

STATE CAPITOL  
PO Box 110001  
Juneau, Alaska 99811-0001  
907-465-3500  
fax: 907-465-3532



550 West 7th Avenue #1700  
Anchorage, Alaska 99501  
907-269-7450  
fax 907-269-7463  
[www.Gov.Alaska.Gov](http://www.Gov.Alaska.Gov)  
[Governor@Alaska.Gov](mailto:Governor@Alaska.Gov)

Governor Sean Parnell  
STATE OF ALASKA

April 19, 2011

The Honorable Gary Stevens  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

The Honorable Mike Chenault  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

The Honorable Charlie Huggins  
Minority Leader  
Alaska State Senate  
State Capitol, Room 423  
Juneau, AK 99801-1182

The Honorable Beth Kerttula  
Minority Leader  
Alaska State House of Representatives  
State Capitol, Room 404  
Juneau, AK 99801-1182

Dear Presiding Officers and Minority Leaders,

After meeting with legislators, it is clear that the key issue holding the Legislature in special session is the Senate's departure from standard legislative budget practices that have worked for decades.

Traditionally, the Alaska House of Representatives has passed an operating budget to the Senate and the Senate has passed a capital budget to the House before the end of the regular session. The operating budget goes into a conference committee after Senate passage while the House takes up consideration of the capital budget.

In that process, mutual assurance exists that each legislative body has the ability to keep the other in session until agreement is reached on operating and capital budgets. On the one hand, the Senate holds open the operating budget conference committee as negotiating leverage and the House holds onto the capital budget until agreement is reached.

In the normal course of business, the conference committee report on the operating budget coming from the Senate is exchanged simultaneously on the last night of the regular session with the capital budget coming from the House.

That process broke down this year when Senate Finance failed to pass the capital budget to the House in time to negotiate a way out before the end of the regular 90 day session. Numerous claims have been made about why the Senate has not passed a capital budget, including claims about what I might or might not do with appropriations.

The Honorable Gary Stevens  
The Honorable Mike Chenault  
The Honorable Charlie Huggins  
The Honorable Beth Kerttula  
April 19, 2011  
Page 2

It is time for the Senate to pass the capital budget to the House allowing the House to place its priorities in the budget and begin negotiations to close out the session. Failure to follow this decades-old legislative practice prolongs the pileup on the legislative tracks and perpetuates all of its consequences.

One of the unspoken consequences of Senate Finance failing to timely move a capital budget bill is that one or two senators hold a distinct advantage over the other senators and all of the House members. For example, currently the Senate Finance leadership wants to extract commitments from the House and from me that none of the energy projects in the Senate version will be pulled from the bill by the House or vetoed by me. In effect, one or two senators are holding up the capital budget in Senate Finance to set aside \$399 million as sacred before the process has come to a point to include all other members of the Legislature. I am sure other senators and representatives would like to be able to have \$399 million each set aside now for them as a priority, but that option is not available to them.

The traditional practice of exchanging budgets between the House and Senate has come about for good reason. It involves maintaining some semblance of the balance of power among legislative districts as well as the balance of opportunity for all. No one area of the state is distinctly advantaged over another where the normal process is employed of exchanging budgets and negotiating it out afterward.

The path forward is clear. The Senate Finance Committee should pass the capital budget it believes is appropriate, allow the House to do the same, and negotiate the differences when the House has its opportunity to review the budget. In that way, the public process can be completed in a way that assures integrity and opportunity for all.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell". The signature is written in a cursive, flowing style with a large initial "S".

Sean Parnell  
Governor

cc: Members of the Alaska State Senate  
Members of the Alaska State House of Representatives