



# Representative Les Gara Alaska State Legislature

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## ***Gara Finds \$27 Million State Savings***

### ***Putting Alaskans First 2003***

JUNEAU – Today Representative Les Gara (D-Anchorage) requested that the Governor seek the return from AIDEA of approximately \$27 million to the General Fund. The money is interest on a decade-old appropriation to a group of power companies. A recent memo from the state's Legislative Legal department confirms that giving this money to these companies would be "an unauthorized use of public money."

"We shouldn't give away state money when we are struggling to fund our schools, our senior housing system, our public safety departments, and even our foster care system," said Gara. "And we shouldn't give away scarce public money to subsidize projects like the one involved here," Gara says.

The \$27 million is interest the State earned on a \$46.8 million appropriation made in 1993 for the construction of the Southern Intertie. The account where the appropriation is held has earned roughly \$27 million in interest since 1993. According to the Legislative Legal department and a 1985 formal Attorney General's opinion, interest earned on a state account cannot be spent without a legislative appropriation. AIDEA, nonetheless, has agreed to give this money to Chugach Electric in the event the Southern Intertie is ever built. Gara objects to this improper giveaway of state money. To date the electric utilities have not begun construction of the project, which Chugach itself has recently conceded will cost far more than it will ever benefit the public. The best estimates are that the project will cost upwards of \$130 million to \$140 million or more, but produce a public benefit of only approximately \$60 million.

Last week the Attorney General's Office issued a short 1 1/2-page memo siding with AIDEA, without referencing the contradictory 1985 Attorney General's opinion.

Gara has asked that the Governor reconsider that advice in light of the law, the Constitutional prohibition against spending money without a legislative appropriation, the 1985 opinion, and what he calls a "comprehensive legal analysis from the Legislature's attorney." Gara researched the issue and also came to the conclusion that the \$27 million in interest belongs in the General Fund.

For more information, and copies of the Legislative Legal department opinion, please contact Rep. Les Gara at 465-2647.

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