

## **Alaska legislators need to hear from you. Are you happy with their work?**

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The Alaska Legislature has been called into a second special session by Gov. Bill Walker. The reason? The inability or unwillingness to reach a compromise on the state's budget and how to pay for it this year and in coming years.

The problem: Oil production is down and so are oil prices. Alaskans have been spoiled by 45 years of not having to pay for state government while letting oil money pay for everything. We've been warned that this time of reckoning would come. We got lucky once or twice before when the price of oil jumped. That bought us some additional time. It's not happening this time. Production and prices both are low and we won't be saved by wishful thinking.

So, what to do? What would you do in your own home or business? You'd reduce spending where possible and you'd look for additional work to bring in more money. Let's take a closer look.

What about reducing spending? Cut the waste. Always a popular slogan, right? At home, we might cut down on eating out, how much we spend on vacation, etc. But are we going to tell the kids to go to bed hungry every other night so we can avoid having to find additional work? I don't think so.

Where to reduce state spending? Is there waste in government? Sure there is. Now, the tougher question: How much money actually will be saved if all "waste" were eliminated? Ask your conservative legislators to specifically answer this question by specifically identifying the waste and how much will be saved by eliminating it. My prediction is you aren't going to get a very specific answer. Why? Because targeting waste won't put much of a dent in Alaska's fiscal gap.

So, if you want to cut spending, are you going to send the kids to bed without dinner? How about the same for our seniors? Are we going to further gut spending on education? Penny wise, pound foolish. That's our future that's being thrown away and it's just wrong.

Now, about the need to bring more money into our home. How about soaking the oil companies some more? Is there more to be had? Maybe some, but not nearly enough to close the money gap. As a state, we want to maximize our return on oil production. That means raising as much as we can without lowering production to the point where we lose revenue and lose jobs.

Finding that sweet spot is complicated, and it seems we try to find it every couple of years by changing the oil tax structure. But the hard truth is that even if we tweak it again now, it's not nearly enough to close our money gap. Any politician on the left who tells you differently is

misleading you just as badly as any politician on the right who's blowing hard about cutting waste.

Let's get real. Part of my job is to tell people what I think they need to hear, even if it's not what they want to hear. Cut waste? Great idea; that's a few more dollars. Soak the oil companies a little more? Fine, and again, small potatoes compared to our money gap.

The two biggest pieces of the puzzle are the two things our legislators fear doing the most: imposing new broad-based taxes (income or sales), and using Permanent Fund earnings like an endowment, spinning off income to pay us annual dividends of \$1,000-\$1,200, and using the remaining earnings to help pay for education, public safety and other government services.

Republican legislators fear the wrath of voters over new taxes, and Democrats fear the wrath of voters over diverting money away from larger Permanent Fund dividend checks. Instead of doing what needs to be done, Republicans and Democrats are stuck in gridlock. Waiting for the other side to blink doesn't get the job done.

How do we close the state's money gap? The answer is known to all our legislators; it's just that many might be afraid to act. They need your permission to do what's hard, as it should be in a democracy. That's why they need to hear from you.

Please tell them that not only do they have your permission to make these tough decisions, but you are demanding that they do. If you stay silent, they won't act. Oh, sure, they might pass a budget by spending our savings down to the bone. Is that what you want? Would you do that in your homes and businesses? Would you do that to your children?

*Glenn Cravez is a mediator and lawyer who has lived and worked in Alaska since 1981. He and his wife Pam Cravez raised their two sons in Anchorage.*