

State of Alaska

Fiscal 2009 Governor's Budget Fiscal Summary

(dollars shown in millions)

| | FY2008 Authorized | | | | FY2009 Governor | | | | FY2009 to FY2008 | |
|---------------------------------------------------------------|-------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|------------------|---------------|
| | General Fund | Federal Funds | Other Funds | Total Funds | General Fund | Federal Funds | Other Funds | Total Funds | General Fund | % |
| 1 Revenues | | | | | | | | | | |
| 2 Unrestricted General Fund Revenues (Fall 2007 Forecast) (A) | 6,604.5 | | | 6,604.5 | 5,038.4 | | | 5,038.4 | | |
| 3 Department of Revenue O&G Tax Credits (expensed below) | 150.0 | | | 150.0 | 200.0 | | | 200.0 | | |
| 4 Reappropriations and Carry Forward (B) | 633.5 | 6.2 | 1.5 | 641.1 | 1,026.5 | | | 1,026.5 | | |
| 5 Corporate Dividends and Bonds(C) | | | 86.5 | 86.5 | | | 147.6 | 147.6 | | |
| 6 Federal and Other State Funds | | 2,538.4 | 1,114.1 | 3,652.5 | | 2,571.2 | 1,217.3 | 3,788.5 | | |
| 7 Total Revenues | 7,388.0 | 2,544.5 | 1,202.1 | 11,134.6 | 6,264.9 | 2,571.2 | 1,364.9 | 10,201.0 | (1,123.1) | -15.2% |
| 8 Authorization to Spend | | | | | | | | | | |
| 9 Operating, Debt and Fund Capitalization | 3,741.0 | 1,751.9 | 1,100.8 | 6,593.7 | 3,780.4 | 1,774.6 | 1,143.0 | 6,698.1 | 39.4 | 1.1% |
| 10 Agency Operations (Non-formula) | 1,596.9 | 861.2 | 1,499.2 | 3,957.3 | 1,673.4 | 865.4 | 1,584.3 | 4,123.1 | | |
| 11 Formula Programs and Potential Rate Adjustments | 559.2 | 855.8 | 92.5 | 1,507.5 | 655.9 | 868.5 | 98.3 | 1,622.8 | | |
| 12 Public Education Fund and K-12 School Grants (D) | 973.9 | | | 973.9 | 885.1 | | | 885.1 | | |
| 13 Direct Deposit to PERS and TRS | 455.0 | | | 455.0 | 408.4 | | | 408.4 | | |
| 14 Debt Service (H) | 22.5 | 0.0 | 210.9 | 233.4 | 43.8 | 0.0 | 209.6 | 253.4 | | |
| 15 Debt Retirement Fund Capitalization (H) | 102.3 | 11.8 | 7.0 | 121.1 | 71.4 | 13.1 | 36.2 | 120.7 | | |
| 16 Other Fund Capitalization (I) | 31.3 | 23.1 | 23.0 | 77.4 | 42.4 | 27.6 | 130.3 | 200.3 | | |
| 17 AK Capital Income Fund Capitalization (Am Hess) (J) | | | 78.4 | 78.4 | | | 28.0 | 28.0 | | |
| 18 Duplicated Authorizations (E) | | | (810.2) | (810.2) | | | (943.7) | (943.7) | | |
| 19 Supplementals | 142.3 | 2.7 | 0.8 | 145.8 | 50.0 | 0.0 | 0.0 | 50.0 | (92.3) | -64.9% |
