**Annual Budget Cycle**

• Late summer/early fall: Departments develop preliminary budgets for the next fiscal year

• September/October: Departments meet with OMB to present their budgets

• November/December: Governor and advisors make decisions

• December 15<sup>th</sup>: Governor’s budget released

• Mid-January: Legislature convenes

• Regular session (and special sessions if necessary): Legislature reviews and adjusts Governor’s proposed budget

• After budget passes: Governor has opportunity to veto
FY2021 Budget by Agency (UGF)

Governor Mike Dunleavy
Alaska’s Revenue & Expenditures: Look Back

Alaska Revenue and Expenditure History - FY1975-FY2020

1987-2004: 20 years of fairly stable revenues by today’s standard

2004-2013: Budget grows at an average rate of 14.6%, a tripling of the budget over 10-years

2014-2019: Budget reductions are not enough to counteract collapse in revenue

*Excludes POMV from Permanent Fund

$1.5 billion deficit
Over $16 Billion in budget reserves have been spent. $542.4 million estimated remaining in the CBR at the end of FY2021.
Budget Drivers

- **K-12 Formula**
  - $1,310,883.4 UGF total (28% of all state UGF spending)
  - $19,817.4 UGF increase

- **Retirement**
  - $345,567.4 UGF total (8% of all state UGF spending)
  - $37,631.3 UGF increase

- **Debt**
  - $134,987.0 UGF total (3% of all state UGF spending)
  - $12,233.7 UGF increase

- **Medicaid**
  - $644,304.0 UGF total (14% of all state UGF spending)
  - Restore $128,273.6 UGF

- **State Employee Costs (Cost of Living Adjustments and Health Insurance)**
  - $9,661.5 UGF, $18,782.9 All Funds increase
  - 28% of Agency Budget
2012: Local contribution decreased from 4.0 mills to 2.65 mills.
Base Student Allocation increases from $4,169 to $5,930 per student, 42%
FY2021 Total State Budget

FY21 Governor's UGF Total Proposed Spending
(Operating and Capital)

- Education: $3,290,466.6 (72%)
- Other: $1,310,833.4 (28%)

Dollars in thousands
Department of Education and Early Development: FY2021 Budget

K-12 District Support, 80%
$1,324,546.6

Other Department Responsibilities, 20%
$324,155.9

- Administrative Services
- K-12 District Support
- Child Nutrition
- Professional Teaching Practices Commission
- Innovation and Education Excellence
- Executive Administration
- Commission on Postsecondary Education
- Council on the Arts
- Libraries, Archives, and Museums
- Mt. Edgecumbe
- School Finance & Facilities
Department of Education and Early Development: FY2021 Budget

Grants, $1,564,450.8, 95%

Other, 5%
- Personal Services, $32,229.7, 2%
- Travel, $1,980.4, 0%
- Services, $48,597.7, 3%
- Commodities, $1,369.9, 0%
- Capital Outlay, $74.0, 0%

- For every dollar in operational costs about $18.50 goes out to grantees.
- Average distribution of $5.8 million in grants per DEED employee.
Spending – Per Person

State Spending
Average Spending per person, By Census Area
- 1,000
- 2,500
- 5,000
- 7,500
- 10,000
Department of Education and Early Development: FY2021 Budget Highlights

- Foundation Program Fully Funded -- BSA $5,930
- Additional foundation funding from dividend donations to the dividend raffle: $488.2 Other
- $3,945.9 Fed – Comprehensive Literacy State Development Grant (FY21-25)
- $900.2 UGF – Addition of Two New Residential Programs
  - $330.2, 20-bed program in the North Slope Borough School District approved by Department in Dec 2016
  - $570.0, 50-bed program in the Lower Yukon School District approved by Department in Sept 2019
Connect with Us

Connect with OMB
(907) 465-4660
www.omb.Alaska.gov

Connect with Dept. of Education and Early Development
Teacher Certification: (907) 465-2831
Main Line: (907) 465-2800
education.alaska.gov
Questions