

Alaska's Budget Outlook



House Resources and Energy Committees

April 25, 2012

Office of Management and Budget

Budget Vision

Governor Parnell's vision

Economic Growth and Strengthening Families



Budget Principles

Guiding principles

- **Fiscal Restraint**
- **Strategic Investments**
- **Cash Reserves**
- **Focus on Results**



Budget Priorities

Focus on Administration's strategic investment priorities

- **Resource Development**
- **Education**
- **Public Safety**
- **Transportation/Infrastructure**
- **Military Support**



FY2012/2013 Revenue & Savings

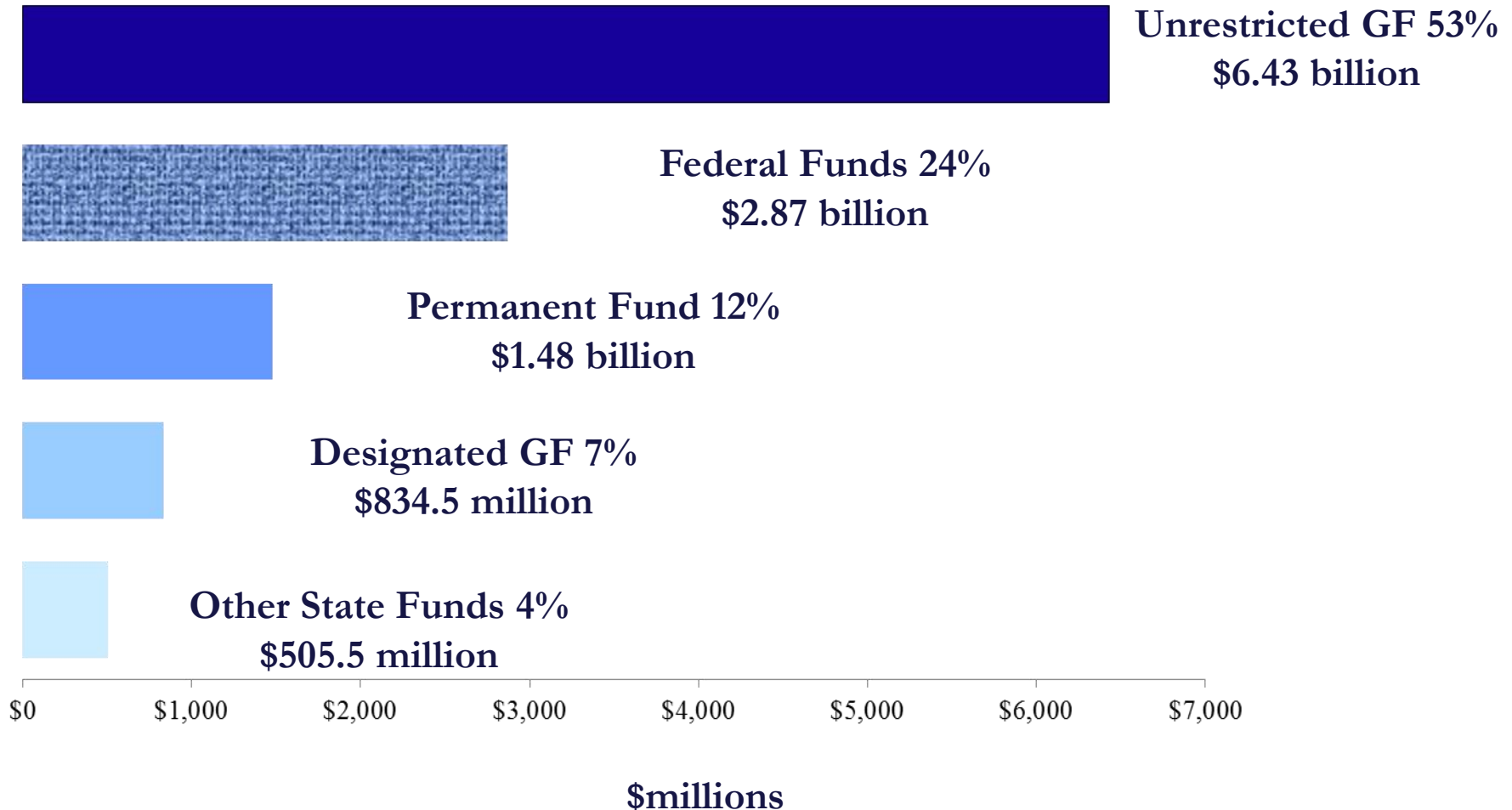
Budget Restraint = Surplus

Unrestricted General Funds	FY2012	FY2013
Revenue (FY12 includes \$53.6 reapprop./carry forward)	\$9,869.9	\$8,440.1
Spending	\$7,352.1	\$7,679.8
Available Balance	\$2,516.8	\$760.3
Savings (deposits to SBR)	\$1,750.0	\$250.0
Opportunity for add'l Savings	\$766.8	\$510.3
Total potential savings		\$3,277.1



