

## **Statewide Appropriations Ten Year Expenditure Projection**

The statewide appropriations sections of the ten-year expenditure projection takes in to consideration elements of state spending that are not necessarily tied to agency budgets. In some instances, as was the case with estimated wage and benefit increases, it was determined to be a more consistent method to have a centralized forecast for wage and benefit increases than to have agencies forecast this portion of their budgets separately.

Discussed below are the key assumptions inherent in each of the sections of the statewide appropriations projection.

### **Baseline Scenario- Statewide Operating Budget Assumptions**

**Wage & Benefits Increases:** FY11 and FY12 have no escalation projections as all known collective bargaining unit increases were incorporated in to the baseline projections. Wage and benefit increases for FY13 forward were based on the following assumptions: Total personal services costs in FY12 Governor's budget serves as base. Wages and wage linked benefits increase at an annual average rate of 2.75% through FY2021. Health care component costs increase at a rate of 7.5% annually through FY2021. Total increases allocated to fund sources based upon historical share of total personal services costs from the Alaska Budget System personal services module. University of Alaska personal services escalation excluded from the baseline since the University provided a ten year projection including wage and benefit growth.

**Direct Deposits to Retirement Systems.** FY11 and FY12 based upon submitted budgets. FY13 through FY21 based upon actuarial projections from Buck Consultants. All results are based upon the data assumptions and plan provisions as described in the June 30, 2009 system valuation.

**Debt Service and Debt Retirement Fund Capitalization:** Projections of future debt are estimates from the Alaska Department of Revenue as of the December 2010 Governor's budget release. Important components to the short term changes in debt payments include the timing of the issuance of the 2010 General Obligation bond package, the issuance and subsequent beginning of the debt repayment for the Statewide Crime Laboratory and the University of Alaska Life Sciences facility, and increasing state contributions for the school debt reimbursement program. Beginning in FY13, the school debt reimbursement program is held constant as it is uncertain what the future configuration of the debt reimbursement program will be.

Note: The projections in the FY2012 plan are intended to be used as a planning tool. They do not represent a commitment by the Administration to propose spending nor bring in revenue at a particular level in FY2011, FY2012 or any future year.

**Other Fund Capitalizations:** Appropriations to capitalize a variety of finds are included in these projections. Among the larger funds are the Disaster Relief Fund, the Alaska Clean Water and Alaska Drinking Water Funds, and the Oil and Hazardous Substance Release Prevention Account. Generally, the capitalization of these funds and the other not mentioned here were held at FY2012 levels for the entire projection period.

**Revenue Sharing:** Municipal revenue sharing program is held at FY2012 level through FY2021.

**Oil and Gas Tax Credits:** Oil and Gas tax credits program held at FY2012 level through FY2021.

### **Baseline Scenario- Statewide Capital Budget Assumptions**

**Other Fund Capitalization** Renewable Energy Grant Fund capitalization of \$25.0 million assumed to occur annually through FY2016.

Annual capitalization of the AGIA Reimbursement Fund on the following schedule:

