

# off the record

a weekly legislative  
update from  
**Senator Kim Elton**

Room 504, State Capitol, Juneau, AK 99801 ♦ 465-4947 ♦ 465-2108 FAX ♦ April 30, 1999

## on the move

### *bills seeing action this week*

#### **SB 112 Running Start for High School Students**

(Elton, D-Juneau) Allows qualified High School students to take UA courses in their 11<sup>th</sup> and 12<sup>th</sup> years. Tuition is paid by the H.S., students receive both H.S. and college credit. Passed Senate HESS, on to Finance.

#### **SB 133 Combine APUC and AOGCC**

(Pearce, R-Anchorage) Creates the Alaska Energy Conservation Commission and transfers to it the powers of the Alaska Public Utilities Commission and the Alaska Oil and Gas Conservation Commission. APUC and AOGCC will be eliminated. Passed Senate Finance 4/30, in Rules.

#### **SB 140 Coastal Zone Management to DNR**

(Finance Committee) Moves the Alaska Coastal Policy Council and Coastal Zone Management program to DNR from its current location in the Office of the Governor. In Senate Finance.

#### **SB 7 State Land Grant to University of Alaska**

(Taylor, R-Wrangell) Authorizes the University of Alaska to select 250,000 acres of state lands to generate income. Passed Senate Finance, in Rules.

#### **HB 161 Pro-Rating Benefits**

(Finance Committee) Agencies would be required to either pro-rate benefit payments or limit eligibility if certain programs are underfunded. May take away the opportunity to ask for supplemental funding when the money runs out before the end of the fiscal year. Could affect Medicaid, foster care, disability, longevity bonus, etc. Passed House, referred to Senate Finance where it had one hearing this week.

#### **HB 199 State Employee Compensation**

(Finance Committee) Cuts pay of state department heads, limits state employee merit and longevity pay increases, reduces cost of living differentials, and eliminates state contributions to the Supplemental Benefits System for new hires. Passed House State Affairs, waiting for hearing in Finance.

## Hurdles loom as end nears

THE LEGISLATIVE RHYTHM around the hundredth day of each 121-day session is the musical equivalent of *sotto voce*; the beat is very quiet, understated. It's the final pause before the crescendo of adjournment.

We pause not because 60 legislators are husbanding energy for the final push but because there's a certain amount of confusion about what's needed to satisfy legislative majorities, minorities and the governor before everyone can head home. Each adjournment hinges on the operating budget, the capital budget, and a discreet number of other issues. This year these ancillary issues are the long-range financial plan and subsistence. Subsistence as an adjournment requirement, though, is now off the radar screen with the widespread assumption it will be dealt with in a special session, perhaps in September.

### **The Operating Budget**

The Senate drafted an operating budget eleven days ago, soon after the House passed its version and fully a month before adjournment. But the conference committee that irons out the differences between the two budget versions is moving slower than a water spaniel on a stifling hot summer day. Substantive meetings don't even begin until early this next week.

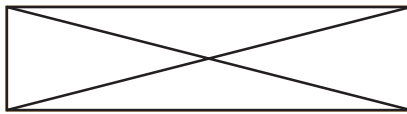
In addition to the tedium of leafing through the thick budget page by page and picking House numbers, Senate numbers, or something in between, there is an overriding, substantive issue facing budget crafters. The House majority garnered a big cut by zero-ing out the governor's request for \$48 million in municipal assistance and revenue sharing. The Senate majority opted to trash state agency budgets so

(Hurdles, cont'd on p. 2)



**capital  
move  
pulse:**  
  
no new action this week.

# Capitol Undercurrents



## Seen one eagle, seen them all

My schedule for Saturday, April 24, noted I was to have dinner with Eagle scouts. I spent part of the afternoon drafting a few comments about how scouts learn community service at a young age and some reasons why they should consider putting their community service talents to use in government, where we need bright, committed people at all levels. Was I surprised when I showed up to a roomful of Eagles in Mardi Gras costumes, as in the fraternal order of. . ., and their auxiliary members. Seems that Juneau Aerie 4200 hosted the statewide convention for the organization. Needless to say, I put my scout speech in my back pocket and "winged" my brief comments for these other Eagles.

## Spell check/reality check?

Typing memos to members of the legislature usually makes you smile when you run the spell check program. Sen. Donley comes up Sen. Donkey, Sen. Leman comes up Sen. Lemon, Sen. (and lawyer) Parnell comes up Sen. Parolee, Rep. Cowdery comes up with the unfortunate Rep. Cow-ered, and Rep. Mulder—the Finance Committee co-chair and state budget assassin—comes up Rep. Murder. In the interest of full disclosure, I come up as Sen. Elation. There's not a lot that makes a person flat out grin in the last month of any legislative session but spell check does make the lips twitch every once in awhile.

## Playing the futures market

At least one Anchorage legislator closely watched the Anchorage election a couple weeks ago to try and divine his political future. Sen. Dave Donley's rumored ambition to become Anchorage mayor may have hinged on a city ballot proposition that would move Anchorage city elections from April to October. It certainly is easier for a sitting legislator to run for mayor in October than it is to run in April when constituents expect them to be in

Juneau doing state business. Anchorage voters dealt Sen. Donley a blow by refusing to move the elections to the fall and keeping the legislative session ball and chain around his mayoral campaign plans.

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(Hurdles, cont'd from p. 1)

they could add back \$32 million for municipal assistance. Put another way, the House "put the hurt" on cities; the Senate "put the hurt" on agencies.

In addition to deciding who will end up hurting the most, agencies or cities, there also are bruised feelings. Some House GOP legislators resent they took all the heat for zeroing out municipal assistance and revenue sharing while the Senate majority wimped out and added \$32 million back. House budget nerds also resent the chicanery openly practiced by Senate budgeters who: 1) changed funding sources willy nilly; and 2) reinvented appropriations in the FY99 budget to make the FY00 budget look better.

## The Capital Budget

What capital budget? Nobody has seen one yet. Sen. Dave Donley of Anchorage is working on the capital budget behind closed doors and isn't sharing. We expected those closed doors to open last Wednesday when the capital budget was to be unveiled and reviewed by the full Senate Finance committee. Senate Finance cancelled Friday afternoon and weekend meetings so now it may not be unveiled until early Monday morning. It's not expected to get to the Senate floor until at least May 6<sup>th</sup> or 7<sup>th</sup>.

Rumors are GOP senators are trying to cut more than 25 percent out of the governor's request of over \$180 million in state funds (general funds, AIDEA, AHFC and other state pots of dollars). Fears are that Donley, an expected candidate for mayor of Anchorage next spring, may be doing violence to the budget to shift more construction dollars to Anchorage (and Anchorage voters). Those rumors and fears won't be confirmed until his work product hits the light of day.

## Long-Range Fiscal Plan

While there is general agreement a plan is needed, there is no agreement on the elements of a plan. Taxes and/or PFD caps, linchpins in any long-range solution, induce fear and loathing in the majority caucuses (the governor is less reticent, he mentioned the "T" word even before the session began).

Some GOP legislators flipped out last week when the governor, in columns published in the Juneau and Anchorage papers, reiterated his opposition to any plan that significantly diminishes PFD's. They saw his column as divisive chin music at a time when everyone should be working together. More specifically, some of them see it as a shot at the "All Alaska" plan forwarded by Reps. Hudson and Phillips. That plan caps dividends. (As an aside, there now is a petition circulating on the Kenai Peninsula to recall Rep. Gail Phillips because some voters are upset with a plan that strikes at PFDs.)