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By: John Davies
Christopher Quist
Van Lawrence
Kathryn Dodge
Diane Hutchison
Matt Cooper
Janice Golub
Introduced: 03/10/2016
Amended: 03/10/2016
Adopted: 03/10/2016
Immediate
Reconsideration Failed: 03/10/2016
Adopted: 03/10/2016

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2016 – 12

A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE AND GOVERNOR WALKER TO ENACT DURING THE 2016 LEGISLATIVE SESSION LEGISLATION TO PROVIDE FOR A BALANCED, SUSTAINABLE, AND PREDICTABLE STATE BUDGET

WHEREAS, Alaska has relied predominately on the development of its vast oil reserves to fund the majority of state government expenditures over the past 35 years; and

WHEREAS, production of Alaskan North Slope crude oil has steadily decreased over the past 25 years; and

WHEREAS, global oil prices have dropped significantly over the past two years and are projected to remain relatively low for the foreseeable future; and

WHEREAS, the combination of falling oil production, reduced oil prices, and reliance on oil as the primary source of funding for state government has resulted in a massive state fiscal deficit; and

WHEREAS, cash reserves currently being used to cover the existing deficit will be depleted in just a few years, threatening the state’s annual dividend program and potentially the state’s Permanent Fund itself; and

WHEREAS, the State of Alaska has been duly warned by Standard & Poors that due to the current fiscal imbalance, its credit rating will continue to be downgraded if the Legislature fails to take appropriate action in 2016; and

47 WHEREAS, major business leaders in the state have warned that they
48 would be unlikely to continue making significant commercial investments in Alaska if the
49 Legislature fails to address the fiscal deficit during the 2016 legislative session; and
50

51 WHEREAS, it is clear that a complete fiscal plan to provide a balanced,
52 sustainable and predictable budget will require using a balanced blend of spending
53 reductions, use of the earnings of the Permanent Fund and additional new revenues in
54 the form of broad-based taxes and other general fund sources; and
55

56 WHEREAS, while spending reductions must be a part of any balanced
57 fiscal solution, extreme care must be exercised to not inadvertently cut our way into an
58 economic recession as was done in the 1980's; and
59

60 WHEREAS, continuing to spend down cash reserves in the short-term, will
61 reduce the amount of sustainable revenue we can plan to generate from our current
62 financial assets in the future, resulting in the necessity to increase other sources of
63 revenue in the future to compensate; and
64

65 WHEREAS, difficult decisions that require significant statesmanship are
66 required this year.
67

68 NOW, THEREFORE, BE IT RESOLVED by the Assembly of Fairbanks
69 North Star Borough, that:
70

71 Section 1. The Assembly of the Fairbanks North Star Borough calls upon
72 the Alaska State Legislature and the Governor of the State of Alaska to take affirmative
73 and immediate action this year to enact a set of initiatives that will provide for a
74 balanced, sustainable and predictable state budget for the foreseeable future. Further,
75 the Assembly urges gradual budget cuts.
76

77 Section 2. The Assembly appreciates the difficult work of the
78 Administration and the Legislature to put forth possible elements of a complete fiscal
79 plan; and while the Assembly may not support every aspect of the plan to be adopted, it
80 does recognize and appreciate the difficult work in finding a plan that can be enacted
81 this year. The employees and residents of the Fairbanks North Star Borough offer to
82 assist in finding such a plan.
83

84 Section 3. The Fairbanks North Star Borough Clerk is instructed to
85 transmit a copy of this resolution to every member of the Alaska State Legislature, the
86 Governor, and to local and statewide media outlets.
87

PASSED AND APPROVED THIS 10TH DAY OF MARCH, 2016.


John Davies
Presiding Officer

ATTEST:



Nanci Ashford-Bingham, MMC
Borough Clerk

Ayes: Sattley, Hutchison, Cooper, Golub, Lawrence, Dodge, Quist, Davies
Noes: Roberts