FY2012- \$160 million

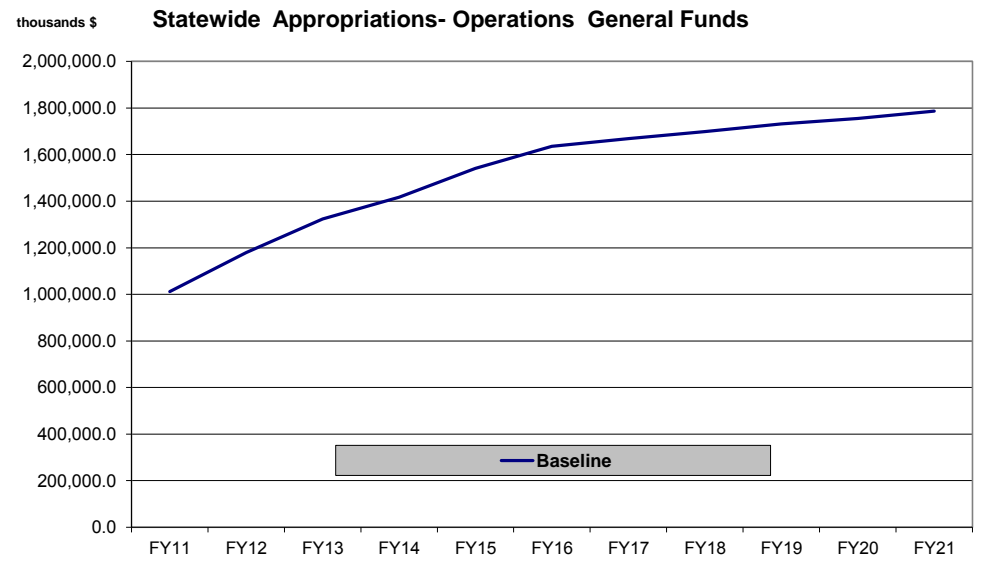
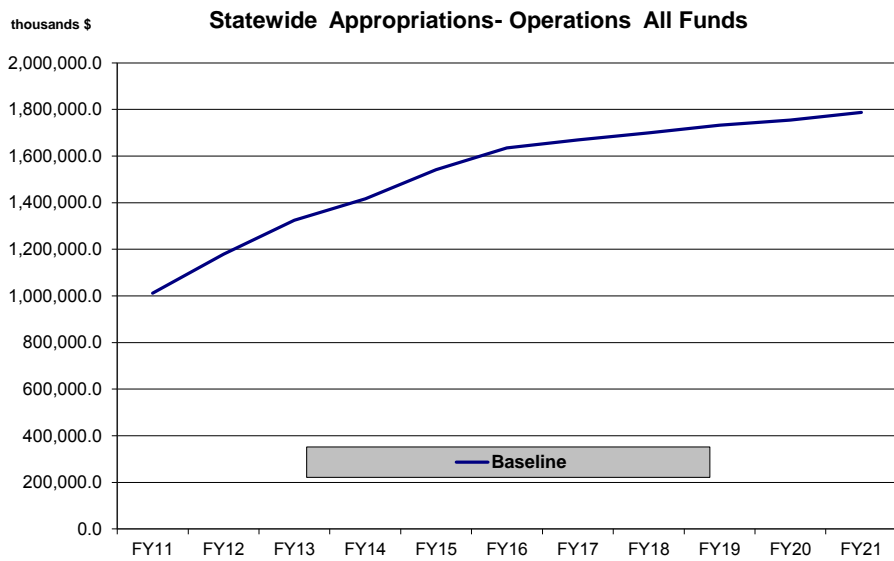
