

The Berkowitz Bulletin

LEGISLATIVE REPORT — SUMMER 1999

Dear Neighbor,

t was a strange session, unlike any before and hopefully unlike any to come. Three defining issues confront the legislature as we head into the 21st century: the budget, subsistence, and the BP-ARCO merger.

BUDGET

Precipitous drops in oil price and production caught the state in the headlights of a \$1 billion revenue gap. On September 14, Alaskans will cast an advisory vote, indicating whether we want earnings from the Permanent Fund used to bridge the fiscal gap. There are valid arguments on both sides of this issue, so please feel free to contact me for further discussion.

Though this plan is <u>not</u> optimal, I personally support it because, on balance, it puts us in a more stable position than we are in today. The longer we delay in closing the fiscal gap, the more painful and difficult it will be in the future.

SUBSISTENCE

The legislature has yet to address the subsistence crisis brought on by a conflict between state and federal laws.

I expect the Governor to call a special session in September, hoping to prevent the scheduled October 1 federal takeover of Alaska's fish and game management. Federal control - relinquishment of state sovereignty



Representative Ethan Berkowitz working with Governor Tony Knowles

- inhibits our ability to control our destiny, and poses severe risk to our economic opportunities.

Unfortunately, I do not anticipate that the legislature will resolve this impasse. The House may be willing to take the needed steps, but I doubt the Senate will be so obliging.

BP - ARCO

Finally, the proposed merger of BP and ARCO raises grave concerns for the state. Should consolidation occur, a single entity will control three-quarters of Alaska's oil production.

Serious efforts are underway to understand the ramifications of the merger and to seek ways of protecting Alaska's interests.

WHAT'S NEXT

The magnitude of these issues has led to more pragmatism and less partisanship in the legislature. I will work hard to make sure this

trend continues - Alaska is better served that way.

There is an old admonition - "may you live in interesting times." In these interesting times it has been a privilege and a pleasure to serve as your representative. Please contact me whenever I may be of assistance, and I hope you enjoy the rest of the summer.

How to keep in touch

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Job Share

Like many people, I prefer "hands-on" learning - getting to know an issue first hand. That's why I need your help.

Already, I've spoken with students, commercial fished in Bristol Bay, and visited job sites around Anchorage and across the state.

If you do something you think I ought to know more about, I would be thrilled to join you for a day and learn. Please write, call, or e-mail me so we can set up a time to get together. I'll try anything!

Open meetings

Maintaining an example began last year, the House minority caucus followed an "open meetings" policy. We held discussions and made decisions in broad daylight, not behind closed doors.

Our experiment has been successful - legislators can carry on the bulk of business in public. Our open meetings policy will continue next year and, hopefully, our experience will encourage the other caucus to follow suit. Please visit if you are in Juneau.

Toll Fellow

I received a special honor when selected as a Henry Toll Fellow. The Toll Fellowship, sponsored through the Council of State Governments, brings together leaders from across the country for training in economics, communications and demography.

Previous Alaskans chosen as Toll Fellows include Fran Ulmer, Mike Navarre, Steve McAlpine, Stephanie Cole, Tom Brice, Bettye Davis, Kay Brown, Michelle Brown, Mark Boyer, and Sean Parnell.

Rep. Berkowitz's Bills 1999

Legislation that I sponsored and co-sponsored last session

- <u>HB 9 Filing of Settlement Information.</u> Allows collection of settlement information in civil litigation cases to assess the costs and benefits of tort reform (passed).
- <u>HB 31 UAA Consortium Library.</u> Provides funding for upgrading the UAA library (pending).
- <u>HB 38 Privacy Protection.</u> Protects personal privacy against intrusion from sophisticated surveillance technology (pending).
- <u>HB 47 Restorative Community Justice.</u> Permits alternative methods of justice to help heal victims and communities damaged by crime (pending).
- <u>HB 215 Renter's Rebate.</u> Continues a program that provides the equivilent of the senior property tax exemption for seniors and disabled veterans who rent (pending).
- <u>HJR 9 Destroy Brady Bill Records.</u> Discourages the federal government from maintaining unauthorized records on law-abiding citizens (pending).
- <u>HJR 14 National Museum of Women's History.</u> Passage made Alaska the first state to endorse a National Women's History Museum (passed).
- <u>HCR 6 Transfer of State Government Functions.</u> Sets up a task force to examine the costs and benefits of transferring state functions to local governments (pending).

When a Cut Becomes a Tax

This year the majority cut more than \$12 million dollars from Municipal Assistance and Revenue Sharing. The Revenue Sharing program provides grants to municipalities in lieu of taxes local government would otherwise impose. Unfortunately, this cut does not reduce spending, instead it simply forces an increase in property taxes (as the adjacent chart shows).

I wish we had been successful in preventing this hidden tax and would like to thank the Mayor and the Assembly for their help in opposing this cut.

Berkowitz Declines Pay Raise

Increase donated to charity

Earlier this month, a short time after the state settled zeroincrease contracts with two different labor unions, legislators took a pay hike. In fairness, a small contingent of lawmakers recognized the hypocrisy in the move and refused to accept the increase. Kenai's own Hal Smalley, along with Anchorage legislators Ethan Berkowitz and Eric Croft, each declined. Smalley characterized the hike as fiscally irresponsible, saying "it's totally wrong for us to be accepting this." We agree.

In the face of a disappointing display of self-serving "representative" government, three legislators have risen above the hypocrisy of their peers and set an example that gives us hope that our state may find an equitable solution to the budget crisis. (Peninsula Clarion - March 28, 1999)

District Thirteen's Top Ten The top ten reasons you

1986

Millions of Dollars

Statewide, local property taxes have increased by

\$201.2 million per year compared to 1986. State actions/reductions on major municipal

programs total \$195.3 million per year compared to



Terminal Expansion 2005 Baggage System Upgrade/Replacement Terminal Expansion Landside Access Improvements 15 other various projects

PARKS & RECREATION

Spenard Rec Center Ship Creek Trail Ship Creek Access (for better fishing)

SCHOOLS/UNIVERSITY

Woodland Park Elementary School **UAA Library Improvements**

MUNICIPAL PROJECTS

Knik Shoal Navigation Project (dredging) Anchorage Water/Wastewater projects Port Access: Ocean Dock Road & Rail Rack contacted me during the legislative session

Municipal Property Tax

Increases

State Cuts to Major Municipal Programs

1998

10. Cable rate increases

1992

- 9. Aerial predator control
- 8. Permanent Fund Dividend
- 7. The Budget Debate
- 6. Electrical utility restructuring
- 5. Video poker
- 4. Tobacco prevention funds
- 3. Subsistence
- 2. BP-ARCO merger

...and the number one reason you contacted me in Juneau...

1. Fix the budget!

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Berkowitz named Minority Leader

In just his second term in the Alaska State House of Representatives, Ethan Berkowitz was unanimously named House Minority Leader by his colleagues.

"I'm honored and humbled. We have a lot to do, and I will work to bring a reasoned, principled approach to the job," said Berkowitz, who replaced the retiring Rep. Gene Kubina.

Former Speaker Ben Grussendorf praised the selection, "He distinguished himself in his first couple of years, I'm confident he's ready for his new job."

"Ethan is a good captain for our team" added Fairbanks Rep. John Davies.

Subscribe to Ethan On-line

If you have e-mail, let me know and I'll send you regular electronic updates of the Berkowitz Bulletin. E-mail me at:

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