

SPONSOR STATEMENT

Senate Bill 88 A Policy on General Fund Revenue Shortfall

Senate Bill 88 reads as follows: *It is the policy of the State of Alaska that the amounts necessary to cover a projected shortfall in general fund revenue during a fiscal year be appropriated equally from the Constitutional Budget Reserve fund and the Earnings Reserve Account.* These few words adopt a course of action that balances the state budget when a shortfall in general fund revenue exists.

Senate Bill 88

- When needed, fills the potential fiscal gap in a way that minimizes the financial impact on Alaska families.
- When needed, provides a bridge over the gap between general fund expenditures and general fund revenues until our state's natural resources can be further developed.
- Doubles the life expectancy of the Constitutional Budget Reserve fund.
- May strengthen the State of Alaska bond rating and save millions of dollars on future bond offerings.

Senate Bill 88 affirms a policy of the state that provides fiscal certainty when the general fund revenue is insufficient to fully fund the state budget. Please join me in support of this legislation.