

# FY2019 Budget – Press Packet

## Section 1: Budget Overview



### Highlights

- \$818.8 million – Permanent fund dividend (\$1,216)
- \$34 million – Public Safety Action Plan (20 more positions)
  - o \$4.8 million for more troopers and prosecutors
  - o \$18 million for substance abuse treatment
  - o \$10.5 million to address the growing prison population
  - o \$500 thousand for public defenders
- \$691 million – Medicaid (Up \$27.2 million. Enrollment up 34 percent since FY 2015)
  - In FY 2015, Medicaid covered 163,388 people.
  - In FY2017, 218,385 enrolled
  - In FY 2019, expecting more than 225,000 to be enrolled.
- \$245.5 million – Payment for unfunded retirement liabilities (up \$82 million)
- \$1.26 billion – Education (maintains current student base allocation)
- \$150 million – Capital budget (covering just federal matches)

### Reductions and Downward Pressure

The state has 2,800 fewer employees now than three years ago.

The governor's proposed FY 2019 budget has 217 fewer budgeted positions than the FY 2018 budget the legislature passed. The governor's FY 2019 budget has 2,127 fewer positions than in FY 2015. Efficiency measures are expected to reduce another 200 positions over the next several years.

### Is the budget up or down?

Using the methodology proposed by the Budget Transparency Report, which accounts for use of general fund offsets, fund reclassifications, reappropriations, and supplementals, the fiscal year 2019 budget is \$4.7 billion, down from fiscal year 2018's \$4.8 billion.

Agency operating budgets increased by less than 1 percent (below the rate of inflation). This was driven by the investment in public safety of \$34.0 million, a prison population that grew higher than anticipated, and increased formula costs for Medicaid of \$27.2 million. These increases were offset by continued reductions in executive branch agencies.

Permanent fund dividend spending increased 7.7 percent—from \$760 million last year. Capital budget spending decreased 39 percent from last year.

In total, state spending will be down by 1.7 percent.

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## Section 2: Alaska Economic Recovery Plan



### Overview

Alaska’s Economic Recovery Plan puts Alaskans to work, addresses critical infrastructure concerns, and restores confidence to Alaska businesses and investors. The Governor’s deferred maintenance capital package injects \$1.4 billion of economic activity through construction projects across Alaska. Rather than add new debts to our balance sheet, this plan reduces our existing liability by focusing on the growing deferred maintenance obligation at the state and local level.

Jump-starting Alaska’s economy through this three-phase plan depends on our willingness to invest in Alaska’s future by implementing a limited broad-based tax. This three-phase capital package, funded by \$800 million from three fiscal years of a 1.5% payroll deduction, sunsets in fiscal year 2021. The phased approach is shown below.

#### Project Phased Distribution

|   | FY2019       | FY2020       | FY2021       | Total        |
|---|--------------|--------------|--------------|--------------|
| <b>K-12 School Maintenance</b>          | \$70         | \$65         | \$55         | \$190        |
| <b>University of AK Maintenance</b>     | \$70         | \$65         | \$55         | \$190        |
| <b>State Maintenance</b>                | \$50         | \$47         | \$46         | \$143        |
| <b>Critical Infrastructure Upgrades</b> | \$47         | \$57         | \$58         | \$162        |
| <b>Community and Housing Support</b>    | \$43         | \$36         | \$36         | \$115        |
| <b>State Investment</b>                 | <b>\$280</b> | <b>\$270</b> | <b>\$250</b> | <b>\$800</b> |
| <b>Payroll Tax Revenue</b>              | \$160        | \$320        | \$320        | \$800        |

dollars in millions

### Appropriations

The Alaska Economic Recovery Act, submitted to the legislature as part of this budget proposal, includes appropriations totaling \$280 million in FY2019. Followed with appropriation bills of \$270 million and \$250 million for FY2020 and FY2021, respectively. Over that same period, the estimated revenue from the payroll deduction will total \$800 million and will go to fund the capital program. These infrastructure investments will leverage federal and local monies on top of state funds, amounting to a total of \$1.4 billion in economic activity.

#### Estimated Economic Impact

|   | State        | Federal      | Local        | Total          |
|---|--------------|--------------|--------------|----------------|
| <b>K-12 School Maintenance</b>          | \$190        | \$0          | \$50         | <b>\$240</b>   |
| <b>University of AK Maintenance</b>     | \$190        | \$25         | \$25         | <b>\$240</b>   |
| <b>State Maintenance</b>                | \$143        | \$10         | \$0          | <b>\$153</b>   |
| <b>Critical Infrastructure Upgrades</b> | \$162        | \$200        | \$100        | <b>\$462</b>   |
| <b>Community and Housing Support</b>    | \$115        | \$60         | \$30         | <b>\$205</b>   |
| <b>Advancing Projects</b>               |              |              |              | <b>\$100</b>   |
| <b>Total</b>                            | <b>\$800</b> | <b>\$295</b> | <b>\$205</b> | <b>\$1,400</b> |

dollars in millions

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## Section 2: Alaska Economic Recovery Plan



### Investments:

These infrastructure investments will address the University, K-12, and state facility deferred maintenance liabilities. It also provides investments in deferred maintenance for communities, a match for the Port of Anchorage, and continues the harbor matching grants, bulk fuel tank and weatherization programs.

Focusing on deferred maintenance projects gets work started now – not in a decade after years of studies. Investing in deferred maintenance reduces future liability and conveys Alaska’s willingness to take care of its own assets without increasing future costs. The table below provides the listing of the phased distribution by appropriation. The fiscal year 2019 appropriations included in the Alaska Economic Recovery Act represent phase one.

