

Alaska Chamber

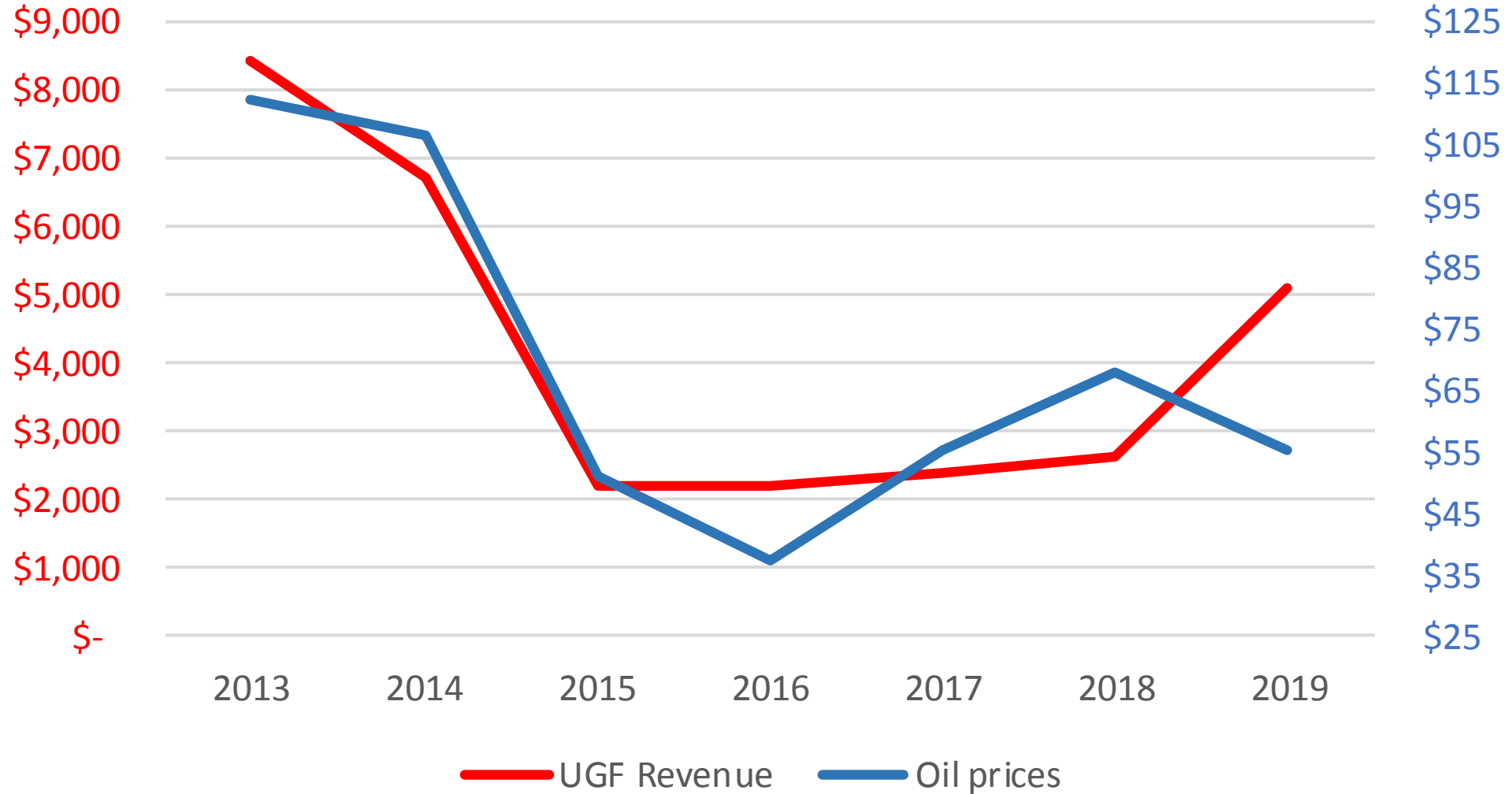
SENATOR NATASHA VON IMHOF

JANUARY 30, 2019

Overview:

