



THE ALASKA BUSINESS
REPORT CARD

March 1, 2017

Dear Alaska Policy Maker:

The undersigned business organizations, working together as the Alaska Business Report Card group, represent hundreds of firms and tens of thousands of employees from every major industry in Alaska. These groups will be working together to compile an Alaska Business Report Card (ABRC) for the 30th Alaska Legislature.

This letter is to share with you the policy priorities we will be emphasizing - and the leadership we will be looking for - in developing our consensus report card grades.

It is clear that the current legislative session will be dominated by discussion of the state's lack of a fiscal plan and an unsustainable operating budget. Every Alaska business and industry has specific needs and expectations of this legislative session; the business organizations that form the ABRC group are no exception. However, bringing state spending in line with sustainable revenues is a priority we all can agree on.

The members of the ABRC group will be looking for legislative efforts that create healthy and appropriately sized state government and which strengthens Alaska's economy. To clearly illustrate how ABRC grades are assigned, we have only two grading criteria:

RESPONSIBLE BUDGETING

- Budget policy should focus first and foremost on reversing the unsustainable state budget growth of the past decade. A multi-year series of annual reductions in the state operating budget – including entitlement reform – will be required.
- Create an endowment model or similar framework to use the Permanent Fund earnings to support essential services, and do so in 2017 to avoid liquidating remaining state financial reserves.
- Only after a reduction in spending and use of the Permanent Fund earnings should other revenue be considered.

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 a stable business climate for all business, especially our struggling oil and gas industry. Businesses will not invest in uncertainty and Alaska needs to be a reliable partner.
 - Adopt policies that ensure a streamlined, efficient and adequately funded regulatory system that relies on sound science as the basis for decision-making.

As always, the ABRC group will be evaluating personal sponsorship of legislation, committee actions and floor votes, and accomplishing the above policy priorities. We look forward to working with you to meet the economic and fiscal challenges facing Alaska.

Respectfully,
Alaska Chamber
ProsperityAlaska.org
Resource Development Council for Alaska, Inc.