| Investment Category   | FY19           | FY20           | FY21           | Estimated Economic Impact |                |                | Total            |
|---|----------------|----------------|----------------|---------------------------|----------------|----------------|------------------|
|   |                |                |                | State                     | Federal        | Local          |                  |
| <b>K-12 Major Maintenance Grant Fund (AS 14.11.007)</b>             | <b>\$70.0</b>  | <b>\$65.0</b>  | <b>\$55.0</b>  | <b>\$190.0</b>            | <b>\$0.0</b>   | <b>\$50.0</b>  | <b>\$240.0</b>   |
| <b>UA Deferred Maintenance, Renovation, Repair and Equipment</b>    | <b>\$70.0</b>  | <b>\$65.0</b>  | <b>\$55.0</b>  | <b>\$190.0</b>            | <b>\$25.0</b>  | <b>\$25.0</b>  | <b>\$240.0</b>   |
| <b>State Deferred Maintenance, Renovation, Repair and Equipment</b> | <b>\$50.0</b>  | <b>\$47.0</b>  | <b>\$46.0</b>  | <b>\$143.0</b>            | <b>\$10.0</b>  | <b>\$0.0</b>   | <b>\$153.0</b>   |
| Agency Deferred Maintenance, Renovation, Equipment                  | \$40.0         | \$40.0         | \$38.0         | \$118.0                   | \$10.0         | \$0.0          | \$128.0          |
| Pioneer Home Renovations and Repair                                 | \$2.0          | \$2.0          | \$2.0          | \$6.0                     | \$0.0          | \$0.0          | \$6.0            |
| Statewide Contaminated Sites Cleanup                                | \$1.0          |                | \$1.0          | \$2.0                     | \$0.0          | \$0.0          | \$2.0            |
| Courts Deferred Maintenance, Renovation, Equipment                  | \$3.0          | \$1.0          | \$1.0          | \$5.0                     | \$0.0          | \$0.0          | \$5.0            |
| Legislative Renovation, Projects, and Technology                    | \$4.0          | \$4.0          | \$4.0          | \$12.0                    | \$0.0          | \$0.0          | \$12.0           |
| <b>Critical Infrastructure Repair and Upgrade</b>                   | <b>\$47.0</b>  | <b>\$57.0</b>  | <b>\$58.0</b>  | <b>\$162.0</b>            | <b>\$200.0</b> | <b>\$100.0</b> | <b>\$462.0</b>   |
| Port of Anchorage Phase 1 requires Municipal Match                  | \$40.0         | \$0.0          | \$0.0          | \$40.0                    | \$0.0          | \$67.0         | \$107.0          |
| Highway Match to Maximize Available Federal Funds                   | \$7.0          | \$4.0          | \$6.0          | \$17.0                    | \$170.0        | \$0.0          | \$187.0          |
| Future Maintenance Priorities                                       |                | \$53.0         | \$52.0         | \$105.0                   | \$30.0         | \$33.0         | \$168.0          |
| <b>Community Needs and Housing Investments</b>                      | <b>\$43.0</b>  | <b>\$36.0</b>  | <b>\$36.0</b>  | <b>\$115.0</b>            | <b>\$60.0</b>  | <b>\$30.0</b>  | <b>\$205.0</b>   |
| Municipal Harbor Facility Grant Fund Projects                       | \$10.0         | \$10.0         | \$10.0         | \$30.0                    | \$0.0          | \$30.0         | \$60.0           |
| Alaska Energy Authority - Bulk Fuel Upgrades                        | \$5.0          | \$5.5          | \$5.5          | \$16.0                    | \$40.0         | \$0.0          | \$56.0           |
| Emergency Medical Services Match for Code Blue                      | \$1.0          | \$0.5          | \$0.5          | \$2.0                     | \$0.0          | \$0.0          | \$2.0            |
| Weatherization Program  | \$15.0         | \$10.0         | \$10.0         | \$35.0                    | \$8.0          | \$0.0          | \$43.0           |
| Housing Facility Maintenance Program (AHFC)                         | \$7.0          | \$5.0          | \$5.0          | \$17.0                    | \$12.0         | \$0.0          | \$29.0           |
| Supplemental Housing Development Program                            | \$3.0          | \$3.0          | \$3.0          | \$9.0                     | \$0.0          | \$0.0          | \$9.0            |
| Senior Citizens Housing Development Program                         | \$2.0          | \$2.0          | \$2.0          | \$6.0                     | \$0.0          | \$0.0          | \$6.0            |
| <b>Advancing Existing Projects</b>                                  |                |                |                |                           |                |                |                  |
| Restart Paused Road Projects  |                |                |                |                           |                |                | \$100.0          |
| <b>Total</b>  | <b>\$280.0</b> | <b>\$270.0</b> | <b>\$250.0</b> | <b>\$800.0</b>            | <b>\$295.0</b> | <b>\$205.0</b> | <b>\$1,400.0</b> |

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## Section 2: Alaska Economic Recovery Plan



The deferred maintenance projects included in the plan will impact more than 60 communities statewide. More information on the deferred maintenance project listings or additional project information for the FY19 Alaska Economic Recovery Act appropriations can be found online at OMB FY2019 Budget: Alaska Economic Recovery Plan Overview.

K-12 Major Maintenance Grant Fund (AS 14.11.007)

UA Deferred Maintenance, Renovation, Repair and Equipment

State Deferred Maintenance, Renovation, Repair and Equipment

- Agency Deferred Maintenance, Renovation, Equipment
- Pioneer Home Renovations and Repair
- Statewide Contaminated Sites Cleanup
- Courts Deferred Maintenance, Renovation, Equipment
- Legislative Renovation, Projects, and Technology

Critical Infrastructure Repair and Upgrade

- Port of Anchorage Phase-One (requires municipal match)
- Highway Match to Maximize Available Federal Funds

Community Needs and Housing Investments

- Municipal Harbor Facility Grant Fund Projects
- Alaska Energy Authority - Bulk Fuel Upgrades
- Emergency Medical Services Match for Code Blue
- Weatherization Program
- Housing Facility Maintenance Program (AHFC)
- Supplemental Housing Development Program
- Senior Citizens Housing Development Program

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## Section 2: Alaska Economic Recovery Plan



### Funding Mechanism

Under Governor Walker’s Alaska Economic Recovery Plan, a payroll deduction—collected over three years—would generate \$800 million, which projects to create well over 1,000 jobs for Alaskans. According to [ISER](#), each \$100 million spent on capital projects generates more than 750 jobs.

The limited payroll tax proposal for funding the Alaska Economic Recovery Act is structured as the proposal Governor Walker introduced in September for the fourth special legislative session, except that it will be earmarked solely to fund the deferred maintenance projects described above. The proposal taxes 1.5 percent of wages earned by Alaskans and non-resident workers, capped at \$2,200 or twice the previous year’s permanent fund dividend amount—whichever is higher. For example, a person who earned \$50,000 would pay \$750 in payroll tax and receive a PFD.

