

# Budget Clarification Project

## Progress Report 4

### January 2, 2010

## Fiscal Summary

A draft fiscal summary using the new fund categories and structure is below. As expected, there are differences line-by-line from the old categorization. Hopefully, the differences are more technical than anyone will want to hear about. The focus should be on how similar the summaries are rather than how they differ. In that regard, things look good: note that the increase shown on line 34 (\$548 million) exceeds the “old” difference

**State of Alaska Fiscal Summary--FY10 and FY11**  
(\$ millions)

	FY2010 Authorized Budget				FY2011 Governor's Proposed Budget				Change in GF	
	Total General Funds	Other State Funds	Federal Receipts	All Funds	Total General Funds	Other State Funds	Federal Receipts	All Funds	\$	%
<b>1 REVENUE (Excludes Permanent Fund Earnings)</b>	<b>5,573.2</b>	<b>507.3</b>	<b>3,091.3</b>	<b>9,171.8</b>	<b>6,008.0</b>	<b>502.0</b>	<b>2,780.7</b>	<b>9,290.7</b>	<b>434.8</b>	<b>7.8%</b>
2 Unrestricted General Fund Revenue (Spring 2009) (1)	4,777.9	-	-	4,777.9	5,236.6	-	-	10,473.2	-	-
3 Carryforward (2)	22.1	1.3	146.4	169.8	-	-	-	-	-	-
4 Other Revenue Reclassified as General Fund Revenue (3)	773.2	-	-	773.2	771.4	-	-	1,542.8	-	-
5 Federal and Other Funds	-	506.0	2,944.9	3,450.9	-	502.0	2,780.7	3,282.7	-	-
<b>6 APPROPRIATIONS</b>										
<b>7 TOTAL OPERATING APPROPRIATIONS</b>	<b>4,850.0</b>	<b>457.2</b>	<b>1,939.2</b>	<b>7,246.4</b>	<b>5,129.4</b>	<b>438.6</b>	<b>1,912.6</b>	<b>7,480.7</b>	<b>279.4</b>	<b>5.8%</b>
<b>8 Agency Operations</b>	<b>4,144.8</b>	<b>394.6</b>	<b>1,915.5</b>	<b>6,454.9</b>	<b>4,327.3</b>	<b>385.2</b>	<b>1,885.6</b>	<b>6,598.1</b>	<b>182.6</b>	<b>4.4%</b>
9 Current Fiscal Year Appropriations (includes bills)	4,094.8	394.6	1,915.5	6,404.9	4,275.3	378.2	1,885.6	6,539.1	180.6	4.4%
10 Agency Operations (Non-Formula)	2,439.1	391.6	991.2	3,821.8	2,528.8	375.4	941.3	3,845.4	89.7	3.7%
11 K-12 Education	1,073.7	-	20.8	1,094.5	1,129.7	-	20.8	1,150.5	56.0	5.2%
12 Other Formula Programs	582.1	2.8	890.5	1,475.3	616.9	2.8	923.5	1,543.2	34.8	6.0%
13 RPLs (No FY2011 RPLs are included)	-	0.2	13.1	13.2	-	-	-	-	-	-
14 Fiscal Notes (non-additive)	-	-	-	-	-	-	-	-	-	-
15 Duplicated Authorization (non-additive) (4)	-	625.1	-	625.1	-	641.1	-	641.1	-	-
16 Supplemental Appropriations	50.0	0.0	0.0	50.0	52.0	7.0	0.0	59.0	-	-
<b>17 Statewide Operations</b>	<b>705.3</b>	<b>62.6</b>	<b>23.7</b>	<b>791.6</b>	<b>802.1</b>	<b>53.4</b>	<b>27.0</b>	<b>882.5</b>	<b>96.8</b>	<b>13.7%</b>
18 Current Fiscal Year Appropriations	705.3	62.6	23.7	791.6	802.1	53.4	27.0	882.5	96.8	13.7%
19 Debt Service	167.7	62.6	14.7	245.0	197.0	53.4	18.0	288.5	29.4	17.5%
20 Fund Capitalization	7.5	-	9.0	16.5	7.5	-	9.0	16.5	-	0.0%
21 Direct Appropriations to Retirement	284.7	-	-	284.7	357.6	-	-	357.6	72.9	25.6%
22 Local Government Support	60.0	-	-	60.0	60.0	-	-	60.0	-	0.0%
23 Oil & Gas Investment Credits	180.0	-	-	180.0	180.0	-	-	180.0	-	0.0%
24 Resource Rebate	5.4	-	-	5.4	-	-	-	-	(5.4)	-100.0%
25 Duplicated Authorization (non-additive) (4)	-	7.5	-	7.5	-	7.5	-	7.5	-	-
