

**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)  
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 \$313,000,000; 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 private sector economy that  
10 will close the 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; and

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

16 (1) as part of the plan to ensure maximum earnings from the permanent fund,  
17 the legislature has deposited \$1,100,000,000 to the fund's principal;

18 (2) significant spending reductions through reasonable and responsible budget  
19 cuts;

20 (3) tax levels that are less than those proposed in other plans; and

21 (4) protection for the permanent fund and constitutional budget reserve fund;

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

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

29 **FURTHER RESOLVED** that the Nineteenth Alaska State Legislature will make  
30 significant spending reductions through means such as: welfare reform, entitlement reform,  
31 privatization of state services, and the institution of procedural changes to state employees'  
32 pension, wage, and benefit package; and be it

1           **FURTHER RESOLVED** that the legislature pledges to work with all parties to  
2 implement this long range financial plan and meet the needs and desires of the Alaskan people;  
3 and be it

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

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

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