FY2013 Proposed Budget Sources of Funds

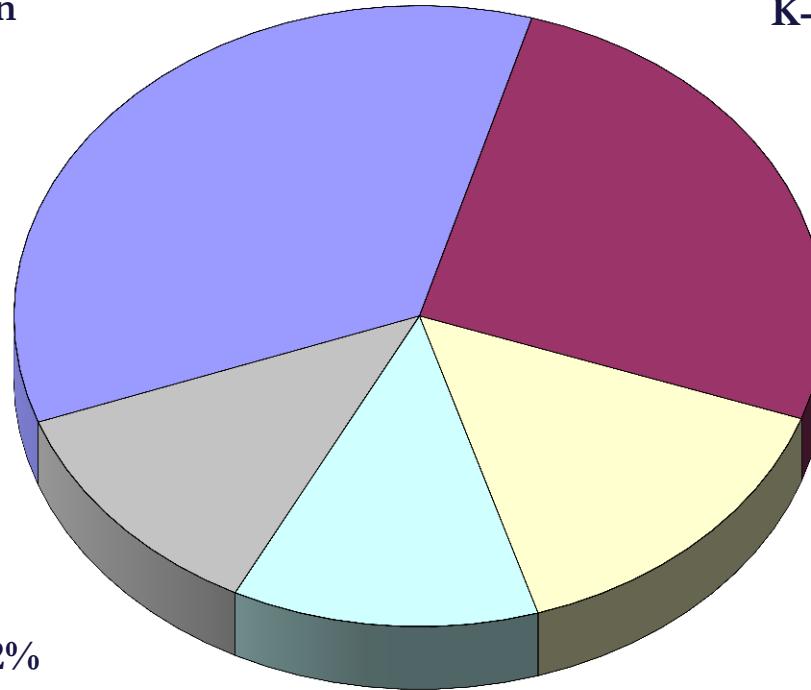
Total FY2013 Proposed Budget \$12.1 Billion



