



Dear Alaska Policy Maker:

February XX, 2020

The Alaska Chamber and the Resource Development Council for Alaska, Inc. (RDC) are working together as the Alaska Business Report Card group. Together, we represent hundreds of firms and tens of thousands of employees from every major industry in Alaska. Currently, we are working to compile an Alaska Business Report Card (ABRC) for the 31<sup>st</sup> Alaska Legislature.

This letter is to share the policy priorities we will emphasize, and the leadership we seek, in developing grades. It is clear the current session is focused on the state's lack of a long-term fiscal plan and the budget deficit. Every Alaska business and industry has specific needs and expectations of this legislative session; the ABRC members are no exception. However, bringing state spending in line with sustainable revenues is a priority on which we agree.

We are looking for legislative efforts that create healthy and appropriately sized state government, both of which strengthen Alaska's economy. To clearly illustrate how ABRC grades are assigned, we are using only two grading criteria:

#### **RESPONSIBLE BUDGETING**

- Budget policy should focus first and foremost on encouraging a sustainable state budget. A series of measured reductions in the state operating budget – such as entitlement reform – must continue to be made.
- The State needs a meaningful and realistic cap on operating budget expenditures. Without a spending cap, the business community lives in constant fear of reactive tax increases.
- Other revenue sources may be considered only after spending is reduced and Permanent Fund earnings are used for essential state services first.

#### **PRIVATE SECTOR GROWTH**

Now more than ever, pro-growth policies designed to stimulate and expand Alaska's private sector are critically important. Top priorities include:

- Maintain and enhance a stable business climate for Alaska's businesses. Businesses will not invest in uncertainty, and Alaska must be a reliable partner.
- Adopt policies that ensure a streamlined, efficient and adequately funded regulatory system that relies on sound science, not politics, as the basis for decision-making.

As always, the ABRC group will evaluate personal legislation sponsorship, floor votes, and efforts made at accomplishing the above priorities. We look forward to working with you to overcome the economic and fiscal challenges facing Alaska. Thank you for your service to the state.

Sincerely,

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Alaska Chamber

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Resource Development Council for Alaska, Inc.