

OUR MUNI, OUR BUDGET

JANUARY 22, 2026

ASSEMBLY MEMBERS ANNA BRAWLEY, DISTRICT 3
& ERIN BALDWIN DAY, DISTRICT 4



WELCOME TO OUR BUDGET MEETING!



Anna Brawley
Vice Chair, District 3
West Anchorage



Erin Baldwin Day
Member, District 4
Midtown Anchorage

We are supported by Legislative Services staff:

- Clare Ross, Legislative Services Director
- Allie Hartman, Communications Director
- Jennifer Veneklasen, Legislative & Policy Analyst

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?

GROUP AGREEMENTS

- We have a lot to cover this evening! Please help us stay on time.
- Be respectful of everyone participating tonight:
 - We are all here to learn, and can learn a lot from each other.
 - Give everyone an opportunity to be heard.
 - Keep comments brief, constructive, and on topic.
 - Bring curiosity, ideas, and solutions to the table.
- We will have time for Q&A and group discussion!
In the meantime, please keep track of your questions on your worksheet, or wherever you want to take notes.

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
Everything Else

Public Assets & Facilities

Rec Centers
Convention Centers
Libraries

Utilities, Other Entities

Port of Alaska AWWU SWS Merrill Field Airport

OUR BUDGET BOILS DOWN TO 3 CATEGORIES:



Staffing



Services



Stuff

WHAT'S IN THE MUNICIPAL BUDGET?

- **Operating Budget (Staffing & Services)**
 - Core services: fire, police, parks, libraries, roads & health
- **Capital Budget (Stuff)**
 - Local bonds for roads, parks, facilities, and fleet vehicles
 - Requests to the state and feds for capital grants
- **Enterprises & Utilities (User-Paid Services)**
 - AWWU, ACDA, Port, SWS, Merrill Field
- **Dedicated Taxes** – Revenues for specific uses
 - Bed tax, alcohol & marijuana taxes, special tax levies, etc.



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

- Local Money
- Fees
- State Money
- Investment Funds
- Special Taxes

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	Gas Taxes \$13.5M	Tobacco Taxes \$21.6M	Payments in Lieu of Taxes \$10.6M	Car Registration Taxes \$10.8M	Rental Vehicle Taxes \$9.2M	Ambulance Service Fees \$31.1M
						APD Fees \$6.7M
						Enterprises \$19.7M
						Building Safety Fund \$9.9M

