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Member of the National League of Cities and the National Association of Counties

Senate President Peter Micciche
Speaker Louise Stutes
Alaska State Legislature

May 14, 2021

AML urges the Legislature to pass the Operating Budget prior to the regular legislative session adjourning. We understand that time is short, but the same is true for those depending on the certainty this budget provides.

Local governments are right now debating and finalizing their FY22 budgets, all of which intersect in some way with what's currently in the proposed versions. They are counting on full funding for Community Assistance and School Bond Debt Reimbursement, among other items. Importantly, for the pass-through ARPA funds that the State has 30 days to deliver to Alaska's cities, it is critical that this budget pass now so that this appropriation can occur.

We understand that there is more to deliberate upon, and that this may be addressed within the first of two special sessions called by the Governor. We believe that this current CS in Senate Finance will serve as a baseline budget that will ensure Alaskans have the stability they need now, even as other items are taken up separately.

At the same time, AML has argued throughout this legislative session and since 2015 that the State of Alaska needs a long-term, sustainable fiscal policy. We believe that this is essential for many reasons, from investment certainty to business development, to strengthen Alaskans' trust in government, and to ensure that together we can move Alaska forward in productive ways.

We're appreciative of steps taken this week to suggest alternatives to how the POMV and PFD interact, even as we believe that there are additional components that should be addressed as part of a comprehensive fiscal policy. Further, we appreciate that within the calls for special session it is clear there is an opportunity to address a package of options, including:

- Addressing how the POMV/PFD intersect
- Evaluating revenue options and impact
- Implementing a reasonable spending cap
- Utilizing the State's discretionary ARPA funding

By having each of these a component of the discussion, we believe this results in thoughtful dialogue that comes with careful analysis of the options facing the state. We hope that the outcomes are such that Alaska is placed on firm footing to meet its responsibilities and to facilitate economic recovery.

Copy:

- Senate and House Minority Leaders
- Senate and House Finance Co-Chairs