



ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Legislative Finance Division

430 Main St.
Juneau, Alaska
(907) 465-3795

MEMORANDUM

DATE: April 4, 2025
TO: Representative Andy Josephson
Representative Calvin Schrage
Representative Neal Foster
Co-Chairs, House Finance Committee

FROM: Alexei Painter
Legislative Fiscal Analyst

A handwritten signature in blue ink, appearing to read "Alexei Painter".

SUBJECT: Responses to Committee Questions from March 5 Meeting

Thank you for inviting the Legislative Finance Division to present before the committee. Responses to questions and requests for follow-up information from the committee hearing are below.

What is the total funding per student including the Base Student Allocation plus other funds appropriated to school districts by the State?

See the table below, which shows total state funds (GF and Other fund sources) for K-12 purposes in the FY25 and FY26 budgets (in thousands of dollars):

	FY25 MP	FY26 Gov
Foundation Formula	1,166,581.2	1,137,997.6
Pupil Transportation	77,900.4	67,812.3
Additional Formula Funding	175,100.5	461.0
State TRS/School District PERS Payments on Behalf	140,187.1	160,743.4
School Debt Reimbursement	57,517.7	46,509.5
REAA School Fund	26,978.0	22,884.4
Total	1,644,264.9	1,436,408.2
Average Daily Membership	127,478	124,679
Total per ADM	12,898.4	11,520.8

Can SPED intensive funds be spent on other purposes if there is more provided to the district than is needed for an individual student? Is this tracked or reported by districts?

See the following response from the Department of Education and Early Development:

The statutory language does not require a district to spend the funding generated by each of the formula factors for any specific purpose. All funding provided to a district through the Foundation Formula is for general operations.

AS 14.17.420(a)(1) “special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education, and bilingual education services to its students” and (a)(2) “a district is eligible for intensive services funding for each special education student who needs and receives intensive services”

Special education funding is required to be reported per the Chart of Accounts; however, there is not a requirement to specifically report expenses for intensive special needs services.

The department also sent a spreadsheet with more detailed information about FY24 SPED funding, which is included with this response.

What is the \$9 billion valuation of State buildings based on?

This figure came from a past Office of Management presentation, but it’s not clear where that figure came from. A more recent OMB presentation used the figure of \$8.4 billion, derived from the Alaska Division of Risk Management’s FY24 Annual Report (see page 28 here: <https://doa.alaska.gov/drm/pdf/annualreport2024.pdf>). The Division “compiles an insured property inventory schedule of owned or leased buildings used, or occupied, and reported to us by State agencies, recording age and type of building construction, occupancy, fire protection services, sprinkler systems, and projected replacement cost value.”

Has the GRIP federal funding been paused?

AEA reports that the federal Department of Energy has paid outstanding invoices and scheduled a meeting regarding next steps. At this point it appears that GRIP is moving forward.

What would GRIP funding need to average from FY28-32 if the FY27 appropriation was \$1.5 million (matching the Governor’s FY26 proposal)?

After the FY26 appropriation, \$143.0 million of matching funds remain. If \$1.5 million were appropriated in FY27, the appropriations from FY28-32 would need to average \$28.3 million to make up the full amount.

What was appropriated for GRIP in the 2024 legislative session?

In the FY24 supplemental budget, \$206.5 million of federal receipt authority, \$6,952.0 of UGF, and a \$2,294.1 reappropriation of a past capital project were appropriated to the GRIP project. In the FY25 budget, an additional \$3,453.9 UGF was appropriated to the project.

What is the effective POMV split of the “balanced budget” PFD scenario on slide 24?

That scenario includes a PFD appropriation of \$511.9 million, which is 13.5% of the \$3,798.9 million POMV draw for FY26.

What is the revenue impact of the Senate bill that proposes to tax S-Corporations?

The Department of Revenue’s fiscal note for Senate Bill 92, which imposes a tax on S-corporations with taxable income of \$5 million or greater, is in the below table:

(\$ thousands)	FY26	FY27	FY28	FY29	FY30	FY31
SB 92 Revenue Increase	185,770.3	126,486.0	121,708.7	118,578.7	110,090.4	93,057.5