FY2013 Proposed Expenditures by Category

Agency Nonformula 35%
\$4.24 Billion

K-12 & Other Formula 26%
\$3.13 Billion



Statewide
Appropriations 12%
\$1.44 Billion

Capital Budget 15%
\$1.80 Billion

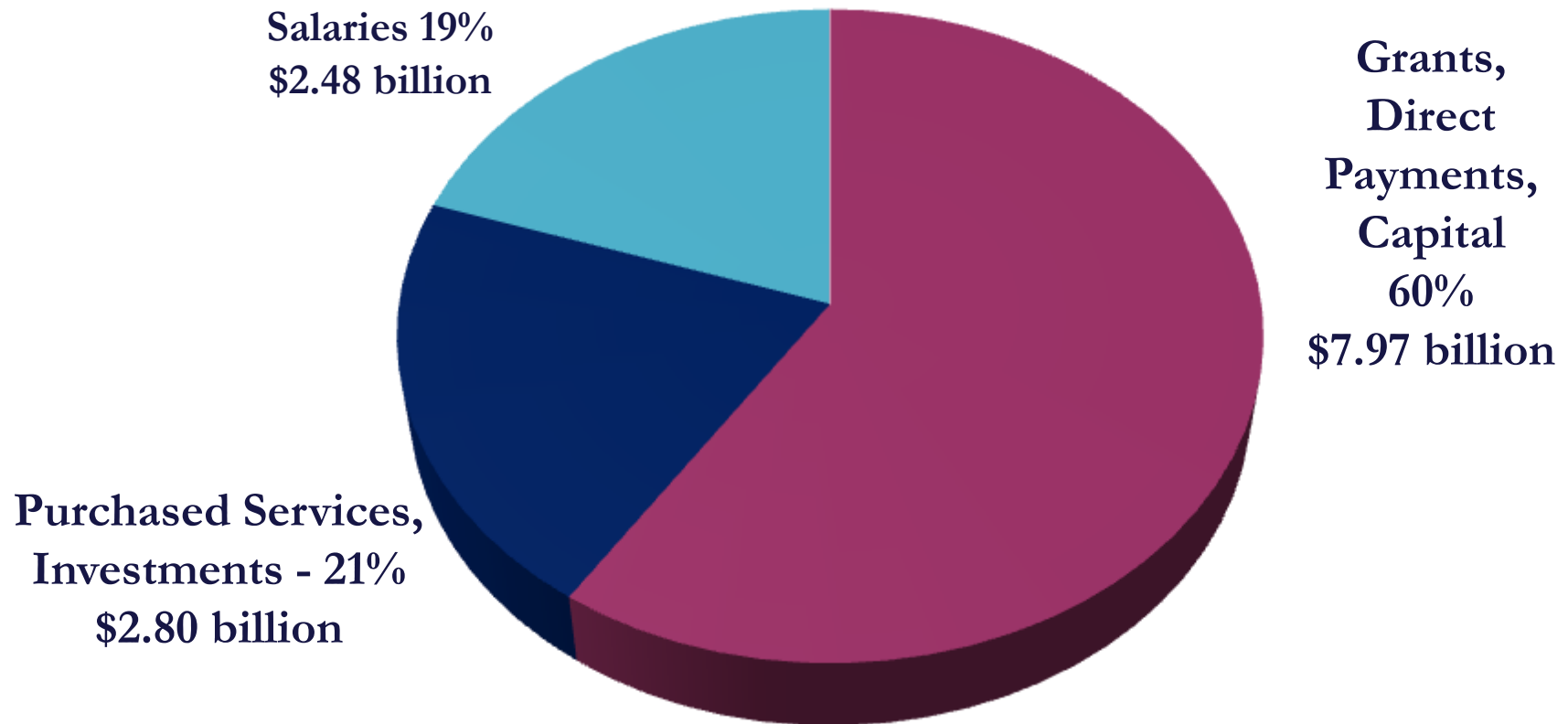
Permanent Fund 12%
\$1.48 Billion

Total Funds = \$12,120.6 million



FY2013 Proposed Budget- Another Perspective

60% of Alaska's budget benefits communities, organizations and individuals through grants, direct payments and capital project funding



Includes duplicate funds, savings, investments and the Permanent Fund
Governor's proposed 12/15/2011