About fifteen percent of the revenue collected from the tax is projected to come from [non-resident workers, who in 2015 earned more than \\$2.7 billion](#). Under this proposal, Alaskans would pay the lowest taxes on a nationwide basis. *(For more information, see: OMB FY2019 Budget: Limited Payroll Deduction Tax Bill Summary)*

**Estimated Impact of Capped Payroll Tax**

| Total Wages and Self-Employment Income | Tax Obligation | Permanent Fund Dividend | Net Tax Payment |
|--|----------------|-------------------------|-----------------|
| \$25,000                               | \$375          | \$1,100                 | (\$725)         |
| \$50,000                               | \$750          | \$1,100                 | (\$350)         |
| \$75,000                               | \$1,125        | \$1,100                 | \$25            |
| \$100,000                              | \$1,500        | \$1,100                 | \$400           |
| \$150,000                              | \$2,200        | \$1,100                 | \$1,100         |
| \$200,000                              | \$2,200        | \$1,100                 | \$1,100         |

*Example from October, 2017*

### Oil Tax Credit Payment Proposal:

Following the Legislature’s passage of HB111, ending the flawed cash credit program, Governor Walker asked the Department of Revenue to further explore options for expediting payment of outstanding oil and gas exploration tax credits.

As part of the Alaska Economic Recovery Plan, we propose to pay off the remainder of our outstanding future-obligations to independent oil and gas exploration companies at a modest discount rate in fiscal year 2019. To fund payment of these outstanding credits, the state will issue bonds. The credit holders will be paid at a discount that covers the cost of borrowing. By paying these obligations, at no additional expense to the state or burden on the treasury, we’ll put this chapter behind us and help give small operators confidence to in Alaska. *(For more information, see: OMB FY2019 Budget: Tax Credit Certificates Bond Financing Program Summary)*

# FY2019 Budget – Press Packet

## Section 3: Budget Reform



**Alaska’s budget process is broken...** In recent years, budget gridlock has cost the state millions in legislative overtime, devalued the citizens’ mandate for a 90-day session, and put the state on the brink of government shutdown.

Due to budget gridlock, Alaska now takes the most time to produce the least legislation at the highest per capita costs of any Legislature in the country. Many Alaskans believe we cannot fix our fiscal problem without first fixing our broken budget process.

This legislation adds consequences, through loss of pay and per diem, if the Governor or the Legislature fail to complete their budget work by statutory deadlines. This legislation also makes Alaska’s budget process biennial, simultaneously reducing costs to the state and uncertainty for Alaskans. In tandem, the plan seeks to improve budget transparency.

**Consequences for Failure:** First, this legislation requires the Legislature to pass a budget by the 90-day deadline set by Alaskans in 2006. Otherwise, beginning on day 91 of the legislative session, legislators would forfeit per diem and have salary withheld until budget passage. Likewise, if the Governor failed to publish a budget by December 15, he/she would receive no salary for each overdue day.

Failure to finish budget work on time hurts Alaskans. School districts lose any certainty over their budgets and are forced to send pink slips to teachers. State agencies must send layoff notices to employees. Fisheries openings, ferry schedules, and project permitting are all thrown into chaos. This plan creates consequences and removes de facto incentives for inaction. <sup>1</sup>

**A Biennial Budget:** This plan establishes a biennial rather than annual budget. The Governor would introduce a complete budget prior to the start of each legislature to fund the next two fiscal years. The Legislature would pass two budgets for the next two years by day 90 of the first session. While the Legislature could still review policy legislation, its primary focus during its first session would be the budgets. During its second session, the Legislature would be able to focus on policy bills with far less time devoted to supplemental spending and budget amendments.

A biennial budget would increase legislative efficiency, avoid weaponizing the budget in election years, reduce economic uncertainty, shift staff time from budget preparation to financial management, and enable longer-range fiscal planning for state and local government. <sup>2</sup>

**Budget Transparency:** In tandem with the above legislation, the Administration will work with the Legislative Budget and Audit Committee to produce the Alaska Budget Transparency Report, to better assist the public in understanding the trend of state spending over time. Past years have seen use of strategies that artificially reduce general fund spending. Clearly accounting for these strategies is essential to enable an accurate public understanding of state spending over time. *See OMB: FY2019 Budget Transparency Report.*

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<sup>1</sup> California is one example that shows the effectiveness of this approach. Voters in California, disgusted by legislative gridlock, approved an initiative (Proposition 25) requiring its legislature to pass a budget on time or forfeit pay for each day of delay. The results speak for themselves. From 1980 to 2010, twenty-five budgets passed late. In 2008, the budget was 100 days late. In 2011, the first year under Proposition 25, the budget was passed 12 days late, **and on time every year since.**

<sup>2</sup> This is not a partisan issue. At the federal level, congressional leaders from both sides, including Speaker of the House Paul Ryan (R-WI), support moving the federal budget from annual to biennial.

# Office of Management and Budget: New Budget Transparency Report

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The Walker-Mallott Administration is committed to providing the public with the most transparent and accurate view of state government spending. The administration has requested to work with the Legislative Budget and Audit Committee to codify rules that will provide more visibility in state spending. This document represents a starting point in that effort.

Historically, reports have focused on unrestricted general fund spending (UGF) because it is the subset of state spending that impacts the state treasury and affects the deficit. The other three categories of revenue (designated, other, and federal funds) are restricted in use and money saved in those categories cannot necessarily help reduce the deficit.

The Alaska Budget Transparency Report is a new report produced to keep Alaskans informed and provide a more accurate gauge of the true “footprint” of government. This report is designed to assist the public in understanding the actual trend of state spending over time.

In past years, budget strategies have been used to reduce general fund spending on a one-time basis. These tactics must be accounted for to provide a clear view of state spending. Some of these maneuvers are described below.

- **General Fund Offsets**

These items represent the use of other fund sources for items that have traditionally been paid for with general funds. In past years, transfers have been made between various state funds and accounts to reduce the strain on the state treasury, but doing so makes state spending appear lower than it actually is when viewing most budget reports.