1. Past: Events leading up to now
2. Present: Where we are today
3. Future: What are our choices going forward

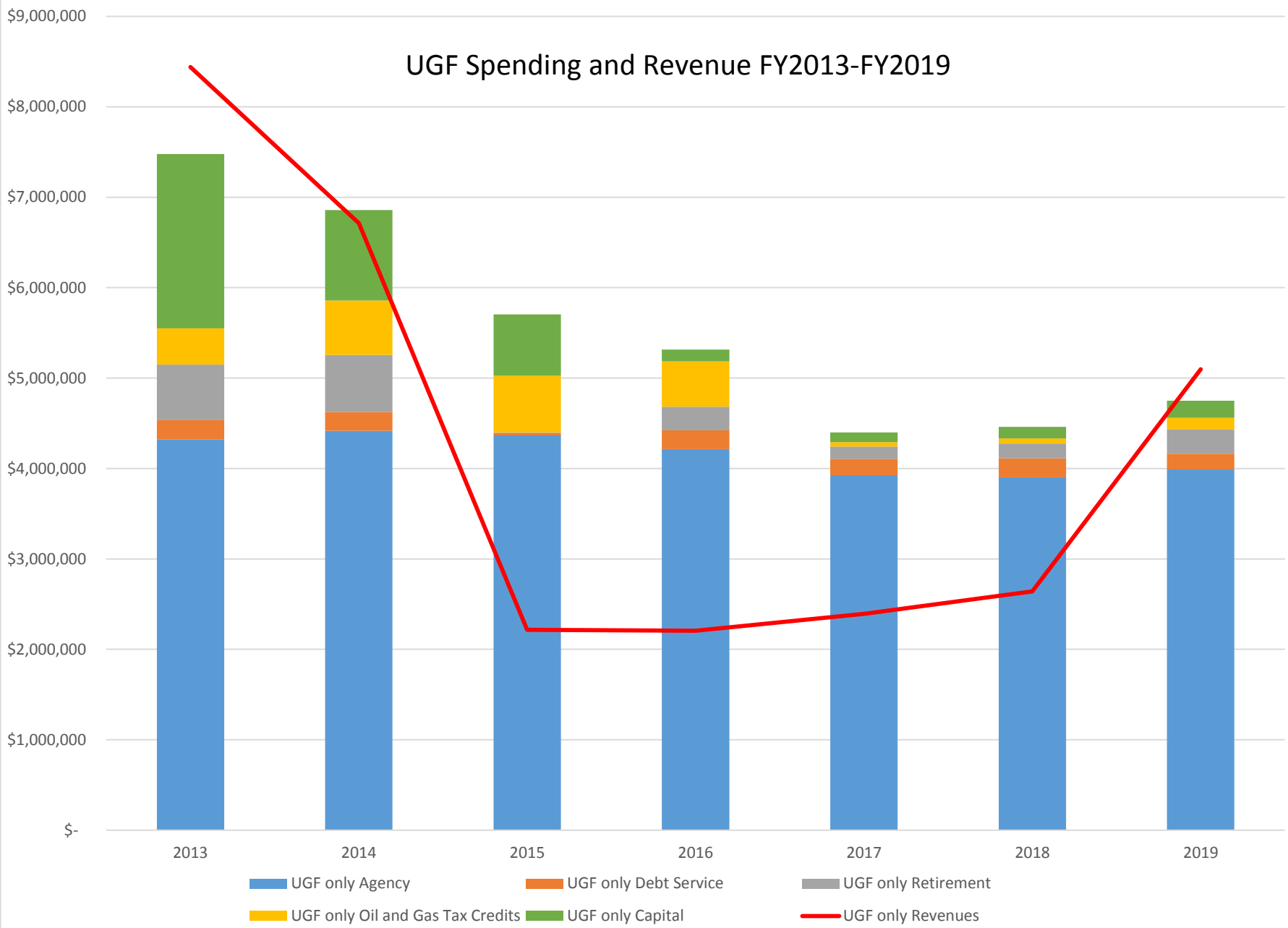
AK State UGF Revenue & Oil Prices 2013-Jan 2019



