

OUR MUNI, OUR BUDGET

OCTOBER 28, 2025

**ASSEMBLY MEMBER ANNA BRAWLEY, DISTRICT 3
& ERIN BALDWIN DAY, DISTRICT 4**



WELCOME TO OUR CONVERSATION!

- Help yourself to food and find a table to sit
(if you came with friends, consider mixing it up!)
- Introduce yourself to your tablemates
- Question for table chat:
Imagine you are invited to a potluck and asked to bring a dish that says something important about you. What do you bring?

Let's talk about **WHY**
we budget &
HOW it's decided.

WHY IS THE MUNI BUDGET SO COMPLICATED?

1. "The Municipality" is actually many things in one.
2. Public finance is complicated!

Departments Providing Core Services

Fire

Police

Road
Maintenance

Health

Parks & Rec

Everyone Else

Public Assets & Facilities

Rec Centers

Convention
Centers

Libraries

Utilities, Other Entities

Port of Alaska

AWWU

SWS

Merrill Field
Airport

WHAT'S IN THE MUNICIPAL BUDGET?

- **Operating Budget**

- Core services: fire, police, parks, libraries, roads & health

- **Capital Budget**

- Local bonds for roads, parks, facilities, and fleet vehicles
- Requests to the state and feds for capital grants

- **Dedicated Taxes** – Revenues for specific uses

- Bed tax, alcohol & marijuana taxes, special tax levies, etc.

- **Enterprises & Utilities** – AWWU, ACDA, Port, SWS, Merrill Field



CAPITAL PROJECTS

- **Capital Improvement Budget (CIB)** – bonds, state, federal & private requests for the current year
- **Capital Improvement Plan (CIP)** – 6-year plan for road, parks, library, facilities projects
- **Local investment through bonds** - now, most local projects are paid for with voter-approved bonds.
- **State & Federal funding has dropped** – the Muni no longer receives major capital funding from the State. We do receive federal formula-based grants



WHAT ABOUT SCHOOL FUNDING?

- About 46% of our property taxes go to Anchorage School District, to fund public schools.
- The Anchorage School Board prepares its budget for adoption by March, before its new fiscal year.
- Once approved, goes to Assembly for adoption, but:
 - Only the top-line number is approved by the Assembly.
 - The School Board makes all line-item decisions, including on cuts.

Let's talk about **HOW**
our budget is funded –
WHERE does the
money come from?

THE COLOR OF MONEY

2024 Municipal Revenue reported in April 2025.
 Prepared by the Assembly's Legislative Services Office.

Property Taxes
 \$569.3M

School Dist.
 \$265.6M

General Gov't
 \$303.7M

**Business Personal
Property Taxes**
 \$53.7M

**Ambulance
Service Fees**
 \$31.1M

Enterprises
 \$19.7M

APD Fees
 \$6.7M

Gas Taxes
 \$13.5M

Tobacco Taxes
 \$21.6M

**MOA
Trust
Fund**
 \$16.3M

**Building Safety
Fund**
 \$9.9M

**Car Registration
Taxes**
 \$10.8M

**Payments in
Lieu of Taxes**
 \$10.6M

**Rental
Vehicle Taxes**
 \$9.2M

Alcohol Tax
 \$14.5M

Marijuana Tax
 \$5.6M

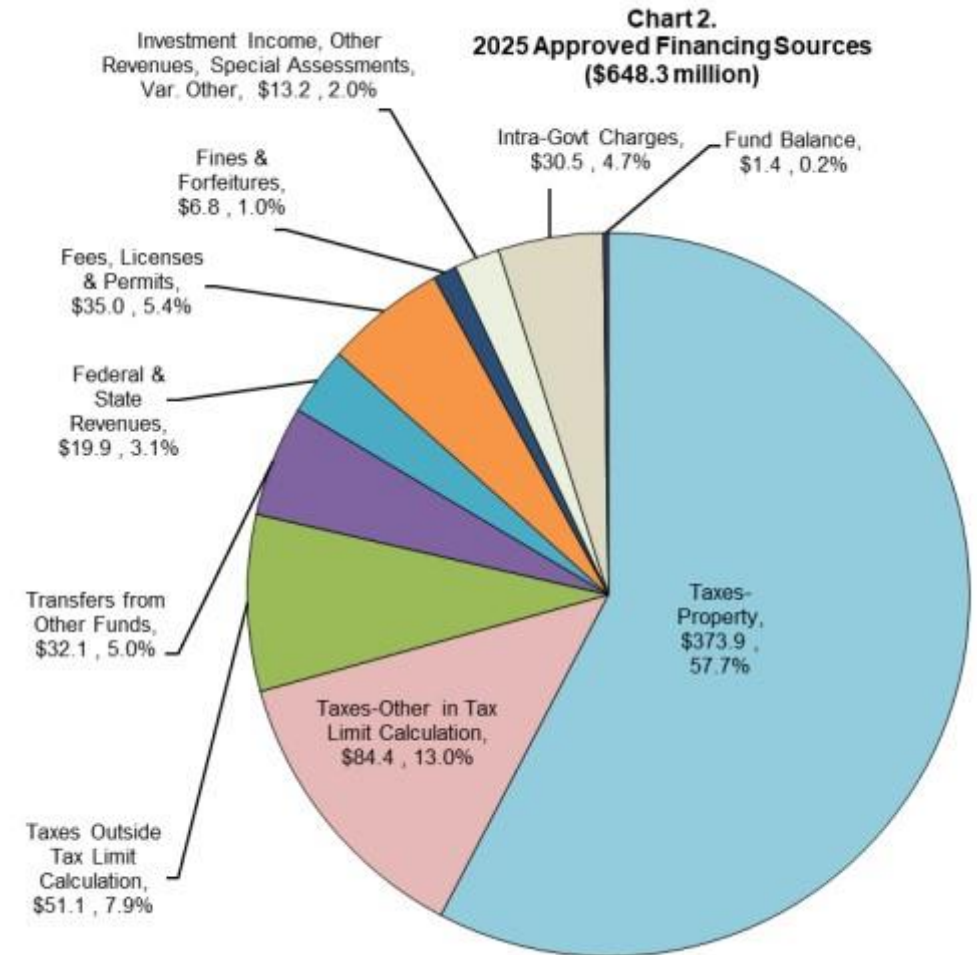
Local Assistance \$4.1M

HOW IS THE MUNICIPAL BUDGET FUNDED?

