

Office of Management and Budget: New Budget Transparency Report

The Walker-Mallott Administration is committed to providing the public with the most transparent and accurate view of state government spending. The administration has requested to work with the Legislative Budget and Audit Committee to codify rules that will provide more visibility in state spending. This document represents a starting point in that effort.

Historically, reports have focused on unrestricted general fund spending (UGF) because it is the subset of state spending that impacts the state treasury and affects the deficit. The other three categories of revenue (designated, other, and federal funds) are restricted in use and money saved in those categories cannot necessarily help reduce the deficit.

The Alaska Budget Transparency Report is a new report produced to keep Alaskans informed and provide a more accurate gauge of the true “footprint” of government. This report is designed to assist the public in understanding the actual trend of state spending over time.

In past years, budget strategies have been used to reduce general fund spending on a one-time basis. These tactics must be accounted for to provide a clear view of state spending. Some of these maneuvers are described below.

- **General Fund Offsets**

These items represent the use of other fund sources for items that have traditionally been paid for with general funds. In past years, transfers have been made between various state funds and accounts to reduce the strain on the state treasury, but doing so makes state spending appear lower than it actually is when viewing most budget reports.

- **Reclassification of UGF**

Various fund sources have been reclassified from unrestricted general funds to designated or other funds. While doing so is budget-neutral, reports will understate unrestricted general fund spending in the years this strategy was used.

- **Supplementals in Year Used**

Items are occasionally added to the budget retroactively. In the new Alaska Budget Transparency Report, those items will be included in the year that they are primarily used, not necessarily in the year they were appropriated.

- **True Supplementals**

The budget passed by the legislature each spring is not the final budget. Unforeseen events such as forest fires, disasters and other cost overruns always occur. Most reports exclude these items, assuming the level of supplemental items added to the budget each year will be approximately the same. The transparency report illustrates that is not always the case.

- **Reappropriations**

When a project is completed, there is often a small balance left unspent. In most states, the project is closed and the remaining balance is returned to the general fund. In Alaska, however, it has become common practice to roll these balances forward into new projects. Doing so generates additional spending, but that spending is not reflected on traditional reports. The transparency report correctly reflects the use of reappropriations.

Office of Management and Budget - Transparent Budget Comparison

	FY2015	FY2016	FY2017	FY2018	FY2019	FY15 to FY19 %	FY18 to FY19 %
Agency, Non Formula (Day-to-Day Government Operations)							
UGF Budget	\$2,283.4	\$2,040.4	\$1,899.0	\$1,783.7	\$1,824.6	(\$458.8) -20.1%	\$40.9 2.3%
General Fund Offsets	\$0.0	\$0.0	\$10.0	\$48.8	\$4.7		
Reclassification of UGF	\$0.0	\$0.0	\$7.7	\$46.2	\$46.8		
Supplementals in Year Used	\$4.6	\$4.5	\$1.0	\$0.0	\$18.0		
True Supplementals	(\$10.7)	\$66.6	\$22.5	\$21.6	\$0.0		
Transparent Budget	\$2,277.3	\$2,111.5	\$1,940.2	\$1,900.2	\$1,894.1	(\$383.3) -16.8%	(\$6.1) -0.3%
Agency, Formula (Medicaid, K-12, Etc.)							
UGF Budget	\$2,219.7	\$2,058.5	\$1,979.3	\$1,967.4	\$2,092.7	(\$126.9) -5.7%	\$125.3 6.4%
General Fund Offsets	\$10.0	\$13.0	\$23.7	\$20.0	\$23.3		
True Supplementals	(\$21.5)	\$6.0	\$58.1	\$100.0	\$0.0		
Transparent Budget	\$2,208.2	\$2,077.4	\$2,061.1	\$2,087.4	\$2,116.0	(\$92.1) -4.2%	\$28.6 1.4%
Statewide Items (Debt, Retirement, Credits, Etc.)							
UGF Budget	\$979.9	\$1,018.1	\$384.1	\$469.4	\$115.8	(\$864.2) -88.2%	(\$353.6) -75.3%
General Fund Offsets	\$0.0	\$0.0	\$89.8	\$49.0	\$400.0		
Reappropriations	\$0.0	\$0.0	\$0.0	\$17.0	\$0.0		
Reclassification of UGF	\$0.0	\$0.0	\$55.0	\$55.0	\$1.0		
True Supplementals	(\$13.5)	\$158.0	\$27.5	\$0.7	\$0.0		
Transparent Budget	\$966.4	\$1,176.1	\$556.4	\$591.0	\$516.8	(\$449.6) -46.5%	(\$74.3) -12.6%
Capital							
UGF Budget	\$667.6	\$161.7	\$129.1	\$132.0	\$150.1	(\$517.6) -77.5%	\$18.1 13.7%
General Fund Offsets	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
Reappropriations	\$161.6	\$108.8	\$33.2	\$93.1	\$5.5		
Reclassification of UGF	\$0.0	\$0.0	\$4.4	\$23.9	\$0.5		
Supplementals in Year Used	\$0.0	\$0.5	\$0.0	\$0.0	\$0.0		
True Supplementals	\$17.4	\$23.9	\$12.1	\$6.0	\$0.0		
Transparent Budget	\$846.7	\$294.8	\$178.8	\$255.0	\$156.0	(\$690.6) -81.6%	(\$98.9) -38.8%
Sub-Total State Operating and Capital							
UGF Budget	\$6,150.6	\$5,278.6	\$4,391.5	\$4,352.5	\$4,183.1	(\$1,967.5) -32.0%	(\$169.4) -3.9%
Transparent Budget	\$6,298.6	\$5,659.9	\$4,736.5	\$4,833.6	\$4,682.9	(\$1,615.7) -25.7%	(\$150.7) -3.1%
Transfers							
UGF Budget	\$90.8	(\$226.1)	\$15.6	\$15.9	\$14.6	(\$76.2) -83.9%	(\$1.3) -8.2%
General Fund Offsets	\$1,123.6	\$280.5	\$0.0	\$0.0	\$0.0		
True Supplementals	(\$1,113.3)	\$0.0	\$0.0	\$0.0	\$0.0		
Transparent Budget	\$101.1	\$54.3	\$15.6	\$15.9	\$14.6	(\$86.5) -85.6%	(\$1.3) -8.2%
Dividend							
UGF Budget	\$1,070.0	\$1,342.0	\$695.7	\$760.0	\$818.9	(\$251.1) -23.5%	\$58.9 7.7%
Transparent Budget	\$1,070.0	\$1,342.0	\$695.7	\$760.0	\$818.9	(\$251.1) -23.5%	\$58.9 7.7%
Total State Funded							
UGF Budget	\$7,311.4	\$6,394.5	\$5,102.7	\$5,128.4	\$5,016.6	(\$2,294.9) -31.4%	(\$111.8) -2.2%
Transparent Budget	\$7,469.6	\$7,056.2	\$5,447.7	\$5,609.5	\$5,516.4	(\$1,953.3) -26.1%	(\$93.1) -1.7%
Alaska Economic Recovery Act							
UGF Budget	\$0.0	\$0.0	\$0.0	\$0.0	\$280.0	\$280.0	\$280.0
Transparent Budget	\$0.0	\$0.0	\$0.0	\$0.0	\$280.0	\$280.0	\$280.0

For more information about the budget, visit the interactive budget transparency tool at: <http://data.alaska.gov>