HOUSE CS FOR CS FOR SENATE CONCURRENT RESOLUTION NO. 23(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/29/96
Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LONG RANGE FINANCIAL PLANNING COMMISSION

A RESOLUTION

1 Relating to long range financial planning.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3   WHEREAS the members of the Long Range Financial Planning Commission (LRFPC) were jointly appointed by the governor and the legislature and conducted hearings across the state, raising the awareness of and educating Alaskans about the fiscal gap; and

4   WHEREAS the state has spent more than it has collected in revenue during six of the past nine fiscal years; and

5   WHEREAS the state’s fiscal year 1996 fiscal gap between revenue and expenditures is estimated to be $313,000,000; and

6   WHEREAS petroleum revenue currently accounts for about 80 percent of unrestricted general funds and Alaska’s petroleum production is projected to decline by one-third during the next 10 years; and

7   WHEREAS the fiscal gap is projected to grow steadily if the state does not effectively address revenue and expenditures; and

8   WHEREAS, without changes in projected revenue and expenditures, current reserves in the constitutional budget reserve fund may be depleted by fiscal year 2000; and

9   WHEREAS, in various fiscal policy forums around the state, the conclusion has been
that no single fiscal tool is sufficient to address the fiscal gap, and that several tools must be
used in combination to bring about state economic stability; and

WHEREAS the members of the Long Range Financial Planning Commission (LRFPC)
were charged with developing 3-, 5-, and 10-year financial plans for balancing revenue and
expenditures; and

WHEREAS the permanent fund is a cornerstone of the state’s economic future that will
continue to grow as well as provide reliable dividends to the general public; and

WHEREAS the financial plan adopted by the legislature should contain a combination
of spending reductions and new revenue resulting from an expanded private sector economy that
will close the fiscal gap by fiscal year 2001; and

WHEREAS the combination of fiscal policies adopted by the legislature should put the
state on firm fiscal ground and strike a balance between current needs and protection of the
permanent fund for future generations; and

WHEREAS the Nineteenth Alaska State Legislature has prepared a fiscal plan to close
the fiscal gap which incorporates the following:

(1) as part of the plan to ensure maximum earnings from the permanent fund,
the legislature has deposited $1,100,000,000 to the fund’s principal;
(2) significant spending reductions through reasonable and responsible budget
cuts;
(3) tax levels that are less than those proposed in other plans; and
(4) protection for the permanent fund and constitutional budget reserve fund;

BE IT RESOLVED that the Nineteenth Alaska State Legislature will first reduce the
size and scope of state government to decrease the gap between recurring revenue and recurring
expenditures; and be it

FURTHER RESOLVED that the Nineteenth Alaska State Legislature in closing the
fiscal gap and developing a long range plan shall prioritize expenditures by taking into account
our constitutional responsibilities and the needs of our children, the elderly, and our needy
citizens; and be it

FURTHER RESOLVED that the Nineteenth Alaska State Legislature will make
significant spending reductions through means such as: welfare reform, entitlement reform,
privatization of state services, and the institution of procedural changes to state employees’
pension, wage, and benefit package; and be it
FURTHER RESOLVED that the legislature pledges to work with all parties to implement this long range financial plan and meet the needs and desires of the Alaskan people; and be it

FURTHER RESOLVED that the Nineteenth Alaska State Legislature urges all Alaskans to learn about Alaska’s fiscal situation and to support actions necessary to close the fiscal gap; and be it

FURTHER RESOLVED that the legislature thanks all members of the Long Range Financial Planning Commission for their hard work and efforts to address the state’s fiscal future and assist the legislature in addressing the economic challenges we face as a state.

COPIES of this resolution shall be sent to the Honorable Tony Knowles, Governor of Alaska; and to the members of the Long Range Financial Planning Commission.