

# ISER head: Time for 'realistic' budget discussion including taxes, Permanent Fund

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Saying he's personally troubled by the lack of a broad discussion about Alaska's fiscal crisis, the head of a prominent think tank wants to see a statewide conference involving Alaskans and leaders discussing budget reductions and new ways of generating revenues, including through taxes or the Permanent Fund's earnings.

So far, the solution to the state's massive deficit has centered primarily on emergency cuts by the administration and the Legislature. Some say that's a necessary first step before the state begins looking for new taxes.

But with the deficit still expected to be about \$3.5 billion, more cuts will surely have to be made. And if the status quo continues – with low oil prices and limited oil production – the state could plow through its savings in three years. That means it's critical to start having the tough sit-down with Alaskans about the depth of the cuts that are needed and hard choices that must be made to protect the state, said Gunnar Knapp, director of the Institute of Social and Economic Research.

"What are we going to do about this enormous seismic fiscal shift?" said Knapp.

He said he's personally discouraged because there's "no realistic discussion" about how to raise revenues, and "furthermore we're told it's off the table," he said.

“It’s such an uninformed discussion it drives me nuts,” he said.

Others agree that a fiscal conversation with Alaskans needs to happen as soon as possible. That includes Gov. Bill Walker, said his press secretary, Grace Jang.

“It’s definitely something that’s a huge priority of the governor’s,” she said. “As soon as this legislative session is over, the administration will take up those discussions, if not sooner.”

Sen. Anna MacKinnon, co-chair of the Senate Finance Committee, said she’s thinking about options for getting the message out. One possibility involves taking her committee on the road so entire communities can weigh in. Whatever path is pursued, making sure it’s inexpensive will be crucial.

“There are variety of options out there, but the more Alaskans are involved in a conversation about our future, the better,” she said.

Knapp said the state’s looming fiscal cliff doesn’t seem to be getting much traction with everyday Alaskans, perhaps because they feel the problem is temporary and, just as in the past, an increase in oil prices will bail the state out of trouble.

[Read the rest of the article here.](#)