

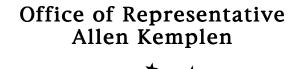
# STATE BUDGET CUTS HAVE HUMAN COSTS

by Representative Allen Kemplen

Alaskans have every reason to be proud of their accomplishments. We have savings accounts totaling more than \$28 Billion. Last year every Alaskan received a permanent fund of more than \$1,500. Mining production is growing while new oil leases in Cook Inlet and the North Slope, coupled with a strong action plan for a natural gas pipeline, reflect continued commitment to an expanding Alaskan economy. Due to the success of the Alaskan economy, Alaskans enjoy the unique privilege of not paying for state services.

Unfortunately, state revenues are down significantly because of low prices for Alaska's premier natural resource - oil. We are faced with a budget shortfall for Fiscal Year 1999 (July 1, 1998-June 30, 1999) of approximately \$240 million and a reduction in revenues for next year of over a billion dollars. The state cannot cut the budget enough to fix this situation without sending the economy into a tailspin or violating our constitutional responsibilities for basic public services. Currently, The State of Alaska is spending less per capita (adjusting for inflation) to provide public services than it has in the last 20 years - since before the oil boom. Per capita state spending has declined every year for the past 9 years.

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#### **Contact Information**

During Session
State Capitol
Juneau, AK 99801-1182
(907) 465-2435
(907) 465-6615 fax

Interim(May 25-Jan 10) 716 West 4th Ave. Anchorage, AK 99501 269-0120

Toll Free: (800) 550-2435

<u>Staff</u> Nathan Johnson Chris Knight

269-0122 fax email:Representative\_Allen\_Kemplen@legis.state.ak.us

"It would be great to hear from you!!"

Allan

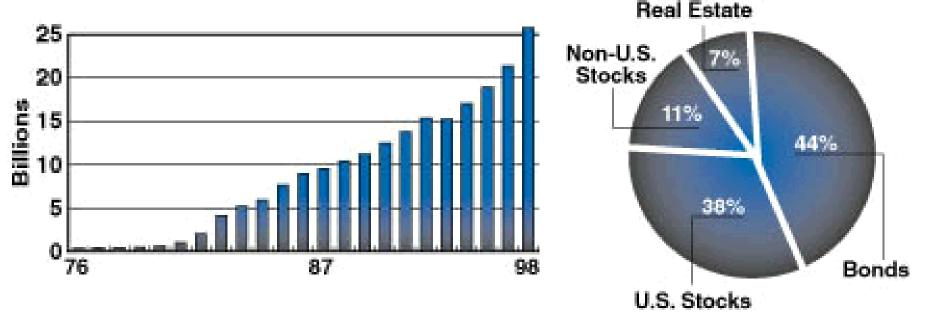
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TO:



## PERMANENT FUND DIVIDEND SETS ANOTHER RECORD AT \$1,540.88

The Alaska Permanent Fund dividend set a new record again in 1998 — the fifth year in a row. The 1998 divi dend of \$1,540.88 is \$244.34 more than 1997 year's check and four times the amount of the 1983 dividend. "The stock market has been good to us in recent years," said state Revenue Commissioner Wilson Condon. "I'm pleased to share that good fortune with so many Alaskans."