2025: \$648 million operating budget

Revenue comes from:

- **58%** property taxes
- **21%** other taxes (room, vehicle rental, alcohol, marijuana, etc.)
- **3%** state and federal government
- **Other:** Permits, licenses, fines, investment income, etc.



HOW ARE PROPERTY TAXES CALCULATED?



Mill rates are decided by how much is in the total budget, divided by everyone who shares the costs.

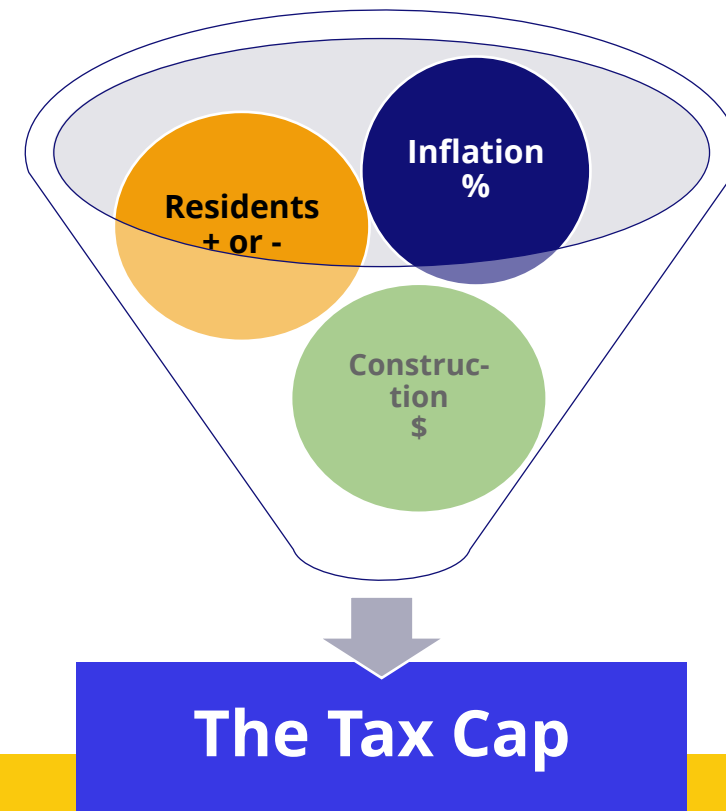
TAX CAP

Approved by voters in **1983**, the **tax cap** is a formula to:

- Constrain property tax growth
- Make our budget predictable
- Grow slowly with our city

This has kept property taxes steady over time, and our budget stayed flat.

The tax cap is not a budgeting choice, it's a formula in Charter.

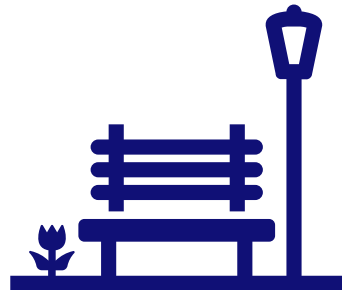


LET'S TALK ABOUT BONDS

- A **bond** is a loan that a government uses to pay for bigger projects. Loans are paid back with tax revenue.
- **Voters decide** whether to fund bonds each year.
- Bonds, like loans, have an end: debt is eventually **paid off** (retired)