- **Reclassification of UGF**

Various fund sources have been reclassified from unrestricted general funds to designated or other funds. While doing so is budget-neutral, reports will understate unrestricted general fund spending in the years this strategy was used.

- **Supplementals in Year Used**

Items are occasionally added to the budget retroactively. In the new Alaska Budget Transparency Report, those items will be included in the year that they are primarily used, not necessarily in the year they were appropriated.

- **True Supplementals**

The budget passed by the legislature each spring is not the final budget. Unforeseen events such as forest fires, disasters and other cost overruns always occur. Most reports exclude these items, assuming the level of supplemental items added to the budget each year will be approximately the same. The transparency report illustrates that is not always the case.

- **Reappropriations**

When a project is completed, there is often a small balance left unspent. In most states, the project is closed and the remaining balance is returned to the general fund. In Alaska, however, it has become common practice to roll these balances forward into new projects. Doing so generates additional spending, but that spending is not reflected on traditional reports. The transparency report correctly reflects the use of reappropriations.



**Office of Management and Budget - Transparent Budget Comparison**

|   | FY2015           | FY2016           | FY2017           | FY2018           | FY2019           | FY15 to FY19 %            | FY18 to FY19 %         |
|---|------------------|------------------|------------------|------------------|------------------|---------------------------|------------------------|
| <b>Agency, Non Formula (Day-to-Day Government Operations)</b> |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$2,283.4        | \$2,040.4        | \$1,899.0        | \$1,783.7        | \$1,824.6        | (\$458.8) -20.1%          | \$40.9 2.3%            |
| General Fund Offsets  | \$0.0            | \$0.0            | \$10.0           | \$48.8           | \$4.7            |                           |                        |
| Reclassification of UGF                                       | \$0.0            | \$0.0            | \$7.7            | \$46.2           | \$46.8           |                           |                        |
| Supplementals in Year Used                                    | \$4.6            | \$4.5            | \$1.0            | \$0.0            | \$18.0           |                           |                        |
| True Supplementals  | (\$10.7)         | \$66.6           | \$22.5           | \$21.6           | \$0.0            |                           |                        |
| <b>Transparent Budget</b>                                     | <b>\$2,277.3</b> | <b>\$2,111.5</b> | <b>\$1,940.2</b> | <b>\$1,900.2</b> | <b>\$1,894.1</b> | <b>(\$383.3) -16.8%</b>   | <b>(\$6.1) -0.3%</b>   |
| <b>Agency, Formula (Medicaid, K-12, Etc.)</b>                 |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$2,219.7        | \$2,058.5        | \$1,979.3        | \$1,967.4        | \$2,092.7        | (\$126.9) -5.7%           | \$125.3 6.4%           |
| General Fund Offsets  | \$10.0           | \$13.0           | \$23.7           | \$20.0           | \$23.3           |                           |                        |
| True Supplementals  | (\$21.5)         | \$6.0            | \$58.1           | \$100.0          | \$0.0            |                           |                        |
| <b>Transparent Budget</b>                                     | <b>\$2,208.2</b> | <b>\$2,077.4</b> | <b>\$2,061.1</b> | <b>\$2,087.4</b> | <b>\$2,116.0</b> | <b>(\$92.1) -4.2%</b>     | <b>\$28.6 1.4%</b>     |
| <b>Statewide Items (Debt, Retirement, Credits, Etc.)</b>      |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$979.9          | \$1,018.1        | \$384.1          | \$469.4          | \$115.8          | (\$864.2) -88.2%          | (\$353.6) -75.3%       |
| General Fund Offsets  | \$0.0            | \$0.0            | \$89.8           | \$49.0           | \$400.0          |                           |                        |
| Reappropriations  | \$0.0            | \$0.0            | \$0.0            | \$17.0           | \$0.0            |                           |                        |
| Reclassification of UGF                                       | \$0.0            | \$0.0            | \$55.0           | \$55.0           | \$1.0            |                           |                        |
| True Supplementals  | (\$13.5)         | \$158.0          | \$27.5           | \$0.7            | \$0.0            |                           |                        |
| <b>Transparent Budget</b>                                     | <b>\$966.4</b>   | <b>\$1,176.1</b> | <b>\$556.4</b>   | <b>\$591.0</b>   | <b>\$516.8</b>   | <b>(\$449.6) -46.5%</b>   | <b>(\$74.3) -12.6%</b> |
| <b>Capital</b>  |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$667.6          | \$161.7          | \$129.1          | \$132.0          | \$150.1          | (\$517.6) -77.5%          | \$18.1 13.7%           |
| General Fund Offsets  | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            |                           |                        |
| Reappropriations  | \$161.6          | \$108.8          | \$33.2           | \$93.1           | \$5.5            |                           |                        |
| Reclassification of UGF                                       | \$0.0            | \$0.0            | \$4.4            | \$23.9           | \$0.5            |                           |                        |
| Supplementals in Year Used                                    | \$0.0            | \$0.5            | \$0.0            | \$0.0            | \$0.0            |                           |                        |
| True Supplementals  | \$17.4           | \$23.9           | \$12.1           | \$6.0            | \$0.0            |                           |                        |
| <b>Transparent Budget</b>                                     | <b>\$846.7</b>   | <b>\$294.8</b>   | <b>\$178.8</b>   | <b>\$255.0</b>   | <b>\$156.0</b>   | <b>(\$690.6) -81.6%</b>   | <b>(\$98.9) -38.8%</b> |
| <b>Sub-Total State Operating and Capital</b>                  |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$6,150.6        | \$5,278.6        | \$4,391.5        | \$4,352.5        | \$4,183.1        | (\$1,967.5) -32.0%        | (\$169.4) -3.9%        |
| <b>Transparent Budget</b>                                     | <b>\$6,298.6</b> | <b>\$5,659.9</b> | <b>\$4,736.5</b> | <b>\$4,833.6</b> | <b>\$4,682.9</b> | <b>(\$1,615.7) -25.7%</b> | <b>(\$150.7) -3.1%</b> |
| <b>Transfers</b>  |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$90.8           | (\$226.1)        | \$15.6           | \$15.9           | \$14.6           | (\$76.2) -83.9%           | (\$1.3) -8.2%          |
| General Fund Offsets  | \$1,123.6        | \$280.5          | \$0.0            | \$0.0            | \$0.0            |                           |                        |
| True Supplementals  | (\$1,113.3)      | \$0.0            | \$0.0            | \$0.0            | \$0.0            |                           |                        |
| <b>Transparent Budget</b>                                     | <b>\$101.1</b>   | <b>\$54.3</b>    | <b>\$15.6</b>    | <b>\$15.9</b>    | <b>\$14.6</b>    | <b>(\$86.5) -85.6%</b>    | <b>(\$1.3) -8.2%</b>   |
| <b>Dividend</b>   |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$1,070.0        | \$1,342.0        | \$695.7          | \$760.0          | \$818.9          | (\$251.1) -23.5%          | \$58.9 7.7%            |
| <b>Transparent Budget</b>                                     | <b>\$1,070.0</b> | <b>\$1,342.0</b> | <b>\$695.7</b>   | <b>\$760.0</b>   | <b>\$818.9</b>   | <b>(\$251.1) -23.5%</b>   | <b>\$58.9 7.7%</b>     |
| <b>Total State Funded</b>                                     |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$7,311.4        | \$6,394.5        | \$5,102.7        | \$5,128.4        | \$5,016.6        | (\$2,294.9) -31.4%        | (\$111.8) -2.2%        |
| <b>Transparent Budget</b>                                     | <b>\$7,469.6</b> | <b>\$7,056.2</b> | <b>\$5,447.7</b> | <b>\$5,609.5</b> | <b>\$5,516.4</b> | <b>(\$1,953.3) -26.1%</b> | <b>(\$93.1) -1.7%</b>  |
| <b>Alaska Economic Recovery Act</b>                           |                  |                  |                  |                  |                  |                           |                        |
| UGF Budget  | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$280.0          | \$280.0                   | \$280.0                |
| <b>Transparent Budget</b>                                     | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$280.0</b>   | <b>\$280.0</b>            | <b>\$280.0</b>         |