MOA Trust Fund
\$16.3M

Alcohol Tax
\$14.5M

Marijuana Tax
\$5.6M

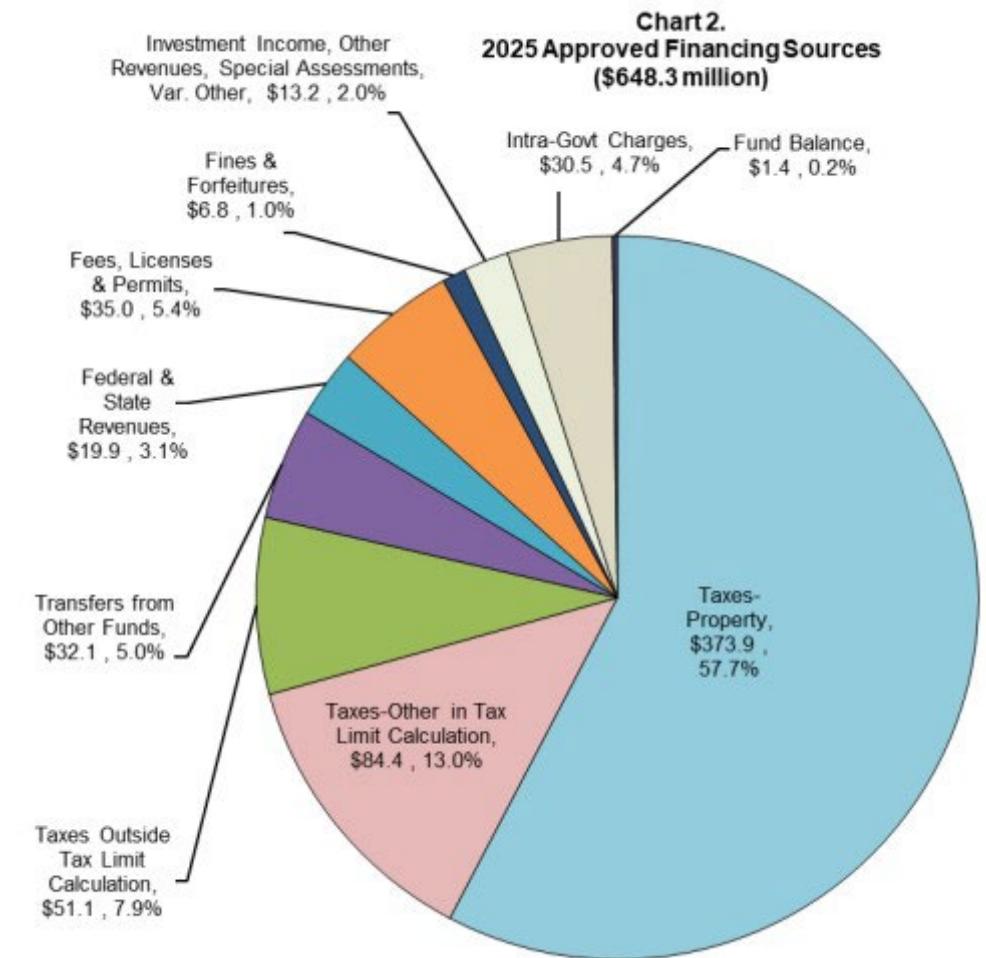
Local Assistance \$4.1M

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.



PROPERTY TAX CAP

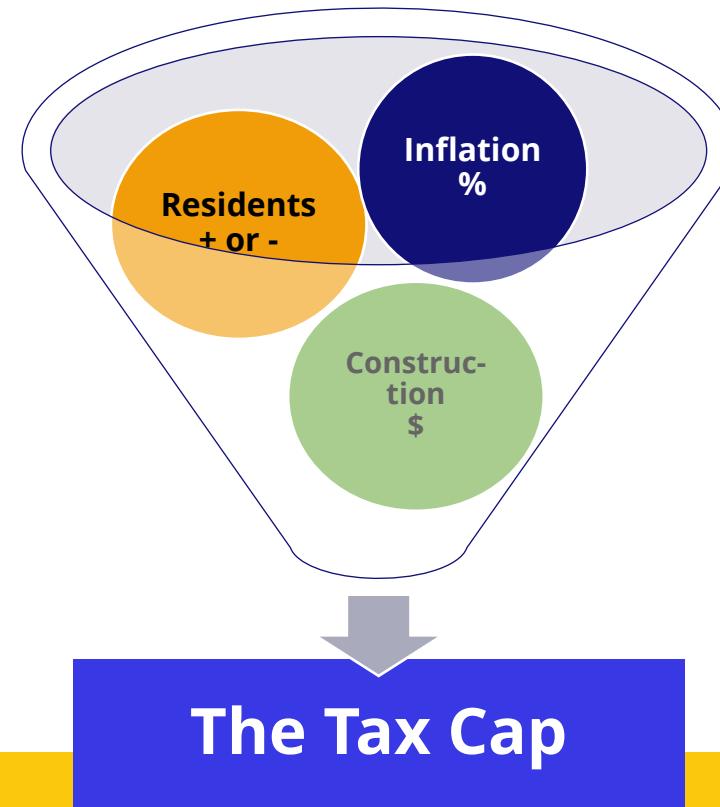
Approved by voters in **1983**,
the **tax cap** is a formula to:

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

This has kept **property taxes steady over time**, and **our budget has stayed flat** (adjusted for inflation).

The **tax cap ratchets down**: a cut this year means a cut forever.

