Alaska's Fiscal Situation in Four Graphs
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Our Fiscal Situation This Year (FY16)

- General Fund Spending
- Oil revenues
- Other revenues
- From our savings

- What we are spending
- How we are paying for it

- Our projected FY16 deficit is $2,995 million

This Year's Deficit Compared to our Savings

- Projected FY16 deficit
- Constitutional Budget Reserve Fund
- Permanent Fund Earnings Reserve (realized earnings)

- Projected fund balances at the start of FY17

How We are Spending $5,201 million

- Closing this year's projected deficit by only cutting spending would require very large cuts.

Some Potential New Ways of Paying for our Spending

- Closing this year's projected deficit with only new revenues would require multiple new revenue sources.
Over most of the past decade, oil revenues accounted for 90% of state general fund spending. Mostly because of the fall in oil prices, our oil revenues have fallen drastically.

From 2005 to 2012, our oil revenues were rising. We increased our spending too—but we still ran big General Fund surpluses which we used to build up our savings. Since 2013 we have not cut spending as fast as our revenues have fallen. We have been running big General Fund deficits which we are paying for by drawing down our savings.

State spending has three main components: Capital, Statewide Operations, and Agency Operations. Most of our budget cuts since 2013 have been in the capital budget.

Education and Health account for 59% of the FY15 agency operations budget.

The Permanent Fund earns billions of dollars in most years—which the legislature may spend any way they wish. This year (like last year) our Permanent Fund earnings will be more than our oil revenues. We have been using the Permanent Fund earnings for dividends and inflation proofing. The remaining earnings have been adding to the Permanent Fund earnings reserve—which will be about $6.5 billion at the end of FY16.