

State of Alaska
Office of Management and Budget
Donna Arduin, Director

Understanding Alaska's Fiscal Situation

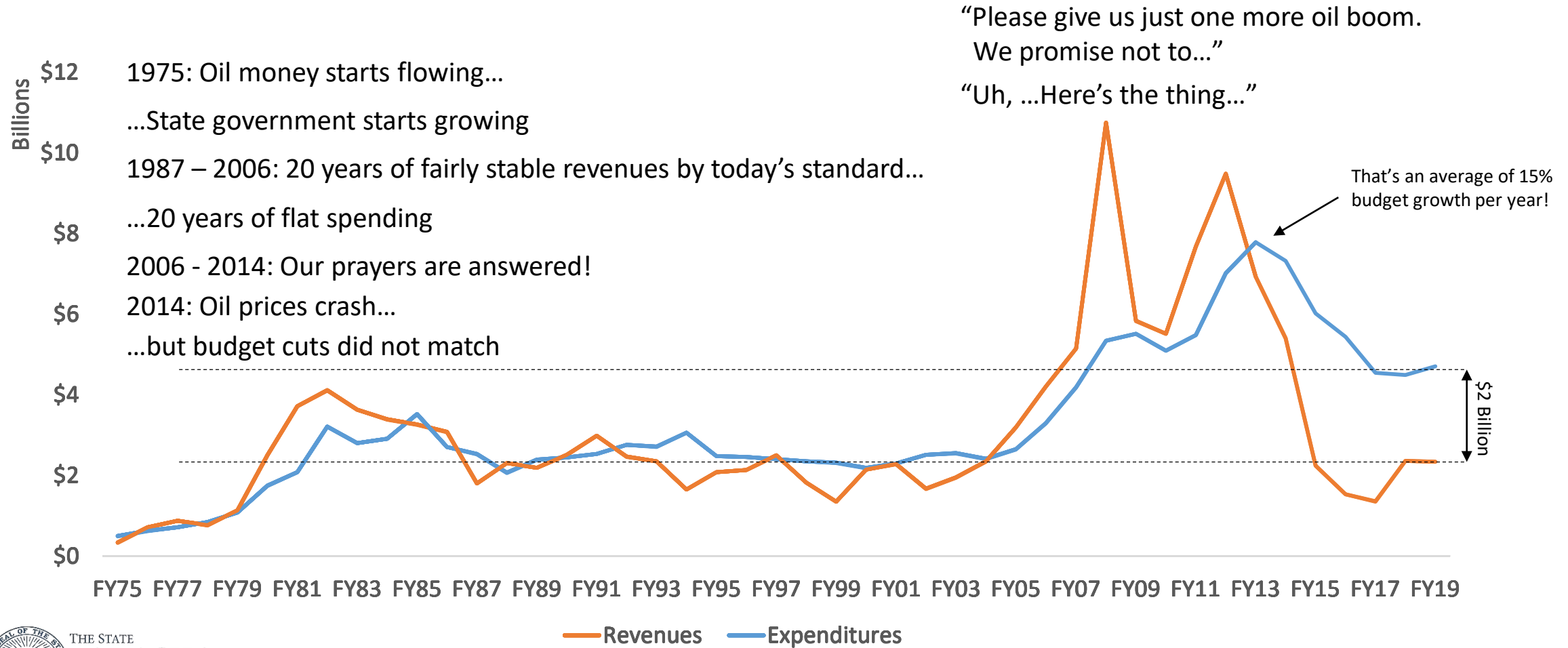
Presentation to the Association of Alaska School Boards

