



## **Senator Con Bunde**

Alaska State Legislature

State Capitol

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**February 10, 2005**

Dear Neighbors,

I am excited to be back in Juneau for the 2005 Legislative Session. There are a number of issues I am working on and I am pleased to report them to you.

I have quite a few priorities for the session; one of them is to ensure the Legislature doesn't spend the 'surplus' without considering our debt. Over the past 10 years, the Legislature has borrowed over \$5 billion from the Constitutional Budget Reserve to supplement our budget. The Constitution requires that funds borrowed must be repaid. Due to this debt, the projected windfall cannot be considered a surplus. As we cannot depend on oil revenues to pay for 80% of Alaska's budget indefinitely, we ought not increase the state's level of spending beyond what we individually are willing to support with personal taxes. Encouraging this line of practical thought is one of my main goals for the 2005 Session.

Last session, the Senate Majority voted for a constitutional spending limit bill. I am encouraging fellow senators to honor the vote they made and limit any increase in state spending to only what would have originally been allowed under that bill. I am the Vice-Chair of the Senate Finance Committee and will be chairing the Fish and Game, Labor and Workforce Development and Department of Natural Resources Budget Subcommittees. I look forward to reviewing the Governor's budget this session in these committees with that goal in mind.

The Permanent Fund Corp. is once again asking the legislature to adopt the POMV plan. The POMV plan would change the way the amount of dividends and interest paid back to the corpus fund is calculated. Each year, the total market value of the Fund (principal and earnings reserve combined) would be averaged over the previous five years. Up to 5% of *that average* would be paid out to dividends, interest to the corpus, or perhaps government services. I will continue to support this plan.

I am once again the Chair of the Senate Labor and Commerce Committee. At this point, two of our main topics for the session are the possibility of creating another tier in the state PERS/TERS, and again, addressing the growing deficit and financial burden to businesses in the workers compensation program. I have included information on the PERS/TERS system on the back page of the survey.

Consideration of proposals to finance and build a natural gas pipeline tops this year's legislative agenda. The State is negotiating terms under the Stranded Gas Development Act with

**TransCanada Corp. and North Slope producers BP, ConocoPhillips and Exxon. The state is also talking with other entities outside the framework of the Act.**

**If the state can reach agreement on financial and other terms under the Act, the Legislature will vote the contract up or down after extensive public hearings. Legislators will concentrate on three main issues when deciding whether to approve a contract: the potential risks of partial state ownership, access to the line for Alaska uses, and access into the line for independent gas explorers.**

**While anxious to get the gas line built, the Legislature has the responsibility to ensure development occurs under the best terms possible and will carefully scrutinize all options.**

**On a personal legislative note, I will be sponsoring several bills this session. As a continuation of last year's efforts, I have re-introduced a primary seat belt bill. This bill allows enforcement of our current secondary seat belt law and has been proven to save lives in other states.**

**At the request of my constituents, I am introducing legislation requiring licenses for water well contractors. General contractors in District P have requested that I carry this consumer protection legislation.**

**I am also working with the Anchorage Police Department, the Alaska Association of Chiefs of Police, STAR and various organizations across the state to require and define minimum standards of investigation for sexual assault crimes. This legislation will streamline police investigations across the state and provide a tool for determining why so few of our sexual assault cases go to trial.**

**At the request of the municipalities and police departments across the state, I introduced legislation that allows municipalities to fund the federally mandated Enhanced 911 (E-911) services. E-911 allows the police department to *identify the location* of the caller (even cell phone callers) quickly and accurately and expedite their response to citizens' calls.**

**I also introduced a bill that allows police and correctional officers to use reasonable force to collect an oral sample of DNA from individuals who are required to submit a sample, yet refuse to. Currently, individuals already convicted and detained for an offense can simply refuse to give their DNA. Some of these individuals may be responsible for previous crimes left unsolved. This bill will help to connect facts and possibly lead to answers in some of our unsolved cases around the state.**

**I encourage you to stay in close communication with me and continue to send me your thoughts and suggestions on state policy. I will once again be sending out frequent legislative updates via email. If you would like to be added to our list, please fill out your email address at the bottom of the Legislative Survey. You may track bills and committee actions by using the legislative webpage, <http://www.legis.state.ak.us/basis/start.asp>. Our toll-free number is 1-800-892-4843 and my email address is [Senator.Con.Bunde@legis.state.ak.us](mailto:Senator.Con.Bunde@legis.state.ak.us).**

**I look forward to hearing from you.**

**Con**

**Survey Questions**

- 1) Currently, the State of Alaska’s governor appoints its Attorney General. Do you agree with this method or would you prefer that we make that post an elected position?  
 Appointed by the Governor  
 Elected by the voters
  
- 2) The Permanent Fund Corporation is continuing their request for the legislature to adopt the POMV plan (for more information see their website at <http://www.apfc.org/>). Do you support the POMV plan?  
 Yes  
 No
  
- 3) I believe that Alaska should have a constitutional spending cap to contain spending. Do you agree?  
 Yes  
 No
  
- 4) Do you support a ‘head tax’ for adult residents of Rural Education Attendance Areas? This tax would require that residents of unorganized boroughs, who are not currently contributing to their local schools, annually pay the equivalent of what the average resident in organized boroughs contributes.  
 Yes  
 No
  
- 5) Alaska’s PERS/TERS is approaching a funding crisis. The governor has proposed a \$100 million temporary fix for the next year to help bridge the gap while we consider funding options. One option is to create a 4<sup>th</sup> “tier” (see back page for more information on the funding situation). Do you support that idea?  
 Yes  
 No
  
- 6) Should the State of Alaska own part of the proposed gas line?  
 Yes  
 No

What are your legislative priorities and/or suggestions for the 2005 Legislative Session?

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**Legislative Updates**

**Every week or so, I send Legislative Update e-mail messages with information about issues of interest to Senate District P. If you would like to receive these e-mails, please check the box below and print your name and email address. Examples of previous updates and my privacy policy may be found at [www.akrepublicans.org/bunde/dis-bunde.php#District](http://www.akrepublicans.org/bunde/dis-bunde.php#District).**

**Name:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

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**PERS /TERS Deficit Solutions**

**One of the single most important issues facing the state is an estimated \$5 billion needed over the next 25 years to cover state, municipal and school district public employees’ and teachers’ retirement systems. Contributing to the deficit are escalating health care costs, recent investment losses and the increased longevity of beneficiaries. Although the Alaska Constitution prohibits reducing benefits for current participants, legislators are considering adding a new tier that would apply to future hires.**

**Currently Alaska provides retirement benefits in three tiers. In broadest terms, tiers dictate retirement age, medical coverage, premiums and family member eligibility. Ideas for the new tier under consideration by the Senate-led workgroup include requiring greater contributions from new employees, raising the vesting threshold and a defined contribution to determine benefits. The workgroup is expected to forward a bill within the next month that takes into consideration the State’s fiscal future and its ability to competitively attract and retain quality employees.**

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**Senator Con Bunde  
State Capitol  
Juneau, AK 99801-1182**

***x a 37-cent stamp.***

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