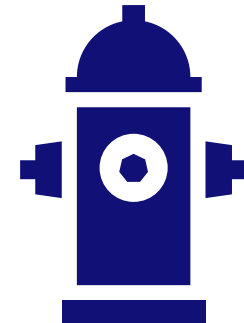
Roads and
Drainage



Parks



Facilities



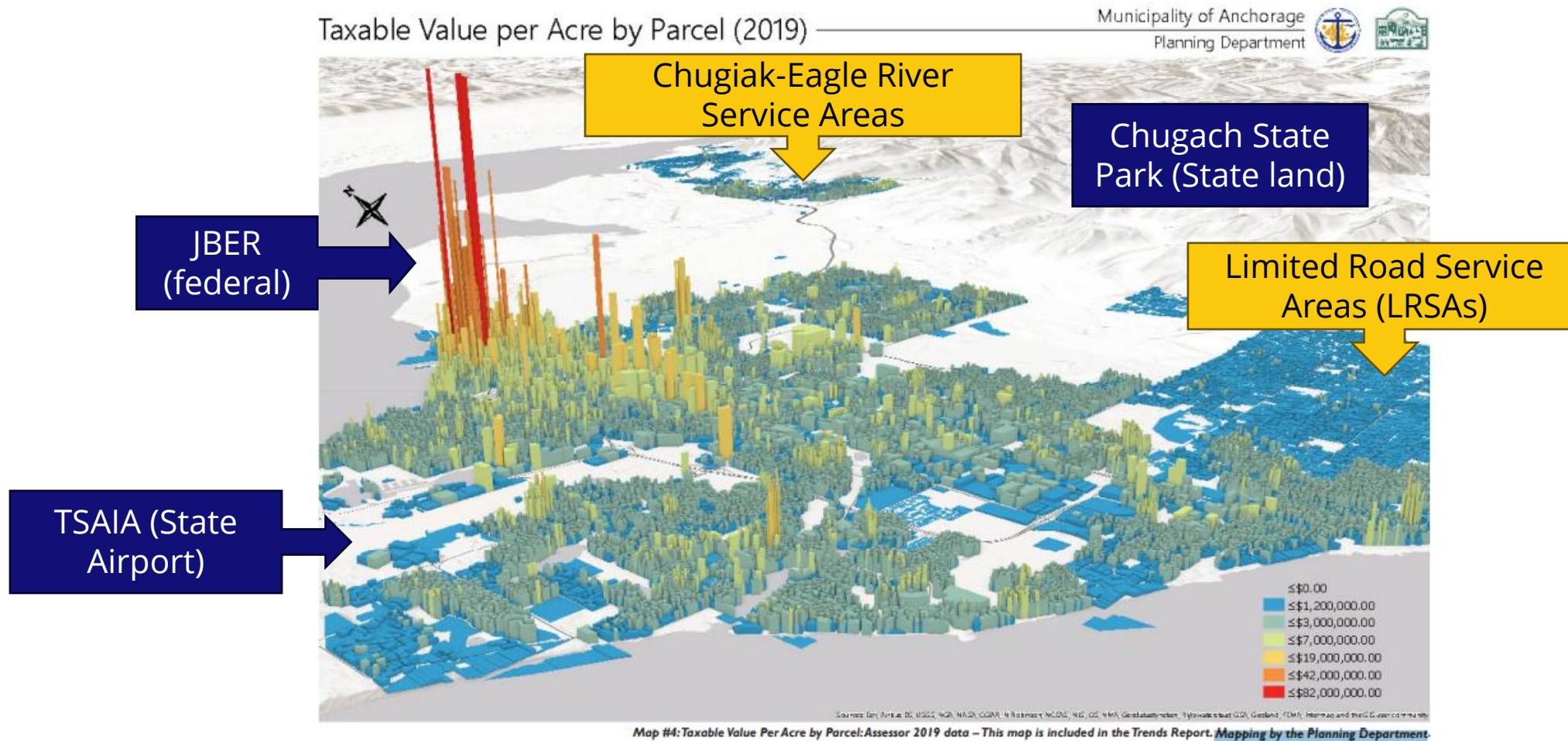
Police, Fire & EMS
Capital Needs

SERVICE AREAS

Not everyone pays for services in the same way.

- **Service Areas** created as a way to unify the Muni in 1975
- Everyone pays for **ASD** and **Areawide** services (**Library** and a few other items)
- Most people (but not all!) pay into **Police, Fire** and **Parks**
- **Road Service Areas** pay for the roads in their area, but don't pay into the Muni roads in the urban core
(Areawide Roads & Drainage Service Area - **ARDSA**)

WHO PAYS FOR OUR EXPANSION?



So **WHERE** does the
money go? What are
we paying for?

OUR BUDGET BOILS DOWN TO 3 CATEGORIES:



Staffing



Services



Stuff

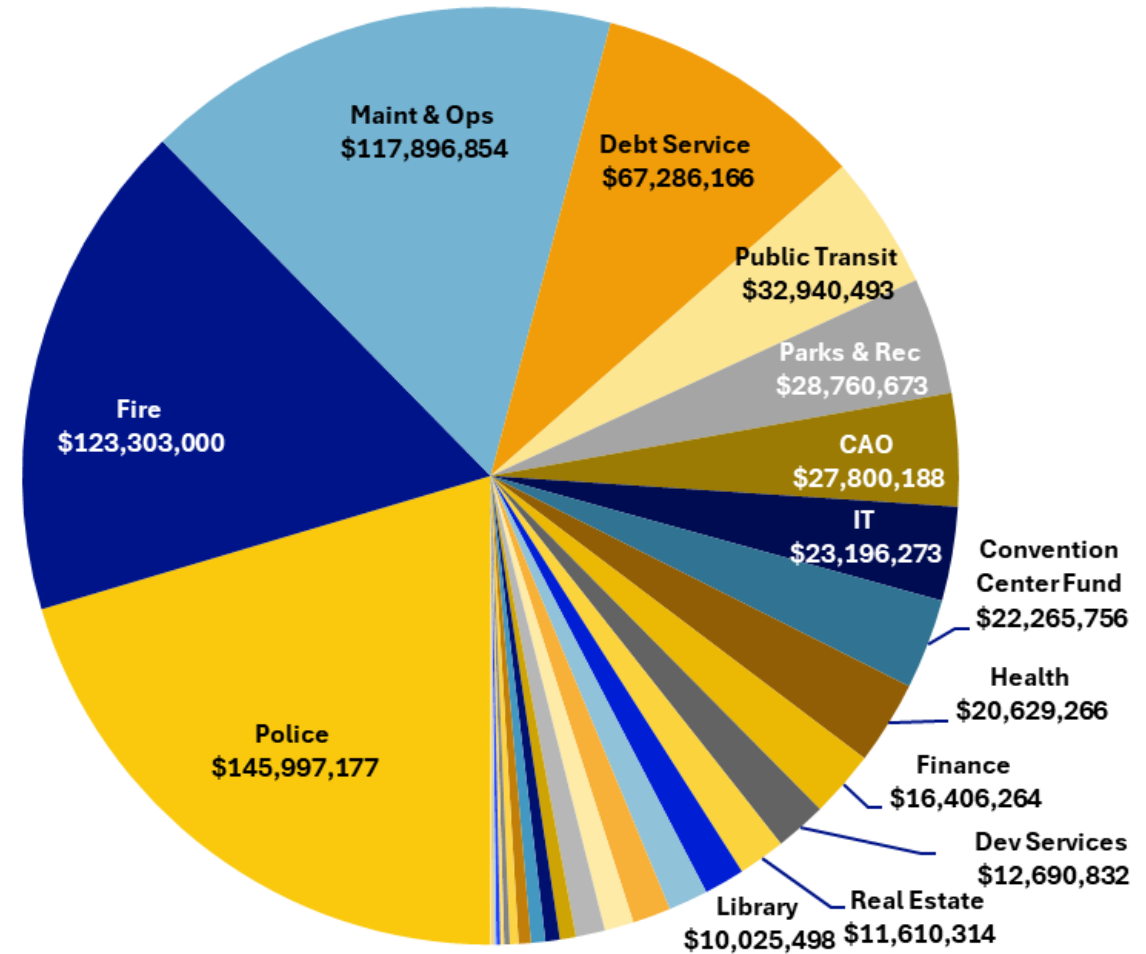
PROPERTY TAXES PAY FOR 3 DEPARTMENTS

Top 5 Departments: ~70%

1. Police, \$145.9 mil
 2. Fire, \$123.3 mil
 3. Maintenance, \$117.8 mil
 4. Transit, \$32.9 mil
 5. Parks & Rec, \$28.7 mil
- ... *plus debt service*