April 7, 2019
Governor Michael J. Dunleavy

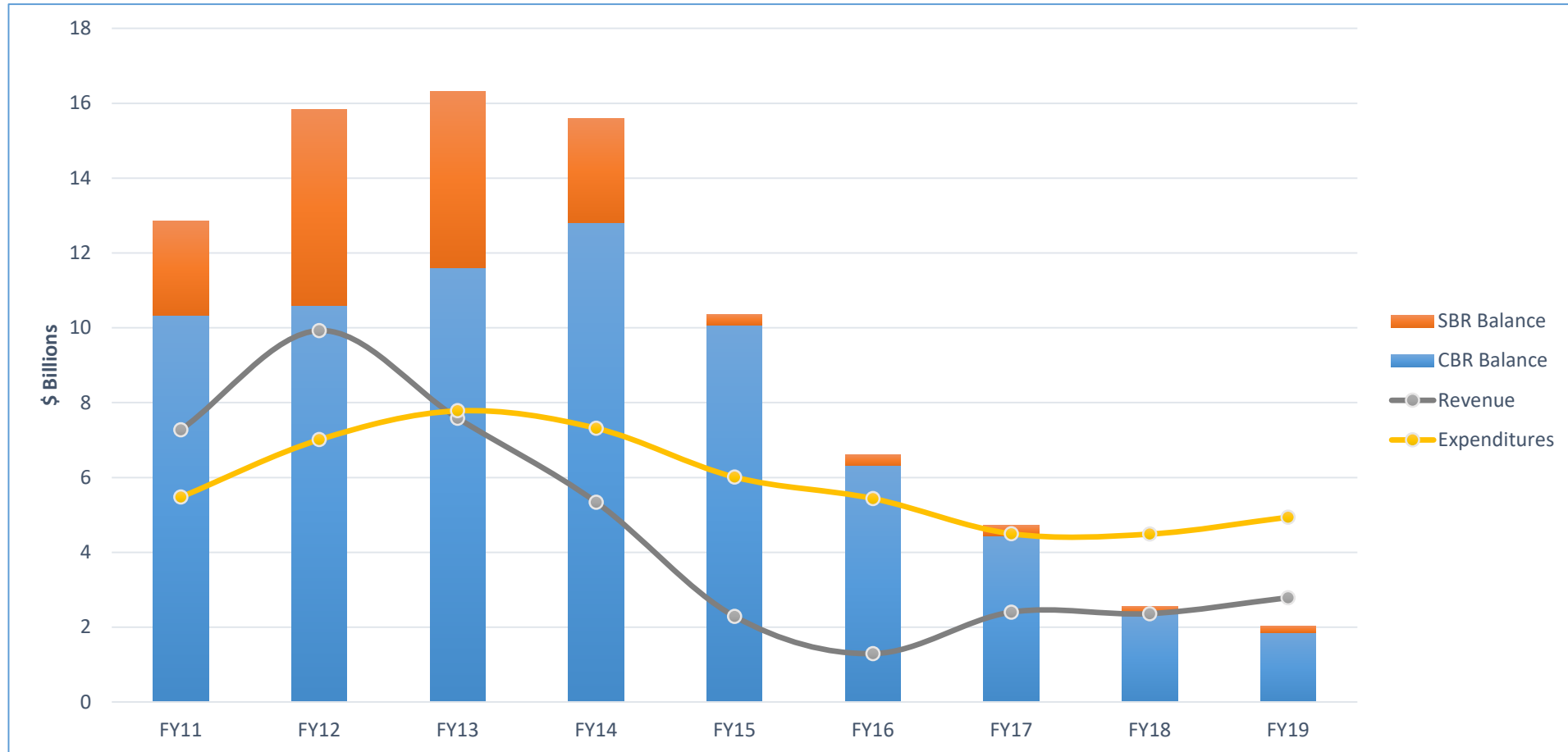


THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Alaska Revenue and Spending History

