

ALASKA STATE LEGISLATURE

SENATE REPUBLICAN MINORITY CAUCUS

Senator Gene Therriault
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May 22, 2007

The Honorable Sarah Palin
Governor
State of Alaska
Juneau, AK 99801

Dear Governor Palin:

Now that the Legislature has ended its regular session, the approved operating and capital budgets for fiscal year 2008 will be forwarded to you for review and consideration. With this in mind, the members of the Senate Republican Caucus have asked me to encourage you to carefully review these budget documents to identify areas where spending can be reduced through the exercise of your line-item veto authority.

Throughout the regular legislative session, members of the Senate Republican Caucus sounded the alarm that although we are currently experiencing a budget surplus, we are headed for a structural deficit as soon as fiscal year 2009. Although we understand that expenditures to meet retirement obligations of the state and local governments would contribute to budget increases, we felt that these needs would force discipline in other areas of the budget. Consequently, we encouraged the leadership of the Senate to take steps to control growth in spending so as not to hasten the return of deficit spending. Unfortunately, this advice was not taken and total general fund spending was increased to the point that none of us felt comfortable supporting the general operating or capital budget for fiscal year 2008.

For the long-term economic health of the state, we now ask you to carefully review the appropriations suggested in House Bill 95 and Senate Bill 53 to identify areas for reduction. We understand that a plausible argument can be made for any appropriation, and these budget bills contain many worthy

projects and programs. We stand ready to assist you in securing information on any line item that you question. We also stand ready to help explain to our constituents the difficult job you face as you undertake the arduous task of sorting through the "wants and needs" of our great state.

Please do not hesitate to contact me if you have questions.

Sincerely

Gene Therriault,
Senate District F