

ALASKA STATE LEGISLATURE

House Majority News

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FOR IMMEDIATE RELEASE: Jan. 27, 2002

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Majority, Minority to Meet in Joint Caucus **Need for Fiscal Plan Brings Republicans, Democrats to Table**

(JUNEAU) – In an unprecedented move prompted by mutual concern for the state’s fiscal health, leaders of the Republican-led House Majority have agreed to a joint caucus with Minority representatives this week to discuss ways to address the imbalance between state spending and revenue.

“We recognize this is an unusual and unprecedented step for the Majority to take,” said Speaker of the House Brian Porter. “But we also recognize we may need to move beyond our comfort zone to deal with an unprecedented challenge to the state of Alaska. It is our hope that engaging members of the Minority in a frank discussion on the issue will be an important step in bringing forward a long-range fiscal plan.”

Minority Leader Ethan Berkowitz (D-Anchorage), said, “I have often said that we in the Legislature need to deal with the state’s fiscal crisis as Alaskans, and not as Democrats or Republicans. The members of my caucus welcome the opportunity to sit down with the Majority in a caucus of the whole. I believe that working together can get us closer to a long-term plan that best serves Alaska’s future.”

State revenue projections show that the Constitutional Budget Reserve, used to bridge the gap between state income and expenses, will probably be exhausted by the end of 2004. Public debate over how Alaska should fill this gap has produced many proposals, including: imposing a state spending cap; levying statewide personal sales or income taxes; taxing the oil, tourism and hospitality industries; using the earnings of the Alaska Permanent Fund; adjusting the Fund’s investment structure and/or dividend program; and continuing to cut state spending.

The joint caucus meeting is scheduled to take place Wednesday, Jan. 30.

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