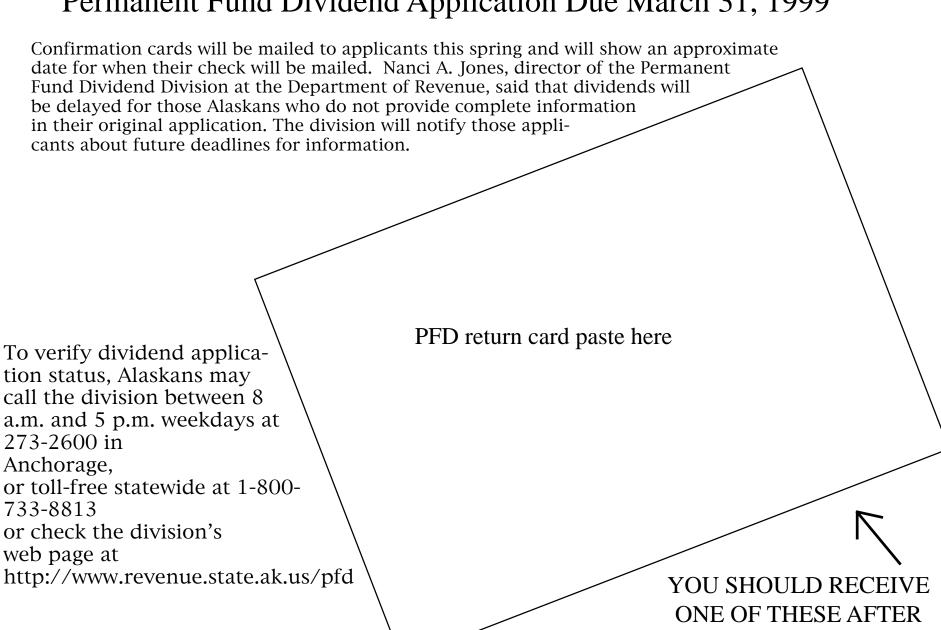


It's expected that \$869 million will have been distributed under the program in 1998, to an estimated 564,085 eligible Alaskans. 1998's record dividend is due in part to the \$2.595 billion the Permanent Fund earned in fiscal year 1998 - also a record. The old record was \$2.036 billion in fiscal year 1997.

The dividend distribution is computed by taking a percentage of the fund's annual earnings for the past five years. "This form of income averaging helps shield the dividend from yearly fluctuations in the fund's investments," Condon said. The state's oil-wealth savings account stood at \$25.015 billion on June 30, 1998, an increase from last year's \$22.1 billion. About half of the fund is invested in stocks.

## \*\*\*\*\*ATTENTION\*\*\*ATTENTION\*\*\*\*\*

#### Permanent Fund Dividend Application Due March 31, 1999



**FILING** 

## ALLEN KEMPLEN

## YOUR STATE REPRESENTATIVE

In this day and age of ever shrinking political sound-bites, it is getting more and more difficult to get to know the real person

behind the short clip of the elected politician. If you ran into your representative, Allen Kemplen, on the street, you wouldn't take him for a politician. He was a stay-athome dad, businessman, and community activist for many years before he ran for the Alaska State House. The way he sees it, he's just a concerned citizen turned public servant. He did what he thought was right, and that's that.

In 1972, Allen joined the U.S. Army and was stationed in Augsberg, Germany. His primary function in the Army's Security

Agency was to monitor Russian and Warsaw Pact communications for national security sensitive material. While overseas, Allen took advantage of his annual leave and the freedom of his youth to backpack around Germany and the rest of Europe. It was that sense of adventure that would later bring him to Alaska.

Allen, now 46, moved to Alaska when he was 29. The year after he arrived he married his wife, Judy. Judy works for National Bank of Alaska as head of the mortgage lending department. Allen has worked for himself as a private busi-



ALLEN WITH FAMILY

nessman as well as for the Anchorage City Planning Department. Allen and Judy have two children, Zack (12), and Samantha (8). As a long time resident, parent, home owner

and past President of the Fairview Community Council, Allen has had a real vested interest in the health of neighborhoods. He is considered by some to be a visionary worker for the community. He coordinated the Fairview Community Patrol and patrolled regularly. He organized a Block Watch Network in Fairview, led the team that received funding for the Fairview Safe Street Project, and coordinated the partnership that succeeded in building a computer lab at the Fairview Recreation Center.

In 1996 Allen's concern for the community led him to run for the Alaska State House of Representatives. With a strong grass roots background of walking the walk, Allen became the favorite of

District 16 voters and won the election. The district reaffirmed their choice by reelecting Allen to the Alaska State Legislature in 1998. He continues to repay that trust by being an active advocate for the interests and needs of his neighborhoods and regular working-class Alaskans.

