
Undesignated Reserves	21,858.2	3,072.8	7,767.0	17,163.9	17,163.9	3,189.0	5,061.4	15,291.5
Total Excluding Permanent Fund	15,647.1	310.8	5,781.0	10,176.8	10,176.8	357.0	2,748.4	7,785.4
Constitutional Budget Reserve Fund (cash)	12,806.2	270.5	3,000.0	10,076.7	10,076.7	357.0	2,748.4	7,685.3
Statutory Budget Reserve Fund	2,791.0	-	2,717.9	73.1	73.1	-	-	73.1
Alaska Housing Capital Corporation Fund	49.9	40.3	63.1	27.1	27.1	-	-	27.1
Permanent Fund Earnings Reserve Account	6,211.1	2,762.0	1,986.0	6,987.1	6,987.1	2,832.0	2,313.0	7,506.1
Designated Reserves	2,882.7	361.8	1,433.7	1,810.8	1,810.8	1,260.1	1,413.7	1,657.1
Alaska Capital Income Fund	75.8	23.0	72.7	26.1	26.1	23.0	43.2	5.8
Alaska Higher Education Investment Fund	460.6	31.1	16.6	475.1	475.1	31.6	24.0	482.6
Public Education Fund	1,188.5	177.4	1,242.6	123.3	123.3	1,124.4	1,247.5	0.2
Revenue Sharing Fund	180.0	52.0	60.0	172.0	172.0	-	57.3	114.7
Power Cost Equalization Endowment	977.8	78.2	41.7	1,014.3	1,014.3	81.1	41.7	1,053.8
Reserves (Excluding Permanent Fund Principal)	24,740.8	3,434.5	9,200.7	18,974.7	18,974.7	4,449.1	6,475.1	16,948.7
Unrestricted General Fund Appropriations				5,005.3				4,954.0
Years of Reserves (Reserves/UGF Appropriations)				3.79				3.42