Everything Else: ~30%

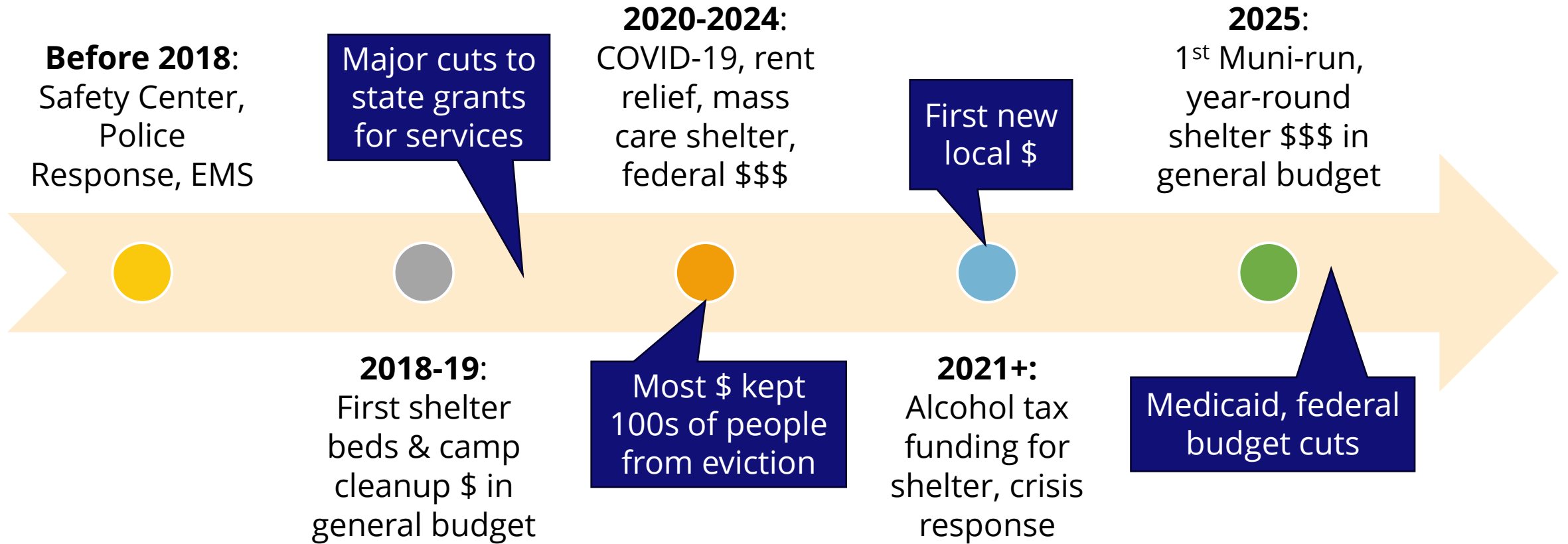
That's 23 other departments



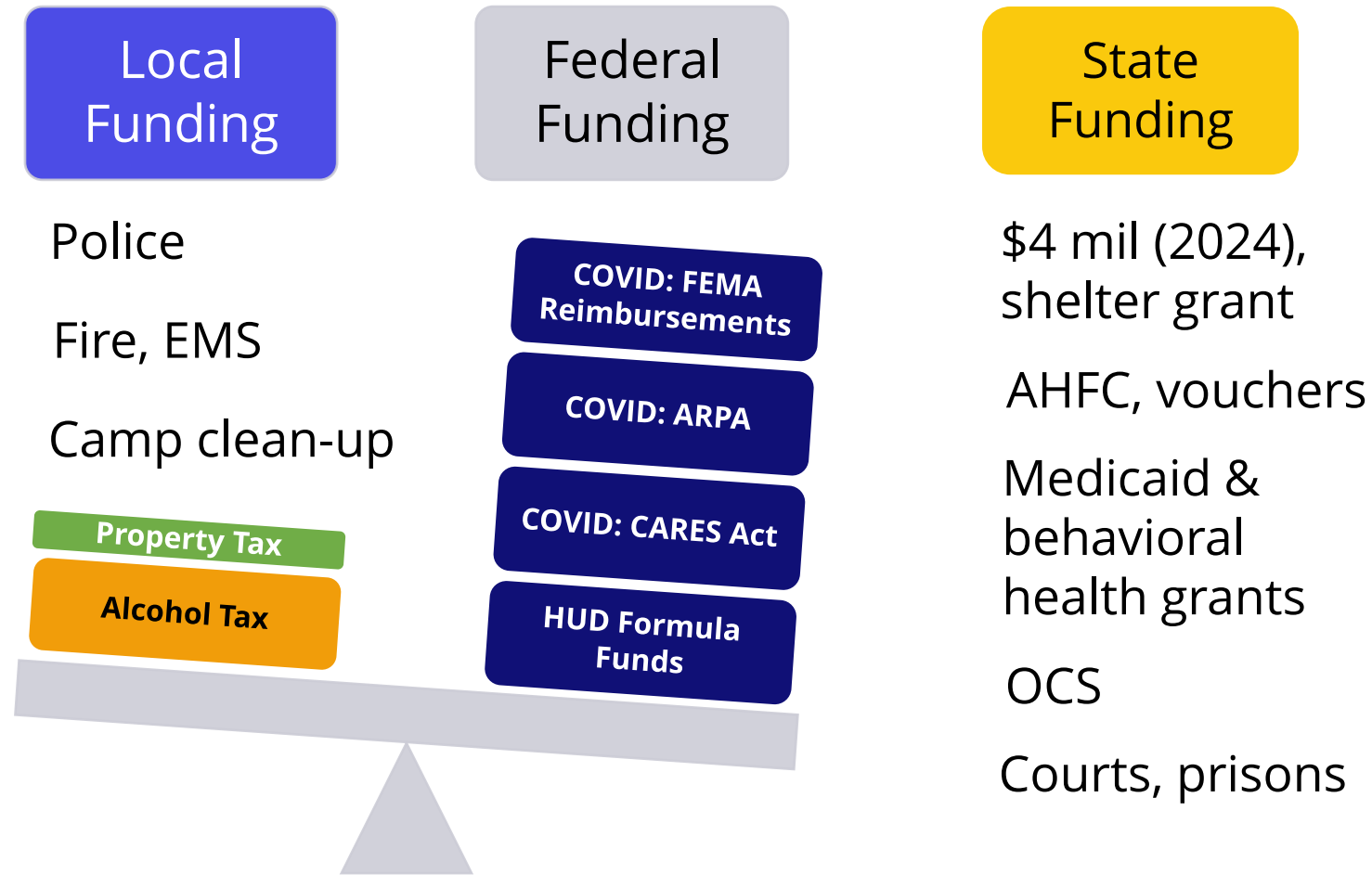
COST OF HOMELESSNESS AND MENTAL HEALTH

- **More people are in crisis in our community.**
 - Cost of living, especially housing and medical care, keeps going up.
 - Mental health and addiction
- **There is less help for people:** recent cuts to state and federal funding for housing, mental health, Medicaid & food programs. (As of now, federal SNAP funding will run out November 1)
- Expensive housing + limited mental health/treatment = **more people in crisis** & with health issues living on the street

MOA SPENDING ON HOMELESSNESS



WHAT HAVE WE SPENT ON HOMELESSNESS?







Want all the details on how the Municipality is responding to homelessness, what we've funded, and what programs & services there are?







WHY does it seem like
services are not as
good as before?

COMPARING TAX CAP CONDITIONS, THEN & NOW

Anchorage in 1980s:

-  Growing population
-  Lots of new homes, aka taxpayers
-  Outward expansion
-  Building new stuff

Anchorage in 2020s:

-  Stagnant population
-  Few new homes (...many in LRSAs)
-  Legacy infrastructure
-  Repair & maintenance

WHY DID MY PROPERTY TAXES GO UP?



Assessments
(home values)
INCREASED



State & federal \$\$
in our budget
DECREASED



Costs for services
INCREASED
(inflation)

WHY WE RELY MORE ON PROPERTY TAX

Anchorage in 1980s:

- **42%** state funding
- **36%** property tax
- 650 miles of roads, often built with state \$

Anchorage in 2020s:

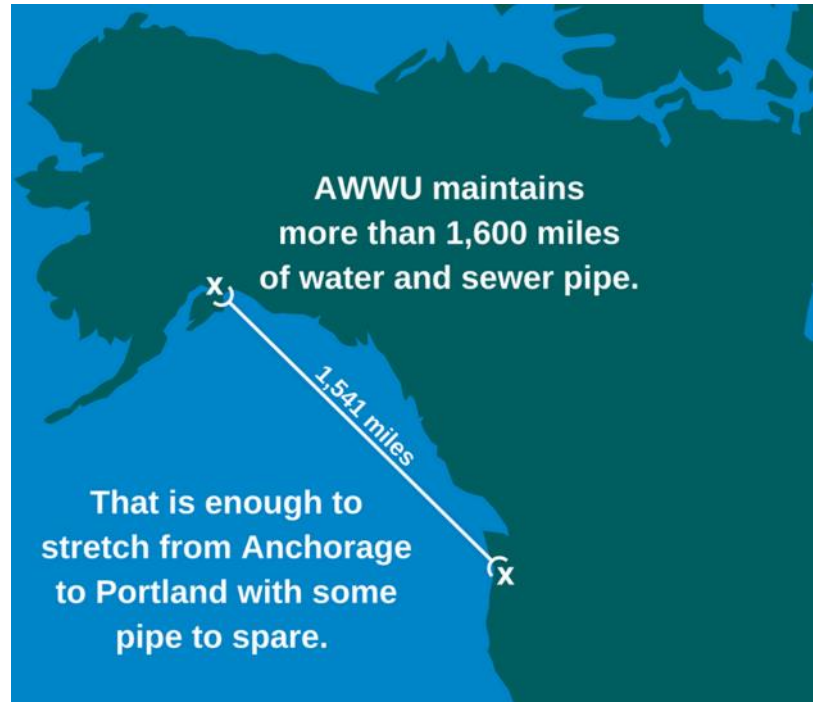
- **0.5%** state funding
- **58%** property tax
- 1,281 miles of roads, most need repair & upgrades



Since 2016, the Muni received **\$700 million less** in State funding than the prior decade (2006-2015)

WE HAVE A LOT OF ROADS & PIPES TO MAINTAIN

- Anchorage has **1281 miles of road** – that's enough to get from Anchorage to Adak. Back in 1983, we had half: **650** road miles.