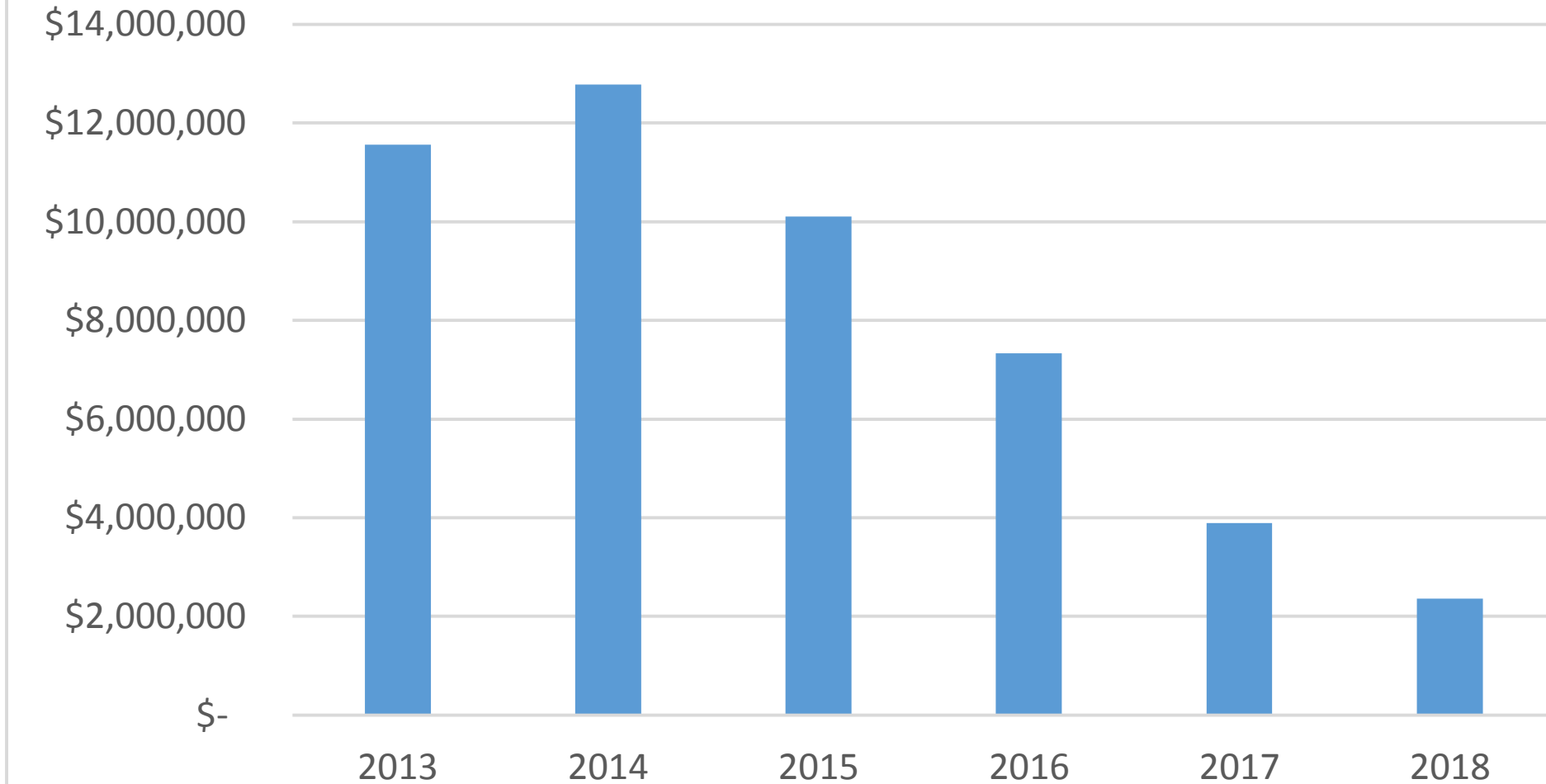
Sources: <https://www.macrotrends.net/2480/brent-crude-oil-prices-10-year-daily-chart>