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

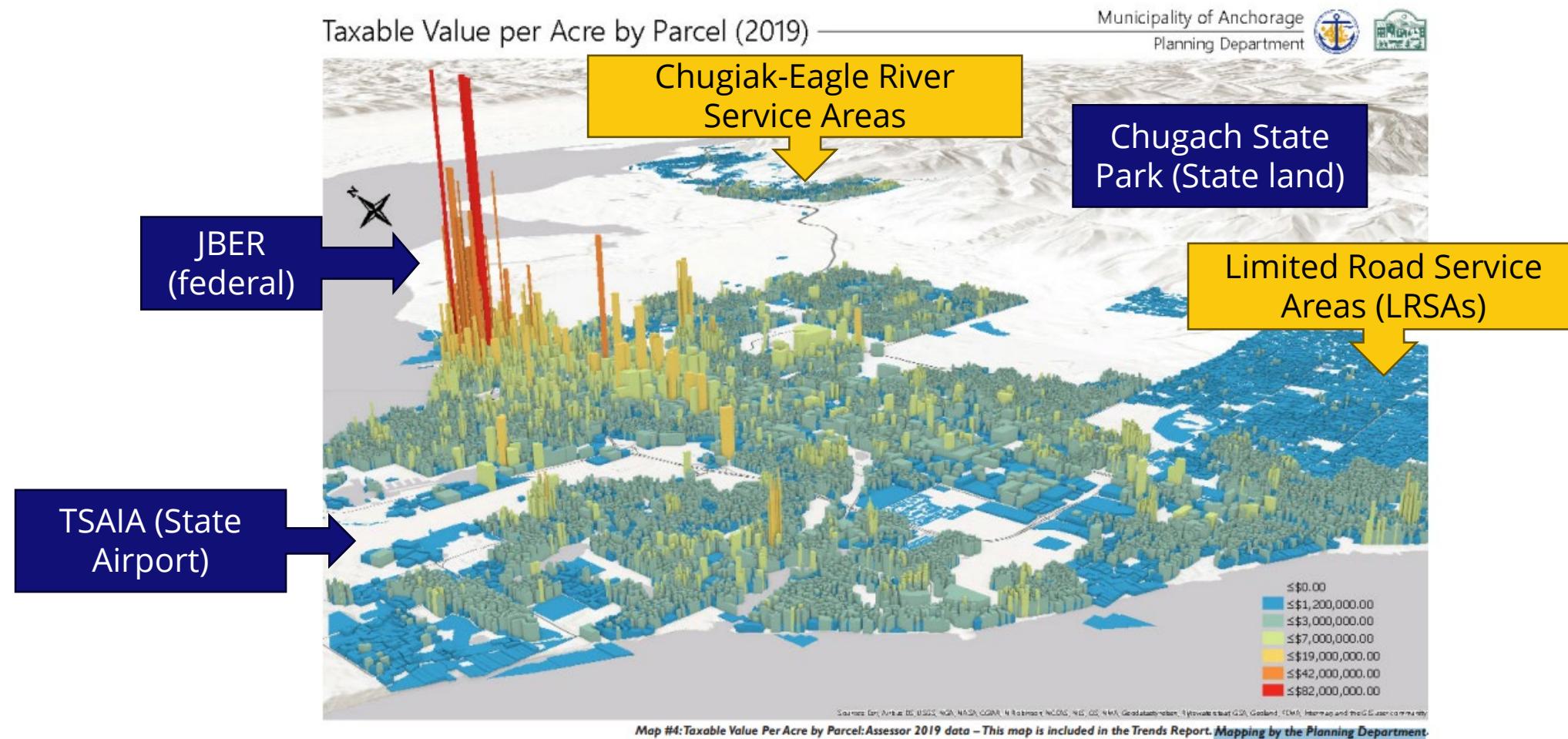


HOW ARE PROPERTY TAXES CALCULATED?



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

WHO PAYS FOR OUR SERVICES & INFRASTRUCTURE?

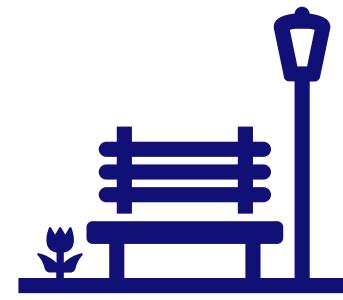


LET'S TALK ABOUT BONDS

- 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)