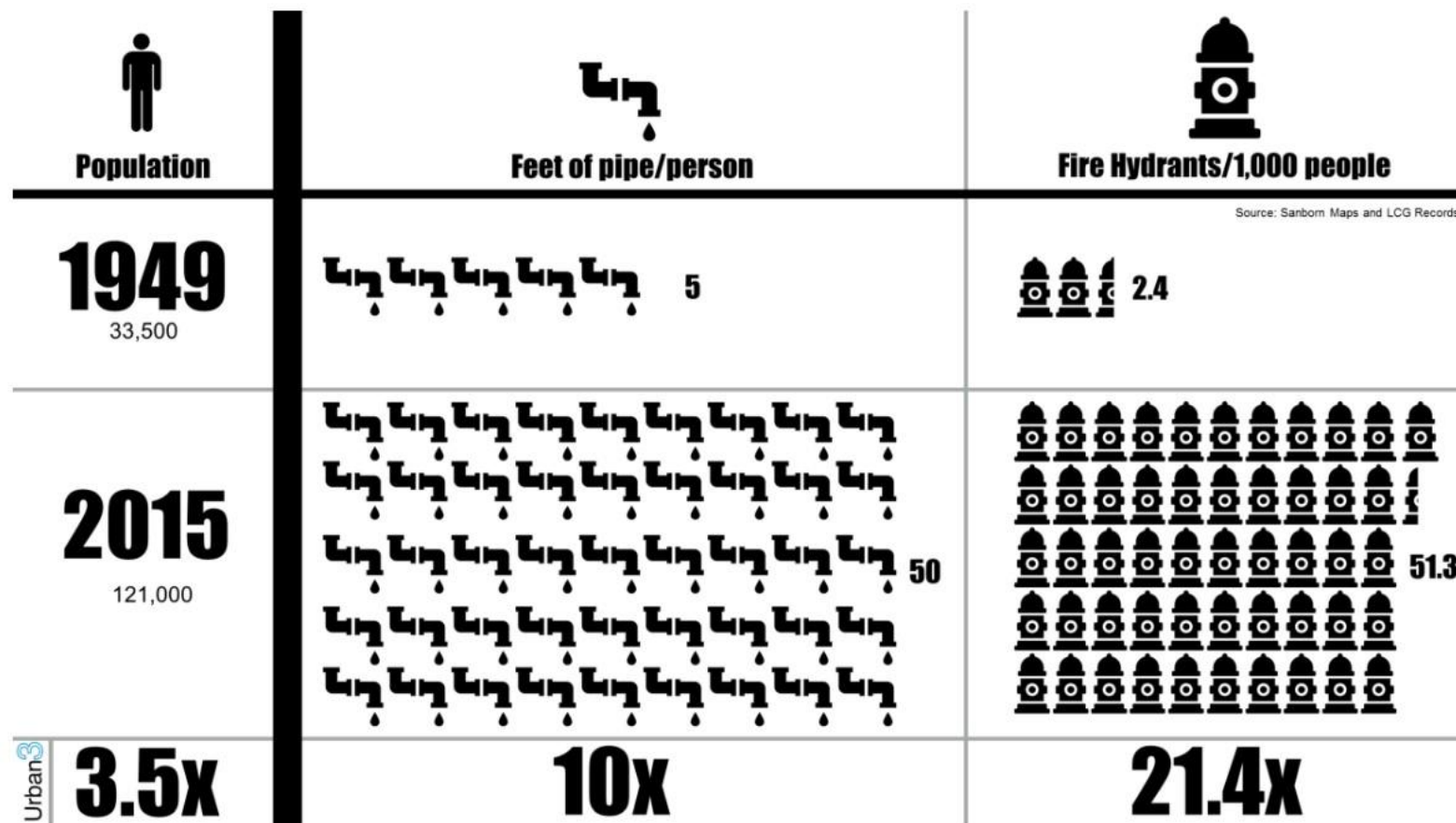


COST OF THE MUNICIPALITY'S FOOTPRINT

Case Study: LaFayette, LA

Yet, median
household
income only
increased 1.6x
in that period

*From Urban3 and
Strong Towns*



HOW DO WE COMPARE?

There are **346 cities** in America with 100,000+ population.

Anchorage is...

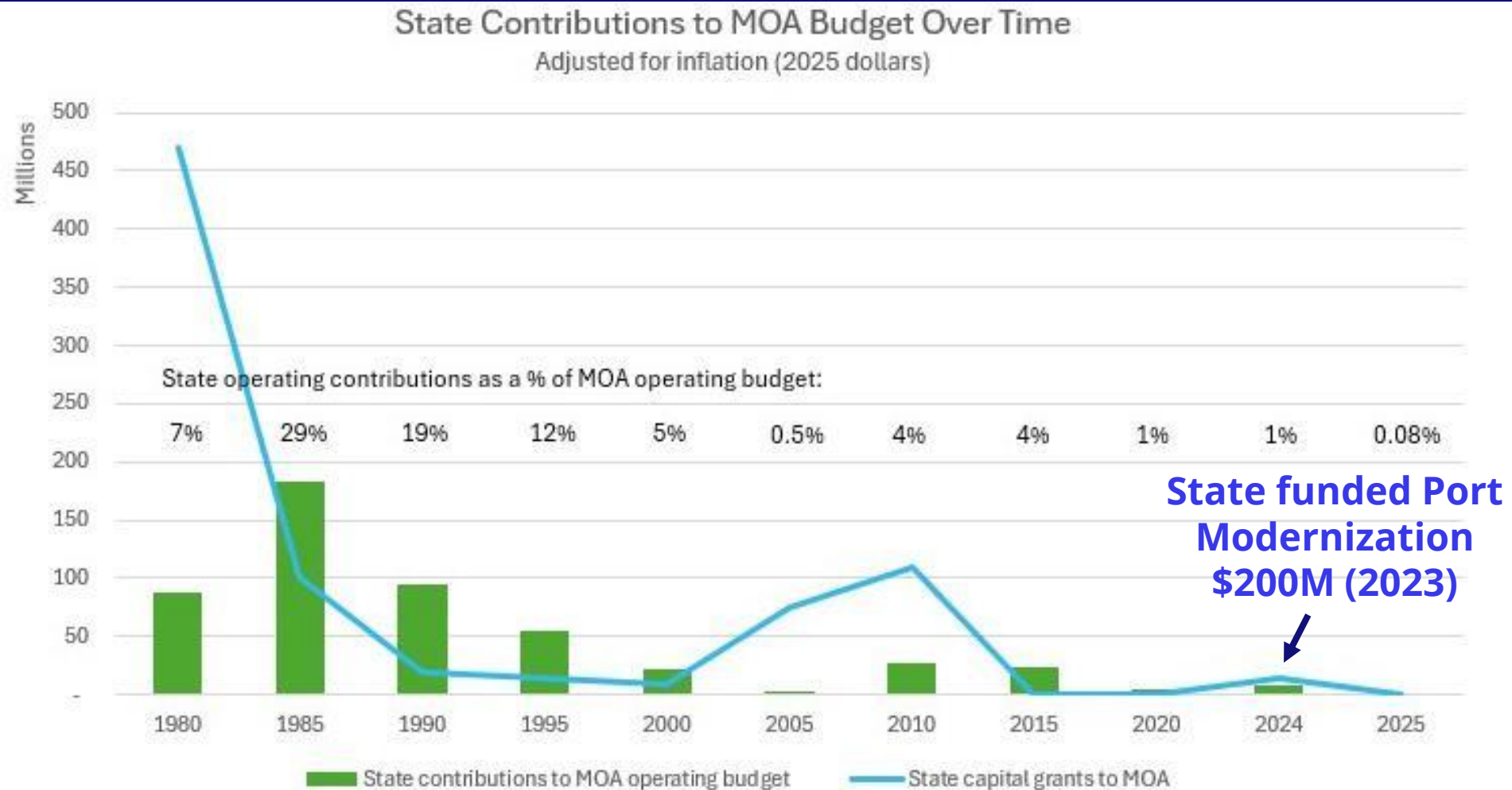
- **75th** in population
- **1st** in geographic area
- **#346 (last)** in population per square mile