| 20 Capital Projects Funded from FY2008 Surplus | 34.0 | 2.7 | 6.0 | 42.7 | | | | 0.0 | | |
| 21 Statewide Supplementals (placeholder) | 108.3 | | (41.0) | 67.3 | 50.0 | | | 50.0 | | |
| 22 Duplicated Authorizations (E) | | | 35.8 | 35.8 | | | | 0.0 | | |
| 23 Capital | 355.9 | 790.0 | 100.5 | 1,246.4 | 372.3 | 791.6 | 205.5 | 1,369.4 | 16.4 | 4.6% |
| 24 Project Appropriations and Revised Programs | 266.2 | 790.0 | 310.5 | 1,366.7 | 297.3 | 791.6 | 322.4 | 1,411.3 | | |
| 25 Revenue Sharing | | | | 0.0 | 75.0 | | | 75.0 | | |
| 26 DEED Major Maintenance Grants Fund Capital Projects (F) | | | | 0.0 | | | 80.7 | 80.7 | | |
| 27 DEED School Construction Grant Fund (G) | 89.7 | | | 89.7 | | | 19.1 | 19.1 | | |
| 28 Duplicated Authorizations (E) | | | (210.0) | (210.0) | | | (216.7) | (216.7) | | |
| 29 New Legislation | | | | 0.0 | 155.3 | 0.0 | 0.4 | 155.7 | | |
| 30 Public Education Fund | | | | 0.0 | 141.4 | | | 141.4 | | |
| 31 Other New Legislation Items | | | | 0.0 | 13.9 | | 0.4 | 14.3 | | |
| 32 FY2009 Potential Amendments | | | | 0.0 | 51.5 | 5.0 | 16.0 | 72.5 | | |
| 33 Operating | | | | 0.0 | 41.0 | 5.0 | 16.0 | 62.0 | | |
| 34 Capital | | | | 0.0 | 10.5 | | | 10.5 | | |
| 35 Total Authorization to Spend | 4,239.3 | 2,544.5 | 1,202.1 | 7,985.9 | 4,409.6 | 2,571.2 | 1,364.9 | 8,345.7 | 170.3 | 4.0% |
| 36 PF Dividends / PFD Division Operations (K) | | | 1,072.0 | 1,072.0 | | | 1,357.0 | 1,357.0 | | |
| 37 PF Inflation Proofing | | 0.6 | 769.0 | 769.6 | | | 803.0 | 803.0 | | |
| 38 Total AK Permanent Fund | | 0.6 | 1,841.0 | 1,841.6 | | | 2,160.0 | 2,160.0 | | |
| 39 Totals with Permanent Fund | 4,239.3 | 2,545.1 | 3,043.1 | 9,827.5 | 4,409.6 | 2,571.2 | 3,524.9 | 10,505.7 | | |
| 40 Additional Legislation | 750.0 | | | | 500.0 | | | | | |
| 41 Transportation Endowment | 500.0 | | | | 500.0 | | | | | |
| 42 Energy Fund | 250.0 | | | | | | | | | |
| 43 Additional Savings / Investments | 2,175.0 | | | | 1,200.0 | | | | | |
| 44 Oil and Gas Tax Credits (appropriated) | 25.0 | | | | 200.0 | | | | | |
| 45 Oil and Gas Tax Credits (Supplemental placeholder) | 125.0 | | | | | | | | | |
| 46 Teachers Retirement System - reduce unfunded liability | 450.0 | | | | | | | | | |
| 47 Public Education Fund | 1,575.0 | | | | 1,000.0 | | | | | |
| 48 Balance to Constitutional Budget Reserve | 223.7 | | | | 155.3 | | | | | |