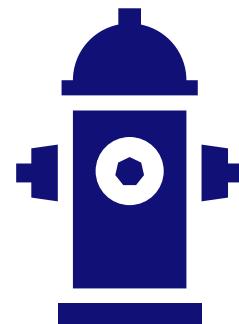
Roads and
Drainage



Parks



Facilities



Police, Fire & EMS
Capital Needs

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



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

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

PROPERTY TAXES PAY FOR 3 DEPARTMENTS

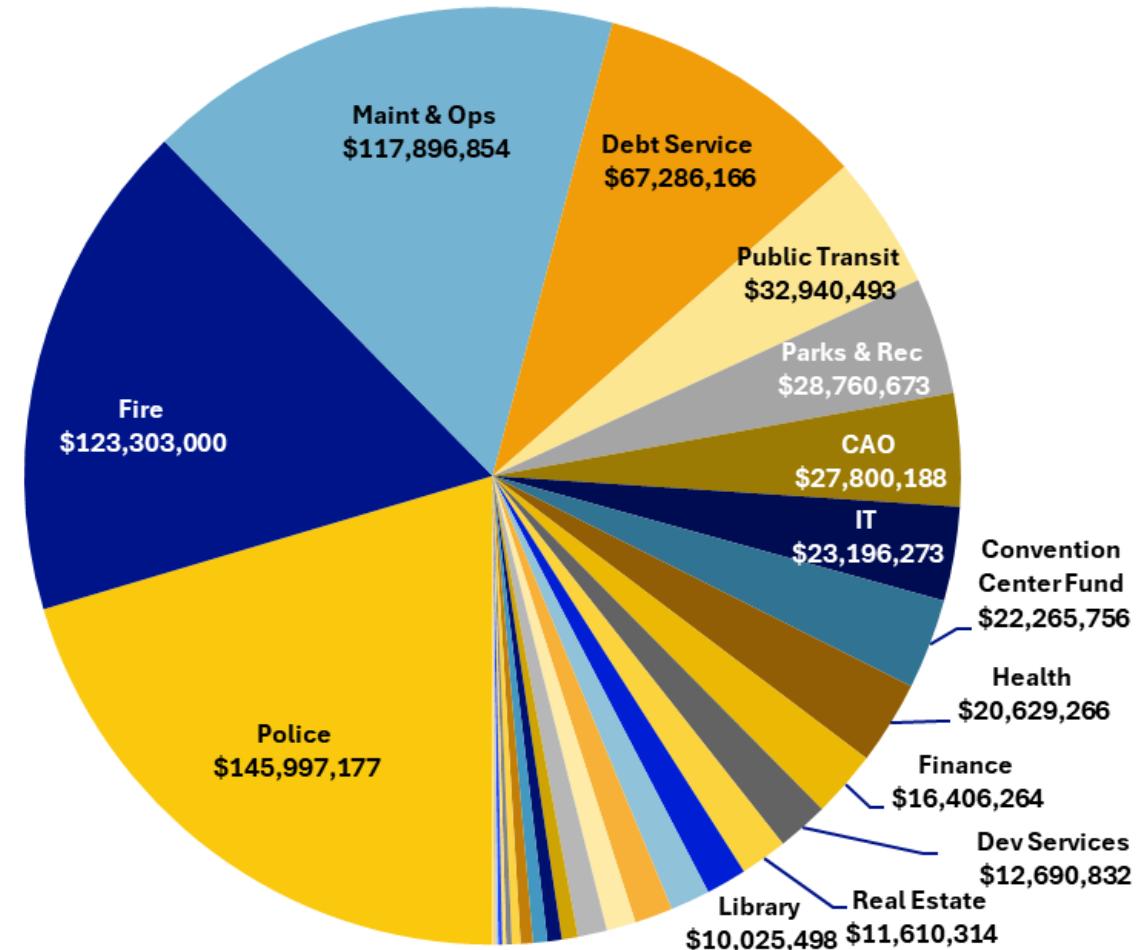
Top 5 Departments: ~70%

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



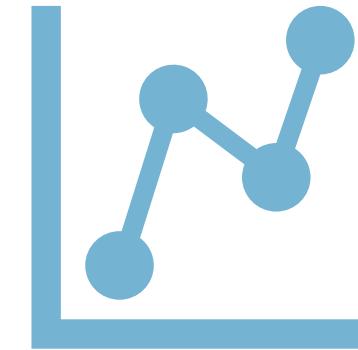
WHY DID MY PROPERTY TAXES GO UP?



Assessments
(home values)
INCREASED



State & federal \$\$
in our budget
DECREASED



Costs for services
INCREASED
(inflation)

HOW HAVE TAXES HAVE CHANGED OVER TIME?



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



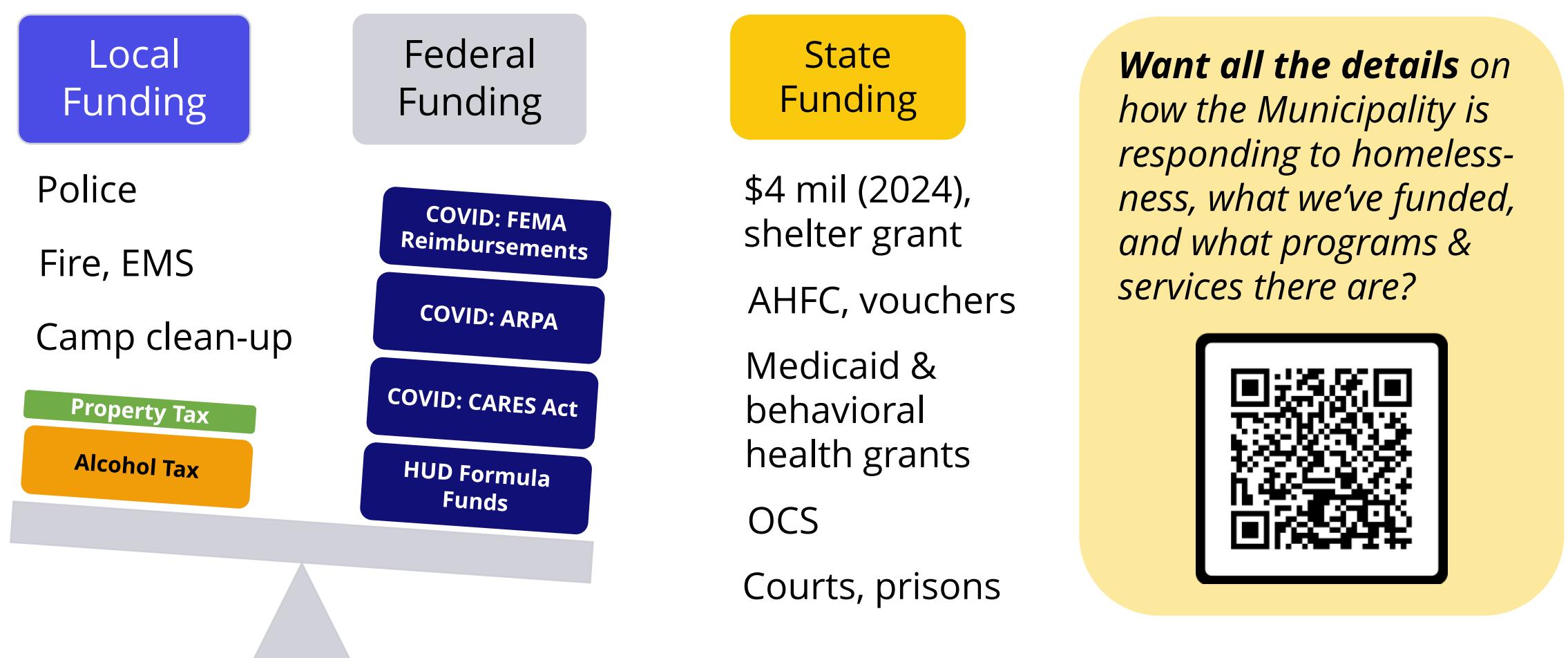
Inventory Property Exemption (2025)
Increased exempt value to \$100,000

Anchorage does have more types of taxes than we did decades ago.

