

Alaska State Legislature
House of Representatives
Minority Leader



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News from Juneau

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Greetings from Juneau where the Senate Finance committee finished work on the capital budget (Senate Bill 32) Friday, and the full Senate takes action today.

Previous bulletins discussed the progress of the operating budget (which, by the way, remains in conference committee), state spending used to provide services. The capital budget is a very different animal, full of building and maintenance projects and famous for hefty servings of pork.

This year's capital budget is fairly lean, made leaner by the Senate Finance Committee's apparent decision to match federal road construction dollars with money from the Alaska Housing Finance Corporation (AHFC) instead of motor fuel taxes (although the AHFC money could go anywhere, not necessarily for roads). While this cost shifting is legal, it is surprising as increasing motor fuels taxes to match federal transportation dollars received endorsements from virtually every interest group and newspaper in Alaska.

Complicating this arrangement are the problems posed for AHFC. In the immediate future, the ability to fulfill their mission will be compromised; facility repairs, housing for seniors and destitute families, and weatherization projects will not be completed. In the longer term, shortsighted decisions will likely harm AHFC's bond rating, which ultimately costs everyone money since state and municipal bond ratings reflect AHFC's.

Closer to home, the capital budget includes significant funding for continued improvements at Anchorage International Airport. In our neighborhoods this is typically considered a mixed blessing: on one hand it means jobs and economic opportunity but, on the other, it raises concerns about noise and smaller businesses getting squeezed out. I am maintaining scrutiny of airport projects.

When the Senate completes action on the capital budget, the House will come up with its version. Time is running short – nine days scheduled to go – so we have to act quickly. Odds for an extended session are not as high this week as last, but remain larger than normal.

As always, keep in touch and I will try to keep you up to speed on the goings-on.

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