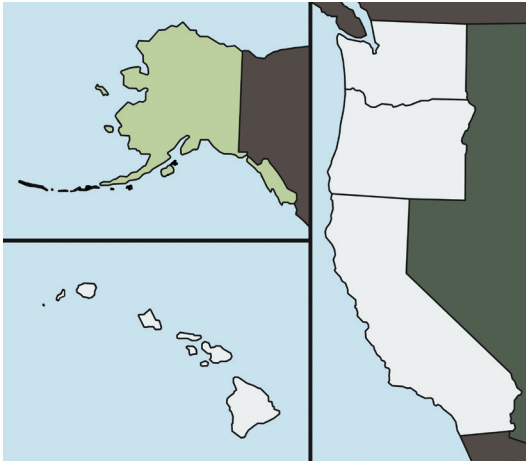


ALASKA Budget Report Card



ALASKA WAS ONE OF ONLY four states—the other three are Hawaii, Tennessee, and California—to disclose the costs of deferred infrastructure replacement in 2018. That disclosure helped Alaska garner an average grade of A in the transparency category for fiscal 2016 through 2018, even as it grappled with a deferred infrastructure replacement backlog of \$1.9 billion for 2,200 facilities as of January 2018, according to the state’s Legislative Finance Division.

With an economy dependent on fluctuating revenues for oil and natural gas production, Alaska used a variety of one-time actions to balance budgets in

the three years examined, leaving it with an average grade of C in budget maneuvers. In fiscal 2018, for example, the state deferred recurring expenditures and shifted a total of \$2.5 billion into the general fund from the Statutory Budget Reserve and the Constitutional Budget Reserve funds.

In contrast to its mark for budget maneuvers, Alaska was one of seventeen states receiving an average grade of A in the reserve fund category for the three years studied. The Constitutional Budget Reserve Fund is governed by clear rules concerning disbursements and replenishments. Alaska was also among the nineteen states that tied goals for reserve funds to historical revenue volatility in 2018.


PACIFIC STATES SIDE BY SIDE: Three-Year Average Grades, 2016-18


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Alaska	B	C	B	A	A
California	B	A	D	A	A
Hawaii	A	B	D-	A	B
Oregon	C	A	A	B	B
Washington	A	B	D	A	B
US AVERAGE	C	B	C	B	B


NOTE States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* at VolckerAlliance.org.


ALASKA Budget Report Card

BUDGET FORECASTING				
	2016	2017	2018	
	CATEGORY GRADE	B	B	B
	Consensus Revenue Forecasts	X	X	X
	Multiyear Expenditure Forecasts	✓	✓	✓
	Multiyear Revenue Forecasts	✓	✓	✓
	Revenue Growth Projections	✓	✓	✓
3-YEAR AVERAGE B		3-YEAR TREND —		

BUDGET MANEUVERS				
	2016	2017	2018	
	CATEGORY GRADE	C	C	C
	Deferring Recurring Expenditures	X	X	X
	Revenue and Cost Shifting	X	X	X
	Funding Recurring Expenditures with Debt	✓	✓	✓
	Using Asset Sales and Up-Front Revenues	✓	✓	✓
3-YEAR AVERAGE C		3-YEAR TREND —		

LEGACY COSTS				
	2016	2017	2018	
	CATEGORY GRADE	B	B	B
	Public Employee OPEB Funding	✓	✓	✓
	Public Employee Pension Funding	✓	✓	✓
	Public Employee Pension Funded Ratio*	63%	67%	67%
3-YEAR AVERAGE B		3-YEAR TREND —		

RESERVE FUNDS				
	2016	2017	2018	
	CATEGORY GRADE	A	A	A
	Positive Reserve or General Fund Balance	✓	✓	✓
	Reserve Funds Disbursement Policy	✓	✓	✓
	Reserve Funds Replenishment Policy	✓	✓	✓
	Reserves Tied to Revenue Volatility	✓	✓	✓
3-YEAR AVERAGE A		3-YEAR TREND —		

TRANSPARENCY				
	2016	2017	2018	
	CATEGORY GRADE	A	A	A
	Consolidated Budget Website	✓	✓	✓
	Provides Debt Tables	✓	✓	✓
	Discloses Deferred Infrastructure Replacement Costs	✓	✓	✓
	Discloses Tax Expenditures	✓	✓	✓
3-YEAR AVERAGE A		3-YEAR TREND —		

KEY

✓	Followed best practice
X	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* **SOURCE** Bloomberg; 2017 data also used for 2018.