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“We can’t be all things to all people. We don’t have money for that.”

— Gov. Mike Dunleavy, announcing \$444 million in line-item cuts to Alaska’s 2020 budget in July

Alaska

Pop. (2020): 760,206

Median household income (2020): \$74,387

Credit Rating: AA-/Negative

Pop. growth 2020–2025: 0.23%

Median age (2020): 35

Right-to-work state: No

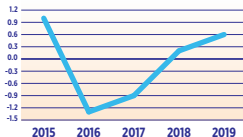
Legislative Update

- In the November election, Alaska voters defeated Ballot Measure 1, which would have raised taxes on drilling in the Prudhoe Bay, Kuparuk and Alpine oil fields in Alaska’s North Slope. Supporters of the initiative maintained that it would impose a “fair share” on drillers and solve the state’s budget crisis. Opponents said it would stanch investment and jeopardize the economy. In November, ConocoPhillips announced plans to resume North Slope drilling, which was suspended under the threat the ballot measure represented.
- Facing chronic budget shortfalls worsened by the pandemic and the attendant slump in oil prices, Gov. Dunleavy, in July, used line-item vetoes to strip \$444 million of spending approved by the Alaska legislature, including \$130.3 million for the University of Alaska. The state’s budget shortfall reached \$1.3 billion in July, to be covered by withdrawals from Alaska’s dwindling Constitutional Budget Reserve.
- In December, Gov. Dunleavy unveiled a 2021 budget proposal containing far fewer cuts than 2020’s, and leaving opening the prospect of tax increases. It would authorize a full annual payout of \$3,170 per citizen from the Alaska’s Permanent Fund, which is sustained by oil revenues. Budget projections indicate full payout could balloon the state’s deficit to \$2.4 billion.

GDP

47th

GDP Growth Rate Trend



2019 GDP
(in millions of current US\$)
\$54,386



3rd
Business Tax Climate Rank Change 2020–2021: 0



45th
Higher Ed. R&D Expenditure in \$000s: **161,208**



22nd
Number of NCRCs: **47,949** | Percent Improvement 2019–2020: **0.59%**



47th
2020 Workers’ Comp Index Rate: **2.51**



49th
Industrial power cost per kWh: **\$17.01**



1st
Total Revenue as Share of Total Expenses, FY 2004–2019: **135%**