For more information about the budget, visit the interactive budget transparency tool at: <http://data.alaska.gov>



**State of Alaska**  
**Fiscal Year 2019 Governor Fiscal Summary**  
(dollars shown in millions)

|  | FY2018 Management Plan plus Supplementals |                                |                         |                  |                 | FY2019 Governor                  |                                |                         |                  |                 | UGF<br>Change  | UGF %<br>Change | Total %<br>Change |
|--|---|--------------------------------|-------------------------|------------------|-----------------|----------------------------------|--------------------------------|-------------------------|------------------|-----------------|----------------|-----------------|-------------------|
|  | Unrestricted<br>General<br>Funds          | Designated<br>General<br>Funds | Other<br>State<br>Funds | Federal<br>Funds | Total<br>Funds  | Unrestricted<br>General<br>Funds | Designated<br>General<br>Funds | Other<br>State<br>Funds | Federal<br>Funds | Total<br>Funds  |                |                 |                   |
|  |   |                                |                         |                  |                 |                                  |                                |                         |                  |                 |                |                 |                   |
| <b>1 REVENUE</b>   | <b>2,891.8</b>                            | <b>1,018.5</b>                 | <b>736.3</b>            | <b>3,965.8</b>   | <b>8,612.4</b>  | <b>4,924.6</b>                   | <b>820.7</b>                   | <b>1,126.9</b>          | <b>3,670.5</b>   | <b>10,542.8</b> |                |                 |                   |
| 2 Total Unrestricted General Fund Revenues (A) (\$56.00, \$57.00)    | 2,081.6                                   |                                |                         |                  | 2,081.6         | 2,047.1                          |                                |                         |                  | 2,047.1         |                |                 |                   |
| 3 Revenue Adjustments (B)  |   |                                |                         |                  | 0.0             | 56.1                             |                                |                         |                  | 56.1            |                |                 |                   |
| 4 Transfer from ERA for Amerada Hess Settlement                      | 26.0                                      |                                |                         |                  | 26.0            | 28.0                             |                                |                         |                  | 28.0            |                |                 |                   |
| 5 Amerada Hess Earnings Appropriated as Capital Projects             | 25.0                                      |                                |                         |                  | 25.0            | 42.0                             |                                |                         |                  | 42.0            |                |                 |                   |
| 6 Transfer from AHFC Subsidiary (AHCC) for Capital Projects          |   |                                |                         |                  | 0.0             | 21.8                             |                                |                         |                  | 21.8            |                |                 |                   |
| 7 ERA Draw for Permanent Fund Dividend                               | 760.0                                     |                                |                         |                  | 760.0           |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 8 ERA Transfer to the General Fund                                   |   |                                |                         |                  | 0.0             | 2,729.6                          |                                |                         |                  | 2,729.6         |                |                 |                   |
| 9 Carryforward and Reappropriations (C)                              | 24.2                                      | 35.0                           | 0.0                     | 0.6              | 59.8            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 10 Restricted Revenue (D)  |   | 983.5                          | 736.3                   | 3,965.2          | 5,685.0         |                                  | 820.7                          | 1,126.9                 | 3,670.5          | 5,618.2         |                |                 |                   |
| <b>11 APPROPRIATIONS</b>   |   |                                |                         |                  |                 |                                  |                                |                         |                  |                 |                |                 |                   |
| <b>12 Total Operating</b>  | <b>4,360.7</b>                            | <b>990.4</b>                   | <b>662.5</b>            | <b>2,777.4</b>   | <b>8,791.0</b>  | <b>4,033.0</b>                   | <b>796.1</b>                   | <b>1,059.4</b>          | <b>2,660.1</b>   | <b>8,548.6</b>  | <b>(327.7)</b> | <b>-7.5%</b>    | <b>-2.8%</b>      |
| <b>13 Agency Operations</b>  | <b>3,890.7</b>                            | <b>822.6</b>                   | <b>583.6</b>            | <b>2,749.8</b>   | <b>8,046.6</b>  | <b>3,917.3</b>                   | <b>773.7</b>                   | <b>605.8</b>            | <b>2,632.2</b>   | <b>7,929.0</b>  | <b>26.6</b>    | <b>0.7%</b>     | <b>-1.5%</b>      |
| 14 Agency Operations (Non-formula)                                   | 1,654.8                                   | 765.3                          | 555.1                   | 925.6            | 3,900.8         | 1,654.5                          | 721.8                          | 574.3                   | 920.1            | 3,870.7         | (0.3)          | 0.0%            | -0.8%             |
| 15 FY2018 Management Plan/FY2019 Governor                            | 1,615.2                                   | 764.9                          | 555.1                   | 924.9            | 3,860.2         | 1,654.5                          | 721.8                          | 574.3                   | 920.1            | 3,870.7         |                |                 |                   |
| 16 FY2018 Supplementals  | 39.6                                      | 0.4                            | 0.0                     | 0.6              | 40.6            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 17 Legislature and Judiciary Operations                              | 168.4                                     | 1.1                            | 0.8                     | 1.2              | 171.6           | 170.0                            | 0.8                            | 0.8                     | 1.2              | 172.9           | 1.6            | 1.0%            | 0.8%              |
| 18 Total K-12 Foundation and Pupil Transportation (E)                | 1,255.5                                   | 0.0                            | 20.0                    | 20.8             | 1,296.3         | 1,249.9                          | 0.0                            | 23.3                    | 20.8             | 1,294.0         | (5.6)          | -0.4%           | -0.2%             |
| 19 Agency Operations (Formula)                                       | 811.9                                     | 56.2                           | 6.7                     | 1,274.2          | 2,149.0         | 842.8                            | 51.1                           | 7.4                     | 1,690.0          | 2,591.4         | 30.9           | 3.8%            | 20.6%             |
| 20 FY2018 Management Plan/FY2019 Governor                            | 711.9                                     | 56.2                           | 6.7                     | 1,274.2          | 2,049.0         | 842.8                            | 51.1                           | 7.4                     | 1,690.0          | 2,591.4         |                |                 |                   |
| 21 FY2018 Supplementals  | 100.0                                     |                                |                         |                  | 100.0           |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 22 Revised Programs Legislatively Approved - formula and non-formula |   |                                | 1.0                     | 528.0            | 529.0           |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 23 Duplicated Authorizations Non-additive (F)                        |   |                                | 786.1                   |                  | 786.1           |                                  |                                | 772.7                   |                  | 772.7           |                |                 |                   |
| <b>24 Statewide Operations</b>                                       | <b>470.0</b>                              | <b>167.8</b>                   | <b>79.0</b>             | <b>27.6</b>      | <b>744.4</b>    | <b>115.8</b>                     | <b>22.3</b>                    | <b>453.6</b>            | <b>27.9</b>      | <b>619.6</b>    | <b>(354.3)</b> | <b>-75.4%</b>   | <b>-16.8%</b>     |
| 25 Debt Service (G) (H)  | 209.4                                     | 18.6                           | 72.7                    | 5.2              | 306.0           | 113.7                            | 22.2                           | 162.1                   | 5.2              | 303.3           | (95.7)         | -45.7%          | -0.9%             |
| 26 Retirement Systems Payments                                       | 163.5                                     | 29.0                           |                         |                  | 192.5           |                                  |                                | 245.5                   |                  | 245.5           | (163.5)        | -100.0%         | 27.5%             |
| 27 Fund Capitalizations (I)  | 2.1                                       | 0.1                            | 6.2                     | 22.4             | 30.9            | 2.0                              | (39.6)                         | 46.1                    | 22.7             | 31.2            | (0.0)          | -1.1%           | 1.1%              |
| 28 FY2018 Management Plan/FY2019 Governor                            | 2.1                                       | 0.1                            | 6.2                     | 22.4             | 30.9            | 2.0                              | (39.6)                         | 46.1                    | 22.7             | 31.2            |                |                 |                   |