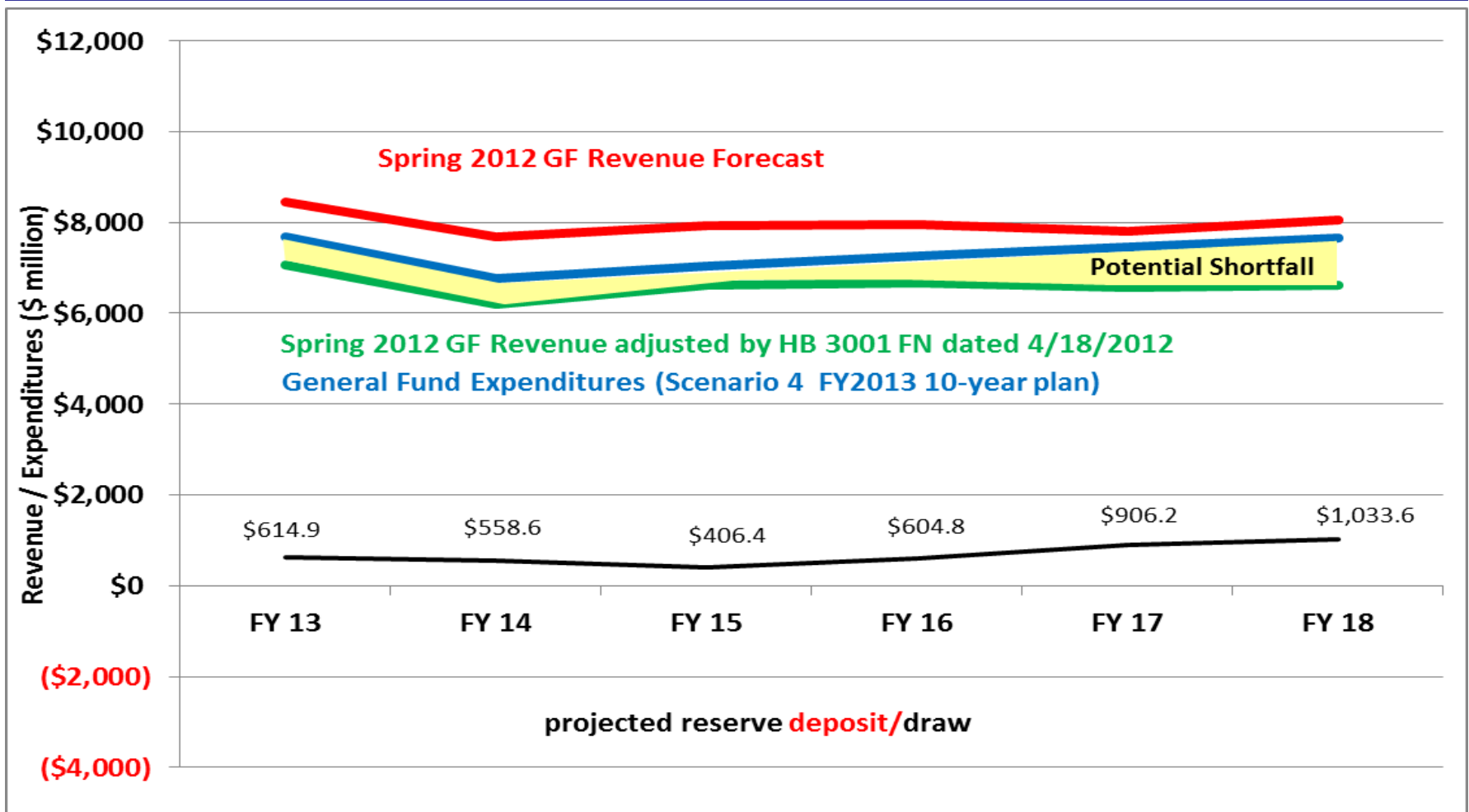
Ten-Year Fiscal Plan

Guiding principles

- **Develop Alaska's Natural Resources**
- **Restrain spending**
- **Save for future generations of Alaskans**



Revenues v Expenditures adjusted for HB 3001



Source: Spring 2012 Revenue forecast. DOR fiscal note dated 4/18/2012. FY2013 10 -year plan Scenario 4 (Governor's FY2013 proposed budget with 4% annual GF expenditure growth, PERS/TRS State Assistance projections and capital capped at \$1.0 B GF annually.

Appropriations projections in the plan do not represent a commitment by the Administration to propose spending or generate revenue at a particular level in FY2012, FY2013 or any future year.



Revenues v Expenditures adjusted for HB 3001

Fall 2012 Spring forecast, adjusted for HB 3001 with FY2013 10-year plan expenditures

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Forecast Oil Price (\$ / bbl.) Spring 2012	\$110.44	\$109.12	\$114.53	\$113.29	\$111.31	\$114.16
(Amounts below in \$ Millions)						
Spring 2012 Forecast General Fund Unrestricted	\$8,440	\$7,680	\$7,923	\$7,967	\$7,807	\$8,055
HB 3001 Fiscal Note Adjustments	\$1,375	\$1,475	\$1,300	\$1,300	\$1,250	\$1,425
General Fund Revenues Adjusted for HB 3001	\$7,065	\$6,205	\$6,623	\$6,667	\$6,557	\$6,630
General Fund Expenses	\$7,680	\$6,764	\$7,029	\$7,271	\$7,463	\$7,663
Budget Surplus/(Shortfall)	\$(615)	\$(559)	\$(406)	\$(605)	\$(906)	\$(1,034)
CBRF Total	\$11,256	\$11,869	\$12,518	\$13,205	\$13,932	\$14,702
Statutory Budget Reserve Balance	\$4,416	\$ 3,855	\$3,445	\$2,873	\$1,928	\$891
TOTAL RESERVES	\$15,672	\$15,724	\$15,963	\$16,042	\$15,860	\$15,593

Source: Department of Revenue Spring 2103 Forecast. Dept. of Revenue fiscal note for HB 3001 dated 4/18/2012.

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For More Information on the Budget

<http://www.omb.alaska.gov>

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