<b>26 TOTAL CAPITAL APPROPRIATIONS</b>	<b>279.7</b>	<b>40.0</b>	<b>1,138.4</b>	<b>1,458.1</b>	<b>548.5</b>	<b>54.7</b>	<b>839.3</b>	<b>1,442.5</b>	<b>268.8</b>	<b>96.1%</b>
27 Current Fiscal Year Appropriations	279.7	40.0	1,138.4	1,458.1	548.5	54.7	839.3	1,442.5	268.8	96.1%
28 Project Appropriations & RPLs (Revised Programs)	263.2	40.0	1,138.4	1,441.6	398.5	54.7	839.3	1,292.5	135.3	51.4%
29 Fund Capitalization	16.5	-	-	16.5	150.0	-	-	150.0	133.5	809.1%
30 Projects Funded with General Obligation Bonds (non-add)	-	-	-	-	-	-	-	-	-	-
31 Projects Funded with Other Debt Proceeds (non-additive)	-	-	-	-	-	-	-	-	-	-
32 Capital Votoes (non-additive)	-	-	-	-	-	-	-	-	-	-
33 Duplicated Authorization (non-additive) (4)	-	46.8	-	46.8	-	200.7	-	200.7	-	-
<b>34 Pre-Transfers Authorization (unduplicated)</b>	<b>5,129.7</b>	<b>497.2</b>	<b>3,077.6</b>	<b>8,704.5</b>	<b>5,677.9</b>	<b>493.3</b>	<b>2,751.9</b>	<b>8,923.1</b>	<b>548.2</b>	<b>10.7%</b>
35 Pre-Transfers Surplus (Draw From CBRF)	443.5	8%	of Revenue	-	330.1	5%	of Revenue	-	-	-
<b>36 Transfers (non-additive)</b>	<b>(1,042.0)</b>	<b>10.0</b>	<b>13.7</b>	<b>(1,018.4)</b>	<b>250.5</b>	<b>8.7</b>	<b>28.8</b>	<b>287.9</b>	<b>1,292.5</b>	<b>-124.0%</b>
37 Current Fiscal Year Appropriations	(1,042.0)	10.0	13.7	(1,018.4)	250.5	8.7	28.8	287.9	1,292.5	-124.0%
38 Designated Savings	(1,057.4)	-	-	(1,057.4)	414.4	-	-	414.4	1,471.9	-139.2%
39 Undesignated Savings	(1.7)	-	-	(1.7)	(179.1)	-	-	(179.1)	(177.4)	-
40 Other Transfers	17.0	10.0	13.7	40.7	15.1	8.7	28.8	52.5	(1.9)	-11.4%
<b>41 Post-Transfers Authorization (unduplicated)</b>	<b>4,087.7</b>	<b>507.3</b>	<b>3,091.3</b>	<b>7,686.2</b>	<b>5,928.4</b>	<b>502.0</b>	<b>2,780.7</b>	<b>9,211.1</b>	<b>1,840.7</b>	<b>45.0%</b>
42 Post-Transfers Surplus (Draw From CBRF)	1,485.5	27%	of Revenue	-	79.6	1%	of Revenue	-	-	-
<b>43 Permanent Fund Appropriations</b>	<b>590.0</b>	<b>-</b>	<b>0.1</b>	<b>590.1</b>	<b>1,523.0</b>	<b>-</b>	<b>-</b>	<b>1,523.0</b>		
44 Permanent Fund Dividends	590.0	-	-	590.0	637.0	-	-	637.0	-	-
45 Deposits to Principal	-	-	0.1	0.1	886.0	-	-	886.0	-	-
<b>46 Total Authorization (unduplicated)</b>	<b>4,677.7</b>	<b>507.3</b>	<b>3,091.3</b>	<b>8,276.2</b>	<b>7,451.4</b>	<b>502.0</b>	<b>2,780.7</b>	<b>10,734.1</b>	<b>2,773.7</b>	<b>59.3%</b>
<b>47 FISCAL YEAR SUMMARY (Excludes PermF)</b>	<b>4,087.7</b>	<b>507.3</b>	<b>3,091.3</b>	<b>11,773.8</b>	<b>5,928.4</b>	<b>502.0</b>	<b>2,780.7</b>	<b>15,139.4</b>	<b>1,840.7</b>	<b>45.0%</b>
48 Agency Operations	4,144.8	394.6	1,915.5	6,454.9	4,327.3	385.2	1,885.6	6,598.1	182.6	4.4%
49 Statewide Operations	705.3	62.6	23.7	791.6	802.1	53.4	27.0	882.5	96.8	13.7%
50 Total Operating	4,850.0	457.2	1,939.2	7,246.4	5,129.4	438.6	1,912.6	7,480.7	279.4	5.8%
51 Capital	279.7	40.0	1,138.4	1,458.1	548.5	54.7	839.3	1,442.5	268.8	96.1%
52 Total Authorization	5,129.7	497.2	3,077.6	8,704.5	5,677.9	493.3	2,751.9	8,923.1	548.2	10.7%
53 Transfers	(1,042.0)	10.0	13.7	(1,018.4)	250.5	8.7	28.8	287.9	-	-
54 Federal Stimulus Funding (ARRA of 2009)	-	-	297.1	-	-	-	176.1	-	-	-

