

Dear Colleagues,

House leadership has reviewed your proposal and would like to offer the following response.

First, immediate steps are needed to avert a government shutdown. Rescinding our action in failing to pass the effective date for HB 69 is the only legislative avenue capable of accomplishing that before July 1<sup>st</sup>. Due to significant time constraints, the House will be taking that vote tomorrow, Monday, June 28<sup>th</sup>.

Second, the House Majority is committed to addressing your concerns and the implementation of a fiscal/PFD solution. Although, we cannot guarantee particular outcomes, you have our word that we will work with you on your concerns and a comprehensive fiscal solution at the next special session.

Regarding your proposal:

- #1: The current understanding is that this document will be a *Sense of the House*, not a House Resolution.
- #2: We welcome a joint press conference to announce the formulation of the working group referenced below. However, including that in the *Sense of the House* doesn't seem appropriate.
- #3: A *Sense of the House* is a public document. Although we have no issues posting it on our majority website and social media platforms, including that in a *Sense of the House* doesn't seem appropriate.
- #4: Pursue all available means to reverse the effects of the conference committee report amendments number 1, 2, and 3 with respect to funding source, while pursuing avenues to address the CBR and reverse sweep.
- #6 and #7: We are committed to implementing a fiscal solution and a solution to the PFD; however, the fiscal policies pursued at the upcoming special session should be those recommended by the working group. The House should not endorse particular policies prior to the recommendations of the working group.
- #5: We agree wholeheartedly and offer the following language:

*"It is the Sense of the House that a bicameral non-partisan working group be formed, immediately following adjournment of the Second Special Session of the Thirty-second Alaska State Legislature, for the purpose of creating a comprehensive fiscal plan for consideration at the next special session. The working group will be tasked with*

*developing policy recommendations that will provide fiscal certainty for Alaskans into the future through means of achieving a balanced budget and resolving the annual dispute over the Permanent Fund Dividend, and will include, but not be limited to, a spending cap, new revenues, and spending reductions.*

*The working group will be comprised of members from the House and Senate and include equal representation from members of all four caucuses. The structure and makeup of the group will be determined by the presiding officers and the respective minority leaders.*

*Further, it is the Sense of the House that the working group hold at least two public meetings focused on public engagement.*

*Once formed, the working group will be tasked with establishing a timeline and structure for developing policy recommendations to be delivered to the legislature no later than first the day of the next special session. Further, it is the Sense of the House that the House Minority and Majority Caucus have agreed to the terms of a separate letter of agreement dated 6/28/21”*

Please accept this document, as well as the above Sense of the House, as adequate proof of our good-faith intentions.

**\*Letter of Agreement Signed on June 28<sup>th</sup> by:**

Representative Louise Stutes  6/28/21

Representative Cathy Tilton  6/28/21