

Municipality of Anchorage Assembly presentation

> Legislative update January 17, 2024

**Legislative Consultants LLC** 

# Revenue projections moving forward -10 years

		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
	Unrestricted Ge	neral Fun	d Revenu	е									
1	Investment Revenue <sup>1</sup>	3,458.3	3,616.6	3,745.0	3,847.8	3,979.8	3,964.8	4,024.8	4,090.8	4,192.8	4,299.8	4,410.8	4,527.8
2	Petroleum Revenue	3,119.4	2,414.4	2,078.2	1,935.7	1,950.1	2,003.4	1,944.1	1,867.6	1,854.6	1,986.5	2,100.9	2,166.9
3	Non-Petroleum Revenue	466.3	454.5	485.2	518.8	547.9	568.1	577.3	592.8	605.1	613.1	621.2	626.8
4	Total Unrestricted General Fund Revenue	7,044.0	6,485.5	6,308.4	6,302.3	6,477.8	6,536.3	6,546.2	6,551.2	6,652.5	6,899.5	7,132.9	7,321.5
5	Percent from Petroleum	44%	37%	33%	31%	30%	31%	30%	29%	28%	29%	29%	30%
6	Permanent Fund transfer	3,360.6	3,526.0	3,657.2	3,760.0	3,892.0	3,877.0	3,937.0	4,003.0	4,105.0	4,212.0	4,323.0	4,440.0

<sup>7</sup> Total Unrestricted Revenue (not

### Deficit and savings

 Governor's FY 2025 budget \$982 million <u>deficit</u>

#### 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	
1 Revenue	6,526.4	6,308.4	
2 UGF Revenue (DOR Fall 2023 Forecast)	2,959.5	2,651.2	
3 POMV Draw	3,526.0	3,657.2	
4 Misc/Adjust	40.9	-	

Change, FY24 to FY25					
(218.0)	-3.3%				
(308.3)	-10.4%				
131.2	3.7%				
(40.9)					

1,158.3

5	Appropriations	6,127.2	7,285.4
6	Operating Budget	4,880.5	4,676.6
7	Agency Operations	4,411.1	4,311.6
8	Statewide Items	346.8	365.0
9	Energy Relief Payment*	110.6	-
10	Supplemental Appropriations	12.0	-
11	Capital Budget	365.2	305.2
12	Current Year Appropriations	360.2	305.2
13	Supplemental Appropriations	5.0	-
14	Permanent Fund	881.5	2,303.7
15	Permanent Fund Dividends	881.5	2,303.7
16	Pre-Transfer Surplus/(Deficit)	399.2	(977.0)
17	Constitutional Budget Reserve*	110.6	-
18	American Rescue Plan Act (ARPA)	(10.6)	-
19	Other Fund Transfers	23.8	5.3
20	Post-Transfer Surplus/(Deficit)	275.4	(982.3)

(203.9)	-4.29			
(99.5)	-2.39			
18.2	5.39			
(110.6)	-100.09			
(12.0)				
(60.0)	-16.49			
(55.0)	-15.39			
(5.0)				
1,422.2	161.39			
1,422.2	161.39			
Reserve Balar				
·	FY24			

19.8

3,205.8

7,470.5

SBR

CBR

**ERA** 

\*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.

Governor's
FY 2025
proposed
full
dividend

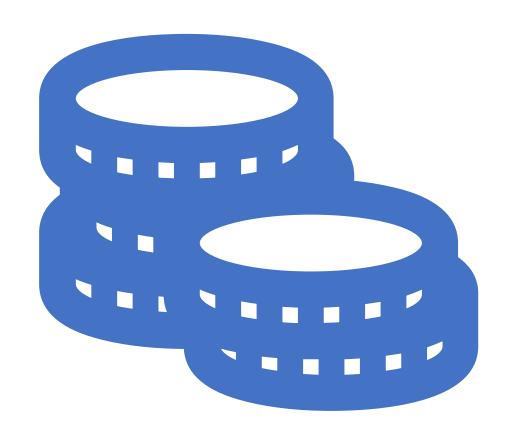
\$3,400 per Alaskan Cost \$2.4 billion

The PFD

Current year dividend \$1300 per Alaskan

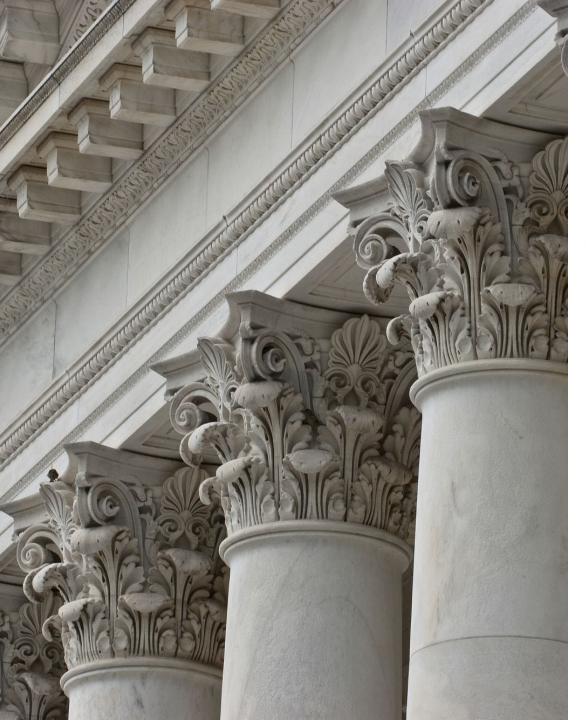
Cost \$881 million

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