

Austerman: Too Early to Predict Capital Spending

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Brianna Gibbs/KMXT

It's been just over a week since the House Finance Committee released a \$9.7 billion operating budget for Alaska, and Kodiak's Representative Alan Austerman said the budget should hit the House Floor sometime this week. Austerman is the co-chairman of the finance committee and said the proposed budget, which includes cuts in almost every department, will see some changes before it is finalized.

-- (Rep. Austerman 1 :45 "We've got to take into consideration that there's a number of things that will add to the budget as we go forward. You've got, I don't know, 15 or 16 unions that the state deals with and about a third of those come up every three years. Those we anticipate will add to the budget because there's always been a growth pattern there. Every piece of legislation, well not every piece of legislation, but a lot of legislation gets introduced that actually has a fiscal note to it, which means that once you pass that law than you've added increase cost to the government. So that's the other portion that will in the end grow our budget. And then we have the capitol side of our budget for infrastructure projects for roads and those sorts of things and that adds another layer to the budget before we're done.")

Austerman said the budget must also move through the Senate, where even more changes are likely to occur. He said the budget really won't be finalized until the last few days of session in April. Based on numbers from the Department of Revenue, Austerman said he expects the state to tap into its savings to do the budget this year. In general, he said Alaska is looking toward some tough times ahead, and shaping the state's budget will only get more difficult.

-- (Rep. Austerman 2 :30 "The big question is if you look at the projections from the oil industry, that it takes 7-10 years to develop new oil coming into the pipeline. That if we have a 7-10 year period that we don't have new revenues, then the question is how far can you stretch your savings out to buffer that 7-10 year period.")

Switching

over to the capitol budget, which funds statewide infrastructure projects, Austerman said it's hard to know how much will be allotted this year, especially since the operational budget is still in the works.

-- (Rep. Austerman 3 :42 "Representative Stoltze, who is the co-chair of finance of the House is the one who has

responsibility for the capitol budget. And he indicated the other day that he didn't expect what we call discretionary funds this year. And discretionary funds is what we've done over the last few years is there's been about \$40 million set aside in the House, so \$1 million for each House District. And in that million dollars we were funding things like Senior Center water sprinkler system and a fence around Women's Resource, and those kind of small projects that made a difference. Road grater or something like that out in one of the villages, but he's indicated that there might not be that kind of money this year even.)

The Kodiak City Council and Borough Assembly sent a number of projects to the legislature with the hopes of acquiring funds from the capitol budget, but Austerman said it's too soon to tell where those stand.

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(Rep. Austerman 4 :23 “As far as the big projects are concerned, it's too early to tell what we're going to have or what we're going to fund. We're trying to figure out whether there's ways we can segregate out certain kinds of projects, maybe some that would have already been started that the state has put money into them and started them, and try to figure out how to fund those and complete those rather than starting new projects.”)

With just over a month remaining in the session, Austerman said he's going to work hard representing the needs and wishes of his district -- a different one than he's used to representing. Due to redistricting, Austerman no longer represents the Lake and Peninsula communities, but now represents Kodiak and its surrounding villages, as well as Cordova, Yakutat, Whittier, Tatitlek and Chenega. Austerman said the shift in communities is actually better because the lake and peninsula area was so different from Kodiak.

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(Rep. Austerman 5 :21 “So in that aspect, Yakutat to Cordova to Kodiak to Whittier, they're all fishing communities and they're all coastal fishing communities. So it's a lot easier to represent, I mean they've all got the same issues: boat harbors, schools, and they're all coastal communities so they're all the same environment that I've lived in my whole life.”)

The 28th Legislative Session will run through April 14. Austerman said the operational budget should move through the House in the coming days and on to the Senate sometime next week. ###