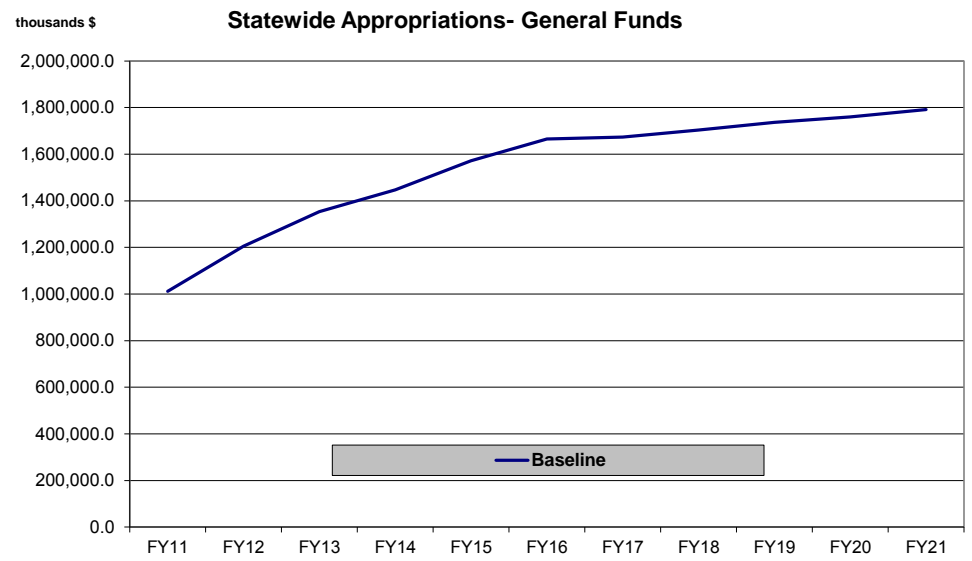
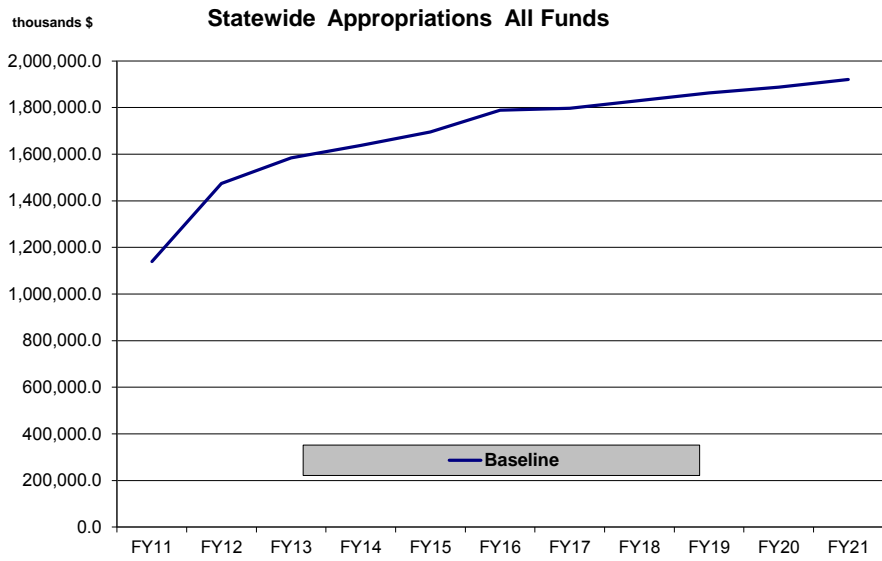
FY2013- \$95 million