Alaska state Office of Budget Management enacted fiscal summaries

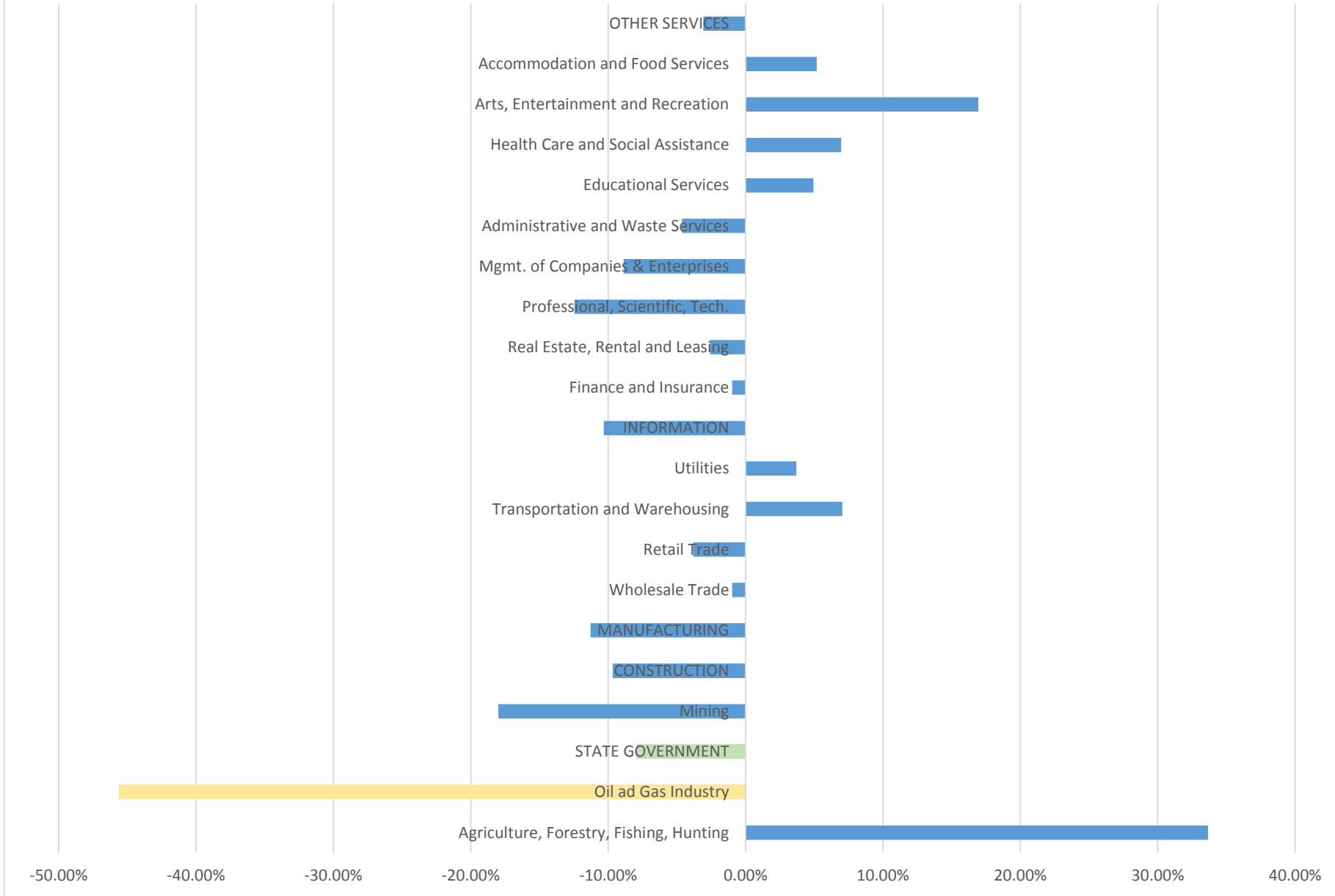
UGF Spending and Revenue FY2013-FY2019



CBR Balance (in millions)