And also...

County

City

HOW MUCH HAS STATE FUNDING DROPPED?



WHAT OTHER TAXES HAVE CHANGED?



Bed Tax (last increased 2005)
~ \$45 million, 1/3rd goes to Convention Centers



Motor Fuel Tax (2019)
~ \$18 million, under the cap



Alcohol Tax (2020)
~\$15 million, dedicated



Marijuana Tax (2016) & ACCEE Fund (2023)
~ \$5-6 million, recently dedicated



Residential Property Exemption (2023)
Increased exempt value to \$75,000

Anchorage does have more taxes than it did decades ago.

Most of these taxes are relatively small, and many are dedicated by voters to specific purposes, through Charter amendments.

THE MUNI IS DOING MORE WITH LESS

Anchorage in 1980s:

- \$194 mil budget (1983)
\$625 mil in 2025 dollars
- 231,000 residents
- \$2,705 per capita

Anchorage in 2020s:

- \$648 mil (2025)
- 291,000 residents
- \$2,226 per capita (\$500 less)



We are **paying more** overall, and have to pay more in property taxes, for the **same level of services** ... plus more repair bills.

GROUP ACTION YOUR BUDGET QUESTIONS

What do you want to know
about our budget?

Ask us anything...

but we may need to get back to you.

Q&A

Now it's your turn!

GROUP ACTION CURRENT SERVICE LEVELS

Use your worksheet, a pen, and dot stickers.

1. For each *current* service, consider if what the Muni provides now is enough, or should change.
 - If you think it could be more → **Higher Service Level.**
 - If you think it could be less → **Lower Service Level.**
2. Mark your answer for each item on your worksheet.
3. When you are ready, find that question on a poster and mark your choice with a dot sticker.

GALLERY WALK & DOT-VOTING

GROUP ACTION POTENTIAL NEW PRIORITIES

Use your worksheet, a pen, and dot stickers.

1. For each *emerging issue & potential new priority*, consider what involvement the Muni should have.
 - If you want a lot of focus on this → **Very Involved**.
 - If you want little to no focus on this → **Not Involved**.
2. Mark your answer for each item on your worksheet.
3. When you are ready, find that question on a poster and mark your choice with a dot sticker.

GALLERY WALK & DOT-VOTING

GROUP ACTION BUDGET “WISH LIST”

Use your worksheet, a pen, and (maybe) dot stickers.

1. Consider what services the Muni should prioritize:
 - Something the Muni doesn't do this now, but should
 - Something the Muni does, but should be doing more of
2. Write as many priorities as you want!
3. When you are ready, choose 1-3 of your priorities to add to the poster. You can also use dots to show support for an idea someone else already wrote.

GALLERY WALK & DOT-VOTING

Let's Talk Priorities
& quick break if you need it!

GROUP ACTION RANKING PRIORITIES

Reflect on your own, make notes on your worksheet.

1. Rank your **top 3 priorities** for service maintenance or expansion (*a single list, not two!*)
2. Choose **at least 1** area where you would be willing to **decrease** level of service.
3. Consider **other trade-offs** you would be willing to make, to fund your top-priority & necessary services.

INDIVIDUAL ANSWERS

GROUP ACTION **NEGOTIATING GROUP PRIORITIES**

At each table, you will be a “mini Assembly” and discuss:

1. Give each person an opportunity to *briefly* share their priorities and potential trade-offs. Identify and make note of where you agree, and where you disagree.
2. Pretend you are Assembly members trying to balance a budget while including shared priorities. What (if any) trade-offs can you agree on as a group?

DISCUSS AT YOUR TABLE

GROUP ACTION **SHARING CONVERSATIONS**

Share your group's **30-second takeaways**:

- What did you agree on?
- What did you find hardest to agree on?

REPORT OUT BY EACH TABLE

GROUP ACTION CONVERSATION CLOSE-OUT

- What did you learn today?
- How are you feeling about our budget, and where we are today?
- Who is ready to take action?

GROUP REFLECTION

GROUP ACTION WHO IS WILLING TO ... ?

- ☐ Learn more about how our city works, and how we pay for it
- ☐ Talk to a friend, neighbor, co-worker about our budget
- ☐ Consider potential service cuts
- ☐ Consider potential new revenue
- ☐ Keep participating in processes like this
- ☐ Testify at an Assembly meeting about your budget priorities

INDIVIDUAL COMMITMENTS

SHARE FEEDBACK ON PROPOSED FY26 BUDGET

- Find all FY 2026 Proposed Budget materials:
ancgov.info/AssemblyBudget
- Testify in person or by phone at the Assembly meeting:
Tuesday, Nov 4 @ Loussac Library.
 - Public hearings begin at 6 PM
 - Sign up for phone by 5 PM on Monday, Nov 3:
<https://moaonlineforms.formstack.com/forms/assemblyphonetestimony>
- Send comments: mayor@anchorageak.gov & assembly@anchorageak.gov
- Make sure your voice is heard before the budget vote on Tuesday, Nov 18!



