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LAWMAKERS: Many are bitter over being shut in while others vacation.

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JUNEAU -- The special session of the Legislature got off to a slow start on Tuesday, with legislators sweating in the 80-degree heat of the poorly ventilated Capitol and not budging from their resistance to Gov. Frank Murkowski's push to spend Alaska Permanent Fund earnings for government.

"I don't expect to see much happening," said House Speaker Pete Kott, R-Eagle River.

But Murkowski, who ordered the Legislature back to Juneau for the \$25,000-a-day special session, showed no sign of admitting defeat. He called a press conference on Tuesday morning to put pressure on lawmakers, met with legislators throughout the day and took his pitch to an afternoon meeting of the Senate Finance Committee.

Murkowski told the state senators that Alaskans expect a solution to the state's budget problems.

"We've spent more than a decade trying to resolve this issue," the Republican governor said. "And I've yet to hear a good reason for putting it off."

The governor told the Legislature to take up several issues during the special session, which most lawmakers expect to last between four and 10 days.

Several legislators said a proposed \$1-a-pack tobacco tax increase could pass. But the rest of the governor's agenda will be tough: changing the state constitution to put a limit on state spending; rewriting worker compensation laws; and using earnings from the \$27.8 billion Alaska Permanent Fund to fund government services.

Lawmakers rejected all those issues during the four-month regular session that ended in May.

Many legislators didn't arrive in Juneau until Tuesday morning, unhappy about being called away from jobs, family plans and the beautiful weather that is sending most Alaskans to work and play outdoors while lawmakers are stuck in stuffy committee rooms.

There was also a scramble to find housing, because tourists had booked Juneau's downtown hotel rooms.

Most lawmakers found rooms in houses. But Anchorage Republican Rep. Tom Anderson said he might have to spend the first night sleeping in his legislative office. Anderson joked that he feared Wasilla Republican Rep. Vic Kohring, well known for using his office as temporary quarters, might use up all the hot water in the Capitol shower.

Adding to lawmakers' frustration is the fact the governor called them to deal with

one of the most controversial issues in Alaska politics: starting to spend money from the Permanent Fund for government.

Murkowski's plan is projected, in the first couple of years, to bring higher dividend checks. But the best guess of Permanent Fund Corp. officials is that the governor's plan would, over the long-term, mean annual dividend checks from \$100 to about \$700 less than if the fund were left alone.

The governor said the checks would still be at least \$1,000 under his proposal. He also argued the Permanent Fund Corp.'s estimates are unreliable.

The governor's goal is to get the Legislature to put his plan on the November ballot for a statewide vote.

A version of Murkowski's plan narrowly passed the House during the regular session, but the Senate crushed it 15-5.

Kott said that, for the special session, the House plans to wait for the Senate to decide on the governor's plan. He said there's no point in the House again going through an agonizing effort to pass it -- especially during re-election campaigns -- if the Senate is going to kill it again.

And Kott said the word from senators is that they haven't changed their minds since trashing the plan in the spring. Kenai Republican Sen. Tom Wagoner agreed with Kott's reading of the situation.

"I see very little chance," he said.

Anchorage Democratic Sen. Johnny Ellis said the Democrats, who argue that Murkowski's plan doesn't guarantee big enough dividend checks, are willing to work with the governor. But Ellis said a Tuesday meeting with the governor didn't go well.

"He just presented it as 'This is the deal,' " Ellis said. "We didn't get anywhere."

Ellis also said he's not hearing a groundswell from the public to do something that could shrink dividend checks. He said he is hearing anger that, right before the special session, the state announced it wants to spend \$2 million in federal anti-terrorism funds on a public safety jet the governor could use for his travel.

Kott said that, earlier this year, his constituents were calling for a budget fix. The state regularly spends millions more than it earns from oil and other revenue sources. But he said that died down when the price of oil shot up to record levels, effectively wiping out the fiscal problem for this year and buying the state more time.

"The people I represent, they're not clamoring for this fiscal fix," said Kott, who has been a key supporter of previous efforts to tap fund earnings.

Murkowski, at his press conference, said polls show Alaskans want a fix and are favorable to the kind of solution he's proposed.

"I think some of the legislators are a little out of touch with the prevailing attitude in Alaska," Murkowski said.

He pointed to newspaper editorials supporting his position and to a big newspaper

advertisement, paid for by a group of business people called the Fiscal Policy Council of Alaska. It said, "Is inaction in the upcoming special session a viable option? Absolutely not."

The advertisement was signed by 54 of the 55 delegates to the Conference of Alaskans, which the governor called in February in Fairbanks to debate the future of the Permanent Fund.

Delegate Kristi Leaf didn't sign. She's the daughter of Wasilla Republican Sen. Lyda Green, who has fought Murkowski's plan to tap the fund.

Delegate Cliff Groh Jr. of Sitka said he signed because he thinks the Legislature needs to act, but he said he doesn't want a plan like Murkowski is pushing that makes the Permanent Fund the only solution.

Murkowski said the state should act now to put together a long-term plan when oil prices are high, not wait until a crisis. He's also pledged to have a public vote before touching the Permanent Fund. And, if the Legislature doesn't agree to put his proposal on the November ballot, Murkowski said that it can't happen until 2006.

But the Legislature doesn't need to have a public vote to spend fund earnings. Influential Republican legislators, especially in the Senate, argue the Legislature should just skip the public vote and tap the earnings. Anchorage Republican Sen. Con Bunde on Tuesday asked Murkowski whether he would object to that approach.

"That is your right," Murkowski replied.

Murkowski's plan is based on a proposal to change how the fund is managed, known as the percent of market value. It would change the state constitution to set a maximum 5 percent payout of the fund's entire value each year. The Permanent Fund board of trustees projects that the fund will grow an average of 8 percent a year through its investment earnings.