



April 8, 2016

Representative Mike Chenault, Speaker of the House
Senator Kevin Meyer, President of the Senate
Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Dear President Meyer and Speaker Chenault,

The Greater Fairbanks Chamber of Commerce has taken a very thoughtful and deliberate approach in engaging our membership in important issues facing this state. Our number one priority this year is supporting a comprehensive, long-term sustainable fiscal plan for the state of Alaska.

We shared this with members of the legislature during our annual legislative fly-in last month. To reiterate, *we encourage the Alaska State Legislature, the administration and state leaders to ensure the effective use of state resources by delivering essential programs as efficiently as possible, and to make strategic investments that promote long-term economic growth. We encourage government leaders to build a fiscally responsible budget that aligns revenues with expenses. While reductions have already been made to state budgets, we believe additional reductions are necessary. A consistent and predictable fiscal policy is integral to an overall plan and vision for business development and job growth in Alaska.*

Likewise, *Alaska's Future* encourages government leaders to build a fiscally responsible budget. They believe that the cornerstone of any plan this legislative session should incorporate the use of Permanent Fund earnings to significantly reduce the deficit, support essential public services and maintain a sustainable dividend and healthy Permanent Fund.

We believe the mission of *Alaska's Future* aligns with the Fairbanks Chambers' position in this regard. The Chamber recognizes that a long-term, sustainable fiscal plan cannot be accomplished without considering other revenue sources, such as the use of permanent fund earnings reserve. While we do not endorse any particular plan, we encourage you to forge ahead with deliberations to come up with a sustainable budget structure to address our long-term fiscal stability. The Chamber board agrees that the state's fiscal issues are urgent and that action must be taken this session.

On Monday, March 28, the Chamber board officially joined the *Alaska's Future* coalition to encourage legislators to do something this year to address the growing state budget deficit. The vote was unanimous. We all agree we need a comprehensive solution to fix Alaska's budget challenges now. The Chamber is now taking its advocacy one step further in supporting the *Alaska's Future* mission to utilize the Permanent Fund Earnings Reserve, support essential services and maintain a sustainable dividend and healthy Permanent Fund to address the fiscal gap.

The Fairbanks Chamber does not take this action lightly. The Chamber has been very engaged in bringing important issues in front of our membership at every opportunity - from a special meeting with the Governor last week to multiple presentations by ISER's Gunnar Knapp, to the board of directors' actions last fall and carrying through the

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legislative session, Chamber members have been exposed to the gravity of the current budget deficit. While it is unrealistic to expect the legislature to solve a \$4 billion deficit and settle on a practical long-term fiscal plan in ninety days, moving forward now with using the earnings reserve of the Permanent Fund will be a large step in the direction of long-term fiscal stability.

We respectfully ask for your action this session to address the growing budget deficit with a long-term plan to utilize the Permanent Fund Earnings Reserve as one of the key components. Please do something now to address this issue before it is too late.

Respectfully,

GREATER FAIRBANKS CHAMBER OF COMMERCE

Lisa Herbert
President and CEO

Bill Bailey
Board of Directors, Chair