

FY2016 WORK IN PROGRESS BUDGET AS OF DECEMBER 15, 2014

The budget passed to the Walker administration for FY2016 was \$5.5 billion in unrestricted general funds (UGF). The proposed capital budget was \$.2 billion (\$219.5). To meet the statutory deadline of December 15 and maximize the time to develop his own FY2016 budget, Governor Walker will submit this operating budget proposal, however without endorsement. The December 15 budget includes an increase of approximately \$2 million in UGF to reflect the operating budgets of the Legislature and Courts as submitted to the Office of Management and Budget and minor technical adjustments for small salary adjustments, non-general fund changes, and structure changes. The capital budget, per the direction of the transition team to examine large projects, has limited the December 15 capital budget submission to a minimum level of unrestricted general funds necessary to leverage federal or other matching funds.

A Walker administration endorsed FY2016 operating and capital budget will be released prior to the February 18, 2015 amended budget deadline.

The Work In Progress budget includes:

Operating:

- Agency target reductions of \$25.5 million based on 2% of the UGF in personal services
- Retirement contribution of \$257.3 million funded through pension obligation bonds
- Salary and benefit adjustments for public employee contractual agreements at \$27.7 million UGF (\$52.8 million total)
- State agency fuel cost funding at \$20 million based on \$90 average ANS price of oil
- Regional Education Attendance Area and Small Municipal (REAA) fund transfer of \$38.8 million. No capital projects are proposed from the REAA fund.
- Renewable Energy Grant fund transfer of \$15 million for renewable energy capital projects
- Community Revenue Sharing fund capitalization at \$60 million (versus \$52 million in FY15)
- Reimbursable Oil and Gas Tax Credits estimated at \$525 million (Fall 2014 forecast updates pending)

Capital:

- Leverage funds to match federal and local funds - \$99.6 million to match over \$1.2 billion in federal and other funds). This includes the Department of Transportation and Public Facilities federal highway and aviation match (\$62.9 million) and the Harbor Grant fund (\$10 million). It also includes DEC Village Safe Water/Wastewater (\$8.75 million) and Municipal Water, Sewer and Solid Waste grants (\$10 million)
- Education School Construction planning funded at \$4.6 million for Kivalina school design and Access Road planning - \$2.5 million. This is the final project in the 2011 Kasayulie v. State settlement agreement. This funding keeps the project moving. Future year budgets will include the road construction funding first, followed by school construction funding.