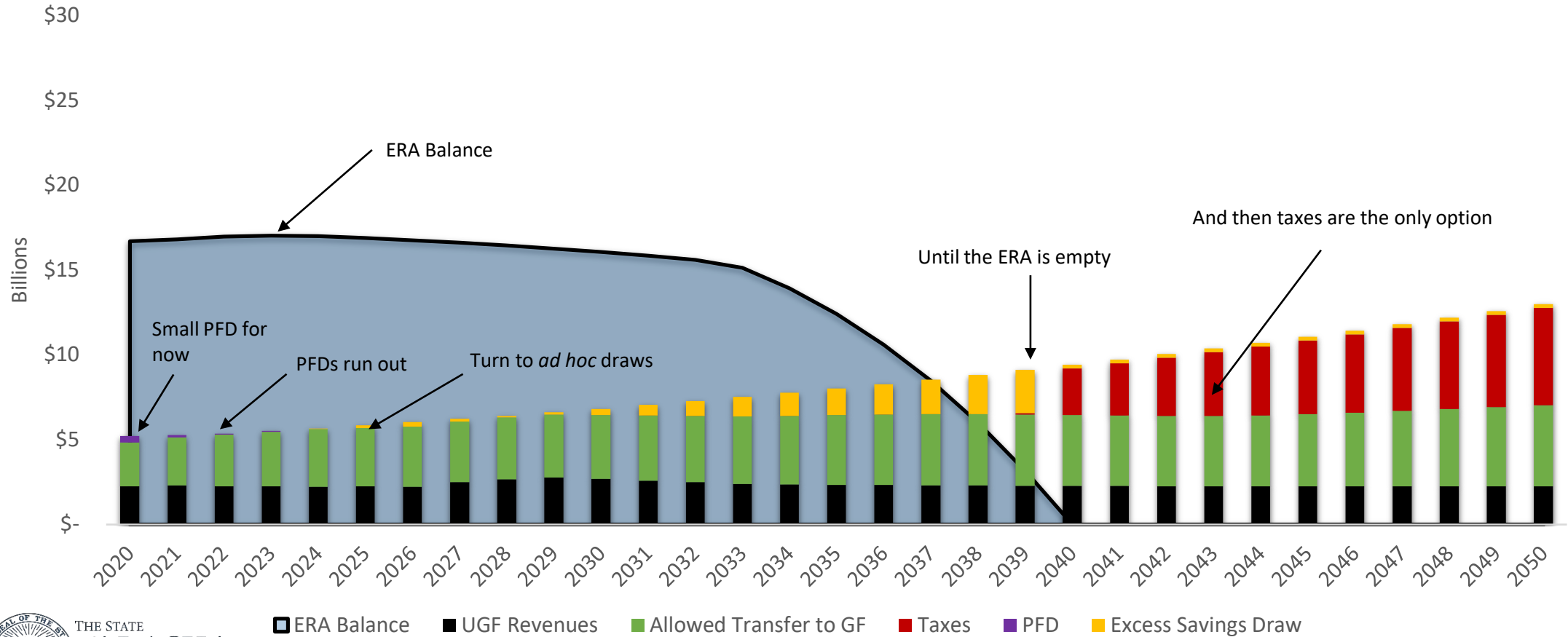


Building the Budget: Historical Savings, Revenue & Expenditures



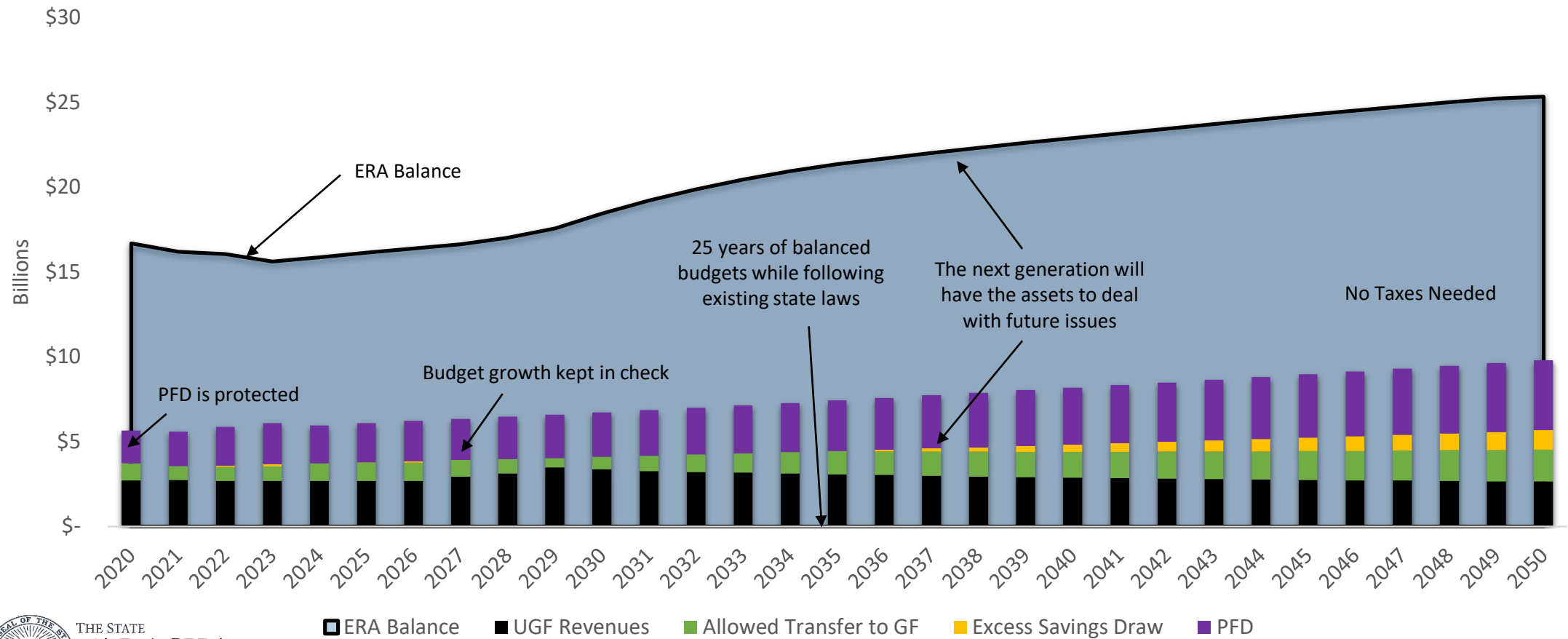
