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Governor Walker Releases 2017 Budget Legislation

Reduces Overall State Spending By 21 Percent Since FY2015

December 15, 2015 ANCHORAGE – Governor Bill Walker released the FY2017 (July 1, 2016 – June 30, 2017) appropriation and revenue bills today as part of the Walker-Mallott Administration’s New Sustainable Alaska Plan. Rolled out last week in Anchorage, the plan addresses the state’s \$3.5 billion budget deficit using a combination of spending cuts, new revenue, wealth management and investment.

Governor Walker also released the Alaska Permanent Fund Protection Act (APFPA) today, which replumbs funding for state services to stabilize the state’s budget. The Governor’s fiscal plan calls for continued cuts, implementing the APFPA, and adopting broad-based taxes and fees.

This year’s state operating budget is \$4.8 billion, down from \$6.1 billion when Governor Walker took office one year ago. Additionally, proposed FY2017 state funding for agencies is \$140 million less than FY2016 and \$544 million less than FY2015—a cut of 11 percent from state operating costs since FY2015. The budget also includes investments of \$38.3 million for continued progress on the gasline project and \$1.3 million for the Rural National Guard enhancement; leaving the administration with a net cut in agency operations of \$100 million since last year and \$500 million since FY2015.

- Between FY2016 and FY2017, the Walker-Mallott administration has cut 6.7 percent from overall spending in the state’s operating, capital and oil tax credit budgets.
- Since FY2015, the administration has cut 21 percent from the state’s operating and capital budgets—including an 11 percent cut in the operating budget between FY2015 and FY2017.

Governor Walker reiterated the importance of continued streamlining efforts, as well as program and service reductions.

“Tackling our state’s budget problems is going to require a combination of continued spending cuts and new revenue,” said Governor Walker. “With the help of the legislature, we reduced state spending by nearly \$1 billion last year, and eliminated 600 state positions. While we cannot balance the budget with cuts alone, it’s important that we continue to look for budget efficiencies throughout our state system.”

The administration also released legislation today that would generate new revenue for the state. Outlined in seven separate revenue bills, the legislation would generate approximately \$360 million a year in new funding, including broad-based taxes and fees.

Governor Walker stressed the importance of shared responsibility.

“As Alaskans, we are all in this together, and it is very important that this plan is fair,” said Governor Walker. “The legislation package that we released today is the result of input from many industries and individual Alaskans. I appreciate the contributions that lawmakers and other Alaskan leaders have made to this important conversation, and I look forward to working with the legislature in the months ahead to chart a sustainable fiscal future for our state.”

For more information on department cuts and information on the Governor’s budget and revenue bills, please visit the OMB website at <https://www.omb.alaska.gov/html/budget-report/fy2017-budget/proposed.html>.

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