

Alaska State Chamber of Commerce
2008 Priority
Fiscal Plan

The Alaska State Chamber of Commerce urges the Legislature to adopt a comprehensive fiscal policy. The State Chamber recognizes that the first problem in adopting a comprehensive fiscal policy is to have a common definition of what is a fiscal policy. While the State Chamber recognizes that no policy can bind future legislatures, the policy should reflect long-term sustainability and the best combination of the following considerations.

- Economic development and business opportunities need some level of fiscal certainty. That certainty can only be accomplished with a comprehensive fiscal plan which addresses state spending in times of shortfall and defines essential priorities
- A comprehensive fiscal policy should use the operating budget from FY 06 as the base operating budget and hold future increases to no more than 3% per year.
- A comprehensive fiscal policy should seriously consider a two-year budget cycle based on funding these essential government services.
- The Alaska State Chamber of Commerce supports saving the FY 2008-2009 general fund surplus in the Constitutional Budget Reserve to pay back past withdrawals used to cover previous budget shortfalls. The Alaska State Chamber does not support depositing surplus funds into the permanent fund unless the deposit is linked to the passage of a percent of market value management plan.
- A comprehensive fiscal policy shall recognize the complex dependency of locally delivered services that are funded through state revenue sharing and factor that into the policy
- A comprehensive fiscal policy should address the PERS/TERS issue making this state obligation actuarially sound
- A comprehensive fiscal policy should include the utilization and sustainability of the Constitutional Budget Reserve
- A comprehensive fiscal policy should adopt the percent-of-market (POMV) management tool for the Alaska Permanent Fund;
- A comprehensive fiscal policy should reasonably anticipate scenarios of growth predicated on realistic resource development and its affect on budgets
- A comprehensive fiscal policy should not preclude the continuation of the Alaska Permanent Fund Dividend program
- No additional business taxes should be enacted by the legislature until a fiscal plan is developed. Further, the State Chamber reiterates that fiscal discipline and legislative accountability must precede any new taxes.