Status Quo Budgeting

No PFD, No Savings, and No good options for future Alaskans

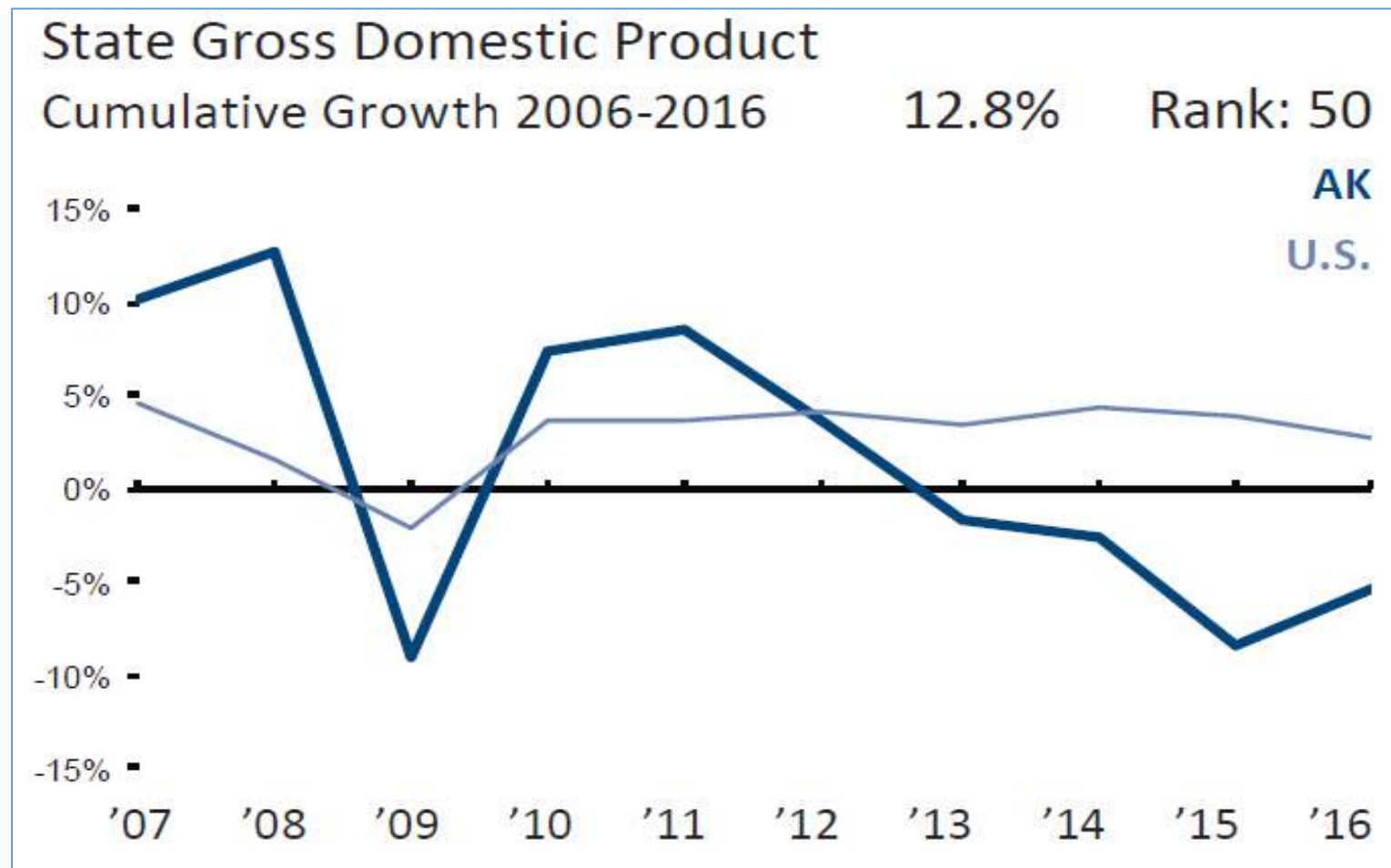


Where does Governor Dunleavy's plan lead?