FY2014- \$55 million

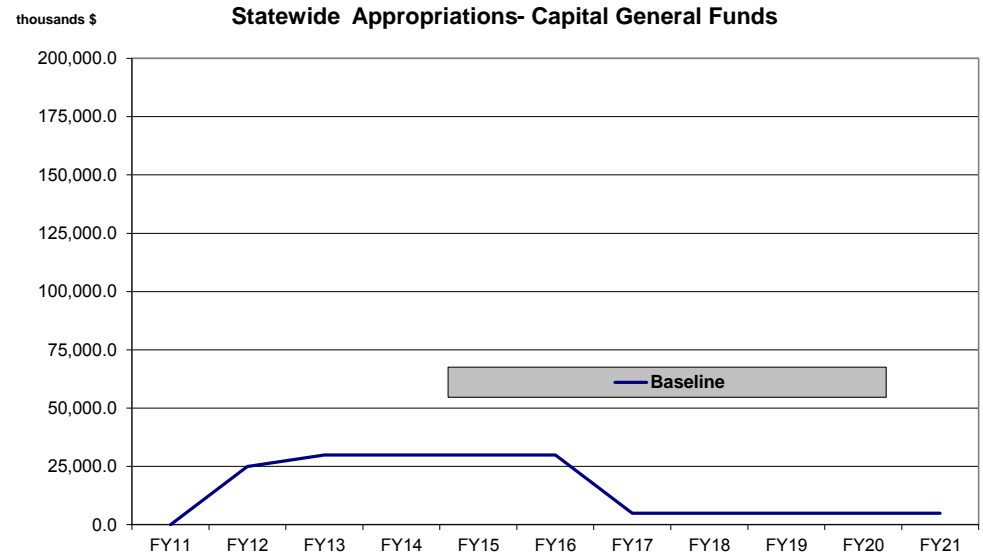
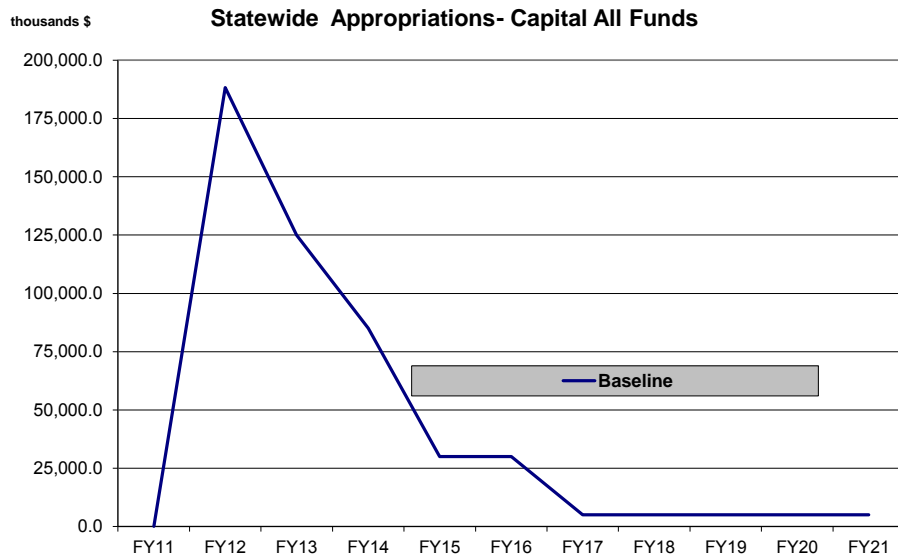
### **Initiative Scenario- Statewide Capital Budget Assumptions**