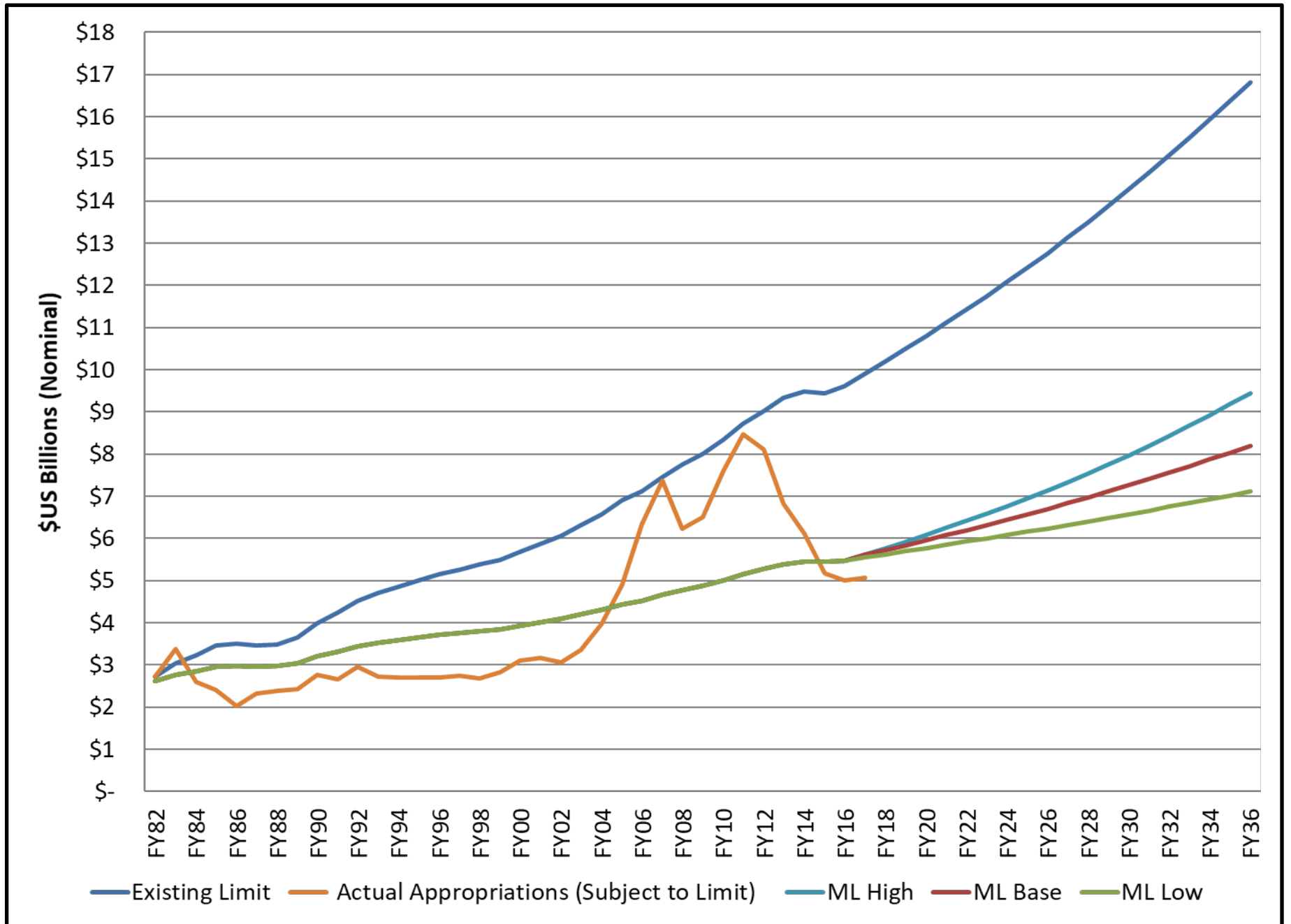


Change of Workforce b/t 2015 and 2018



A	B	C	D	E	F
YR	Days in Session	Agency-UGF Spending Δ Yr to Yr (in millions)	Backfill by all other Funds	Actual Δ Yr to Yr (in millions)	Draw on CBR
2014					(\$1,714.0)
2015	157 days				(\$2,718.7)
2016	157 days	(\$401,942)	\$105,217	(\$296,725)	(\$2,748.4)
2017	212 days	(\$233,679)	\$283,290	\$49,611	(\$2,802.2)
2018	117 days	(\$124,733)	\$25,613	(\$99,120)	(\$2,455.4)
	Totals	(\$760,354)	\$414,120	(\$346,234)	(\$12,439)

Must have
an effectual
Spending
Cap!