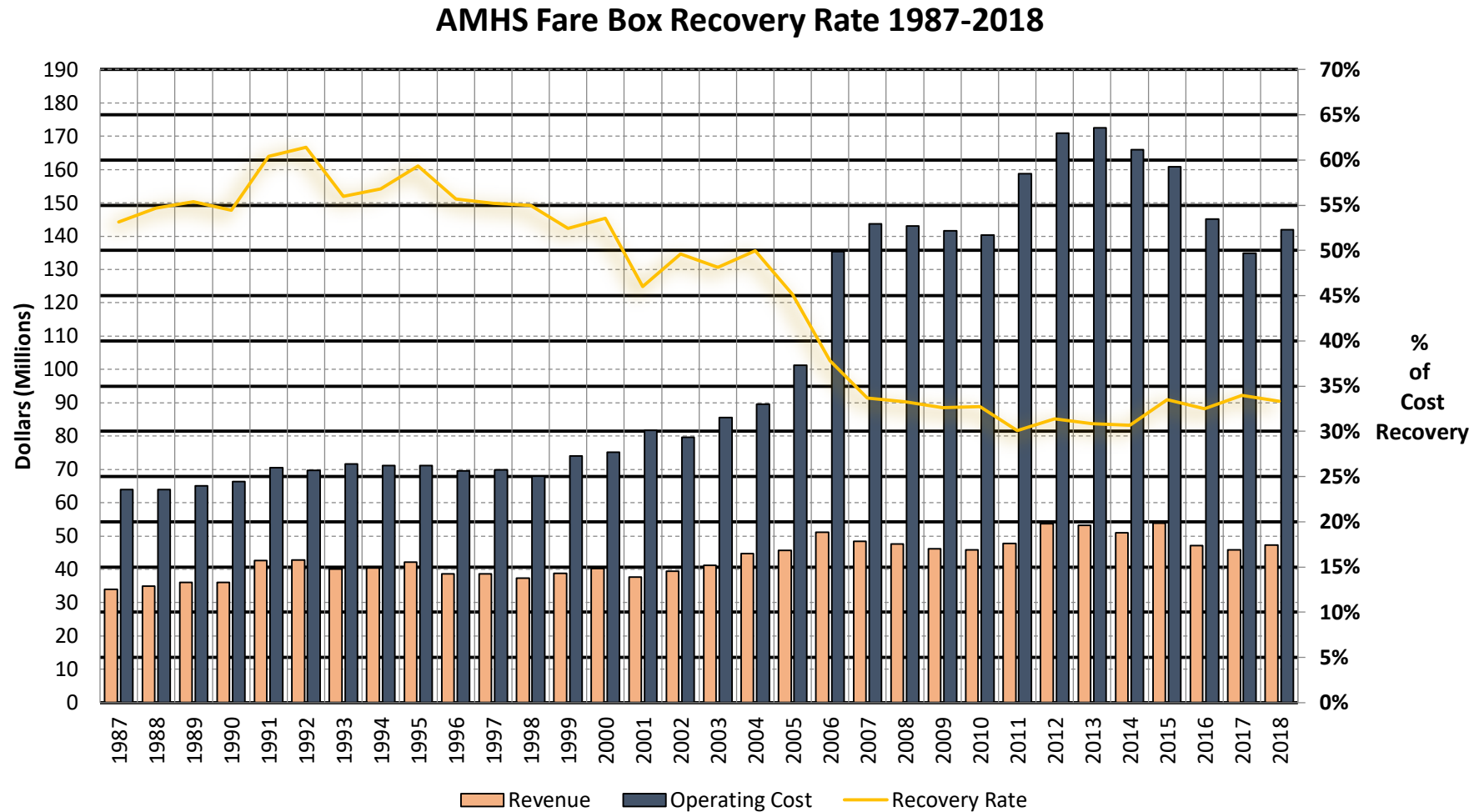
Full PFDs, Balanced Budgets, and a Bright Future



