

State Budget

Overview & Challenges

Leadership Workshop
January 18, 2018

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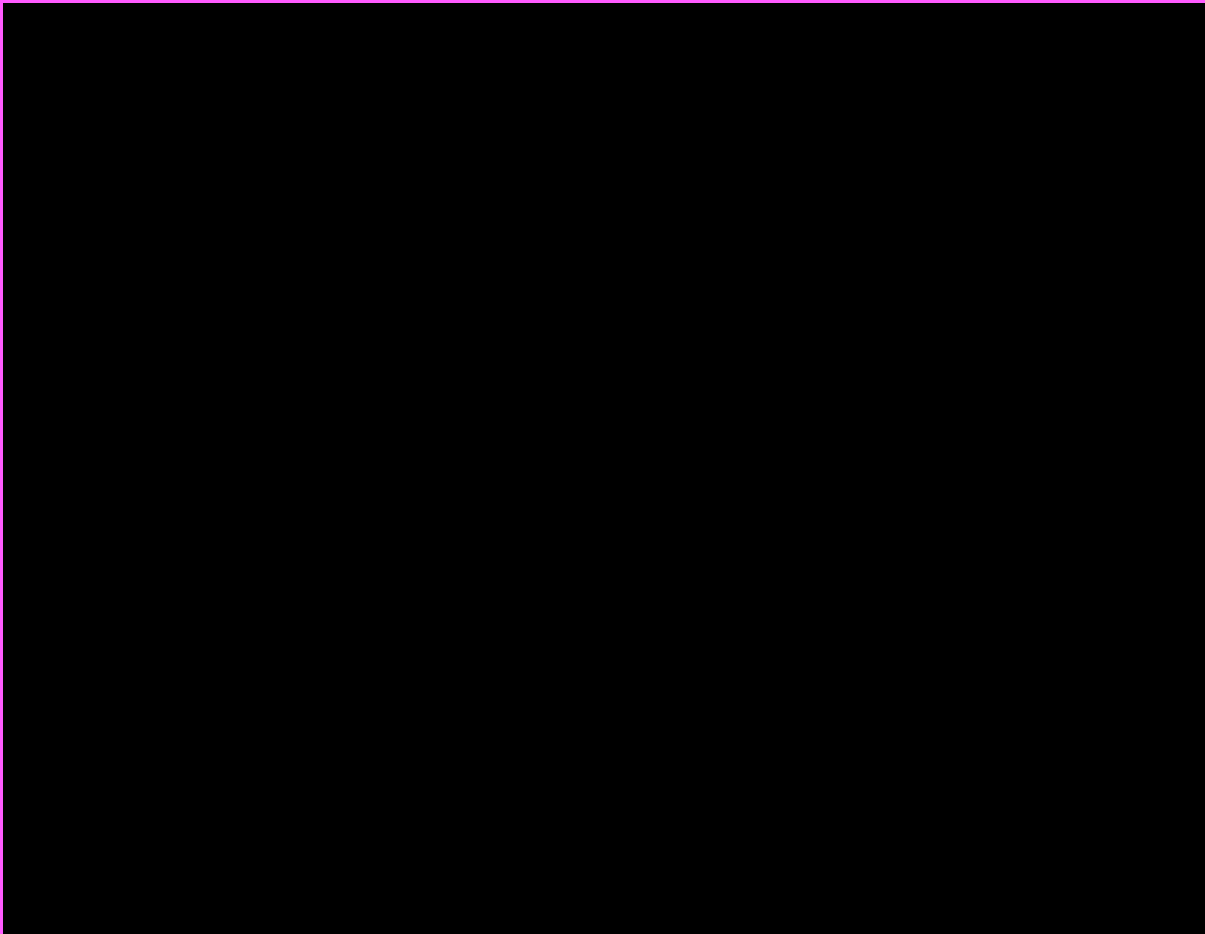
Alaska's Fiscal Situation