Most changes were decided by voters at the ballot box.

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

WHAT HAVE WE SPENT ON HOMELESSNESS?



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

COMPARING 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

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:

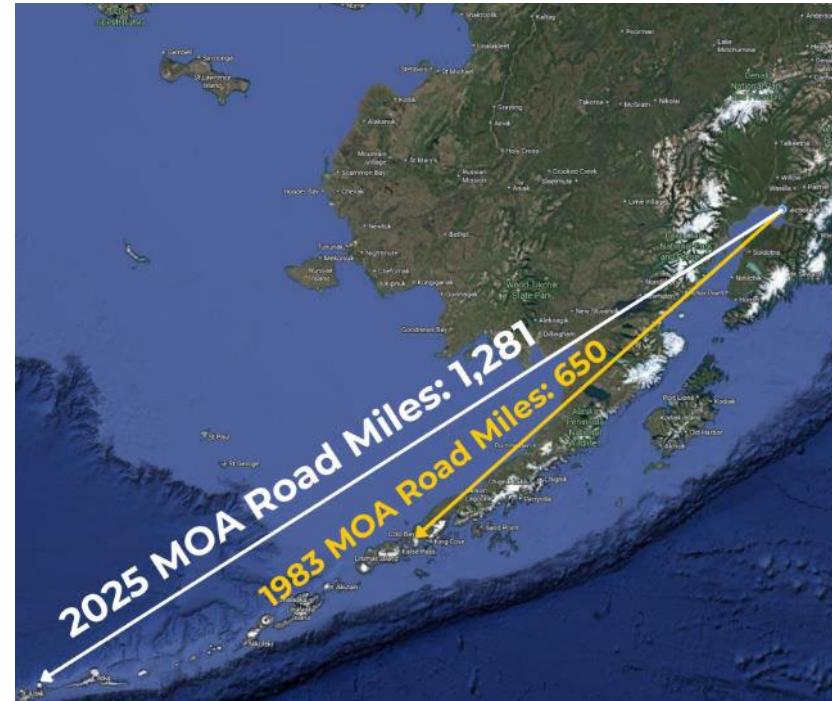
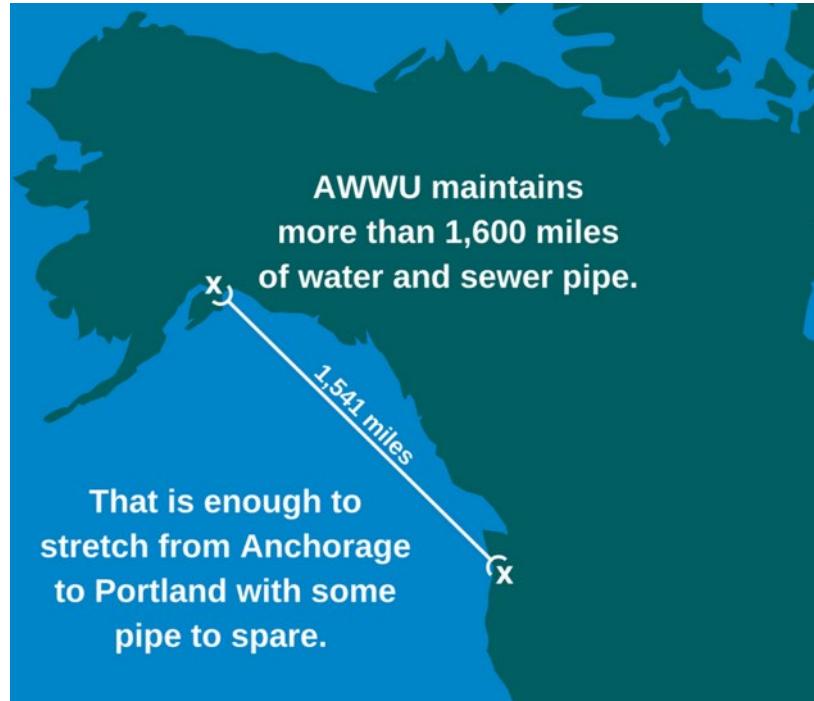
- **\$648 mil** (2025)
- **291,000** residents
- **\$2,226** per capita (**\$500 less**)



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

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.

