

State of Alaska FY2002 Governor's Operating Budget

Department of Community & Economic Development
State Revenue Sharing
Component

Component: State Revenue Sharing

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Component Mission

To improve local governments' fiscal capacities and to assure no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state.

Component Services Provided

1. Direct financial assistance through the formula-based State Revenue Sharing Program.
2. Direct vendor payments on behalf of local governments to entities such as the Alaska Municipal League/Joint Insurance Association Inc. for insurance premiums and Yukon Fuel for bulk fuel purchases.

Component Goals and Strategies

1. To improve the fiscal capacities of Alaska's local governments.
2. To distribute program funding in an accurate, fair, and timely manner.

Key Component Issues for FY2001 – 2002

Cuts in State Shared Revenues - Despite the drastic cuts made to these programs, the State Revenue Sharing and Safe Communities Programs continue to be important sources of funding for Alaska's local governments, particularly the small rural cities. For many of the rural cities, these funds still represent a significant portion of their operating budgets. In FY 86, these programs totaled \$140,939,000. In FY 01 these programs totaled \$28,493,400, an 80% decrease in annual funding not adjusted for inflation. The funding cuts have had a dramatic impact on Alaska's local governments and their residents. These impacts include:

Municipal Dissolution
Significant Reduction in Public Services and Public Health
Deteriorating Infrastructure
Increased Social Problems
Insurance Unavailability and Rate Increases
Increased IRS and ESC problems and levies
Decline in Urban/Rural Business Activity
Increased Local Taxes

Major Component Accomplishments for FY2000

Distributed State Revenue Sharing Program payments in an accurate, fair and timely manner.

Statutory and Regulatory Authority

AS 29.60.010-.310 State Revenue Sharing
3 AAC 30.010-.150 State Revenue Sharing

State Revenue Sharing
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	14,386.8	12,855.2	12,855.2
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	14,386.8	12,855.2	12,855.2
Funding Sources:			
1004 General Fund Receipts	12,852.8	12,855.2	12,855.2
1054 State Employment & Training Program	1,534.0	0.0	0.0
Funding Totals	14,386.8	12,855.2	12,855.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
State Employment and Training Program	51394	1,534.0	0.0	0.0	0.0	0.0
Restricted Total		1,534.0	0.0	0.0	0.0	0.0
Total Estimated Revenues		1,534.0	0.0	0.0	0.0	0.0

State Revenue Sharing

Proposed Changes in Levels of Service for FY2002

No service changes.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	12,855.2	0.0	0.0	12,855.2
FY2002 Governor	12,855.2	0.0	0.0	12,855.2