VICE CHAIR ANNA BRAWLEY

District 3 – West Anchorage

Anna.Brawley@anchorageak.gov

ASSEMBLY MEMBER ERIN BALDWIN DAY

District 4 – Midtown

Erin.Baldwin.Day@anchorageak.gov



Reference Slides

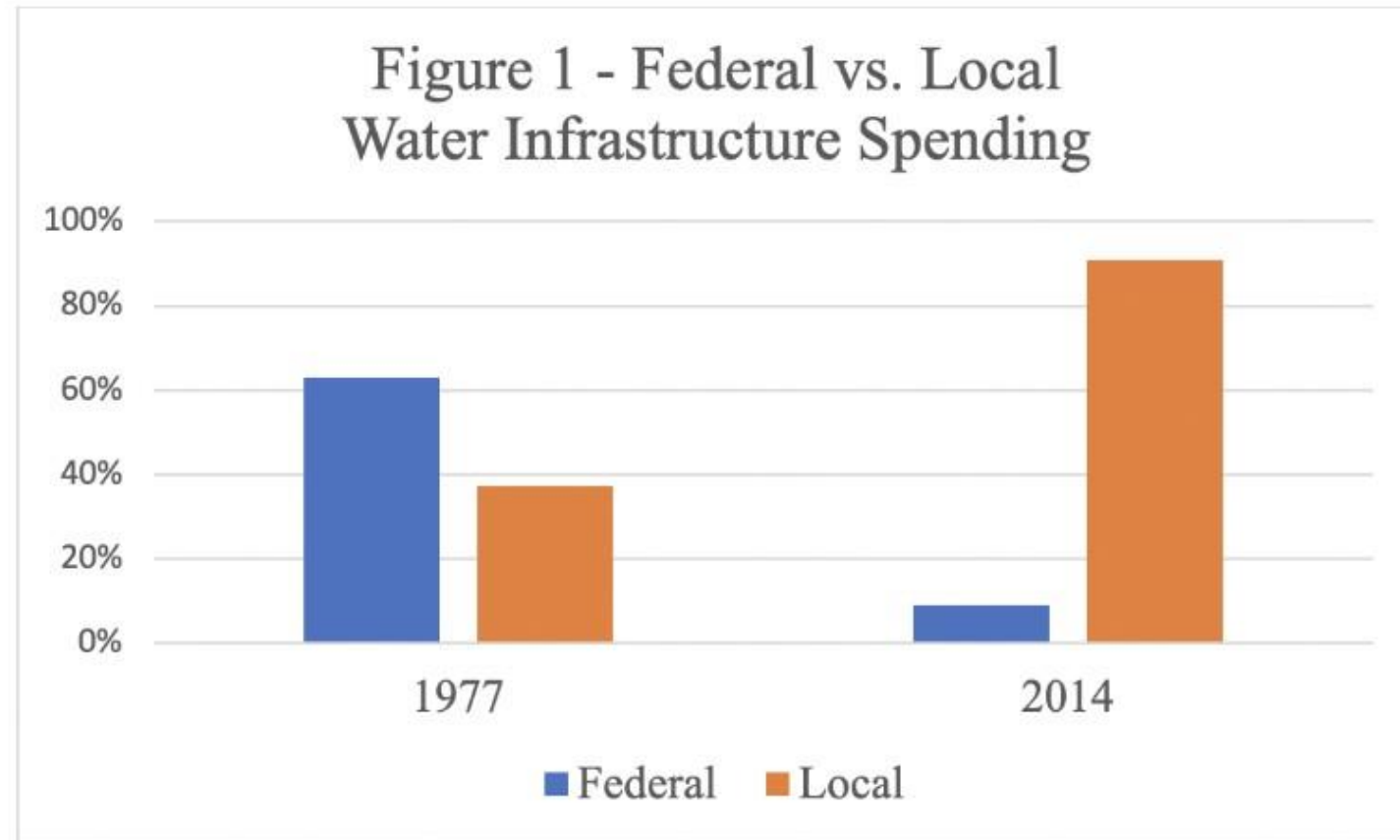
**More good info we didn't have
time to cover today**

HOW IS THE MUNICIPAL BUDGET DECIDED?

- **October 1:** Mayor releases proposed budget
- **October:** Assembly reviews budget proposal at worksessions
- **October-early November:** Public hearings on budget
- **Mid-November:** Assembly votes to approve budget
- **April:** 1st quarter budget revisions & setting tax levies

FEDERAL FUNDING FOR LOCAL GOVERNMENTS

Example:



Source: [“The Economic Benefits of Investing in Water Infrastructure”](#) by the Value of Water Campaign

WHY HAS STATE FUNDING DROPPED?

The State of Alaska made major cuts in 2009 and 2016 in contributions to local governments through Revenue Sharing/Community Assistance Program (operating funds):

Year	Amount	Amt in 2025 \$
1985	\$141M	\$425M
2009	\$60M	\$90M
2016	\$30M	\$40M

This amount is split
between 185 cities and
boroughs in Alaska

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%.

SNAPSHOT: MOA SPENDING ON HOMELESSNESS

- **2020:** First year of MOA operating funds towards shelter (\$735K) + \$300K for Home for Good supportive housing pilot program
- **2025:** \$4.5M for homeless services (shelter & support)
- **6.7%** of spending on housing and homelessness from 2016-2025 has been MOA operating funds; **19%** from alcohol tax
- **\$50M** of COVID relief funds went to nonprofit partners to purchase/renovate 15 facilities (former hotels, etc.) to add **600+ units** of low-income and supportive housing