

Time for Statesmanship, Democracy

By Representative Bill Hudson, District 4 – Juneau

I believe the economic health of our state may be at risk unless this Legislature, in the coming winter session, can muster the necessary backbone and political courage to adopt and implement a financial plan that honestly reflects both long-term spending needs as well as new revenue sources to meet those needs.

I'm convinced this will not occur, however, until the people of Alaska are fully aware of the negative consequences of current deficit spending practices and the effect it will likely have on Alaska's economy and daily lives of its residents if continued.

It's precisely for this reason, many of my colleagues and I have organized the Fiscal Policy Caucus and are coming to the people in town meetings all over this state to seek their input and ideas on how best to proceed.

Most people know that the current economy of our state is largely driven by the sale of oil and other natural resources, but are not aware of the vast fluctuation in state revenues received from these vital resources. Unrestricted revenues from oil production and its sale last year (when prices soared to unforeseen highs) provided only 75 percent of the state revenue we need to operate our schools, prisons, pioneer homes and the whole list of other vital government services. This fiscal year these revenues are expected to only provide 60 percent for all those same costs. The decline in production from the major fields on Alaska's North Slope confronts us with an opportunity - or a potential economic crisis.

I've been involved with state government for over 25 years, the first eight of which were with former Gov. Jay Hammond during times of unheralded high revenue. I've seen the boom and bust cycles resulting from our dependence on these oil revenues. I recall the close cooperation between state, federal, local and private leadership in the decision to build the pipeline, and the uniquely Alaskan Marine Highway System. And who cannot hold in the highest regard the concerted action that led to statehood? The facts are that most of Alaska's landmark decisions and major public policies were not the product of any one political party - they were non-partisan, and the results have greatly benefited all Alaskans.

It's time for every citizen of Alaska to weigh in again. Help us make the right choices to keep our state on a healthy track to the future.

We must hear your voice in our efforts to establish a viable long-term fiscal policy. Write your senator and representative; better yet, make an appointment to visit them in their home office and put us all on the spot. Ask us how we intend to finance education, public safety, roads and harbors, etc. in the future. If we tell you we intend to cut spending to eliminate the \$500 million to \$1 billion dollar annual fiscal gaps, ask us where and how? Ask the governor and any wannabe governor candidate how he or she intends to lead us out of this fiscal quagmire.

The path we take will affect your family, your home, your job and your children's future. If we continue to balance our budgets from our savings account, the "CBR," and fail to institute new revenue sources in a timely manner, however politically unpalatable, we will have no option but to drastically cut essential services, impose heavy taxes and be forced to spend the earnings reserve of our Permanent Fund! Since that reserve is the feedstock for the PFD, you can see the popular dividend will be in jeopardy.

It doesn't have to be this way. We can take timely action, even incrementally, that will preserve and protect the PFD, maintain our Constitutional Budget Reserve and assure the economic health of our state. Please get engaged. Democracy does work.

Juneau's first town hall meeting on this subject will be Sept. 7, at Aldersgate Church located just beyond the Juneau valley theaters on Cinema Drive. The meeting will last from 7-9 p.m. Everyone is invited and encouraged to come. We anticipate the full Juneau delegation to be in attendance.