

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON WAYS & MEANS**

April 23, 2003

7:03 a.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair
Representative Jim Whitaker, Co-Chair
Representative Vic Kohring
Representative Bruce Weyhrauch
Representative Peggy Wilson
Representative Carl Moses

MEMBERS ABSENT

Representative Cheryll Heinze
Representative Norman Rokeberg
Representative Max Gruenberg

OTHER LEGISLATORS PRESENT

Representative Dan Ogg
Representative Ralph Samuels

COMMITTEE CALENDAR

PRESENTATION: "THE ALASKA DISCONNECT" CHANCELLOR LEE GORSUCH

TAPES

03-11, SIDES(S) A & B

CO-CHAIR MIKE HAWKER convened the meeting of the House Special Committee on Ways & Means at 7:03 a.m. Representatives Hawker, Whitaker, Weyhrauch, Wilson, Kohring, and Moses were present at the call to order. Also in attendance were Representatives Ogg and Samuels.

CO-CHAIR MIKE HAWKER convened the meeting of the House Special Committee on Ways & Means at 7:03 a.m.

SUMMARY OF INFORMATION

LEE GORSUCH, Chancellor, University of Alaska Anchorage, gave a brief history of the State's economy.

CHANCELLOR GORSUCH gave his presentation on the "Alaska Disconnect". He highlighted important economic facts: the steady increasing output in oil and gas revenues; more Alaskans are working; incomes have been increasing; relative cost of living has been declining; and State spending has been declining. He described the reasons behind these trends and attributed them to growing industries, a boosted economy from the disbursement of the Permanent Fund, and federal monies received.

CHANCELLOR GORSUCH described the "real" disconnect. As per capita income falls behind the national average, the lure to new residents will decrease. Job growth is slowing. Income growth has come from government transfers such as the Permanent Fund Dividend. If new jobs were created and there were an increase in population, the cost to the State would also increase. More people means more children in schools, more crime, and more services needed.

CHANCELLOR GORSUCH discussed two interdependent strategies to "reconnect" - foster economic development and develop long-term, stable fiscal policies.

CO-CHAIR HAWKER thanked the chancellor for his presentation and entertained questions for Chancellor Gorsuch.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

The House Special Committee on Ways & Means took an at-ease at 8:30 a.m. in order to prepare for the regular meeting. [For the regular meeting minutes, see the 8:38 a.m. minutes for this date.]

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third

Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.