

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Amended: 2/14/96

Offered: 2/9/96

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 in closing the
23 fiscal gap and developing a long range plan shall prioritize expenditures by taking into account
24 our constitutional responsibilities and the needs of our children, the elderly, and our needy
25 citizens; and be it

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

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

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

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

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