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Should Alaska's oil windfall be shared with citizens?

An untold story of this Legislature is how a weird coalition of lawmakers derailed the proposed \$500 special oil windfall dividend.

To understand this story, let's start with the numbers.

State officials expect revenue of \$15.9 billion in this fiscal year and the next, the FY '08-FY '09 biennium. The current budget and Gov. Sarah Palin's proposed budget for next year call for spending \$8.8 billion during the biennium. Subtract the spending from the revenue, you get \$7.1 billion. That's the unrestricted general fund surplus, and that's what this Legislature and governor will be making big, big decisions on in the remaining days of this session.

Let's put this amount in perspective. If \$7.1 billion were paid out as a dividend, every resident would get \$10,757. A special dividend of \$500 per Alaskan would take only a small bite of that surplus, 4.6 percent to be exact.

But really small is still too big as far as the legislators in this coalition are concerned. They want control over every penny. Letting households decide how any of that money is spent sticks in their craw like a Palin veto pen shoved down sideways.

Who are these people? They include:

- Legislators such as Voiceofthetimes.net Republican Rep. Mike Hawker, who hates giving money to people who don't work for it, except if it comes as a corporate dividend,
- Bleeding-heart liberals such as Rep. Les Gara, who thinks the money should go only to the poor because ordinary Alaskans don't need it, and,
- Pseudo-populists such as Rep. Harry Crawford, who says it would be

better to spend the money on energy projects such as windmills, because then he'd be sure it wouldn't be wasted on big-screen TVs.

A week ago Saturday, at a House Finance Committee meeting, these three unlikely collaborators torpedoed the bill that would pay the \$500 oil windfall dividend.

When it looked like the government-knows-better coalition had persuaded Rep. Reggie Joule, a Kotzebue Democrat, to join them in opposing the bill, the sponsor, Rep. Bill Thomas, R-Haines, decided not to bring the measure to a vote. The bill, House Bill 396, remains in the committee and could be brought up again.

Legislators say they are willing to save \$5 billion of the surplus in rainy day accounts, and Palin said she's OK with at least that much. Subtracting \$5 billion from the \$7.1 billion surplus leaves \$2.1 billion still up for grabs. That's still real money - \$3,182 per resident if distributed as a dividend.

Most legislators want to spend most the \$2.1 billion on capital projects or other government outlays. The only obstacle facing them is Palin, who seems to want more rainy-day savings. It's not clear where she stands on sharing a bit of the huge windfall with ordinary citizens.

The appropriation power in Alaska is divided in a way that encourages the Legislature to withhold approval for most of the governor's proposed capital projects until the very last minute. Sure enough, last week most of Palin's projects were dropped from the Senate's version of the capital bill. If she wants those priorities funded - and many of them are important - they must be in the final bill when it reaches her desk. Of course, the Alaska Constitution gives her the power to literally "X" legislators' projects out of whatever capital bill the Legislature sends her.

In the remaining seven days of the session, legislators will be working to get Palin's agreement to let them spend as much of the surplus as possible on their projects. In return they'll agree to put her priorities in the bill.

"As I keep saying, it's a work in progress," said a smiling Senate Finance Committee Co-chair Bert Stedman at a press conference to announce the Senate capital bill. Later in the day, at her own meeting with the press, Palin used almost exactly the same phrase.

The only way the windfall dividend bill passes is if Palin stands up for it in her negotiations with legislators.

If Alaskans think part of the windfall should be shared with ordinary folks, not just the poor or those who get rich on government spending, they should send her an e-mail. They should encourage her to make HB 396 a priority in her end-of-session arm-twisting. It's the kind of gutsy move she's been noted

for in the past.

And it's the kind of move Jay Hammond made 25 years ago at the end of the 1982 legislative session when legislators of that day told him they would never approve the Alaska Permanent Fund dividend.

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