

February 14, 2007

Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman Co-Chair
Senate Finance Committee
State Capitol Room 532
Juneau, AK 99801

Senator Stedman, Senator Hoffman and Members of the Finance Committee,

The Alaska State Chamber of Commerce strongly supports SB 25. State Fiscal Planning has been a top priority of the State Chamber for many years. We believe the state needs stability in budget planning as volatile state revenues create unforeseeable budget gaps and revenue excesses. Any smart business plans for future years through detailed planning of revenues and expenditures, with adjustments made each year.

Amending Alaska Statutes regarding the Executive Budget Act, SB 25 assigns a long-term fiscal plan requirement to the Governor's duties of providing yearly budgets. Under SB 25, the Governor's fiscal plan reaches forward 15 years into the future, showing legislators and the public what to expect in lean years and in years of excess. SB 25 may fall short of enacting an actual fiscal plan; however, SB 25 will provide for a constantly evolving framework-a fiscal plan, for the legislature and the public to follow as budgets are enacted from year to year.

With new legislators every two years, a volatile oil market, a PFD citizenry, and a new governor every four years, SB 25 hurdles many of the states political quagmires that may prevent adopting a long-term fiscal plan. Simply, requiring that a plan be submitted each year along with a budget, creates a first in Alaska, fiscal planning. The Alaska State Chamber strongly advocates for SB 25 and we hope the bill will move quickly through the legislature.

Yours in economic prosperity,

Wayne A. Stevens
President/CEO