| 29 FY2018 Supplementals  |   |                                | 0.0                     |                  | 0.0             |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 30 Community Assistance (J)  | 8.0                                       | 30.0                           |                         |                  | 38.0            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 31 FY2018 Management Plan/FY2019 Governor                            | 8.0                                       |                                |                         |                  | 8.0             |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 32 FY2018 Supplemental   |   | 30.0                           |                         |                  | 30.0            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 33 Oil and Gas Tax Credits (H)                                       | 57.0                                      |                                |                         |                  | 57.0            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 34 REAA/Small Municipal School District Fund (H) (K)                 | 40.6                                      |                                |                         |                  | 40.6            |                                  | 39.7                           |                         |                  | 39.7            |                |                 |                   |
| 35 Public Education Fund - Current Year Draw (E)                     | (1,255.5)                                 |                                |                         |                  | (1,255.5)       | (1,249.9)                        |                                |                         |                  | (1,249.9)       |                |                 |                   |
| 36 Public Education Fund - Current Year Deposit (E)                  | 1,238.5                                   |                                |                         |                  | 1,238.5         | 1,249.9                          |                                |                         |                  | 1,249.9         |                |                 |                   |
| 37 Judgments, Claims and Settlements                                 | 6.1                                       |                                |                         |                  | 6.1             |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 38 FY2018 Management Plan  | 5.7                                       |                                |                         |                  | 5.7             |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 39 FY2018 Supplementals  | 0.3                                       |                                |                         |                  | 0.3             |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 40 Alaska Comprehensive Insurance Program                            |   | 90.0                           |                         |                  | 90.0            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 41 Klutina Lake Road Survey  | 0.4                                       |                                |                         |                  | 0.4             |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 42 Duplicated Authorizations Non-additive (F)                        |   |                                | 14.4                    |                  | 14.4            |                                  |                                | 13.9                    |                  | 13.9            |                |                 |                   |
| <b>43 Total Capital</b>  | <b>138.0</b>                              | <b>28.2</b>                    | <b>73.7</b>             | <b>1,188.4</b>   | <b>1,428.3</b>  | <b>150.1</b>                     | <b>24.7</b>                    | <b>67.5</b>             | <b>1,010.4</b>   | <b>1,252.6</b>  | <b>12.1</b>    | <b>8.7%</b>     | <b>-12.3%</b>     |
| 44 Project Appropriations  | 138.0                                     | 28.2                           | 73.7                    | 1,188.4          | 1,428.3         | 150.1                            | 24.7                           | 67.5                    | 1,010.4          | 1,252.6         | 12.1           | 8.7%            | -12.3%            |
| 45 FY2018 Enacted/FY2019 Governor                                    | 132.0                                     | 28.2                           | 65.6                    | 1,188.4          | 1,414.1         | 150.1                            | 24.7                           | 67.5                    | 1,010.4          | 1,252.6         |                |                 |                   |
| 46 FY2018 Supplementals  | 6.0                                       |                                | 8.1                     |                  | 14.1            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| 47 Duplicated Authorizations Non-additive (F)                        |   |                                | 19.6                    |                  | 19.6            |                                  |                                | 32.6                    |                  | 32.6            |                |                 |                   |
| <b>48 Total Operating and Capital Appropriations</b>                 | <b>4,498.7</b>                            | <b>1,018.5</b>                 | <b>736.3</b>            | <b>3,965.8</b>   | <b>10,219.3</b> | <b>4,183.1</b>                   | <b>820.7</b>                   | <b>1,126.9</b>          | <b>3,670.5</b>   | <b>9,801.3</b>  | <b>(315.6)</b> | <b>-7.0%</b>    | <b>-4.1%</b>      |
| <b>49 Permanent Fund Dividend</b>                                    | <b>760.0</b>                              | <b>0.0</b>                     | <b>0.0</b>              | <b>0.0</b>       | <b>760.0</b>    | <b>818.9</b>                     | <b>0.0</b>                     | <b>0.0</b>              | <b>0.0</b>       | <b>818.9</b>    |                |                 |                   |
| 50 Permanent Fund Dividend Transfer                                  | 760.0                                     |                                |                         |                  | 760.0           | 818.9                            |                                |                         |                  | 818.9           |                |                 |                   |
| <b>51 Total Including the Permanent Fund Dividend</b>                | <b>5,258.7</b>                            | <b>1,018.5</b>                 | <b>736.3</b>            | <b>3,965.8</b>   | <b>10,979.3</b> | <b>5,002.0</b>                   | <b>820.7</b>                   | <b>1,126.9</b>          | <b>3,670.5</b>   | <b>10,620.2</b> | <b>(256.7)</b> | <b>-4.9%</b>    | <b>-3.3%</b>      |
| 52 (from) Statutory Budget Reserve Fund SBR (L)                      | (95.6)                                    |                                |                         |                  | (95.6)          | (77.4)                           |                                |                         |                  | (77.4)          |                |                 |                   |
| 53 (from) Constitutional Budget Reserve Fund CBR (H)                 |   |                                | (2,271.3)               |                  | (2,271.3)       |                                  |                                | (400.0)                 |                  | (400.0)         |                |                 |                   |
| 54 Fund Transfers  | 73.9                                      | 27.7                           |                         |                  | 101.6           | 42.6                             | 13.4                           |                         |                  | 56.0            |                |                 |                   |
| 55 AK Capital Income Fund (Am Hess) (M)                              | 34.1                                      |                                |                         |                  | 34.1            | 28.0                             |                                |                         |                  | 28.0            |                |                 |                   |
| 56 Other Transfers (N)   | 39.8                                      | 27.7                           |                         |                  | 67.5            | 14.6                             | 13.4                           |                         |                  | 28.0            |                |                 |                   |
| 57 FY2018 Management Plan/FY2019 Governor                            | 15.9                                      | 13.7                           |                         |                  | 29.6            | 14.6                             | 13.4                           |                         |                  | 28.0            |                |                 |                   |
| 58 FY2018 Supplementals (J)  | 23.9                                      | 14.0                           |                         |                  | 37.9            |                                  |                                |                         |                  | 0.0             |                |                 |                   |
| <b>59 REVENUE (O)</b>  |   |                                |                         |                  |                 | <b>800.0</b>                     |                                |                         |                  | <b>800.0</b>    |                |                 |                   |
| 60 Payroll Tax FY2019  |   |                                |                         |                  |                 | 160.0                            |                                |                         |                  | 160.0           |                |                 |                   |
| 61 Payroll Tax FY2020  |   |                                |                         |                  |                 | 320.0                            |                                |                         |                  | 320.0           |                |                 |                   |
| 62 Payroll Tax FY2021  |   |                                |                         |                  |                 | 320.0                            |                                |                         |                  | 320.0           |                |                 |                   |
| <b>63 APPROPRIATIONS (O)</b>   |   |                                |                         |                  |                 | <b>800.0</b>                     | <b>8.0</b>                     | <b>0.0</b>              | <b>98.0</b>      | <b>1,352.0</b>  |                |                 |                   |
| <b>64 Capital</b>  |   |                                |                         |                  |                 |                                  |                                |                         |                  |                 |                |                 |                   |
| 65 Alaska Economic Recovery Act Projects FY2019                      |   |                                |                         |                  |                 | 280.0                            | 8.0                            |                         | 98.0             | 386.0           |                |                 |                   |
| 66 Economic Recovery Plan FY2020                                     |   |                                |                         |                  |                 | 270.0                            |                                |                         |                  | 493.0           |                |                 |                   |
| 67 Economic Recovery Plan FY2021                                     |   |                                |                         |                  |                 | 250.0                            |                                |                         |                  | 473.0           |                |                 |                   |