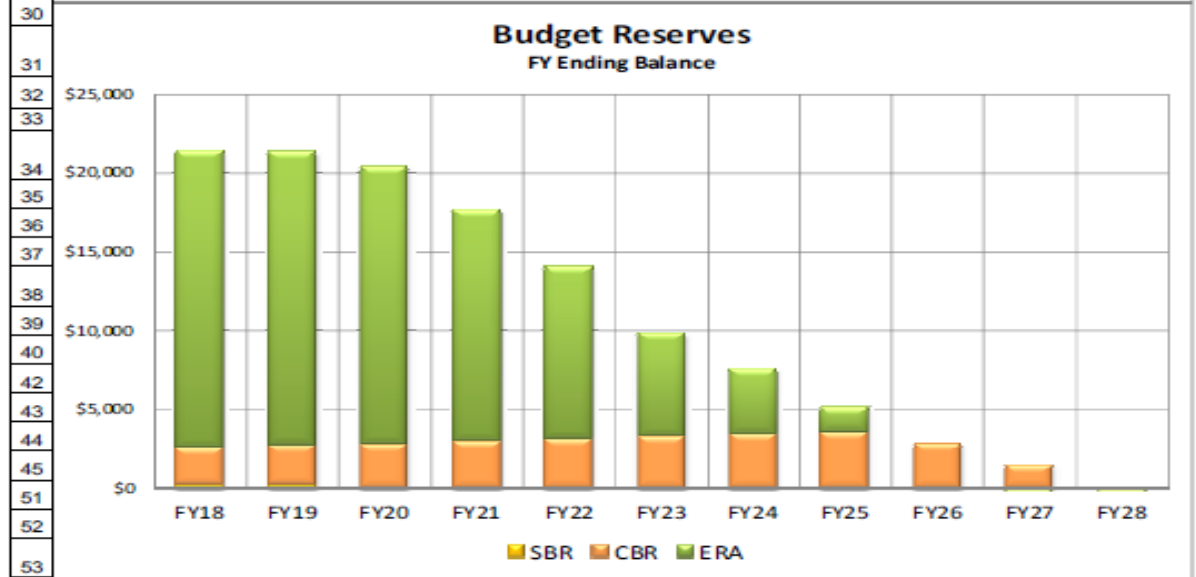
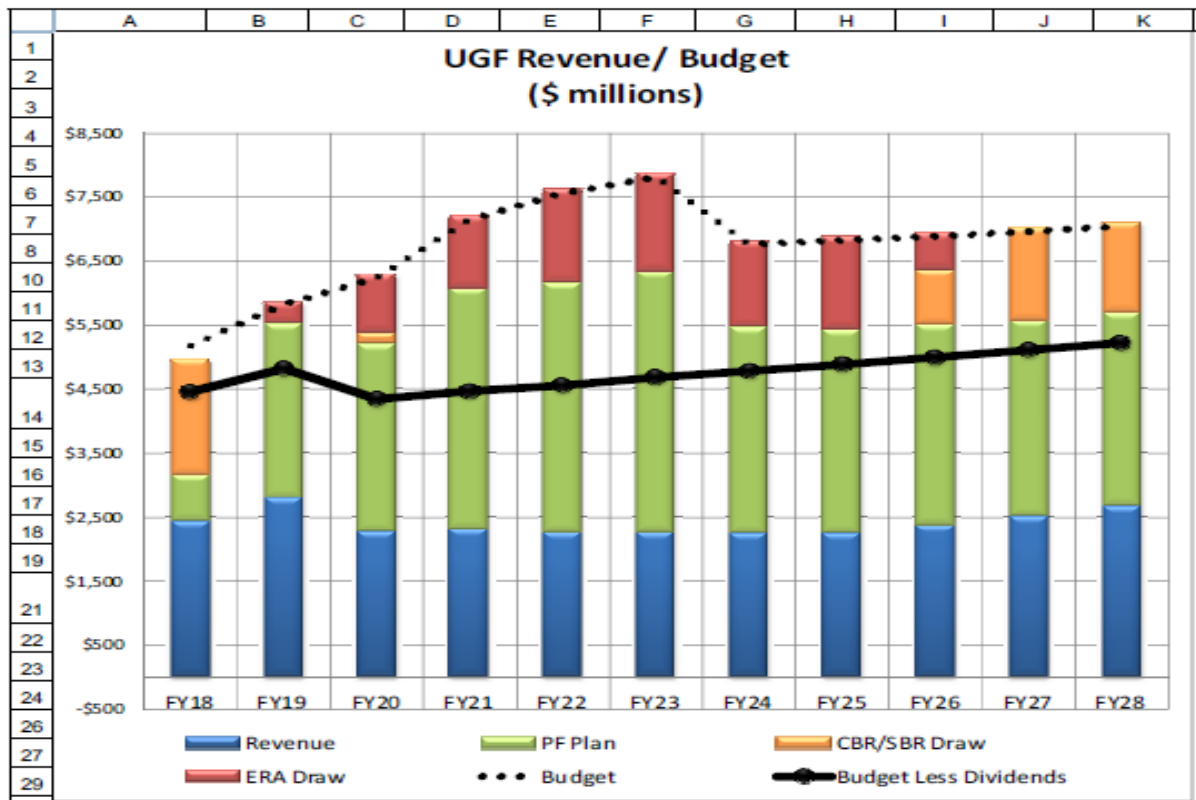
Present: Where are we now?