At this time, no statewide capital initiatives are projected in this section. The second fiscal year of the Governor's 5-year deferred maintenance proposal is embedded in the agency allocations for FY2012 and they are assumed to be carried forward at those levels through FY2015.

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## Statewide Appropriations

### Baseline

(thousands)

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
<b>Statewide TOTAL</b>	1,139,489.5	1,474,796.3	1,583,706.6	1,637,968.3	1,695,430.5	1,788,618.8	1,797,683.7	1,829,298.3	1,863,482.9	1,887,294.6	1,921,271.7
General Fund Unrestricted	1,011,690.4	1,178,888.0	1,323,118.9	1,416,873.4	1,541,870.9	1,636,556.9	1,645,738.3	1,676,694.4	1,710,078.0	1,732,934.2	1,765,812.2
General Fund Designated	0.0	25,775.0	31,073.7	30,164.7	29,340.2	28,596.9	27,932.2	27,343.6	26,828.8	26,386.0	26,013.6
Other State Funds	32,074.9	232,841.5	186,717.9	147,901.9	93,077.3	91,908.3	92,019.3	92,804.8	93,633.2	94,516.5	95,443.7
Federal Funds	95,724.2	37,291.9	42,796.0	43,028.2	31,142.2	31,556.6	31,993.9	32,455.4	32,942.9	33,457.8	34,002.2
<b>OPERATIONS- Statewide</b>	1,139,489.5	1,286,554.7	1,458,706.6	1,552,968.3	1,665,430.5	1,758,618.8	1,792,683.7	1,824,298.3	1,858,482.9	1,882,294.6	1,916,271.7
General Fund Unrestricted	1,011,690.4	1,153,888.0	1,293,218.9	1,386,973.4	1,511,970.9	1,606,656.9	1,640,838.3	1,671,794.4	1,705,178.0	1,728,034.2	1,760,912.2
General Fund Designated	0.0	25,775.0	31,073.7	30,164.7	29,340.2	28,596.9	27,932.2	27,343.6	26,828.8	26,386.0	26,013.6
Other State Funds	32,074.9	72,841.5	91,717.9	92,901.9	93,077.3	91,908.3	92,019.3	92,804.8	93,633.2	94,516.5	95,443.7
Federal Funds	95,724.2	34,050.3	42,696.0	42,928.2	31,042.2	31,456.6	31,893.9	32,355.4	32,842.9	33,357.8	33,902.2
<b>Wage &amp; Benefits</b>	0.0	0.0	62,428.5	65,081.5	67,877.7	70,826.3	73,937.2	77,220.8	80,688.5	84,352.3	88,225.3
General Fund Unrestricted	0.0	0.0	32,128.7	33,494.1	34,933.2	36,450.7	38,051.6	39,741.5	41,526.2	43,411.8	45,405.0
General Fund Designated	0.0	0.0	6,560.2	6,839.0	7,132.8	7,442.6	7,769.5	8,114.6	8,479.0	8,864.0	9,271.0
Other State Funds	0.0	0.0	14,964.7	15,600.7	16,271.0	16,977.8	17,723.5	18,510.6	19,341.8	20,220.1	21,148.5
Federal Funds	0.0	0.0	8,774.9	9,147.8	9,540.8	9,955.3	10,392.5	10,854.1	11,341.5	11,856.5	12,400.9
<b>Retirement Systems</b>	356,691.4	477,126.7	573,291.0	667,398.0	777,891.0	870,992.0	902,811.0	936,491.0	967,386.0	999,954.0	1,036,169.0
General Fund Unrestricted	356,691.4	477,126.7	573,291.0	667,398.0	777,891.0	870,992.0	902,811.0	936,491.0	967,386.0	999,954.0	1,036,169.0
General Fund Designated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Debt Service</b>	235,505.4	300,340.1	313,899.2	311,400.8	310,573.9	307,712.5	306,847.6	301,498.6	301,320.5	288,900.3	282,789.4
General Fund Unrestricted	140,916.4	206,861.3	217,899.2	216,181.3	229,246.7	229,314.2	230,075.6	225,661.8	226,365.8	214,768.4	209,438.2
General Fund Designated	0.0	21,600.0	20,338.6	19,150.8	18,032.4	16,979.3	15,987.7	15,054.0	14,174.9	13,347.1	12,567.6
Other State Funds	12,007.7	58,900.2	62,811.9	63,359.9	62,865.0	60,989.2	60,354.5	60,353.0	60,350.1	60,355.1	60,353.9
Federal Funds	82,581.3	12,978.7	12,849.5	12,708.8	429.8	429.8	429.8	429.8	429.8	429.8	429.8
<b>Other Fund Capitalization</b>	57,292.6	49,087.9	49,087.9	49,087.9	49,087.9	49,087.9	49,087.9	49,087.9	49,087.9	49,087.9	49,087.9
General Fund Unrestricted	24,082.5	9,900.0	9,900.0	9,900.0	9,900.0	9,900.0	9,900.0	9,900.0	9,900.0	9,900.0	9,900.0
General Fund Designated	0.0	4,175.0	4,175.0	4,175.0	4,175.0	4,175.0	4,175.0	4,175.0	4,175.0	4,175.0	4,175.0
Other State Funds	20,067.2	13,941.3	13,941.3	13,941.3	13,941.3	13,941.3	13,941.3	13,941.3	13,941.3	13,941.3	13,941.3
Federal Funds	13,142.9	21,071.6	21,071.6	21,071.6	21,071.6	21,071.6	21,071.6	21,071.6	21,071.6	21,071.6	21,071.6

Note: The projections in the FY2012 plan are intended to be used as a planning tool. They do not represent a commitment by the Administration to propose spending nor bring in revenue at a particular level in FY2011, FY2012 or any future year.

## Statewide Appropriations

<b>Baseline</b> (thousands)	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
<b>Revenue Sharing</b>	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0
General Fund Unrestricted	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0
General Fund Designated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Oil &amp; Gas Tax Credits</b>	430,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0
General Fund Unrestricted	430,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0	400,000.0
General Fund Designated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL - Statewide</b>	0.0	188,241.6	125,000.0	85,000.0	30,000.0	30,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
General Fund Unrestricted	0.0	25,000.0	29,900.0	29,900.0	29,900.0	29,900.0	4,900.0	4,900.0	4,900.0	4,900.0	4,900.0
General Fund Designated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	160,000.0	95,000.0	55,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	3,241.6	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Other Fund Capitalization</b>	0.0	188,241.6	125,000.0	85,000.0	30,000.0	30,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
General Fund Unrestricted	0.0	25,000.0	29,900.0	29,900.0	29,900.0	29,900.0	4,900.0	4,900.0	4,900.0	4,900.0	4,900.0
General Fund Designated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	160,000.0	95,000.0	55,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	3,241.6	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0