

Fund Source Report

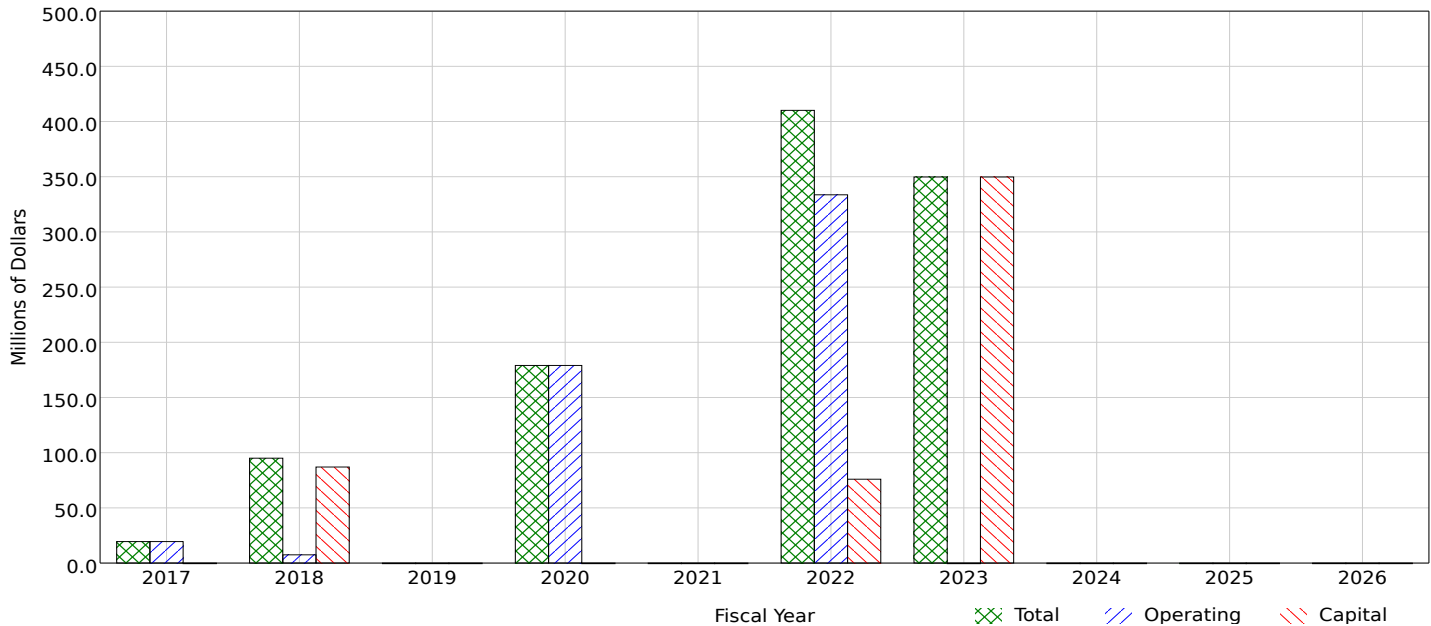
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SBR Fund

Statutory Budget Reserve Fund

Year Authorized 1986	Year Repealed	Active? Yes	Mental Health? No	Duplicated? No	Fund Group Unrestricted General
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Operating and Capital Appropriations



Legal Authority
AS 37.05.540

Source of Revenue
Appropriations to the fund.

Restrictions on Use
None.

Description and History
August 2017

The Statutory Budget Reserve (SBR) Fund was established in Chapter 58, SLA 1986, which also established an appropriation limit. Statutes do not specify a source of funds or limitations on access to the SBR.

The balance of the SBR was deposited in the Constitutional Budget Reserve fund (CBRF) when that fund was established in 1991 (see fund code 1001). The SBR was inactive for many years, but the legislature began to appropriate money to the fund in FY08, when high oil revenue permitted general fund liability to the CBR to be extinguished. The SBR balance peaked at \$5.2 billion in FY12, then declined to \$288 million in FY15 after the SBR was used to fill deficits in FY13 and FY14.

The SBR fund code was established during the FY18 budget process, when the fund was used to make direct appropriations for both FY17 and FY18. The FY17 appropriation was \$20 million to the Oil and Gas Tax Credit fund, and \$87.6 million was appropriated for FY18 capital projects.

July 2023

The \$172.4 million estimated remaining balance was appropriated to the Permanent Fund Dividend Fund in FY20.

The Statutory Budget Reserve was considered to be a sweepable fund until 2021, when a Superior Court judge used the SBR as an example of a fund that is outside the general fund and therefore not subject to the sweep starting in FY21.

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In the FY21 supplemental budget, the legislature deposited \$325 million plus any lapsing FY21 general fund appropriations into the SBR (estimated to be \$85.7 million, then drew the estimated balance (\$410.7 million) for FY22 appropriations. The actual lapse ultimately exceeded the estimate, so a balance remained in the fund.

In the FY22 supplemental budget, \$300 million was deposited into the SBR and the FY23 budget drew \$350 million for capital projects, leaving an estimated balance of about \$20 million. The SBR was used to fill any FY23 budget deficit, so the balance may again be zero at the end of FY23.