# What's Hot in



#### Fairview Community Recreation Center

http://fairview.alaska.net/

#### Location:

1121 East 10th Avenue Anchorage, Alaska 99501

Phone: 343-4130 Fax: 343-4132

E-Mail: fairviewrec@pop.servcom.com

#### Facility Hours:

Winter: (September-May)

Monday-Friday 7:30am-11:00pm

Saturday 8:00am-10:00pm Sunday 11:00am-6:00pm

Summer: (June-August )

Monday-Friday 7:30am-10:00pm

Saturday 8:00am-10:00pm Sunday 11:00am-6:00pm

# E. 9th Avenue Fairview Recreation Center E. 10th Ave.

#### **FAIRVIEW RECREATION CENTER INFO**

The Fairview Community Recreation Center features a full sized gymnasium, smaller youth gymnasium, weight room, dance/martial arts studio, arts and crafts studio, 2 saunas, multipurpose room, industrial kitchen, nursery, teen center and computer lab.

The Fairview Recreation Center offers activities, programs, and classes in areas such as adult education, computer instruction, drama, dance, music, legal clinics, martial arts, and pottery

Information on room rental at Fairview Community Recreation and information concerning procedures, programs and operations of the center can be obtained by calling the center at 343-4130 during operating hours.

# -Community Councils

#### **Fairview**

Meets 2nd Thursday of each month at 7PM at Fairview Community Center.

Officer: Celeste Benson (Chair)

Work phone: n/a Home phone: 277-9778

Fax number: 274-3625 Email address: paint@alaska.net Address: 1530 Orca St.

Zip Code: 99501

#### Russian Jack

Meets 2nd Wednesday of each month at 7PM at Williwaw Elementary School.

Officer: Kathleen Plunkett (Chair)

Work phone: 265-1435 Home phone: 337-7377 Fax number: 265-1566

Email address: kplunkett@rexdata.com Address: 4828 East 5th Ave.

Zip Code: 99508

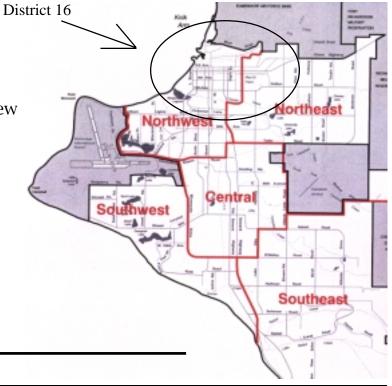
## Mountain View

Meets 2nd Monday of each month at 7PM at Mountain View Recreation Center.

Officer: Paul Palinski (Chair)

Work phone: n/a
Home phone: 276-4639
Fax number: n/a
Address: 526 N. Lane St.

Zip Code: 99508



## Mountain View Community Center

#### **Boys and Girls Club of Anchorage**

Grand Opening: June 1, 1999

Where: 315 Price Street

Anchorage, AK 99508

If you have any Questions call the Boys and Girls Club at 248-5437 (KIDs).

A beautiful new recreation center will be opening soon in the heart of Mountain View. The much needed expansion and improvements will serve many needs in the community. Some of the services and amenities that will be provided at the center are:

- Computer Room
- Teen center
- One-Stop Job Center
- Full Sized Gymnasium
- Game/Activity Room
- Arts/Crafts Room
- Meeting Rooms
- Snack Bar
- Commercial Kitchen
- Multipurpose Room

Floor plan for Mountain View community Center

## **MOUNTAIN VIEW**

# Three Partners make Mountain View Community Center a success story

Congratulations to everyone! In a few short months, a dream spanning many years, will come true. The Mountain View Community Center is scheduled to have its Grand Opening on June 1, 1999.

