

ASSEMBLY MEMBER ANNA BRAWLEY

**MOA
BUDGET 101**



WHY CARE ABOUT THE MUNICIPAL BUDGET?

- The budget affects our daily lives:
 - Effectiveness of snow removal
 - Response times of emergency services
 - Library hours
 - Quality of playgrounds, parks and trails
- The budget is a reflection of the values, vision and priorities of our community. We fund what is important to us.



WHAT'S IN THE MUNICIPAL BUDGET?

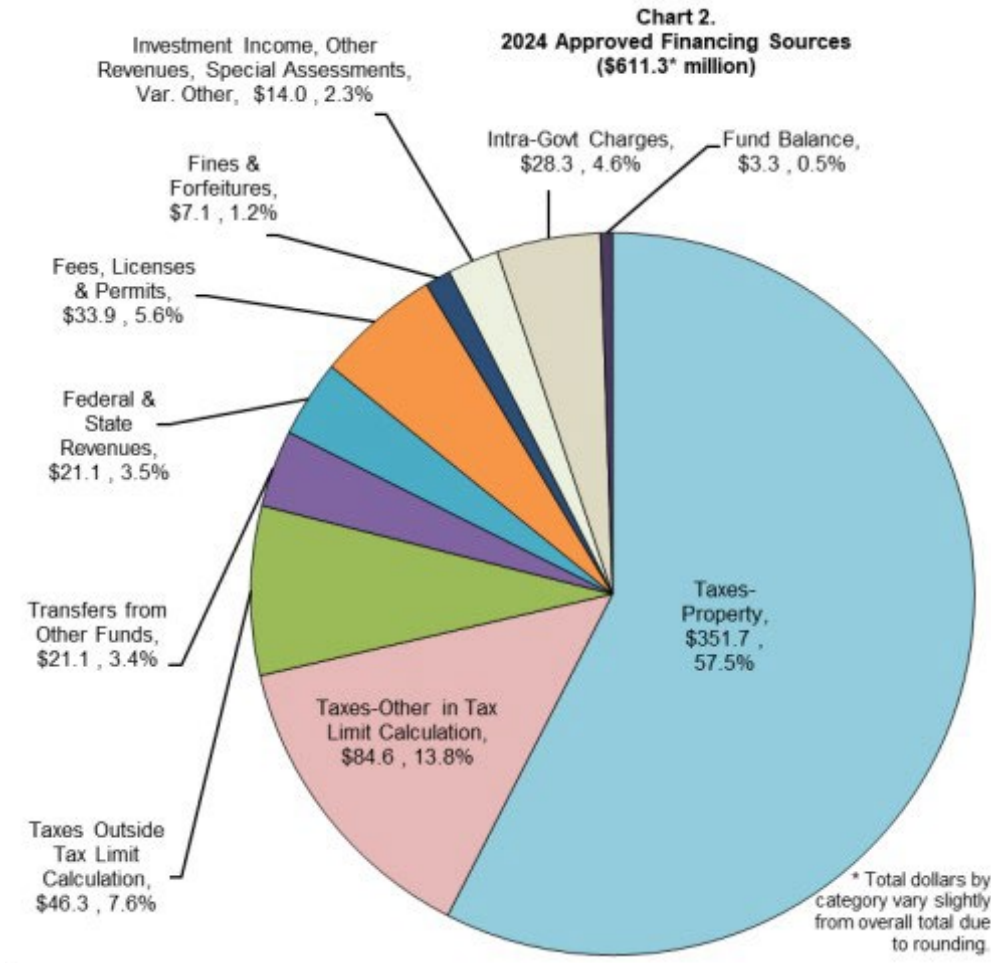
- Operating Budget
 - Services like fire, police, parks, libraries, roads & health
 - Utilities and enterprises – AWWU, ACDA, Port, SWS, Merrill Field
- Capital Budget
 - Bonds for roads, parks, municipal facilities and public safety vehicles
 - Requests to the state and feds for capital grants
- Alcohol and Marijuana Taxes
 - Dedicated funds for violence prevention, public safety, homelessness, substance misuse (alcohol) and early education & childcare (marijuana)

HOW IS THE MUNICIPAL BUDGET DECIDED?

- ~October 1: Mayor releases proposed budget
- October: Assembly reviews budget proposal at worksessions
- Late October-early November: Public hearings on budget
 - Email or testify to the Assembly on your priorities!
- Mid-November: Assembly votes to approve budget
- April: budget revisions if needed, set property tax mill rates

HOW IS THE MUNICIPAL BUDGET FUNDED?

- 2024: \$611M budget
- Revenue comes from:
 - 57% property taxes
 - 14% other taxes (room, vehicle rental, etc.)
 - 3.5% state and federal government
 - Other: Permits, licenses, fines, investment income, etc.



WHY IS MOA LARGELY FUNDED BY PROP TAX?

State investments have been shrinking:

new library, civic center, sports arena and performing arts center. In 1982 state aid to the city provided approximately 42% of the Anchorage general government revenue. The University of Alaska's Institute of Social and Economic Research (ISER) did a study in 1983 which stated, in part:

...[W]hen the municipality began receiving more state money, spending climbed and taxes dropped. By 1982, when mill rates and overall property tax collections were at their lowest, taxes paid for about 36 percent of Anchorage's general expense. In 1983, taxes increased for the first time since 1979; the municipality expects to take in \$87 million in taxes this year, as compared with \$59 million in 1982. As state aid declines, the added local costs of maintaining current programs and paying for new public facilities could push property taxes beyond historic levels.³

WHY HAS STATE FUNDING DROPPED?

- 1985, payments from State to local governments: \$141 million (\$412M in 2024 dollars)
- In 2009, state revenue sharing program changed and annual distributions were reduced to \$60M, and again in 2016, to \$30 million. As a result, in 2016, funding to local governments was cut by 50% from 2009 levels
- Nationally, states allocate about 30% of their budgets for local governments. In 2017, Alaska ranked 40th in terms of percent of budget allocated to local governments, at just 16%

WHAT DOES THIS MEAN FOR LOCAL SERVICES?

- MOA in good financial health – balanced budgets, nearly 100% COVID costs reimbursed by FEMA & new sources of revenue through marijuana and alcohol tax
- Therefore, MOA doing more with less:
 - MOA Budget 1983: \$193.5M (\$614M in 2024 dollars), 211K residents
 - MOA Budget 2024: \$611M, 283K residents
- More local services have been shifted from State as payer to local residents as payer through property taxes

WHAT'S NEXT?

- As a community, we need to decide the level of services we want and how much we are willing to pay – and how to pay
- We can look into creative solutions – we don't have to do it the way it's always been done
- Tonight, we'll hear from experts and community members to learn more about how municipal finances work and hear some interesting and creative ideas for funding government services

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