

# ALASKA STATE LEGISLATURE

## SENATE FINANCE COMMITTEE

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September 22, 2015

Ms. Pat Pitney, Director  
Office of Management and Budget  
PO Box 110020  
Juneau, AK 99811-0020

Dear Director Pitney:

We are writing to invite you to a Senate Finance Committee meeting in Fairbanks on Monday, October 5, 2015 at the Fairbanks Legislative Information Office. We anticipate the meeting to start at 10:00 AM and end late in the afternoon with a break for lunch.

The purpose of the meeting is to get an overview from the administration on the "1<sup>st</sup> Quarter" of the FY2016 budget. Listed below are questions that have been proposed by our committee members that we plan to discuss at the hearing:

1. What is the daily "burn rate" on our savings accounts? Given a price of \$50 price per barrel of oil scenario, what date will our savings accounts be depleted? *2017-18*
2. Will your administration introduce legislation this session that will utilize the Permanent Fund to help balance future budget shortfalls?
3. Has the administration reevaluated its revenue forecast given the current price of oil? What is the current budget deficit projected at current oil prices?
4. What price per barrel are you using to budget for FY2017 and what shortfall will it create?
5. Please provide an update on current bargaining agreements and their financial impact on future budgets. In addition, what impact did the unallocated reduction, used to pay for FY16 salary increases, have on the rest of the budget?
6. Please update the committee on any privatization activities the administration is pursuing at this time and the potential savings they may achieve.

7. Has your administration taken any additional budget reductions since the end of the second special session?
8. What is the administration's best guess estimate on an FY16 supplemental?
9. Is the administration going to pursue Pension Obligation Bonds this session? If so, please provide information on their impact to the operating budget and the unfunded liability.
10. Please update the committee on the impact of the recently adopted expansion of the Medicaid program.
  - a. Has the Xerox system been certified by the Federal Government? If not then when?
11. Will the administration be requesting additional money for the AKLNG project, including a proposal to buy out TransCanada?
12. Does the administration anticipate implementing a hiring freeze in the future?

We appreciate your consideration of these questions and requests. We welcome any additional information you believe would be valuable as we prepare for the upcoming session and budget discussions. We look forward to working with you on addressing Alaska's fiscal future during the coming year.

Sincerely,

  
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Senator Pete Kelly

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Senator Anna MacKinnon

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