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Ms. Jessica Kilborn  
Palmer  
99645  
907-861-8678  
jessica.kilborn@matsugov.net

Feedback Category: Budget  
Specific Topic: Mat-Su Borough Assembly Resolution  
Position: Positive

Good afternoon,

At its regular meeting of April 1, 2016, the Matanuska Susitna Borough Assembly adopted the following resolution. A hard copy will be mailed.

Sponsored by: Mayor Halter  
Amended: 04/05/16  
Adopted: 04/05/16

MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 16-033

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY 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  
WHEREAS, major business leaders in the state have warned that they would be unlikely to continue making significant commercial investments in Alaska if the Legislature fails to address the fiscal deficit during the 2016 legislative session; and  
WHEREAS, it is clear that a complete fiscal plan to provide a balanced, sustainable, and predictable budget will require using a balanced blend of spending reductions, use of the earnings of the Permanent Fund and additional new revenues in the form of broad-based taxes and other general fund sources; and  
WHEREAS, while spending reductions must be a part of any balanced fiscal solution, extreme care must be exercised to not inadvertently cut our way into an economic recession as was done in the 1980's; and  
WHEREAS, continuing to spend down cash reserves in the short-term, will reduce the amount of sustainable revenue we can plan to generate from our current financial assets in the future, resulting in the necessity to increase other sources of revenue in the future to compensate; and  
WHEREAS, all options to solve the fiscal gap should be on the table; and  
WHEREAS, difficult decisions that require significant statesmanship are required this year.  
NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough Assembly calls upon the Alaska State Legislature and the Governor of the State of Alaska to take affirmative action this year to enact a set of initiatives that will provide for a balanced, sustainable, and predictable state budget for the foreseeable future. Further, the Assembly urges gradual budget cuts.  
BE IT FURTHER RESOLVED, the Assembly appreciates the difficult work of the Administration and Legislature to put forth possible elements of a complete fiscal plan; and while the Assembly may not support every aspect of the plan to be adopted, it does recognize and appreciate the difficult work in finding a plan that can be enacted this year. The employees and residents of the Matanuska-Susitna Borough Assembly offer to assist in finding such a plan.  
BE IT FURTHER RESOLVED, the Borough Clerk is instructed to transmit a copy of this resolution to every member of the Alaska State Legislature, the Governor, and to local and statewide media outlets.

ADOPTED by the Matanuska-Susitna Borough Assembly this  
5 day of April, 2016.

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