State of Alaska

Notes

A Unrestricted General Fund Revenues: FY2008 Unrestricted Revenues are based on an ANS West Coast oil price of \$72.64 per barrel and estimated production of .731 million barrels per day. FY2009 is projected at \$66.32 per barrel and .701 million barrels per day.

B Reappropriations and Carry Forward: Includes fund sources for reappropriations and other appropriations (typically roll-forwards of prior year authorizations) that were posted to FY2008 subsequent to the FY2008 Conference Committee, and that do not require additional FY2008 revenue. The amount for FY2009 Governor is the carry forward amount of the Public Education Fund being spent in FY2009.

C Corporate Dividends and Bonds: Include funds made available to the State by the boards of the Alaska Industrial Development and Export Authority (AIDEA), Alaska Housing Finance Corporation (AHFC) and Alaska Student Loan Corporation (ASLC). The AIDEA dividend is \$10 million for FY2008 and \$23.8 million for FY2009. The total AHFC transfer for dividend, capital projects, loan programs and debt service is \$84.4 million for FY2008 and \$65.9 million for FY2009. Since AHFC's debt payments for general government purpose bonds do not require appropriation, the net transfers appropriated here are \$75.3 million for FY2008 and \$59.7 million for FY2009. The ASLC Dividend is \$1.2 million for FY2008 and \$4.1 million for FY2009.

D Public Education Fund: Legislation in 2005 established the Public Education Fund (PEF). One of the effects of this legislation was to remove expenditures for K-12 Foundation Program and Pupil Transportation from operating formula programs (line 11), since expenditures from the fund do not require appropriation.

The FY2008 and FY2009 proposed Education K-12 Foundation Program and Pupil Transportation expenditures are shown as funds expended from the Public Education Fund on lines 12 and 30. The Public Education Fund for FY2008 is capitalized with a combination of FY2006 and FY2007 investment surplus of \$613.5 million GF. The FY2008 Authorized amount includes \$69.1 million GF appropriation for K-12 district cost factors (\$48 million) and school improvement grants (\$21.1 million) and \$282.3 for school districts' increased retirement costs. The amounts for FY2009 Governor include roll-forward of FY2008 PEF capitalization of \$1,026.5 million. This amount will cover the proposed FY2009 Foundation Program and Pupil Transportation increases of \$141.4 million.

E Duplicated Authorizations: These appropriations are in the budget twice, such as when funds flow in and out of a holding account or one agency pays another for services provided. The most significant examples of these type of expenditures include operating payments from Interagency Receipts, and debt payments from the Debt Retirement Fund.

F DEED Major Maintenance Grants Fund Capital Projects: The FY2009 Governor amount on line 26 is funded from the Alaska Capital Income Fund. Twenty major maintenance projects are funded.

G DEED School Construction Grants Fund Capital Projects: The FY2008 amount shown on line 27 for the DEED School Construction Grants Fund Capital Projects is appropriated in SLA 2006, Chapter 82, Section 13. The FY2009 amount is for replacement of the Susitna Valley High School.

H Debt Service / Debt Retirement Fund Capitalization: The Debt Service line (line 14) includes actual payment of debt obligations, primarily general obligation bonds, certificates of participation (lease-financing), and International Airports revenue bonds. Some of these debt payments are made from the Debt Retirement Fund, which is capitalized from a variety of fund sources. The Debt Retirement Fund Capitalization line (line 15) identifies various funding sources used to pay debt from the Debt Retirement Fund.

I Other Fund Capitalization: Other Fund Capitalization includes capitalization of various State operating funds, such as the Fish and Game Fund, Power Cost Equalization and Rural Electric Capitalization Fund, and several others.

J Alaska Capital Income Fund Capitalization: The Alaska Capital Income Fund is authorized by AS 37.05.565. The fund consists of income earned on money awarded as a result of the State vs. Amerada Hess royalty case, estimated to be \$28 million per year, plus other appropriations. In FY2008 the other appropriations are \$38.9 million from AHFC dividend, \$10 million AIDEA dividend, and \$1.2 million ASLC dividend.

K PF Dividends / PFD Division Operations: Line 36 includes both the amounts for Permanent Fund Dividend (PFD) checks and other State operating costs of the PFD. In FY2008 the State will spend \$20.2 million for Department of Revenue, Division of Permanent Fund Dividends operations (\$7.3 million) and DHSS Public Assistance PFD Hold Harmless (\$12.9 million). In FY2009 the amounts will be \$16.8 million for Department of Revenue, Division of Permanent Fund Dividends operations (\$6.9 million), and DHSS Public Assistance PFD Hold Harmless (\$12.9 million).