

## Strange bedfellows start campaigning on advisory vote

### *Will the romance last after September 14th?*

Alaska is used to the fleeting romances of odd political bedfellows. But the looming permanent fund advisory vote is causing the sort of serious breakups (and flirtations) that make even jaded political observers wiggle their eyebrows.

In one sense, the campaign has two sides: establishment and anti-establishment. Those urging a "yes" vote are on the establishment side, and include the middle-of-the-road political leadership from the Republican and Democratic parties, a smattering of ex-governors, and the business community. These "vote-yes" forces are united under the "Protect Alaska's Future" campaign. On the anti-establishment side, we have the 3<sup>rd</sup> parties (Green, AIP, Libertarian), some rural activists, some social justice activists, possibly Jay Hammond, and lots of disgruntled far-right conservatives. "Save Your Dividend" (Kenai), "Save the Dividend Mat-Su", and "No PFD Tax" all want you to vote "no".

Of course, the inevitable fractures in the anti-establishment crowd have complicated the field a bit. The liberal side has no problem with state spending, they'd just like to see a different source of funds, possibly more corporate taxes and a progressive income tax. The conservative side would like less spending. The "anti" groups on

the fringe share a basic mistrust of government and government officials, and tend to think state money is spent on the wrong things.

We can all look forward to a busy campaign calendar of polling and fundraising in July, canvassing and media stunts in August, and a blitz of TV, radio, and print ads in September. Kenai "vote-no" activists are already plastering the Peninsula with fliers. The "vote-yes" folks are rumored to have deep pockets; "vote-no" campaigns probably will scramble for small-donations. We'll get a better picture of the big donors when the first APOC reports are made public August 16.

Establishment Republicans have to face up to one serious problem: five years of uncompromising cut-the-budget rhetoric has burrowed deep into the Alaska psyche. Convincing some Alaskans that, not only do we need to give state government more money, but that the money needs to come from their PFD's, will be pretty rough going. That's reflected in an early poll by Anchorage pollster Mark Hellenthal that shows the vote dive-bombing 66% to 24%.

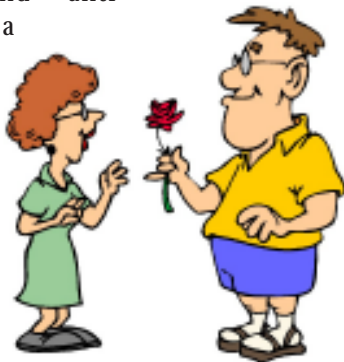
Pro-vote forces are hoping to change minds with slick graphs showing PFD's zeroing out in 10 years if no action is taken.

Pointing out the other revenue-generating options, i.e. statewide taxes, is also expected to move antsy voters into the "yes" camp.

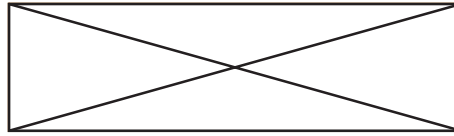
PFD defenders are feeling confident that voters will ignore the charts and graphs and rally around the sacred yearly check. Many are pointing to the oil industry as the alternate source of state funds, a popular notion with the public if not the politicians. But the majority of "vote no" activists think just cutting the budget will do the trick.

One thing all camps have in common is the shadowy presence of politicians. When leaders turned this decision over to the people of Alaska by putting the issue on the ballot, they effectively muffled their own voices. Elected officials can say how they plan to vote on the issue, but they're prohibited by APOC from actively campaigning for or against. That's causing some fine-line walking and lots of disclaimers—the recent *Empire* quote by Gov. Knowles' spokesman Bob King is something we'll hear a lot this summer: "He supports the plan, but we're being very careful to keep from telling people how to vote".

In any case, most leaders have made their positions clear and are using stand-ins to do the legwork. For the governor, this means chief advisor David Ramseur is organizing with the "yes" folks in his "spare time", as are advisors to the Senate President and House Speaker. Rep. Scott Ogan is taking it a step further, signing on



# Capitol Undercurrents



## Munis that roar

The Alaska Municipal League newsletter threw a pretty hefty uppercut at the state legislature in its latest newsletter. Under the headline "More Shift and Shaft by the Legislature", the AML noted the legislature cut revenue sharing with local government by 33 percent this year, maintaining a trend that is pushing up municipal taxes as local governments backfill for lost state revenues. The newsletter quotes figures from the National Conference of State Legislatures that show Alaska's property taxes are increasing at a faster rate than any other state. The AML article suggests "the only way legislators will stop shifting more state responsibility is when their constituents protest being shafted." The AML makes an important point. Most legislators, during campaigns, pledge to oppose taxes and cut the budget. Unfortunately, when they cut the state's revenue sharing program they force municipal taxes up. Legislators then take credit for cutting budgets and let local elected officials take the heat for bumping up local taxes.

## Injudicious behavior

That Alaska Commission on Judicial Conduct keeps in touch with doings in other states and noted that a Tennessee judge was charged with ethics violations for telling supporters his campaign fliers also were "get out of jail free" cards. Kind of makes one happy we don't select our judges based on political campaigns.

## Storming higher education's high ground

As the new University of Alaska honcho [retired Army general Mark Hamilton] closes in on his first year on the job, I continue to be impressed by his candor and his vision. He's one of the few state leaders talking about what we can do instead of what we can't do. He understands that the quality of our future depends on the quality of our graduates. In remarks to regents last month, he wants to re-energize training for new teachers, explore course development in health care and information technology, and review the university's role in developing distance delivery of education and health services. I like it that he is undaunted by some disturbing facts—including the bad news that Alaska trails the nation in legislative support for higher education and that we're last in the nation in the percentage of our high school graduates who attend college in state.

## 'Nuff's enuff

From a Department of Environmental Conservation resignation memo: "We have gone through five reorganizations within five years and that is enough for me!"

## Privatization on the Cheap

Sen. Ward's Task Force on Privatization is gearing up, with the first meeting 7/20. Most of the work will be done by subcommittees, with each subcommittee taking on a different state agency, and attempting to tease out functions that could be privatized. Subcommittee members are volunteers, and so far everybody who's offered to serve gets to serve. Maybe the reason Co-Chairs Ward and Cowdery aren't picky is that the bare-bones task force has no money for teleconference and copying expenses—participants will have to pick up those costs themselves. As the group discussed expenses, staff brought up the Arkansas privatization study group, which used corporate sponsors to fund their efforts. I can see it now: the Corrections subcommittee, sponsored by private prison entrepreneur Bill Weimer. Or maybe the DEC subcommittee, sponsored by Royal Caribbean. You can follow the task force's progress at [www.privatizealaska.org](http://www.privatizealaska.org).

(advisory vote, cont'd from p. 1)

as co-chairman of "Save the Dividend Mat-Su". It remains to be seen where APOC will draw the line, and how violations will be handled.

So how will this all shake out? On one side we have vast financial resources, a slick media machine, and a sense of mainstream respectability. On the other we have the PFD. Few pundits are underestimating the power of the dividend to squash all opposition, but most are withholding judgement until the "yes" campaign heats up.

Alaska's newest political order will depend on the outcome. In the case of a "yes" vote, politicians will need to hang together to put the plan in place. If voters say "no", the legislature will Balkanize quickly, with little chance of consensus on a new plan. Come September 21st, we'll know whether alliances based on summertime love survive the test of time and the ballot box.

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