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Compass: Points of View from the Community Session was Difficult, But Successful

by: Rep. Norman Rokeberg

The Legislature has been criticized in the media for not doing its job this year. The House minority leader has, in articles published across the state, called the session a “fiasco.” I strongly disagree. I am proud of my House colleagues for our accomplishments and some truly historic acts. It was the most difficult and arduous session I have experienced. The Legislature, together with our new governor, worked long and hard to make tough decisions in order to change our state’s direction.

The most notable was passage of a budget with a record-setting \$59.7 million decrease in general fund spending. General fund spending, excluding federal dollars and Permanent Fund expenses, for fiscal 2003 were \$2,496 billion and was reduced to \$2,436 billion under the Legislature’s fiscal 2004 budget, despite a \$240 million increase in formula programs, entitlements and debt service.

A majority of Alaskans have asked that our government be reduced in size and cost. The Legislature did this. What the Legislature did not do was pass a general statewide 3 percent sales and use tax that the governor wanted in order to minimize the draw on the Constitutional Budget Reserve to the \$400 million level and thus help close the fiscal gap. The House took up the sales and use tax bill with only 21 days left in the session. Because of the complexity and controversy surrounding this proposal, we did not take final action. The administration offered to reduce spending further with budget vetoes if a tax was not passed. The Legislature took up that offer rather than enact an incomplete and complicated bill in the closing days of the session that would affect every Alaskan. I believe we did the right thing. After a lot of hard work, late nights and long hours in the pressure cooker, we were then criticized for not doing our job. We chose to come home, listen to people, and see what they thought about taking this major step toward solving our continuing fiscal gap.

The governor followed through on his veto threats by reducing general fund expenditures by an additional \$138.2 million in state general funds, yielding a budget of \$2.297 billion. The governor has indicated that he wants to reduce the budget even further. The questions before the public are: How do we address the fiscal gap, which persists because of lower oil production, which means less money to fund state programs and services; and what level of services do Alaskans want if they have to dig into their pockets and start paying some state taxes?

I agree with the governor that we need to emphasize natural resource development and increase revenues from those sources. I am very pleased with the legislation we passed this year to meet that goal. We have and can continue to make substantial progress with cooperation between the governor and the Legislature. However, I am concerned that in spite of our best efforts to reduce

the draw on the CBR, we cannot continue to meet our constitutionally required responsibilities or avoid harming the economy without the development of a long-range fiscal plan.

Many of my Democratic colleagues have insisted on seeing a total “plan” before they will vote on anything. I believe in the art of the possible, which is making incremental changes. We have done this, including the adoption of my [HB 11](#), which redirects new lease oil revenue into the principle of the Permanent Fund at the constitutionally mandated 25 percent rate. We also enacted spending cuts and smaller taxes. We do need a real plan; however, we have begun the process by taking some small but important steps forward.

The Legislative majority and minority have to work together with the administration in developing a fiscal plan that does the least harm to the economy, stimulates economic development, and balances our budget. Despite the comments from the Democratic minority, the House Republican-led majority is always willing to work on doing the right thing. The campaign rhetoric needs to stop, and the work needs to continue.

Norman Rokeberg, a Republican, is a long-time Anchorage resident and has service in the House of Representatives since 1996. He currently serves as the chairman of the House Rules Committee. He is a small-business man: a commercial real estate broker and part owner of Powerhouse Gym of Anchorage.