

## Operating Budget

The FY19 state operating budget totals \$6.27 billion in General Fund (GF) dollars (including Permanent Fund Dividends). This is about \$1.87 billion less than FY15, or a 23% reduction. The budget incorporates the rules-based endowment or Percent of Market Value (POMV) approach approved by the legislature (SB 26) to use the earnings to protect the dividend and pay for essential public services. The 5.25 percent draw totals \$2.7 billion. \$1.69 billion will be used to help pay for public services like public education, State Troopers, and road maintenance and \$1.02 billion will be used to fund a \$1,600 PFD this fall. Below is a brief summary:

### Education

- **Public Schools (K-12)** – The bulk of funding—\$1.28 billion—is addressed in House Bill 387.
- **Pre-K** – \$2 million for Pre-K grants.
- **Alaska Performance Scholarships & Alaska Education Grants** – \$11.75 million.

### Fund Capitalization

- **Oil and Gas Tax Credits** – House Bill 331 enables the state to secure bonds that will provide the state with a long-term plan to repay the oil and gas tax credits.

### Health and Social Services

- **Pioneer Homes** – Increased funding by \$573,000 for the Pioneer Homes, and increased the Pioneer Homes ability to receive Federal Funding by another \$550,000.
- **Medicaid Services** – Reduced funding by approximately \$30 million to reflect the savings from processing tribal health claims.
- **Alaska Psychiatric Institute** – Increased funding to address the critical nursing shortage.

### Law

- **Criminal Division** – Five new prosecutors and three new support staff to start reversing the impacts to public safety from earlier budget cuts. Fully funded a second prosecutor that was added in the FY18 budget process.
- **Civil Division** – One new attorney in the commercial and fair business division to increase collection of funds owed to the state.

### Permanent Fund

- \$942 million to inflation-proof the value of the \$65 billion Alaska Permanent Fund.
- **Permanent Fund Dividend** – \$1.02 billion to pay for \$1,600 PFDs for eligible Alaskans.

### Public Safety

- **State Troopers** – Increased funding by up to \$12 million to increase the number of troopers.

### University of Alaska

- A \$10 million increase in the University of Alaska budget above the Governor's proposal (resulting in a \$327 million budget).

## Capital Budget

The FY19 capital budget appropriates \$148.6 million in Unrestricted General Funds to leverage over \$1.1 billion in federal funds for capital improvements. Below is a brief summary:

- **Alaska State Troopers** – \$2 million for crime prevention and response and equipment;
- **Alaska Travel Industry Association (ATIA)** – \$3 million;
- **Community Assistance** – \$34 million for community assistance;
- **Community and Neighborhood Watch** – \$75,000 for community watch programs statewide;
- **Enhanced Emergency 9-1-1** – \$3.5 million to address major deficiencies in 9-1-1 service in rural Alaska;
- **K-12** – \$20 million for one-time funding in FY19 (equivalent to a \$78 BSA increase);
- **Medicaid** – \$28 million for Medicaid services to cover the shortfall in this year’s budget (this amount, the result of a compromise, is less than the \$48 million requested by the Governor and supported by the House Majority Coalition to pay current expenses—the Medicaid budget for next year will likely require supplemental appropriations in 2019, but next year’s projected shortfall is less than this year’s shortfall);
- **Pre-Kindergarten Grants** – \$3 million for FY19 and \$3 million for FY20;
- **Substance Use Disorder Treatment** – \$12 million focused on addressing the opioid epidemic;
- **Sexual Assault Kits Backlog Analysis and Storage Equipment** – \$2.75 million to address the state’s backlog of untested sexual assault kits; and
- **University of Alaska** – \$2 million for deferred maintenance.

### Anchorage and District 21 Specific Items:

- **Anchorage Police Department** – \$2 million for crime prevention and response equipment;
- **Anchorage Coalition of Community Patrols** – \$100,000 for gas cards, decals, radios, and safety equipment;
- **Hillcrest Subdivision Clean Water Improvement** – \$500,000;
- **Hillcrest Subdivision Drainage** – \$250,000;
- **Pioneer Homes Renovations and Repair** – \$1 million; and
- **Port of Anchorage** – \$20 million for reconstruction.