This is a success story, not only because it is a dream come true, but also because it took a real partnership of the community, business, and government to make it work. It stands as a model to be emulated by other grass roots efforts that are attempting to improve our neighborhoods.

From the beginning there was no disagreement on the need for a larger community center for Mountain view. Neighborhood children were in serious

need of healthy after-school and summertime activities.

It was determined that 74% of Mountain View Club members came from households with yearly incomes of less than \$20,000, and 53% lived in single parent households. The overall need for community and public spaces for community activities was painfully evident.



Mountain View Legislators Rep. Allen Kemplen and Sen. Johnny Ellis raise money for Boys and Girls Club at the Harvest Bread Company

What happened then is the reason that this is such a noteworthy story. Slowly a partnership emerged between the civic, private and public sectors of the community. The community council and area residents contributed to the project from beginning to the end. The Municipality

stepped in and worked on platting and zoning issues to make the project possible. Representative Kemplen and Senator Ellis advocated within the Alaska State Legislature for funding for the project. AHFC helped by diverting funds to the project. Governor Knowles supported the project. Local businesses contributed both money and materials. Alaskan Unions brought their skilled labor to the project as in-kind donations. Koonce Pfeffer Inc., a local architectural firm, took on the project at below cost rates. And the Boys and Girls Club of Anchorage, a local nonprofit, stepped forward to work with the municipality to manage the center.

This uncommon partnership in Mountain View made this project a model of cooperation, proving that

when the community works together as a whole it can accomplish great things. A healthy neighborhood is the responsibility of everyone and everyone benefits from a healthy community. When everyone is involved, the wisdom and talents of all sectors will be brought to bear, and only then do we know that we've done our best for ourselves, our children, and our neighborhood. *So, again, congratulations everyone!* 

## Fairview's 15th Ave. Update

15th Avenue street improvements will start this summer as soon as the ground thaws. Watch out for building demolitions, and utilities placed underground. We can expect new bike paths and walking trails to be surveyed and laid out. Much of the preliminary work will begin this summer; however, expect the project to be finished during the summer of 2000.

#### NORTHERN EDGE MILITARY EXERCISE

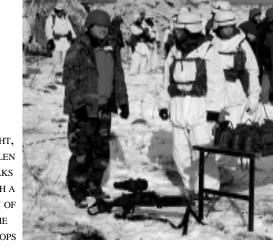


Recently Allen participated in the 1999

Northern Edge Military exercises in
Fairbanks. "It reminded me of my military days," said Allen after returning to Juneau.

Northern Edge is an annual joint-training operation involving the Navy, the Marines, the Air Force, and the Army.

FLYING IN A CHINOOK HELI-COPTER WAS PART OF THE DUTY FOR ALLEN.



RIGHT,
ALLEN
TALKS
WITH A
FEW OF
THE
TROOPS

# **STATE**



# **BUDGET**

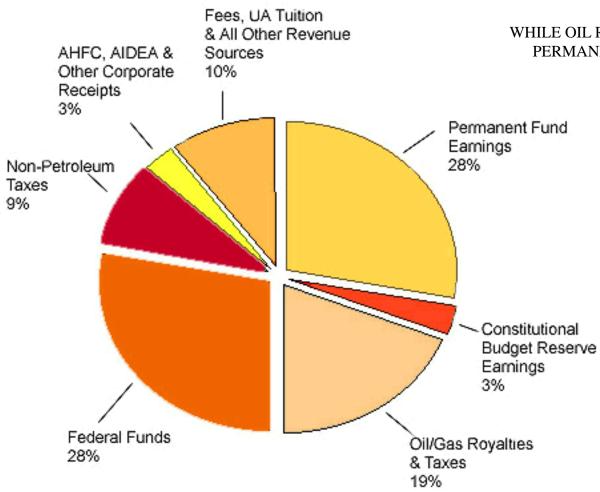
### The Problem

The dramatic drop in world oil prices means Alaska is suffering from a "budget gap" of about \$1 billion between what the state will receive in revenues and what's needed to pay for public services for the coming budget year.

