Local-State Fiscal Connections

Steve Colt, ISER
Alaska Fiscal Futures Symposium
Anchorage
October 4, 2014
“blast” from the past:

Tom Fink ran for Anchorage mayor in 1987 promising to “blast money out of Juneau” so he could “jump-start the economy.”

-- Dave Rose, 2007
Here are the numbers!

What is the question?
Anchorage

Total cost of services = $1.4 billion

- General govt: 41%
- School operating: 53%
- School debt service: 6%
Anchorage

Total sources of funding = $1.4 billion

- State: 45%
- Local other (bed tax, fees,...): 13%
- Local property taxes: 34%
- Federal: 8%
Mat-Su Borough

Total cost of services = $345 million

School debt service: 6%
School operating: 75%
General govt: 19%
Mat-Su Borough

Total sources of funding = $345 million

- State: 59%
- Local taxes: 31%
- Federal: 7%
- Other: 3%
Anchorage - Schools

Schools sources of funding: $846 million

- State: 62%
- Local: 29%
- Federal: 9%
Anchorage - Schools

Schools sources of funding: $846 million

- Federal: 9%
- Local: 29%
- State other: 23%
- State foundation: 39%
Anchorage – Capital Improvements

Projected Sources of MOA CIP Funds
Total = $1.4 billion over 6 yrs (2013-2018)

- State: 81%
- Local (GO bonds): 12%
- Other: 6%
- Federal: 1%
Mat-Su What If?

Mat-Su potential education funding shortfall (million year 2012$)

- **shortfall:** $3,062 per household
- **state/federal**
- **local @ current rates**
Data sources

Anchorage School District Comprehensive Annual Financial Report, FY13

http://www.iser.uaa.alaska.edu/Publications/2014_04_29-MatSuFiscalImpacts.pdf

Municipality of Anchorage Comprehensive Annual Financial Report, FY13
http://www.muni.org/Departments/finance/controller/CAFR/Complete%202013%20CAFR.pdf

MOA Single Audit Reports FY13, FY12
http://www.muni.org/Departments/finance/controller/Pages/SingleAuditReports.aspx

“Official Statement” accompanying “MUNICIPALITY OF ANCHORAGE, ALASKA $39,345,000 2013 General Obligation Bonds Series A (Schools)
Data Notes

Generally, revenue and expense data are for the total of all “governmental funds”. (Example, MOA sources of funding are from MOA FY13 CAFR p. 32, “Total Governmental Funds” column). The governmental funds basis of accounting includes inflows and outflows of current financial resources (basically, cash) associated with long-lived assets (buildings). Depreciation is not included as an expense, but repayment of debt principal is.

Capital outlays of $108 million are included in Anchorage expenditures but capital outlays of $41 million are excluded from Mat-Su expenditures. This difference in treatment is due to data availability and time constraints. Capital outlays are financed by a mixture of state and federal grants and proceeds from issuance of bonds. Capital outlays financed by bond proceeds can be a double-counting of debt service payments, while capital outlays financed by grants would not be such a double counting.

A significant portion of state support to schools in addition to foundation program funding is for payments into the Teachers Retirement System (TRS). In FY13 these payments totaled $109 million. These payments are allocated to program functions (instruction, admin, plant) for the purpose of showing ASD expenditures. For a good explanation see ASD FY13 CAFR p. 59-60.

Slide 7 (Projected sources of MOA CIP funds) includes projected state spending on state-maintained roads within the MOA. (source: “Official Statement”)