
Senator Tom Begich
Senate Democratic Leader
Senator Elvi Gray-Jackson
Senator Scott Kawasaki



Senator Jesse Kiehl
Senator Donny Olson
Senator Bill Wielechowski

ALASKA SENATE DEMOCRATS

www.aksenatedems.com

March 13, 2019

The Honorable Michael J. Dunleavy
Governor of Alaska
State Capitol Building
Juneau, AK 99801

Dear Governor Dunleavy,

We write to express a serious concern that you may be in violation of an existing statutory duty and that your inaction has hindered the legislature from undertaking a thoughtful, deliberative process with respect to its budgetary decision-making obligations. In accordance with AS 37.07.020(b) of the Executive Budget Act, the responsibilities of the governor include a requirement to generate “a fiscal plan with estimates of significant sources and uses of funds for the succeeding 10 fiscal years.”

The 10-year fiscal plan must:

- (1) provide sufficient details to identify “significant sources of funds” and “significant uses of funds,” which must include lump sum projections of operating expenditures, capital expenditures, debt service expenditures, fund capitalizations, and Permanent Fund earnings appropriations;
- (2) “balance sources and uses of funds held while providing for essential state services and protecting the economic stability of the state”;
- (3) “include projected balances of significant funds held in separate accounts, including the budget reserve fund . . . the public education fund . . . , and the Alaska capital income fund . . . ”; and
- (4) “set out significant assumptions . . . with sufficient detail to enable the legislature to rely on the fiscal plan in understanding, evaluating, and resolving issues of state budgeting, including information that supports major areas of operating increases, such as population demographics that affect the need for particular government services.”


Your operating budget proposal, which you submitted to the legislature as an extensively amended sponsor substituted bill on February 13, contains unprecedented cuts to state agencies like Education & Early Childhood Development, Health & Social Services, and the University system, as well as to a multitude of programs and services of significant interest to Alaskans and of great importance to the long-term viability of the state. For this reason, it was critical for you to afford the legislature ample opportunity to contemplate your 10-year fiscal plan and all of its components to determine a healthy course of action on the FY 2020 state budget.

As of today, it does not appear that you've released your 10-year fiscal plan. Currently, the only such fiscal plans publicly available on the Office of Management & Budget website represent fiscal years 2011 through 2019, as produced by prior governors. Because the fiscal plan must be generated timely, "to enable the legislature to rely on [it] in understanding, evaluating, and resolving issues of state budgeting," the FY 2020 fiscal plan should have been provided to the legislature long ago during this legislative session—or at the latest, by the time you submitted your amended budget.

Furthermore, formulating a fiscal plan would have no doubt been helpful for your own purposes in developing your amended budget.

For these reasons, we ask that you immediately provide the legislature with your 10-year fiscal plan as required under AS 37.07.020(b) and ensure that this plan is made readily available to the public.¹

Sincerely,



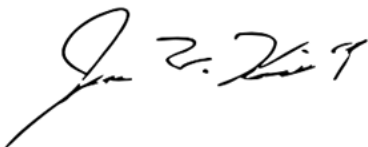
Senator Tom Begich



Senator Elvi Gray-Jackson



Senator Scott Kawasaki



Senator Jesse Kiehl



Senator Donald Olson



Senator Bill Wielechowski

Cc: Donna Arduin
Director, Office of Management & Budget
State Capitol Building
Juneau, AK 99801

¹ Similarly, the governor has a statutory responsibility to generate a "a capital improvements program covering the succeeding six fiscal years." AS 37.08.020(b). To the extent this capital improvements plan is yet unproduced, that requirement also remains unfulfilled.