Alaska Economic Trends: GDP

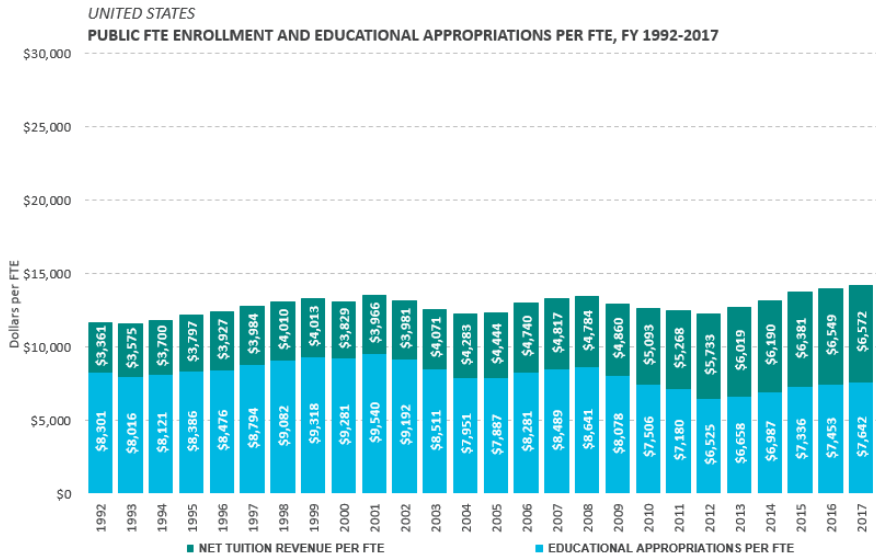


Historical Revenue & Operating Cost: Alaska Marine Highway System

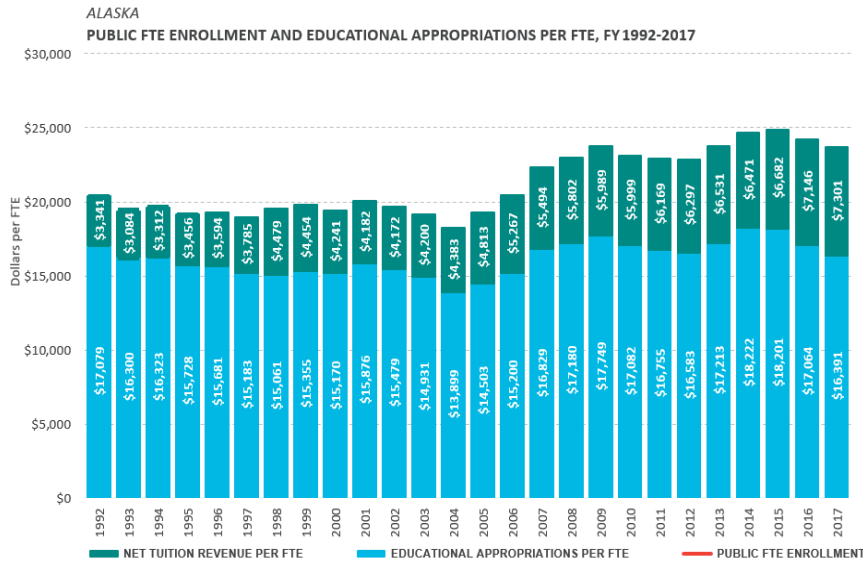


University of Alaska Spending and Outcomes

U.S.--\$7,642/student



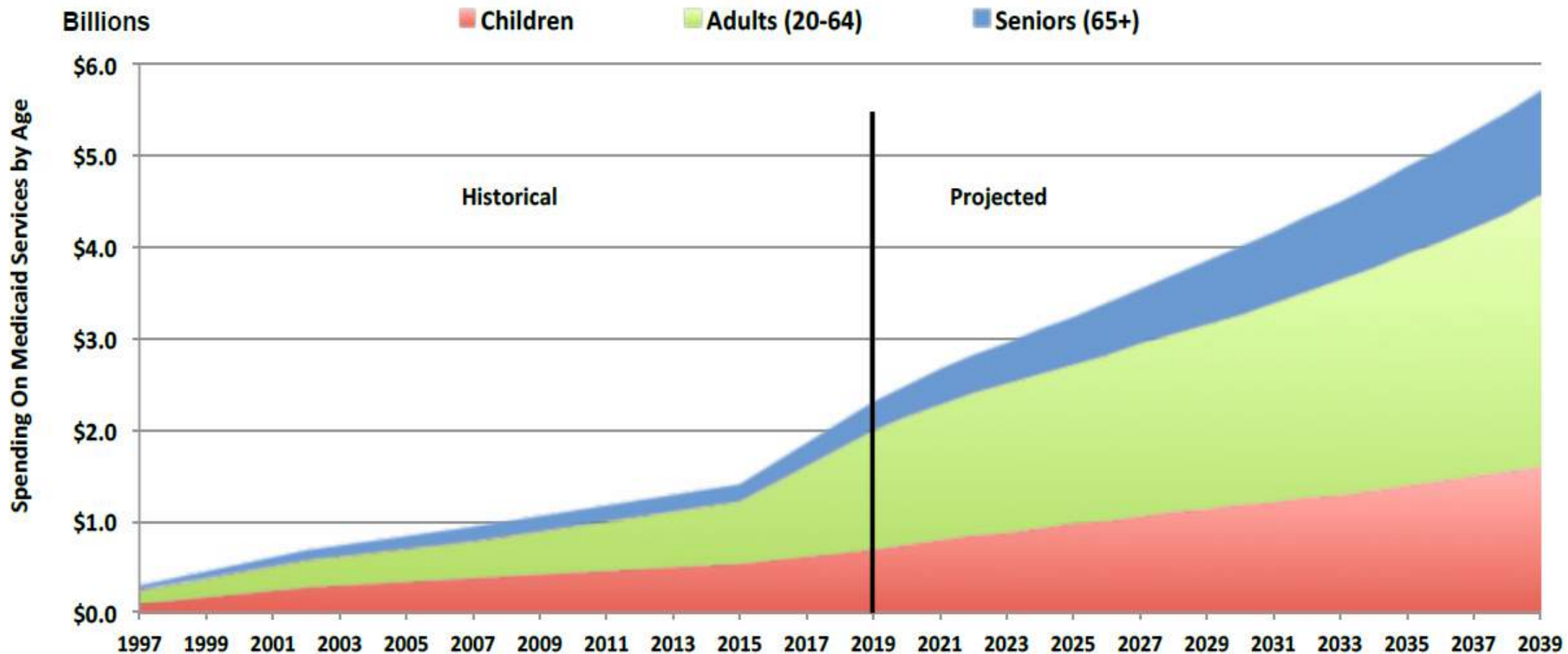
Alaska--\$16,391/student



Outcomes:

	1st year retention	Graduation Rates		
		4 yr	5 yr	6 yr
University of Alaska - Fairbanks	75%	15.3%	30.5%	39.2%
University of Alaska - Anchorage	71%	7.3%	17.3%	24.9%
University of Alaska - Southeast	64%	11.6%	15.7%	19.0%
Source: CollegeResults.Org, 2016 data				

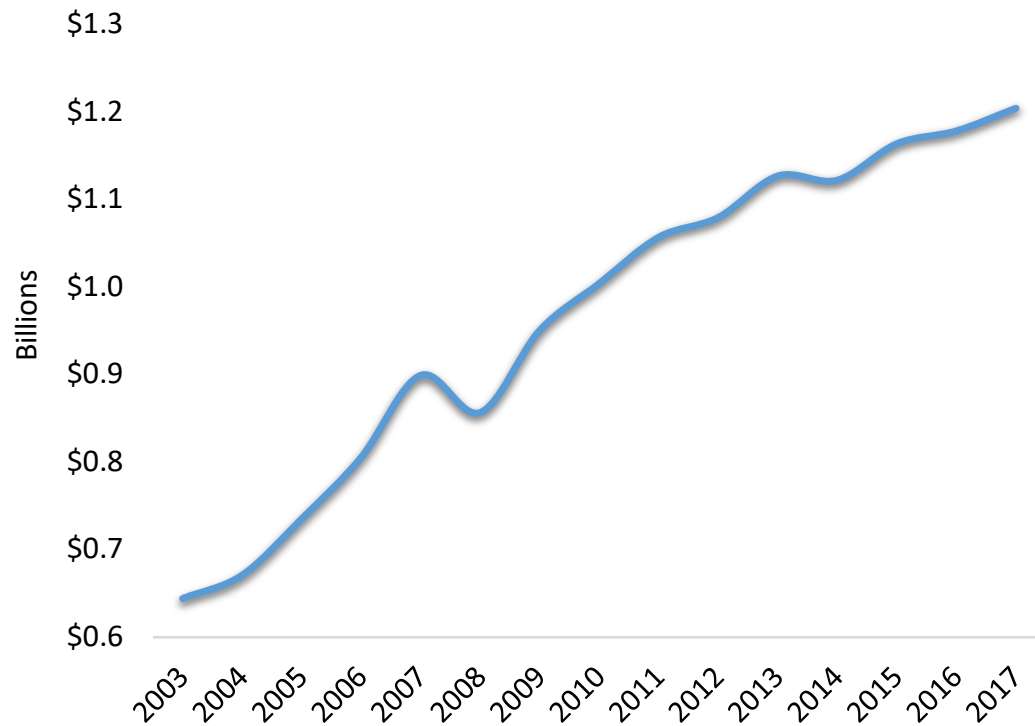
Projected Spending on Medicaid Claims FY2019-2039