**Notes:**

- (1) The Fall 2009 oil forecast for FY10 is 0.668 mbd at \$66.93 per barrel; the FY11 forecast is 0.631 mbd at \$76.35/bbl.
- (2) Carryforward is money that was appropriated in a prior year that is made available for spending in FY10 via multiyear appropriations or reappropriations.
- (3) In an effort to present the budget in a more meaningful and accurate way, many sources of funds were recategorized from "other" funds to general funds beginning in FY11. This summary presents both FY10 and FY11 budgets in the revised fund categories in order to make comparisons across years valid.
- (4) Duplicated authorizations are in the budget twice, such as when funds flow in and out of a holding account or one agency pays another for services provided.

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of \$373 million by \$175 million. Not coincidentally, the old method classified \$177 million in proposed FY11 spending from the Alaska Housing Capital Corporation (the AHFC savings account) as duplicated spending in the “other” column. It now appears as general fund spending. Other, smaller transfers also come into play, but not significantly.

Generally speaking, the differences make the case for recategorization. The new way is simply a better representation of fiscal reality. The numbers are still draft. We just moved 325.0 from GF to other, and the summary does not incorporate the change. I will also have to work with OMB to ensure that they can reproduce our numbers.

Revenue is a plugged number. As proposed earlier, I simply set additional revenue equal to the amount required to produce the same surplus as calculated by the old system. That method is effective, but not as pretty as I would like. DOR will have some work to do for the Spring forecast, but the numbers are good enough for present purposes.

### **Governor’s Books**

The Governor’s books are ready to print, but we will delay sending them to the print shop until the fiscal summary is complete.

As noted in progress report 2, the Governor’s books will reflect the new fund categories so that analysis will match a (yet to be drafted) committee substitute bill. Roughly half of the agency narratives are out for agency review, and we expect to complete the remainder by January 8, when we will turn to completing the tables for the *Overview*.