**Everyone Helps a Little: A Five-Year Fiscal Plan**

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**Prepared for Forum on Alaska’s Fiscal and Economic Future • September 19, 2015**

The *Everyone Helps a Little* plan sets a challenging goal of a 2 ¾% reduction in General Fund spending each year, starting in FY 2017. The result is maintaining basic state services while reducing GF spending to $4.5 billion by June 30, 2021 (FY21).

**Foundation of the Plan: Eight Concepts**

1) There is no avoiding the fiscal difficulties the state of Alaska faces: it’s real this time.
2) It is a rolling five-year budget plan with the flexibility to adjust each year.
3) Revenue sources have a throttle and a brake controlled by the legislature and based on need.
4) It functions by recognizing basic legislative math: $21 + $11 + $1 = 33 success.
5) It is the broadest-based revenue generator possible. Everyone pays a little so working families of Alaska don’t pay a lot.
6) It recognizes that each Alaskan today possesses a $73,000 Permanent Fund investment portfolio.
7) It requires no new government bureaucracy until perhaps FY21.
8) It has very little impact on Alaskans’ annual Permanent Fund dividend check.

**Funds Available for Appropriation**

If there is a deficit in any fiscal year, the Constitutional Budget Reserve and the Permanent Fund Earnings accounts are called on equally to fund the deficit. *The availability and use of these funds is the centerpiece of this fiscal plan.*

**Results**

1) The life span of the Constitutional Budget Reserve fund is doubled.
2) The effect on each Alaskan’s PFD check of an annual $1 billion transfer, from the Earnings Reserve account to the General Fund, is $172 over 5 years.
3) “New” money is injected into the economy. Economic multiplier starts at 1.
4) It establishes accountability to the people of Alaska for an Earnings Reserve withdrawal.
5) It establishes budget tension for the efficient use of the CBR ¾ vote.

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Graphs prepared by Gunnar Knapp to compare state finances for FY16 (this year) with projections under this proposal for FY17-FY21, if oil prices average $70/barrel.