**Notes**

**A Total Unrestricted General Fund Revenue:** Line 2 is based on information from the Department of Revenue Fall 2017 Revenue Forecast.

| Unrestricted General Fund Revenue            | FY2018           | FY2019           |
|--|------------------|------------------|
| Oil Price (ANS West Coast Spot per barrel)   | \$56.00          | \$57.00          |
| Average ANS oil production (ths barrels/day) | 533.4            | 525.7            |
| <b>Unrestricted General Fund Revenue</b>     | <b>\$2,081.6</b> | <b>\$2,047.1</b> |

| Corporate Dividends                                | FY2018        | FY2019        |
|--|---------------|---------------|
| Alaska Industrial Development and Export Authority | \$12.9        | \$4.8         |
| Alaska Housing Finance Corporation for Projects    | \$18.4        | \$17.4        |
| Alaska Student Loan Corporation                    | \$1.2         | \$0.0         |
| <b>Total as Unrestricted General Funds</b>         | <b>\$32.5</b> | <b>\$22.2</b> |

**B Revenue Adjustments:** Historically 25% of all royalties received (constitutional requirement) plus 50% of post-1979 royalties (statutory requirement) were deposited into the Permanent Fund annually. The FY2018 and FY2019 budgets only appropriates the 25% constitutional minimum to the Permanent Fund. This is reflected as additional unrestricted general fund revenue of \$56.1 million in FY2019. The royalties amount of \$63.2 million for FY2018 is reflected in the Total Unrestricted General Fund Revenues line for FY2018.