#### The Facts

In fact, if we lay off every single state-funded worker, we would still have a \$300 million gap. And on top of that, if we wiped out state aid to communities and stopped building roads, schools and safe water systems, we'd still have a 100 million budget gap. Likewise, no other single fix, including higher oil prices, can fill the gap.

#### FY2000 Total Revenue Sources: \$6.5 billon

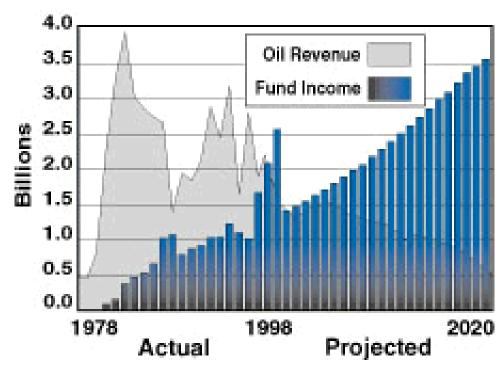


#### Oil & Gas Royalties

Land leases, and revenues from oil flowing through the pipeline provided the majority of state revenues. Declining oil prices and reductions in the amount of oil being extracted has produced huge losses in state revenues. In fact, oil prices dropped to historic lows recently creating our budget gap.

#### **Constitutional Budget Reserve(CBR)**

This reserve account was initiated by the legislature to place money into an emergency account from the legal settlements of unpaid state oil royalties. The money in the CBR is invested; however, the fund has been tapped by the legislature to fund state government in past years. After funding a supplemental budget bill this session the fund is valued at \$2.7 billion.



WHILE OIL REVENUES HAVE DECLINED SIGNIFICANTLY, PERMANENT FUND INVESTMENTS HAVE GROWN.

#### A few definitions....

#### **PF Earnings**

The corpus of the fund (\$18.5 billion) is invested in stocks, bonds, real estate, etc.- generating income. This year investment earnings exceeded oil revenues. The total worth of the Permanent Fund exceeds \$25.5 billion.

#### Fees, UA Tuition & other Revenue Sources

State Parks' cabin rentals, DEC permits for food processing, ferry ticket receipts or fishing licenses make-up most of the alternative revenues and fees. UA tuition is also considered part of the state revenue stream.

#### **AHFC, AIDEA & Other Corporate Receipts**

The state receives money from state-owned corporations. These state corporations provide affordable housing loans, loans for industrial development, and money for scientific research in the market economy.

#### **Non-Petroleum Taxes**

Mining, Tourism, Fishing, and the Timber industry provide minimal state revenues.

#### <u>Federal Funds</u>

Federal dollars make up the majority of the state budget. Many of the federal dollars flowing into the state must be matched with state dollars.

## What is Alaska's Future?

A lot of people wonder why life in Alaska costs more than life in other parts of the US. Costs for services in state and local budgets have been consistently compared with costs in the lower-48. Alaska is different. The size, the climate, the geographical location-all affect the economy. Below are some simple reasons why expenditures are higher in Alaska compared to US averages.

- 1. Higher Federal revenues result in higher expenditures.
- 2. Small, dispersed populations prevent the efficiencies of economies of scale in service delivery
- 3. Large area mass increases cost of service delivery
- 4. Harsh conditions increase cost of service delivery
- 5. Special functions of government such as resource management
- 6. Special programs of government such as Longevity Bonus
- 7. Higher than average cost for public sector employees
- 8. Rapid growth requires adding infrastructure.
- 9. Huge area mass more likely to be affected by natural disasters
- 10. Far northern location increases heating and self-sufficiency costs

If you don't believe it just go to the grocery store and compare with relatives in the lower-48 on the price of milk, eggs and bread. Like staples in the home, the cost for government is higher than in the lower-48 too. Staples in government such as transportation, police protection, and education also cost more in Alaska than the lower-48.