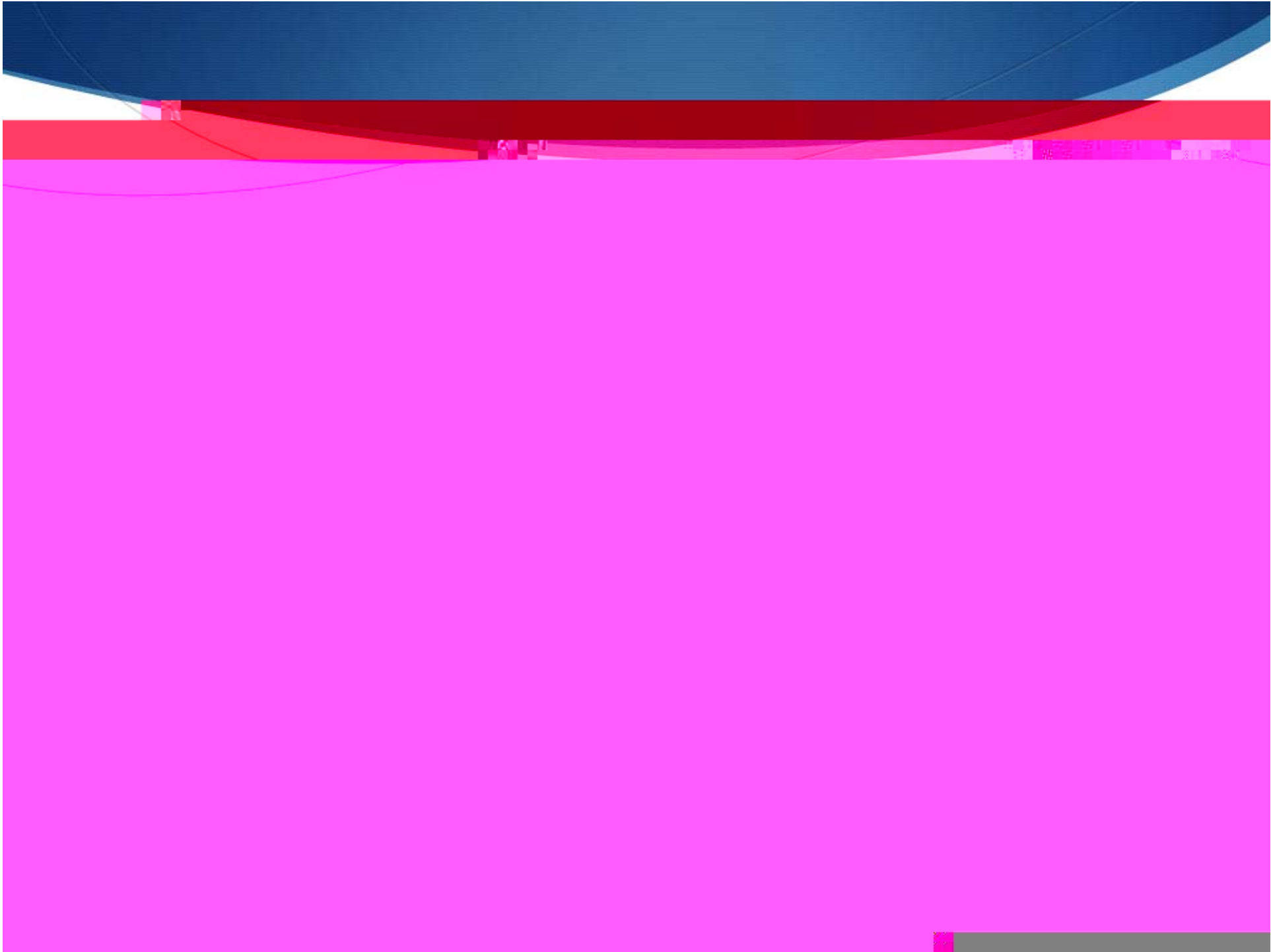


Source: Legislative Finance Division

Alaska's Fiscal Situation

In the last 4 years we've
spent \$14 Billion from





<u>State UGF Budget</u>	<u>FY19</u>	
Education (K 12)	\$ 1,294	
Health & Social	\$ 1,165	
University	\$ 317	UA is 7% of State Budget
Corrections	\$ 289	
DOTPF	\$ 178	
Public Safety	\$ 163	
Agency Ops	\$ 510	All 12 other State Agencies
Retirement Payments	\$ 271	
Debt Service	\$ 202	
Capital Budget	\$ 150	
Other	\$ 42	
Total UGF	\$ 4,581	
Revenue Projection	\$ 2,086	
Deficit	\$ (2,495)	
Savings		
CBR Balance	\$ 2,188	
SBR Balance	\$ 172	
Remaining Deficit	\$ (134.9)	

University Budget

FY15 MgtPlan to FY19 Gov Proposed

Dollar Reduction (\$ Mill)

Percent Reduction



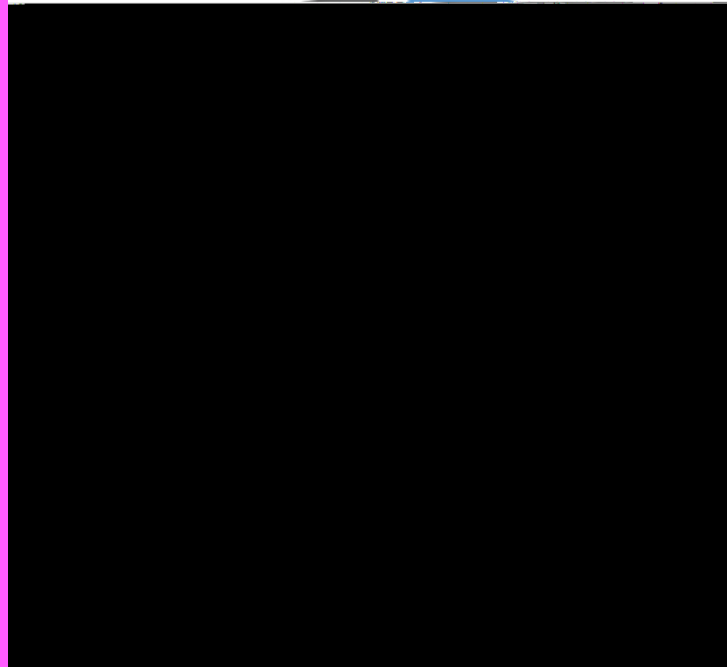
Source: Alaska OMB

University Budget

University Budget

UA Budget by Major Funding Source

FY18 Management Plan



Legislature doesn't appropriate to UA by academic programs, campuses, services, etc.

Pro:

Single appropriation – one check
Spending priorities set by Regents

Con:





Advocating for specific priorities difficult
Inability to quantify immediate impacts of proposed reductions

2018 Legislative Priorities

FY19 Operating/Capital Budget

-  Operating: \$341M Regents vs \$317M Governor
-  Capital: \$ 50 Regents vs \$ 0 Governor
-  Capital: Gov Economic Recovery Plan Possible \$70M

Protecting the Higher Education Fund

-  ~\$18M draw annually:
 -  Alaska Performance Scholarship (~\$12M)
 -  Alaska Education Grant (~\$6M)
-  Non-designated spending could deplete fund by FY22

Extending the Education Tax Credit

-  Expires December 2018
-  Represents \$5-\$7 Million in revenue for UA
-  Simple concept - complicated statute

Challenge

- ☞ Alaska's revenue and budget crisis has both financial and political dimensions – we are impacted by both
- ☞ Structural deficit makes it difficult to address investment priorities like higher-education and work force development
- ☞ State's overall revenue pie, impacts the size of our slice
- Budgeting situation will not improve until a long-term revenue solution is achieved

Challenge

- Public opinion and political constituents drive the agenda
- Public doesn't clearly distinguish between types of government spending
- Legislators may support UA; their constituencies may not
- Budget increases may not be considered politically wise
- This dynamic demands an increased focus on public outreach and external advocacy

