

Parnell cites abortion in KidCare funds veto**CUTS: Governor axes over \$300 million in state spending.**By SEAN COCKERHAM
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Gov. Sean Parnell vetoed more than \$300 million in state spending Thursday, including money for renewable energy and to expand Denali KidCare for low-income children and pregnant women.

Parnell vetoed nearly \$3 million aimed at letting more Alaskans have health care costs covered under Denali KidCare. It's an increase he supported when it overwhelmingly passed the Legislature. But the governor said he reversed his position after recently finding out some Denali Kid Care money goes to fund abortions.

"My intention here today is to make sure we don't expand state government funding of abortions here in Alaska," Parnell said in announcing the veto.

His administration could not say how much Denali KidCare money is going to fund abortions, and critics of the decision say he's denying help to more than 1,000 children.

The Denali KidCare veto was the only significant cut Parnell made to the \$8 billion budget that funds state agencies and services. But the governor axed \$300 million from the separate \$3.1 billion state budget for construction and maintenance projects, which is among the largest capital budgets the state has seen. The Legislature approved the budgets before adjourning for the year in April.

Parnell vetoed money for about 150 projects throughout the state, from roads to sewers to a new house for polar bears Ahpun and Louie at the Alaska Zoo. In many cases the governor reduced funding for projects instead of zeroing them out. He halved the \$50 million intended for renewable energy grants, saying most of the money appropriated in the past for such projects still hasn't been spent. He cut \$250,000 of the \$1 million for deferred maintenance at the governor's mansion.

His veto of Denali KidCare money drew by far the strongest reaction, with Democrats saying it was outrageous. Anchorage Democratic Sen. Bettye Davis, who sponsored the Denali Kid Care money, said it would have allowed 1,300 children and 225 pregnant women to receive care.

Ethan Berkowitz, one of Parnell's Democratic opponents for governor, called the decision cold-hearted. "If you want to be tough, you don't be tough by slapping kids around," he said.

Hollis French, a Democratic state senator who is also running against Parnell, said the decision was depriving hundreds of children of coverage "because you're afraid a few women might make a choice you don't agree with." The courts made it clear the state has to pay for "medically necessary" abortions for poor women and the program doesn't fund elective abortions, he said.

Officials with AARP Alaska and the Central Council of Tlingit and Haida Head Start program said the governor's veto will hurt people struggling to raise children.

Parnell said he wanted to offer the health care to more women and children. But he said he couldn't bring himself to do it after recently discovering Denali Kid Care also funded abortions. Parnell said he couldn't believe it when he found out.

"I want to be able to provide those services. But if your governor doesn't stand for life and liberty, as he understands it in his conscience, then you don't have a governor," Parnell said.

Parnell said there are "hundreds of abortions being paid for by these funds." But state Sen. Davis said that's not true and only a "very small number" of abortions are funded. She said that's what the Alaska Department of Health and Social Services, which administers the program, told her when she inquired last year.

The Department of Health and Social Services was not answering any questions about it Thursday, even after Parnell referred reporters to the agency when he was asked how much Denali KidCare money is going for abortions. The agency said it could not answer that question, nor could it say how many abortions were funded or how it made the decisions on which abortions it should pay for.

Agency spokeswoman Cathy Stadem said the answers had to be run past the governor's office and she hoped to give them the next day. "Everything is having to be vetted through (the Alaska Department of Law) and through the governor's office," she said.

The \$2.9 million Parnell vetoed would have expanded eligibility of the Denali KidCare program to cover households with income up to 200 percent of the federal poverty level, a threshold that's about \$55,150 for a family of four. Proponents said most states fund at that level while Alaska is currently at about 175 percent.

BUILDING PROJECTS AXED

Sitka Republican Sen. Bert Stedman said he didn't realize Denali Kid Care money went to abortions and understands Parnell's reasoning on the veto. But Stedman said there was no financial reason for Parnell to chop hundreds of millions of dollars from the state budget for construction and maintenance projects.

"It's a political decision, not a financial one," said Stedman, who helped craft the budget.

The state has \$12 billion in cash reserves on top of the Alaska Permanent Fund, Stedman said, and if the projects aren't funded now, they might never happen.

Parnell said the state has a surplus from high oil prices but it's not going to last forever. He said the amount of spending he approved will create jobs but not break the bank.

"These vetoes for the most part don't represent projects I do not like. They represent projects I think should be deferred to another time because of the fiscal situation," the governor said.

Ralph Samuels, a Republican running for governor, criticized Parnell for not cutting more. He said Parnell didn't do nearly enough at a time when oil production is declining.

There were about \$70 million in road and drainage money vetoes in Anchorage. The mayor's office said nearly \$10 million more was axed from the budget in planned upgrades for the Loussac Library, Sullivan Arena, the Ben Boeke and Dempsey Anderson ice arenas, and recreation centers in Spenard and Fairview.

But Anchorage Mayor Dan Sullivan said "a healthy list of road, public safety and other priority

projects remains, and will lead to a robust level of economic activity for Anchorage."

Parnell cut the biggest project in the budget for the Mat-Su Borough. He vetoed \$22 million of the \$57 million that the Legislature appropriated for work toward an extension of the Alaska Railroad from north of Willow to Port MacKenzie. Mat-Su Economic Development Director David Hanson said the remaining money will go to design and engineer the route, buy right of way and begin construction.

Mat-Su borough officials said they were mostly happy with the \$137 million in projects they kept.

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