

# What is Currently Driving the Legislature

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March 20, 2016



Association of Alaska School Boards  
Advocates for Alaska's Youth

# Driver #1: Time



- Today is 62<sup>nd</sup> day of session: 28 to go!
- Adjournment fever starts next month: April 17 is 90<sup>th</sup> day.
- Remember: three special sessions in 2015, two to finish budget negotiations, one for gas pipeline.



# Driver #2: Money

- ANS crude West Coast price: \$37.55/barrel (3/14)
- ANS daily production: 540,000 barrels per day
- Annual oil revenue to state treasury: \$1.3 billion
- Annual expenditures: \$5.1 billion (FY 17)
- Budget deficit: \$3.8 billion
- Reserve funds: \$14 billion



# Driver #3: Elections



- 40 House seats and 10 Senate seats on the ballot in fall elections.
- What will voters remember from the session? Budget cuts, loss of PFD, tax increases?



# Fiscal Plan



- Governor Walker proposed three-part plan:
  - Cut budget: \$100 million
  - Use Permanent Fund earnings & other savings to help fill deficit
  - Raise taxes
  - Fully fund BSA & support \$50 increase



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# House Plan: Let's Cut more

- Budget passed March 11 with many cuts:
  - \$35 million cut to UA
  - \$10 million cut to EED
- BSA fully funded & \$50 increase included



Rep. Mark Neuman, co-chair  
House Finance Committee



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# Senate: Cut Even More

- Senate version of budget cuts \$335 million, although \$100 million is unallocated reduction.
- BSA fully funded & \$50 increase included.
- Medicaid Reform (SB74) estimated to save \$33 million next year.
- Announced Senate Majority goal: \$800 million reduction.



Sen. Pete Kelly, chair  
Senate Finance Committee



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# Give & Take

- Legislature may give \$1.2 billion for K-12 education and chip in \$12 million more for \$50 BSA increase
- Legislature may take back millions by upping local share of PERS-TRS contributions.





# Where is Finish Line?



- Budget Conference Committee will fashion final budget.
- Majorities will decide if Permanent Fund earnings and/or taxes are part of solution.
- Governor may decide whether special session is needed.

