

HOUSE CONCURRENT RESOLUTION NO. 1

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES PHILLIPS, B.Davis, Green

Introduced: 1/16/95

Referred: Finance

A RESOLUTION

1 Creating the Long Range Financial Planning Commission.

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

3 WHEREAS state spending has exceeded recurring revenue to the state; and

4 WHEREAS the state must eliminate the fiscal gap; and

5 WHEREAS the state is currently forced to deal with an unpredictable and declining
6 revenue stream; and

7 WHEREAS the state must find a means of stabilizing revenue at a sustainable level
8 in order to remove doubt and uncertainty regarding expenditures; and

9 WHEREAS income, expenditures, budget reductions, the future of the permanent fund,
10 land status, economic development, taxes, transition funds, loan programs, welfare programs,
11 housing programs, other state services, and similar items are issues that must be analyzed and
12 reevaluated by the legislature; and

13 WHEREAS the citizens of the state should have an opportunity to consider these
14 topics and offer comment on a long-range financial plan for the state; and

15 WHEREAS it would be beneficial to the state and its citizens to establish a long-range
16 plan that organizes the state's approach to handling its finances;

17 BE IT RESOLVED that the Alaska State Legislature establishes the Long Range

1 Financial Planning Commission in order to develop and recommend to the legislature a
2 10-year financial plan for the state that includes goals to be met by the end of the first three
3 and five years of the plan; and be it

4 **FURTHER RESOLVED** that the commission shall consist of six members of the
5 public, which may include legislators, with three each appointed by the Speaker of the House
6 of Representatives and the President of the Senate, and seven members who are high-level
7 technical experts from the legislative and executive branches, jointly appointed by the Speaker
8 of the House and the President of the Senate, with one each from the Department of Revenue,
9 the Permanent Fund Corporation, the office of management and budget in the Office of the
10 Governor, the division of finance in the Department of Administration, the Department of
11 Natural Resources, the legislative finance division, and the legislative audit division; and be
12 it

13 **FURTHER RESOLVED** that the commission shall select a chair and vice-chair from
14 among the members of the commission, shall meet as frequently as the commission determines
15 necessary to perform its work, may meet during the interim, and may meet and vote by
16 teleconference; and be it

17 **FURTHER RESOLVED** that the members of the commission shall serve without
18 compensation but are entitled to travel expenses and per diem as authorized under
19 AS 39.20.180 for boards and commissions; and be it

20 **FURTHER RESOLVED** that the commission may hire staff to carry out its duties;
21 and be it

22 **FURTHER RESOLVED** that the commission shall

23 (1) review and identify anticipated state expenditures, recurring revenue,
24 reserves, and potential revenue sources;

25 (2) review and identify fiscal assumptions concerning state finances that have
26 been made by planners and financial managers in government and the private sector;

27 (3) recommend strategies for generating sustainable sources of future state
28 revenue and legislation to implement the recommendations;

29 (4) if new taxes are recommended, investigate specific tax structures, review
30 the consequences of the structures, and prepare draft legislation to implement the
31 recommendations;

32 (5) disseminate information and solicit public input through hearings and other

1 means from the various regions of the state in the development and review of the proposed
2 financial plan;

3 (6) review state programs, especially formula driven programs, and recommend
4 reductions in state expenditures to reach a sustainable level;

5 (7) recommend structural changes to the way the state budget is prepared to
6 ensure that the governor and the legislature have information on which to base decisions;

7 (8) investigate implementing forward funding of the budget; and

8 (9) submit a written report containing the commission's recommended 10-year
9 financial plan to the legislature by February 15, 1996; and be it

10 **FURTHER RESOLVED** that the commission is authorized to begin work immediately
11 upon the appointment of its full membership and is terminated upon the convening of the First
12 Regular Session of the Twentieth Alaska State Legislature.