

*Municipality of  
Anchorage  
Assembly  
presentation*

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*Legislative update*

*January 17, 2024*

**Legislative Consultants LLC**



## Deficit and savings

- Governor's FY 2025 budget \$982 million deficit

## What is in the savings bank

- CBR \$2.35
- ERA \$7.22

UGF Short Fiscal Summary - FY24/FY25 Budget					
(\$ Millions) (Unrestricted General Funds)		FY24 Budget	FY25 Governor	Change, FY24 to FY25	
1	<b>Revenue</b>	<b>6,526.4</b>	<b>6,308.4</b>	<b>(218.0)</b>	<b>-3.3%</b>
2	UGF Revenue (DOR Fall 2023 Forecast)	2,959.5	2,651.2	(308.3)	-10.4%
3	POMV Draw	3,526.0	3,657.2	131.2	3.7%
4	Misc/Adjust	40.9	-	(40.9)	
5	<b>Appropriations</b>	<b>6,127.2</b>	<b>7,285.4</b>	<b>1,158.3</b>	<b>18.9%</b>
6	<b>Operating Budget</b>	<b>4,880.5</b>	<b>4,676.6</b>	<b>(203.9)</b>	<b>-4.2%</b>
7	Agency Operations	4,411.1	4,311.6	(99.5)	-2.3%
8	Statewide Items	346.8	365.0	18.2	5.3%
9	Energy Relief Payment*	110.6	-	(110.6)	-100.0%
10	Supplemental Appropriations	12.0	-	(12.0)	
11	<b>Capital Budget</b>	<b>365.2</b>	<b>305.2</b>	<b>(60.0)</b>	<b>-16.4%</b>
12	Current Year Appropriations	360.2	305.2	(55.0)	-15.3%
13	Supplemental Appropriations	5.0	-	(5.0)	
14	<b>Permanent Fund</b>	<b>881.5</b>	<b>2,303.7</b>	<b>1,422.2</b>	<b>161.3%</b>
15	Permanent Fund Dividends	881.5	2,303.7	1,422.2	161.3%
16	<b>Pre-Transfer Surplus/(Deficit)</b>	<b>399.2</b>	<b>(977.0)</b>		
17	Constitutional Budget Reserve*	110.6	-		
18	American Rescue Plan Act (ARPA)	(10.6)	-		
19	Other Fund Transfers	23.8	5.3		
20	<b>Post-Transfer Surplus/(Deficit)</b>	<b>275.4</b>	<b>(982.3)</b>		
				<b>Reserve Balance</b>	
					<b>FY24</b>
				<b>SBR</b>	19.8
				<b>CBR</b>	3,205.8
				<b>ERA</b>	7,470.5

\*Revenues exceeding DOR's Spring 2023 forecast are split between between the CBR and a deposit into the dividend fund. The dividend fund appropriation is capped at \$318.3 million and would be distributed as an energy relief payment in FY25.

# The PFD

Governor's  
FY 2025  
proposed  
full  
dividend

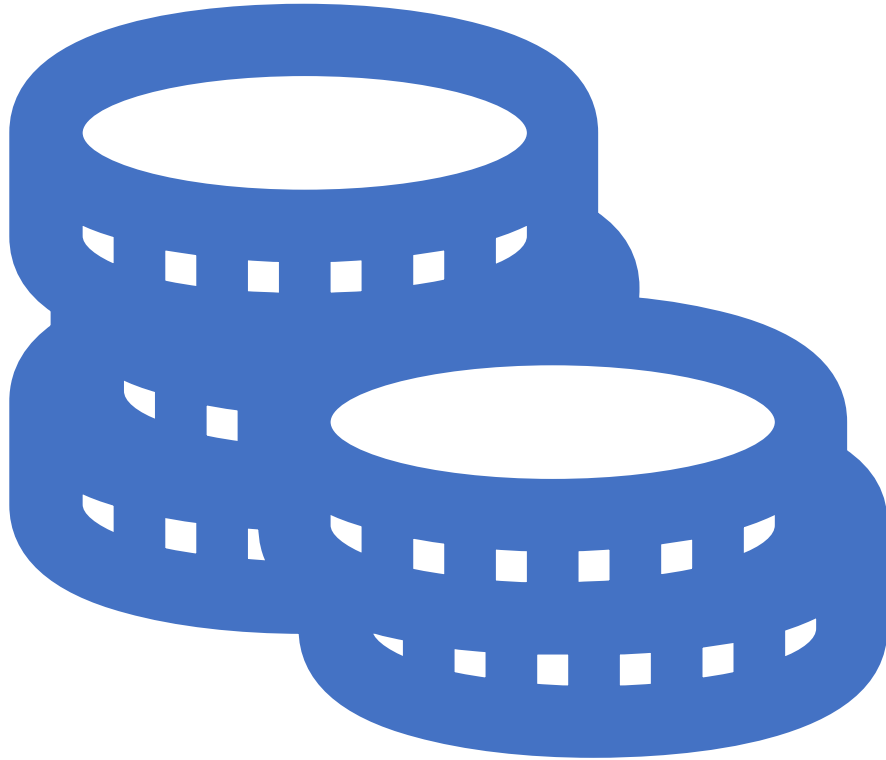
\$3,400 per Alaskan  
Cost \$2.4 billion



Current  
year  
dividend

\$1300 per Alaskan  
Cost \$881 million  
***Difference \$1.4 billion***

# Energy Dividend



- A \$175 “energy relief” payment is expected to be added to Alaskans’ Permanent Fund dividends this year as a result of a budget agreement reached last session.
- The final agreement contained a provision for a payment up to \$500 per eligible resident depending on oil prices, the provision for an extra “energy dividend” if the average oil price was higher than the official forecast of \$73 a barrel. The amount of the dividend, if any, will be on a sliding scale, with up to half of the maximum amount going toward the payments and the remainder being deposited in the Constitutional Budget Reserve.





# Legislation

- **Senate bill 155- Senate Finance**

- ***Establishing a Port of Alaska Authority.***

- Senate Transportation – Senator Kaufman - Chair

- Members: Tobin, Wilson, Kiehl and Meyers

- **House bill 255 – Representative McCabe**

- ***Establishing a Port of Southcentral Alaska Authority***

- House Transportation – Representative Kevin McCabe - Chair

- Members: Craig Johnson, Sumner, Stutes, Vance, Mina



# Front burner issues this session

- Cook Inlet gas shortage
  - Railbelt Energy Transmission line funding match - \$206 million
  - Education funding – BSA increase
  - Energy bond bill ?????
  - Election reform
  - Medicaid
  - Housing
  - Homelessness/Behavioral health
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