FY20 PROPOSED BUDGET

Cuts of $1.6 billion to “match expenditures to anticipated revenue”
(...and to pay more for dividends than for any other state expenditure)
STEPS IN BUDGET JOURNEY

- Proposed budget [YOU ARE HERE]
- Department Overviews
- Finance Subcommittee rec’s
- Full Finance Committee
- Finance Committee CS “Committee Substitute”
- Public Testimony / Amendments
- Final Finance Committee Approval
- Floor Debate / Amendments

- Pass to “other body” for its Subcommittee / Committee mark
- Finance Committee CS “Committee Substitute”
- Public Testimony / Amendments
- Finance Final Approval
- Floor Debate / Amendments
- Conference Committee
- Final Passage by House and Senate
- Optional: Vetoes / Veto Overrides
FY20 PROPOSED BUDGET

HEALTH & SOCIAL SERVICES

• Cut health spending by $270 million ($225 million of that in Medicaid cuts)
• Cut Public Assistance programs by a third; eliminate PFD “hold harmless”
• Eliminate Human Services Community Matching Grants and the Community Initiative Matching Grants
• Cuts to Medicaid provider rates, but no repeal of Medicaid expansion (yet?)
• Eliminate Medicaid Adult Dental Program
• Eliminate general fund support for Homeless Assistance Program
• Jeopardize nearly $500 million in federal match funds
FY20 PROPOSED BUDGET

EDUCATION
- Cut over $300 million; erode total local match
- Cut K-12 public education by $280 million; reduce Base Student Allocation (BSA) by $1,100 per pupil
- Eliminate all early childhood program grants (Head Start, Best Beginnings, Parents as Teachers, Pre-Kindergarten grants)
- Eliminate school bond debt reimbursement

UNIVERSITY
- Cut $155 million from the University of Alaska budget, nearly half of its current state support
- Eliminate WWAMI; and, eliminate student loan programs.
FY20 PROPOSED BUDGET

SENIOR CITIZENS
• Total repeal of Senior Benefits Program
• Cut state support to Pioneer Homes by half and increase fees

STRUCTURAL CHANGES
• Eliminate over 620 State positions (over 700 including part-time)
• Consolidate procurement and human resources under Dept. of Administration
• Sell up to 1,800 State-owned structures/buildings
• State to pursue Medicaid cost savings and containment measures
• Between two- to three-dozen bills to make long-term statutory changes
FY20 PROPOSED BUDGET

MUNICIPAL – COST SHIFTING

• Repeal local oil & gas property tax authority; direct those approx. $400M in borough revenues over to the state general fund

• Fish landing taxes no longer shared with local municipalities

PRISONS

• Close Wildwood Correctional Center

• Send 500 inmates out of State
FY20 PROPOSED BUDGET

RURAL / REGIONAL CUTS

• Reduce VPSO funding by $3M (approx. one-quarter annual appropriation)

• Zero out Tribal Assistance Programs

• Reduce number of rural airports

• Eliminate 65 percent of the Alaska Marine Highway System funding
  – Eliminate 320 AMHS employee positions

• Roll Power Cost Equalization (PCE) fund into general fund
  – Ask PCE and Community Assistance (Community Revenue Sharing) to “compete”
    with other state budget priorities each year