Statutory Budget published on December 14, 2018

				FY2020
1	Current Revenue Sources			
2	Unrestricted General Funds	\$	2,265.0	Revised Fall revenue Forecast
3	Designated Funds	\$	916.3	OMB FY20 Preliminary
4	Other State Funds	\$	721.9	OMB FY20 Preliminary
5	Federal Funds	\$	3,783.0	OMB FY20 Preliminary
6	POMV Permanent Fund	\$	2,933.1	APFC 2020
7	Total Revenue	\$	10,619.3	
8				
9	Current Appropriations (spending)			
10	DEED: Education & Early Development	\$	1,676.1	
11	HSS: Health & Social Services	\$	3,316.8	
12	UA- University of Alaska	\$	908.1	
13	All other agency spending	\$	3,141.3	
14	Less Duplicate Appropriations	\$	(863.7)	
15	Subtotal Agency Operations	\$	8,178.6	
16				
17	Current Statewide Obligations			
18	Debt Service	\$	277.5	
19	Revenue Sharing	\$	69.4	
20	Oil and Gas credits	\$	167.0	
21	Fund Capitalization	\$	61.9	
22	Direct Appropriation to retirement	\$	307.9	
23	Less: Other duplicate appropriations	\$	(113.3)	
24	Total Capital	\$	1,353.1	
25	Subtotal statewide obligations	\$	2,123.5	
26				
27	Permanent Dividends Paid	\$	1,944.0	Yields a \$2,936 ck per person
28				
29	Total spending	\$	12,246.1	
30				
31	Revenue less expenses	\$	(1,626.8)	Deficit

Future: How could the state address the deficit?

1. Increase revenue through more oil production or incorporate new taxes
2. Decrease operating expenses
3. Pay a lower Permanent Fund dividend



YR	PFD amount		
2014	\$	1,884	statute
2015	\$	2,072	statute
2016	\$	1,022	negotiated
2017	\$	1,100	negotiated
2018	\$	1,600	negotiated

Source:
Legislative
Finance

What next?

Look at the Governor's budget on February 13th

Listen to testimony

Listen to our constituents

Have a spirited debate