**C Carryforward and Reappropriations:** Includes fund sources for reappropriations and other appropriations (typically roll-forwards of prior year multi-year appropriations) that do not require additional FY2018 or FY2019 revenue.

**D Restricted Revenue:** Other revenue not included as Unrestricted General Fund Revenues in the Revenue Sources Book, such as Federal Receipts and University Receipts.

**E Public Education Fund:** Legislation in 2005 established the Public Education Fund (PEF). One of the effects of this legislation was to remove expenditures for K-12 Public Education from Agency Operations (Formula) on line 19. The FY2018 and FY2019 proposed total K-12 Foundation Program and Pupil Transportation expenditures is shown on line 18. The table below shows the amount of K-12 Foundation Formula and Pupil Transportation being expensed from the Public Education Fund, since expenditures from the fund do not require appropriation. Note that additional formula programs with the department of Education and Early Development are included on line 19.

| Public Education Fund Expenditures | FY2018             | FY2019             |
|------------------------------------|--------------------|--------------------|
| K-12 Foundation Formula            | \$1,176,466.6      | \$1,171,677.4      |
| Pupil Transportation               | \$79,029.6         | \$78,184.6         |
| <b>Public Education Fund Total</b> | <b>1,255,496.2</b> | <b>1,249,862.0</b> |

**F Duplicated Authorizations:** These appropriations 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. The most significant examples of these type of expenditures include operating payments from Interagency Receipts and Capital Improvement Project Receipts.

**G Debt Service:** The Debt Service line includes actual payment of debt obligations, primarily General Obligation Bonds, State debt reimbursement programs such as School Debt reimbursement, Certificates of Participation (lease-financing), and International Airports Revenue Bonds. FY2019 also includes a \$27 million appropriation for financing a proposed Oil and Gas Tax Credit Purchase Program.

**H Constitutional Budget Reserve (CBR) Fund:** In FY2018, a \$2,271.3 million draw from the CBR will be required to balance revenues and expenditures. In FY2019, \$400 million is appropriated from the CBR Fund - \$114.9 million for debt service (School Debt Reimbursement, Oil and Gas Tax Credit Purchase Program, and HB528 - DOTPF Municipal Projects) \$39.7 million as a fund capitalization to the REAA/Small Municipal School District Fund, and \$245.5 million for Retirement System Payments (PERS, TRS, National Guard and Militia, EPORS and JRS).

**I Fund Capitalizations:** Line 28 consists of the Alaska Children's Trust Grant Account, the Disaster Relief Fund, the Peace Officer/Firefighter Survivors Fund, the Crime Victim Compensation Fund, the Alaska Clean Water Fund, the Alaska Drinking Water Fund, the Election Fund, and the Fish and Game Revenue Bond Redemption Fund. FY2018 also includes a net zero transfer from the In-state Pipeline Fund of \$12 million to the Alaska Liquefied Natural Gas Project Fund on line 29.

**J Power Cost Equalization Fund:** In 2016, the Legislature passed SB 196, which adjusted the target earning rate for the Power Cost Equalization (PCE) Fund and allowed appropriation of earnings in excess of the costs of the program and management of the fund to fund the Community Assistance Program and rural energy programs. In FY2018, \$30 million from the PCE Fund to the Community Assistance on line is a proposed supplemental item on line 32; and \$14 million from the PCE Fund to the Renewable Energy Grant Fund is a proposed supplemental item on line 58. The FY2019 capital budget includes projects totaling \$11 million from the Renewable Energy Grant Fund on line 45, in the Designated General Funds column.

**K REAA/Small Municipal School District Fund:** The REAA/Small Municipal School District Fund is capitalized with \$40.6 million Unrestricted General Funds in FY2018, and \$39.7 million Other Funds (Constitutional Budget Reserve Fund) in FY2019, per AS 14.11.025. There are currently no proposed capital projects appropriated from the REAA/Small Municipal School District Fund for FY2018 or FY2019.

**L Statutory Budget Reserve (SBR) Fund:** In FY2018, \$95.6 million is appropriated from the SBR Fund - \$8.0 million as a fund capitalization on line 28, and \$87.6 million as capital projects on line 45. The remaining balance after FY2018 appropriations is \$172.3 million. A draw from the SBR in the amount of \$77.4 million is required to balance FY2019 expenditures and revenues.

**M Alaska Capital Income Fund:** The Alaska Capital Income Fund is authorized by AS 37.05.565. The fund consists of income earned on money awarded as a result of the State vs. Amerada Hess royalty case, estimated to be \$27-38 million per year, plus other appropriations. The financial information for this is from the Alaska Permanent Fund Corporation Fund Financial History & Projections as of October 31, 2017. In FY2018 an appropriation to the Alaska Capital Income Fund from the Large Passenger Vessel Gaming and Gambling Tax Account in the amount of \$8.1 million is included in the FY2018 amount. Appropriations from the fund are shown as capital expenditures. Capital projects funded from the Alaska Capital Income Fund total \$25 million for FY2018 and \$42 million for FY2019.

**N Other Transfers:** Includes capitalization of various State funds, such as the Fish and Game Fund, Oil and Hazardous Substance Release Prevention and Response Accounts, and the Vaccine Assessment Account. The FY2018 amount also includes capitalization of the Civil Legal Services Fund, the Renewable Energy Grant Fund, and the Marine Highway System Fund.

**O Alaska Economic Recovery Act:** The Alaska Economic Recovery Act is a three phase plan to promote job growth and address the state's backlog of deferred maintenance, by bringing and additional \$1.4 billion economic activity to the state over the next three years. \$800.0 million from a 1.5% payroll deduction will be directed towards high-value capital projects designed to leverage 600.0 million in federal, private and local funds.