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Contact: Melodie Wilterdink
(907) 334-5853 (office)
(410) 725-9079 (cell)

Melodie@AlaskaPolicyForum.org

APF STATEMENT ON FY2021 REVENUE FORECAST

ANCHORAGE, Alaska — Alaska Policy Forum (APF) issued the following statement in response to today's release of the state's fiscal year 2021 revenue projections. The Alaska Department of Revenue - Tax Division has published the *Revenue Sources Book Fall 2019* and is forecasting unrestricted revenue of \$2.0 billion for fiscal year 2021.

"The revenue projections are very disappointing but not unexpected. With only \$2.0 billion in revenue, to ensure long-term stability for the state, reducing spending will be a necessity again in the next legislative session. Years of overspending by lawmakers has stifled the private sector, but continued reductions in government spending will allow it to flourish. Economic stability produced by responsible and sustainable budgeting will give individuals the confidence they need to expand and open businesses, and create job opportunities in Alaska.

Reducing government expenditures to match revenue will provide financial stability for the state of Alaska, and increase jobs and opportunities for our residents. As the government spends less, the private sector has room to grow.

Last February, analysis conducted by the Institute of Social and Economic Research (ISER) at the University of Alaska Anchorage estimated that for every \$100 million in budget cuts, 1,000 jobs would be lost. Correspondingly, the \$650 million in reductions made to the FY2020 budget would mean a loss of 6,500 jobs. Fortunately, the predictions of the government-employed economists at ISER are thus far inaccurate, as year-over-year employment has not decreased at all, but in fact has increased by 1,400 jobs. Additionally, Alaska is experiencing the lowest unemployment in its history. This is further evidence that reducing the size and scope of government to match revenues is the best path forward for Alaska."

– Bethany Marcum, Executive Director at Alaska Policy Forum

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