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

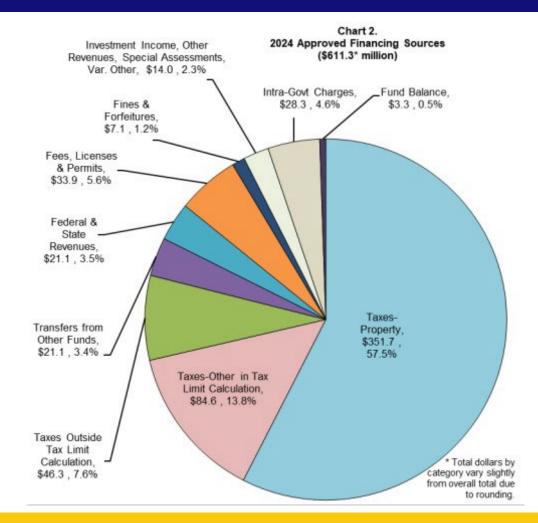
- Services like fire, police, parks, libraries, roads & health
- Utilities and enterprises AWWU, ACDA, Port, SWS, Merrill Field
- Capital Budget
 - Bonds for roads, parks, municipal facilities and public safety vehicles
 - Requests to the state and feds for capital grants
- Alcohol and Marijuana Taxes
 - 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.



ARE PROPERTY TAXES HIGH?

Yes, but...

Alaska = 4.6% = lowest tax burden in the U.S.

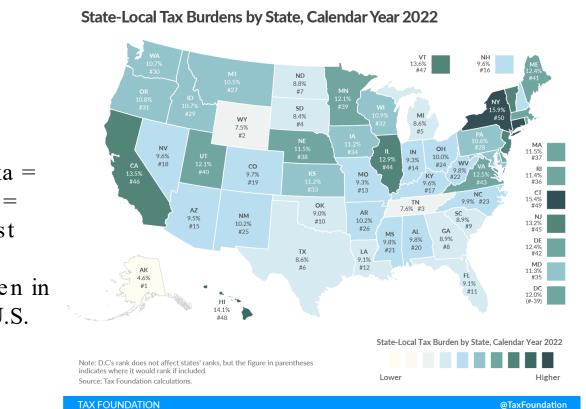


Chart 1d: 2021 Estimated Burdens of Major Taxes for a Hypothetical Family Earning \$100,000/Year

City, State									
Bridgeport, CT	1 435		9,487				4,595		2,225
Newark, NJ			0,401	12,409			4,000	2.870	66
Detroit, MI		7.	288			5,982		591	
Baltimore, MD		6.07		_		6,666	_	584	
Providence, RI			943		2,624	1,830			
Louisville, KY		3.608		6.656		919			
Chicago, IL	2,106	4,54	2		370	1,348			
Philadelphia, PA	1,589	2,854		6,910	570	665			
New York, NY	2.048	2,659		6,539		641			
Des Moines, IA	1.514	5,417			989	848			
Kansas City, MO	2.381	3,020		4.605		1.570			
Los Angeles, CA	2.253	5,020	6,706	4,005					
		4,348	0,700	3,594	1,152				
Omaha, NE						730			
Milwaukee, WI	1,305	6,040			3,421	559			
Portland, OR		5,163	E. C. C. C.	4,955		04			
Atlanta, GA	2,095	3,319		4,766		98			
Portland, ME		4,091	1	3,863	1,098				
Burlington, VT		5,89	8	2,4					
Columbus, OH		3,270	A CONTRACTOR OF	4,894	514				
Jackson, MS	2,213	3,939		3,017	1,018				
Indianapolis, IN	1,693	2,685		83	912				
Virginia Beach, VA	1,552	2,537	4,556		1,358				
Boise, ID		3,666		4,094	435				
Wilmington, DE	20 4,	138	5,2	85	310				
Salt Lake City, UT	1,995	2,664	4,2	47	644				
Charleston, WV	1,502 1.	,406	5,143	1,4	439				
Wichita, KS	2,191	2,983	3	722	352				
Charlotte, NC	1,832	2,401	4,121	8	30				
Billings, MT	40 3,5	73	4,484	1,0	72				
Oklahoma City, OK	2,153	2,633	3,8	61 3	82				
Albuquerque, NM	1,640	3,827	3	,260 2	97				
Honolulu, HI	1,316 1.	.801	4,568	1,32	6				
Birmingham, AL	2.356	1,619	4,608		11				
Little Rock, AR	2,103	2.598	3.79	1 4	78				
Minneapolis, MN	1,789	2,518	3,799	746					
New Orleans, LA	2,477	2,825		75 261					
Washington, DC		2,168	4,122	518					
Charleston, SC	2.041	1,651	4,207	398					
Phoenix, AZ	1,919	3,404	1,951	869					Property
Denver, CO	1,987	2.265	3,058	822					
Las Vegas, NV	1.943	4.519		173					ncome
Seattle, WA	2.355	3,714	1.3						Sales
Boston, MA		4,130	921						
Jacksonville, FL		4,130	438	1. A. A.					Auto
Manchester, NH		4,817	962						
Houston, TX	1,658	3,998	351		0		¥7 1		
Nashville, TN	2,588	2,862	442		S	ource: V	wash	ington	
Fargo, ND			9284		г	O.C. Offic		Davar	
Sioux Falls, SD	1,868		530		L	\mathbf{v} . \mathbf{U} . \mathbf{U} III	<i>:e</i> 01	ke ve n	ie
Cheyenne, WY	1.412	2.573 868	Contraction of the local distance of the loc						
Anchorage, AK	470 4	.171 380	1						

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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