Allen shares a hotdog with James Patlan from Mt. View

## Allen's Legislative Agenda

#### Legislative Priorities

Create a long-term balanced budget plan

Force a decision about subsistence before feds takeover fish & game Defend my district against the incessant majority's plans for cuts Work towards fully funding our schools and neighborhood needs

#### Committees

Member of the Health, Education and Social Services Committee Member of the Transportation Committee

Member of the Oil & Gas Committee

Member of the following Department Finance Subcommittees:

Rail/utility easement to AK-Canada border

State Department of Administration

State Department of Health and Social Services

State Department of Transportation

#### <u>Legislation</u> HB 12

HB?

	'
HB 24	AHFC fund: reimburse Seniors- city prop. tax
HB 27	Graduate student loans
HB 29	Insurance coverage for contraceptives
HB 31	Approp: UAA consortium library
HB 38	Privacy protection
HB 47	Restorative community justice study
HB 76	Municipal taxes on deteriorated property
HB 77	Joint Armed Services Committee
HB 80	Employment preference for Nat'l Guard
HB 93	Rural assistance housing loans
HJR 8	National ballistic missile defense system
HJR 9	Destroy Brady Bill records
HJR 13	University endowment for research

Laser sighting devices



Imagine providing state services from South Carolina to Minnesota to California

Prior to Prudhoe Bay, Alaska resembled a third-world country. Oil revenues allowed the state to make significant strides forward in modernizing the state's economy and infrastucture We are now at a crossroads due to the huge decline in oil prices.

The question has become "What role does state government have in maintaining a decent standard of living for all Alaskans?"

#### Dear Neighbor

■ I am always trying to do a better job of representing the people of Fairview, Mountain
■ View and Russian Jack in the Alaska State Legislature. One tool I rely upon is a
■ survey of my constituents. Please take the time out of your busy schedule and let me
■ know what you think. Thanks! I look forward to talking with you soon.-Allen

#### BUDGET

According to the Legislative Research Agency, Alaskans pay nothing to support state services and Alaskans received over \$1,500 last year in dividends. While oil revenues are shrinking, legislators have been using the Constitutional Budget Reserve to pay for state government. That reserve will run out within two years.

*Question #1:* Is it time to use the excess profits of the Permanent Fund to help pay for statewide public services?

#### THE NEW ECONOMY

More and more people are saying that a new economy is being built. It is based on information and new technologies. It is altering how we do business, learn and live.

These new jobs require that regular Alaskans to rethink and retrain.

Question #2: Do you support efforts to develop new approaches or educational opportunities for helping regular Alaskans acquire the skills they need to get knowledge jobs that pay better wages?

#### PRIVACY

Our State Constitution has a strong Right to Privacy clause. The increasing use of computerized data bases means that more and more information is available about an individual.

Question #3: Do you support efforts that protect your individual privacy information?

#### CHILDREN AND FAMILIES

Recent scientific findings reveal the importance of the 0-3 years as a crucial time period for brain development.

*Question #4:* Should the Legislature enact policies that improve services to children between 0-3 years-of-age?

#### **SUBSISTENCE**

A special task force produced a compromise solution on the subsistence issue in order to avoid Federal takeover of Alaska fish and game management. Some legislators oppose the task force recommendations which require a rural priority. The Feds are now preparing to take control of fish and game October 1 of this year unless the Legislature acts.

Question #5: Should Alaskans be allowed to vote on whether a priority should be given to rural residents in times of fish and game scarcity?

#### YOUR TURN

Question #6: What is the most important thing that the Legislature should be doing?