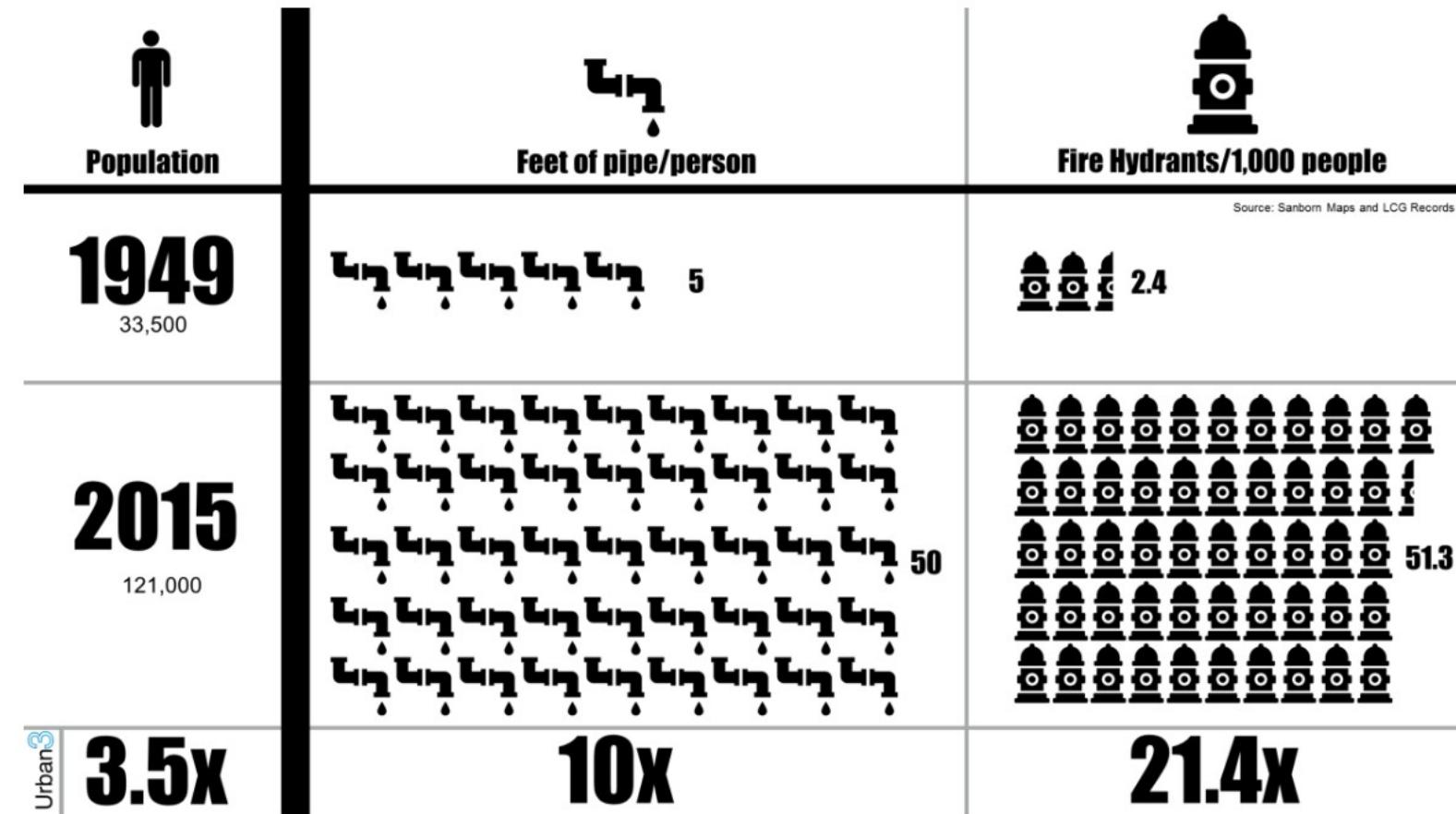


COST OF THE MUNICIPALITY'S FOOTPRINT

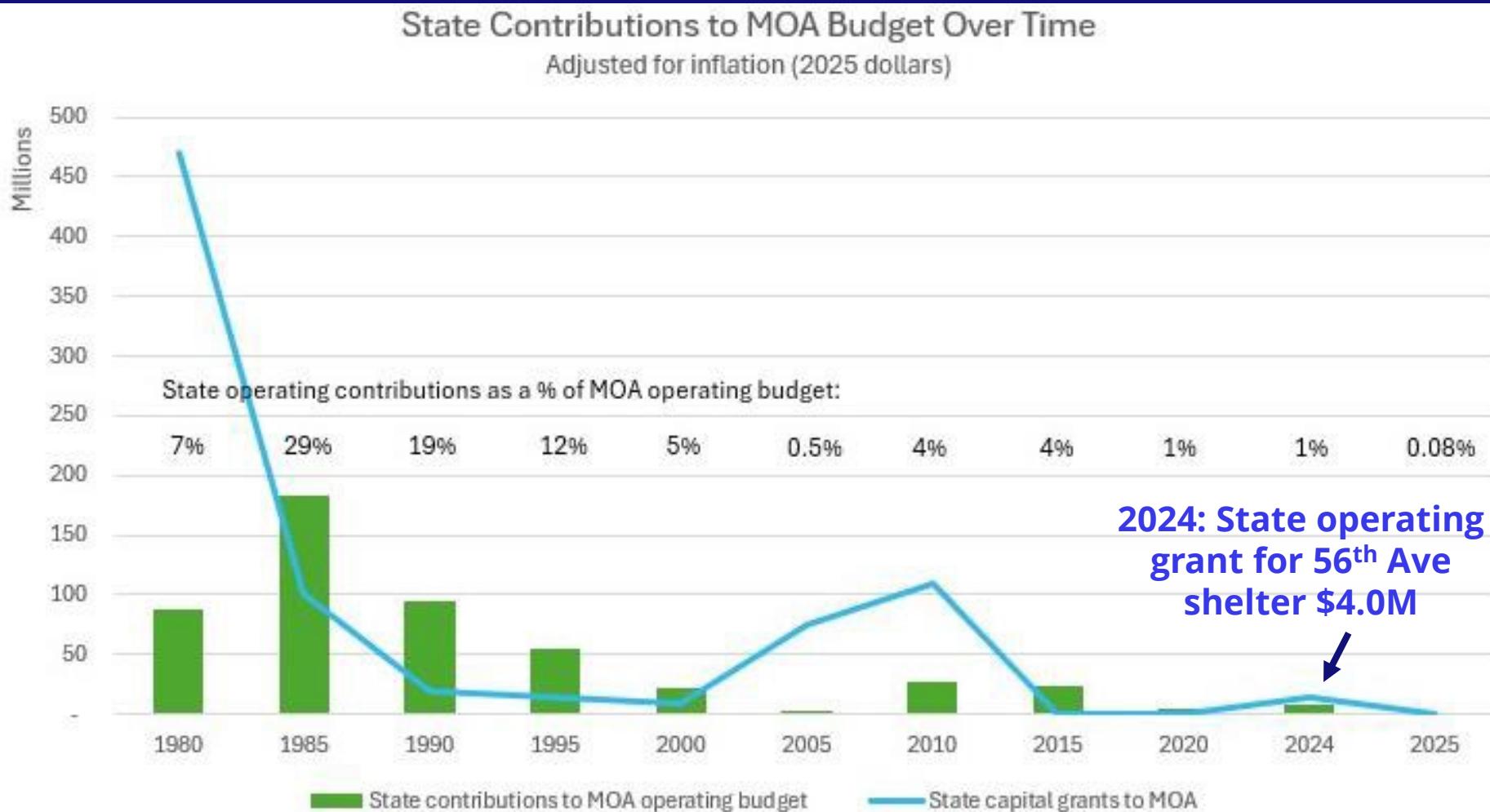
Case Study: LaFayette, LA

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

*From Urban3 and
Strong Towns*



HOW MUCH HAS STATE FUNDING DROPPED?



Many years ago, state capital grants were \$50-\$75M every year to Anchorage.

