

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

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**NINETEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE STATE AFFAIRS COMMITTEE**

**Offered: 2/9/96**  
**Referred: Rules**

**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)  
**4** were jointly appointed by the governor and the legislature and conducted hearings across the  
**5** state, raising the awareness of and educating Alaskans about the fiscal gap; and

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

**8 WHEREAS** the state's fiscal year 1996 fiscal gap between revenue and expenditures is  
**9** estimated to be \$433,000,000; and

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

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

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

**17 WHEREAS**, in various fiscal policy forums around the state, the conclusion has been

1 that no single fiscal tool is sufficient to address the fiscal gap, and that several tools must be  
2 used in combination to bring about state economic stability; and

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

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

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

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

14 **BE IT RESOLVED** that the Nineteenth Alaska State Legislature will prepare a fiscal  
15 plan to close the fiscal gap; and be it

16 **FURTHER RESOLVED** that the legislature, as part of the plan to ensure maximum  
17 earnings from the permanent fund, will deposit \$1,100,000,000 to the fund's principal; and be  
18 it

19 **FURTHER RESOLVED** that the Nineteenth Alaska State Legislature will first reduce  
20 the size and scope of state government to decrease the gap between recurring revenue and  
21 recurring expenditures; and be it

22 **FURTHER RESOLVED** that the Nineteenth Alaska State Legislature will make  
23 significant spending reductions through means such as: welfare reform, entitlement reform,  
24 privatization of state services, and the institution of a Tier 3 state pension, wage, and benefit  
25 package; and be it

26 **FURTHER RESOLVED** that the legislature pledges to work with all parties to  
27 implement a long range financial plan that meets the needs and desires of the Alaskan people;  
28 and be it

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

32 **FURTHER RESOLVED** that the legislature thanks all members of the Long Range

- 1 Financial Planning Commission for their hard work and efforts to address the state's fiscal future
- 2 and assist the legislature in addressing the economic challenges we face as a state.
- 3 **COPIES** of this resolution shall be sent to the Honorable Tony Knowles, Governor of
- 4 Alaska; and to the members of the Long Range Financial Planning Commission.