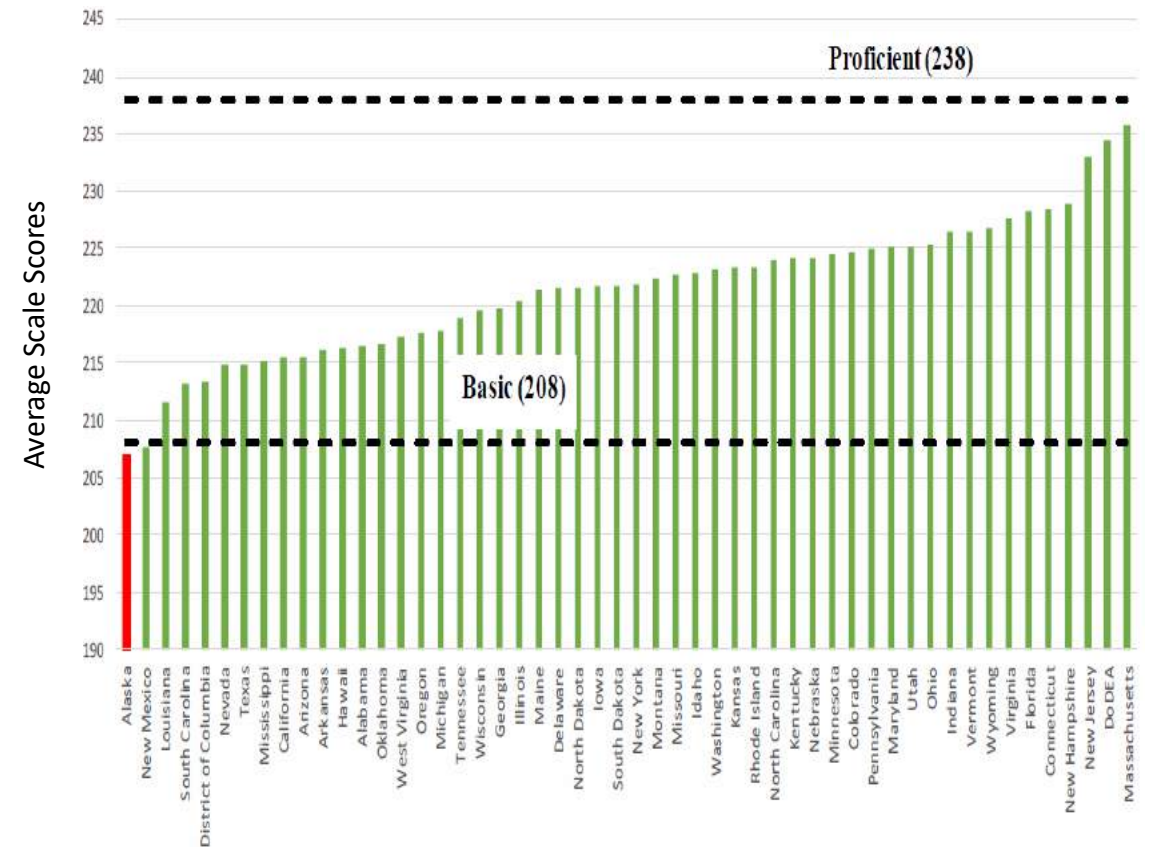
Source: Analysis by Evergreen Economics of data provided by the Medicaid Budget Group.

Education Spending and Outcomes

Alaska Inflation Adjusted State Aid



Alaska Grade 4 Reading Proficiency



POSITIVE TRAJECTORIES

Support ALL students to read at grade level by the end of third grade

Increase career, technical, and culturally relevant education to meet student and workforce needs

Close the achievement gap by ensuring equitable educational rigor and resources

Prepare, attract, and retain effective education professionals

Improve the safety and well-being of students through school partnerships with families, communities, and tribes

- Suggestions for education reform?

Why Governor Dunleavy's Plan?

- The cost of doing nothing is too high
- Without controls, the government always grows
- Without protection, the PFD will go away
- Without a seat at the table, taxes are coming
- How do we accomplish these goals?
 - **Constitutional Amendments!**

Governor's Constitutional Amendments

Three constitutional amendments were introduced to provide sustainability, predictability, and affordability for Alaska:

1. Set an annual spending and savings rule to keep expenditures in line and not allow spending to increase when revenues are high
2. Require a vote of the people before broad-based taxes can be implemented
3. Constitutionally enshrine the PFD – Alaska is an owner state

Sustainable, Predictable, Affordable