Please answer the questions and send them into Representative Allen Kemplen, 716 W. 4th Avenue, Anchorage, AK 99501

# Do Elected Officials Ever Listen?

Yours does!!
Come join us and see for yourself
at

Representative Allen Kemplen's District 16

#### -Afternoon Coffee

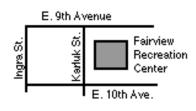
Chat with your Representative

&

Find out what's up in the Capitol

Saturday April 3rd 4 p.m. - 6 p.m. Fairview Recreation Center





#### **KEMPLEN'S ARTICLE: STATE BUDGET**

#### CONTINUED FROM PAGE 1

Those Alaskans with moderate incomes are becoming increasingly anxious about their future. Evidence is mounting that people are withdrawing into a cocoon of alienation and self-interest. Certain conservative politicians are appealing to this withdrawal from common purposes by advocating continued reductions in funding for state government. Many families live just one medical bill away from financial ruin. Many single parents are desperate for affordable day care that would allow them to go to work to support their family. There are hardworking citizens who need the skills and education necessary to remain competitive in this changing global economy. Many are not even able to earn a decent wage.

We have the talent and ability to exercise Alaskan foresight in dealing with this year's operating budget. Government shouldn't just be a tool of crisis management. It can see beyond the short term and exclusive needs of a few greedy special interest groups while embracing the long-term, inclusive goals of Alaskans. Our state government can have both a head and a heart, both common sense and compassion. We can balance our books without ignoring the reasonable needs of regular Alaskans, whether they be urban or rural, successful entrepreneurs or one of the struggling poor.

We need to find our way back to the spirit of

#### **RUSSIAN JACK:**

#### Working Together for a Better Neighborhood

Quick, when you say, "professor" what image jumps into your mind? Is it that crazy-haired Albert Einstein look-a -like holding a test-tube? If he's the first image that jumps into your mind, you're not alone. Many people think that the research, teaching, and work professors and universities do does not apply to every day life.

Rep. Kemplen's office is working with a program that hopes to change that image. By providing a link to the community, *The Russian Jack Community Outreach Partnership Center (COPC) Project* actively encourages university professors, staff, and students to use their knowledge and expertise to make a difference in the Russian Jack community.

As the State House Representative for a portion of Russian Jack, Rep. Kemplen greeted the new program with enthusiasm. "This is a great way to show local residents how useful UAA can be by improving the quality of life in our neighborhoods."

The Russian Jack COPC Project will address four main areas: Crime Prevention, Adult Education, Community Organi zation, and Community Information Access by using kiosks. The university is a resource for tackling these issues and the goal of the project is to use the university professors, staff, and students to empower and support community members and then, together, come up with unique and effective solutions.

Efforts are already underway to address community identified issues like unsupervised school-age youth, a need for increased opportunities for Adult Education, and a disruptive community mobility rate. This includes an after-school program using UAA senior Physical Education students to teach winter sports at one of the local elementary schools, an adult education class on taxes using UAA Accounting Club students and a study of resident mobility by the UAA Institute of Social and Economic Research.

The next time someone says, "professor" the image of someone making a difference will jump into your mind. If you would like further information on this project call Jacqueline Summers at the Russian Jack COPC Project: 337-1553.

community life that has carried Alaska through its hard times. Such a way of life begins not with selfinterest but with the moral culture of justice, dignity and fellowship, where the idea of the "fair deal" is the unspoken law of the land and the old saying "do unto others as you would have them do onto you" is part of our fundamental creed. This is the task before us with this year's budget. We must create a new way that empowers all Alaskans - of all incomes, of all races and creeds - to take up the burden of mutual responsibility which is assumed in any good partnership. As we continue to debate how to deal with Alaska's fiscal situation, every individual should be asking the question: What personal responsibility do I have to support our state and how best can I fulfill these community obligations?

As Alaskans we are special. No place else in the world can match our unique culture, the beauty of our land and the dynamic nature of our society here in the north. I believe we can create a way of life that truly reflects the nature of our northern lands and its people. We can create an Alaskan Community where government is an active partner with regular people to create economic prosperity. We can create an Alaskan Community where we insist on having *only* the government we need, but *all* the government we need.