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Legislators lose confidence in top state commissioner

Karleen Jackson, who heads the Department of Health and Social Services (DHSS), is the boss of 3,500 employees, supervises a budget of \$2 billion, and is responsible for the health and well-being of every Alaskan.

Oh, and one other thing. Jackson and her \$2 billion budget are in trouble.

Jackson, who looks younger than her 55 years, is a pleasant, soft-spoken woman with a doctorate in human services. She was appointed DHSS commissioner a little over two years ago, and was one of only two cabinet appointees to keep their jobs after Gov. Sarah Palin took over in December 2006.

Jackson's problem is that she has lost credibility with the Republican legislators, who in the past were the department's most important advocates in the House and Senate.

"I used to have tremendous trust in the department," Rep. Mike Hawker told me last week.

For six years, Hawker has chaired the House Finance subcommittee that reviews the department's budget.

"When you have someone's trust, you can talk and speak about issues without it becoming a political hot potato," he said. "We're definitely feeling a trend towards having to fight in a more combative relationship with the department for information that used to just be much more forthcoming."

For years Lyda Green, now the Senate president, chaired the Senate's budget subcommittee. Her assessment isn't as blunt as Hawker's, but tends in the same direction. She says the leadership issue at DHSS is a symptom of a larger problem.

"There is kind of a pervasive uncertainty about where authority or responsibility lies," she said. "That's kind of unsettling."

To analyze the sources of Jackson's troubles one must understand where they fit into the three Ps - policy, politics and personalities. All three are implicated in Jackson's tribulations.

Anyone who's attended House subcommittee hearings on departmental budgets knows that the chamber's Republicans, led by House Finance Co-chair Mike Chenault, believe their battle to keep a lid on the operating budget will be won or lost during years when the state is flush with cash. It's easy to preach budgetary restraint when oil prices are low, but a much tougher sell when oil prices are nudging past \$100 per barrel.

"If you let these programs expand, it gets in the base budget, and you have the devil's own time getting it out," says Chenault.

For next fiscal year, Jackson asked for a 33 percent increase in her commissioner's office budget and money for several new or expanded programs. Hawker recommended axing all of the office increase and most new spending on programs.

"Now is the time to shore up the foundations, not add new wings to the building," says Hawker, repeating one of his favorite budget mantras. From that policy perspective, he and fellow Republicans who control the House are skeptical of any request that goes beyond maintaining the status quo in services.

Unfortunately for Jackson, what Hawker believes he found when he dug into the budget for Medicaid was a budget padded with \$30 million that Jackson now acknowledges she doesn't need.

Jackson says the Medicaid request seemed reasonable when it was formulated back in December, but things change.

"I am learning more and more about our budget every day," she told me in an interview, laughing. "I suspect I'm going to learn more things that are in there that I don't know about, as time goes on."

For Hawker, though, it is one more piece of evidence that the department has lost its focus.

"I'm very concerned about a loss of business orientation to our budget process. Like this (Medicaid issue), it creates an aura of distrust."

There are personality issues as well, including legislative dismay over the departure in January of Janet Clarke, the department's former chief of finance and administration. Legislators say Clarke was forced out, an

allegation Jackson denies, and on which Clarke has declined comment. Clarke now has a contract to assist Hawker on budget issues.

And don't forget the politics. Gov. Palin is surfing on public approval ratings in the 85 percent range, but the same poll among Republican legislators would likely find 85 percent disapproval. Among the reasons is a perception, also common among lobbyists, many career state officials and reporters that Palin doesn't care about the unglamorous side of government.

Little in state government is less glamorous than the work of Health and Social Services, but it is an area legislators may be focusing on in the weeks ahead. Where that attention will take them is uncertain, but it is unlikely to be pleasant for the woman who runs the department, or the governor who is her boss.

- Economist Gregg Erickson is the owner of a Juneau consulting firm (www.EricksonEconomics.com). Transcripts of Erickson's interviews with Commissioner Jackson, Rep. Hawker and Sen. Green may be obtained by e-mail request to Erickson at gerickso@alaska.com.

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