The largest state investment in the last decade was a \$200M grant for the Port of Alaska Modernization Project.

RECAP: 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:

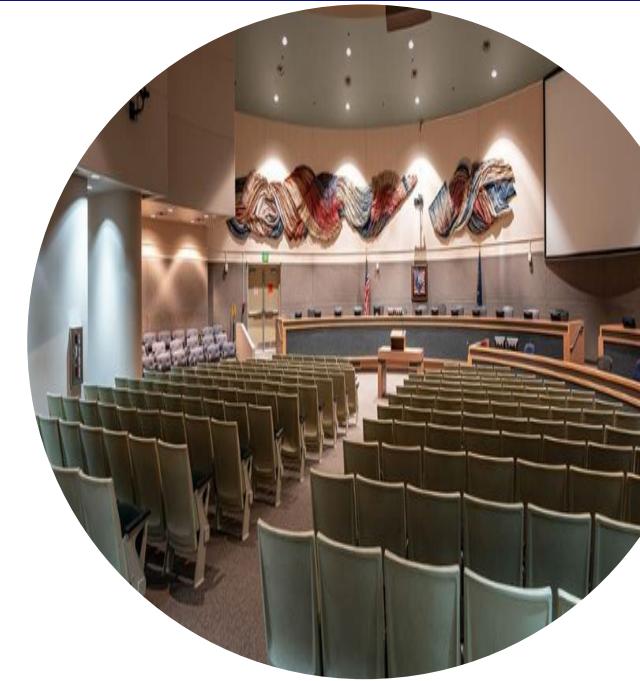
- **0.5%** state funding
- **58%** property tax
- 1,281 miles of roads, most need repair & upgrades



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

LET'S CONTINUE THIS CONVERSATION!

- Stay informed and get educated on your Muni budget!
- All items for the April 2026 ballot will be decided by the January 27, 2026 regular meeting.
- What are your thoughts? E-mail us!
 - Assembly: assembly@anchorageak.gov
 - Mayor: mayor@anchorageak.gov
- One-stop shop for Assembly budget:
ancgov.info/AssemblyBudget



VICE CHAIR ANNA BRAWLEY

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Reference Slides

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

HOW & WHEN IS THE MUNICIPAL BUDGET DECIDED?

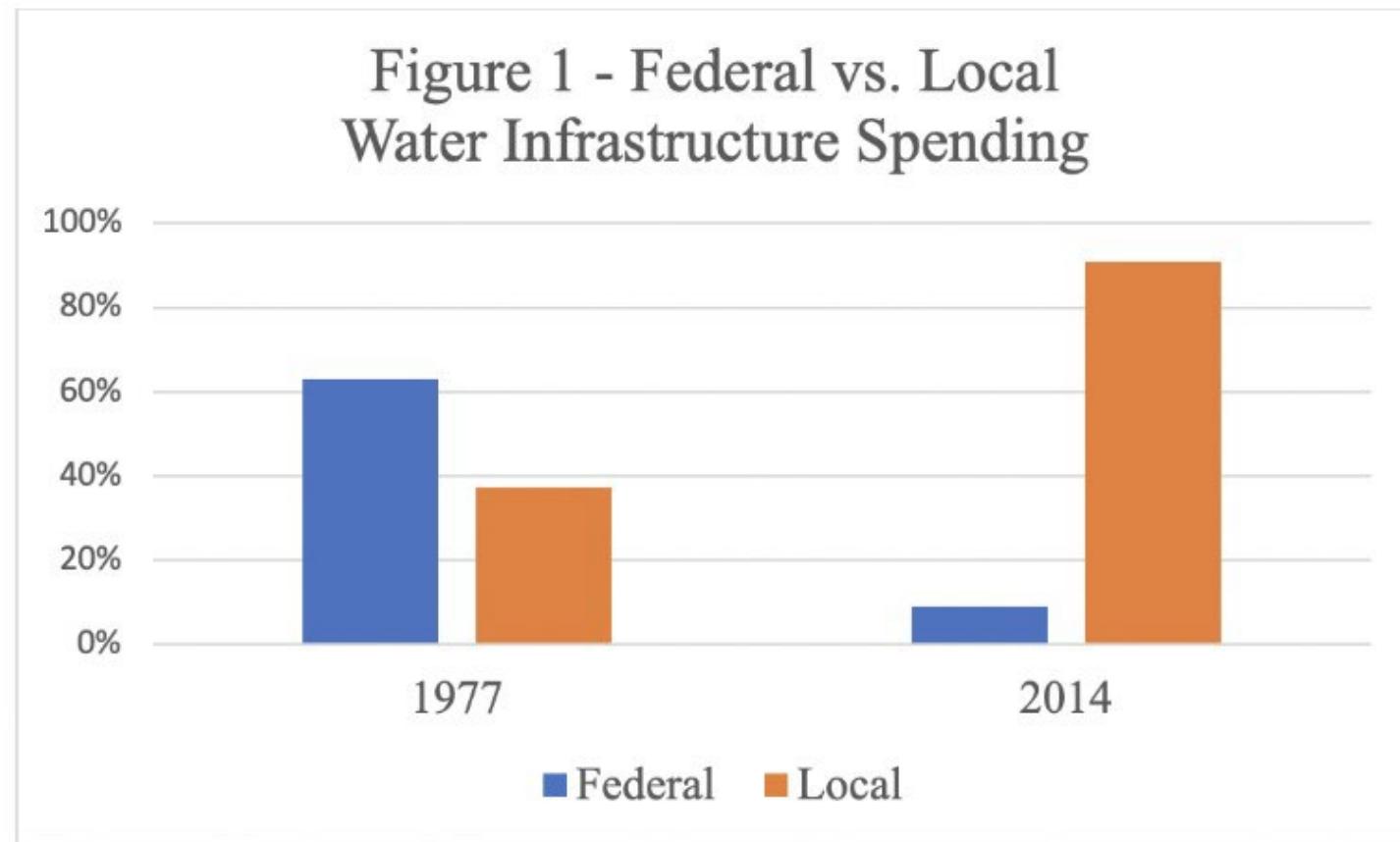
- **October 1**: Mayor releases proposed budget
- **October**: Assembly reviews budget proposal at worksessions
- **October-early November**: Public hearings on budget
- **Mid-November**: Assembly votes to approve budget
- **April**: 1st quarter budget revisions & setting tax levies

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.

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%.

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

Before 2018:
Safety Center,
Police
Response, EMS

Major cuts to
state grants
for services

2020-2024:
COVID-19, rent
relief, mass
care shelter,
federal \$\$\$

First new
local \$

2025:
1st Muni-run,
year-round
shelter \$\$\$ in
general budget

2018-19:
First shelter
beds & camp
cleanup \$ in
general budget

Most \$ kept
100s of people
from eviction

2021+:
Alcohol tax
funding for
shelter, crisis
response

Medicaid, federal
budget cuts

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