

Perspectives on Alaska's Revenues and State Budget Problems



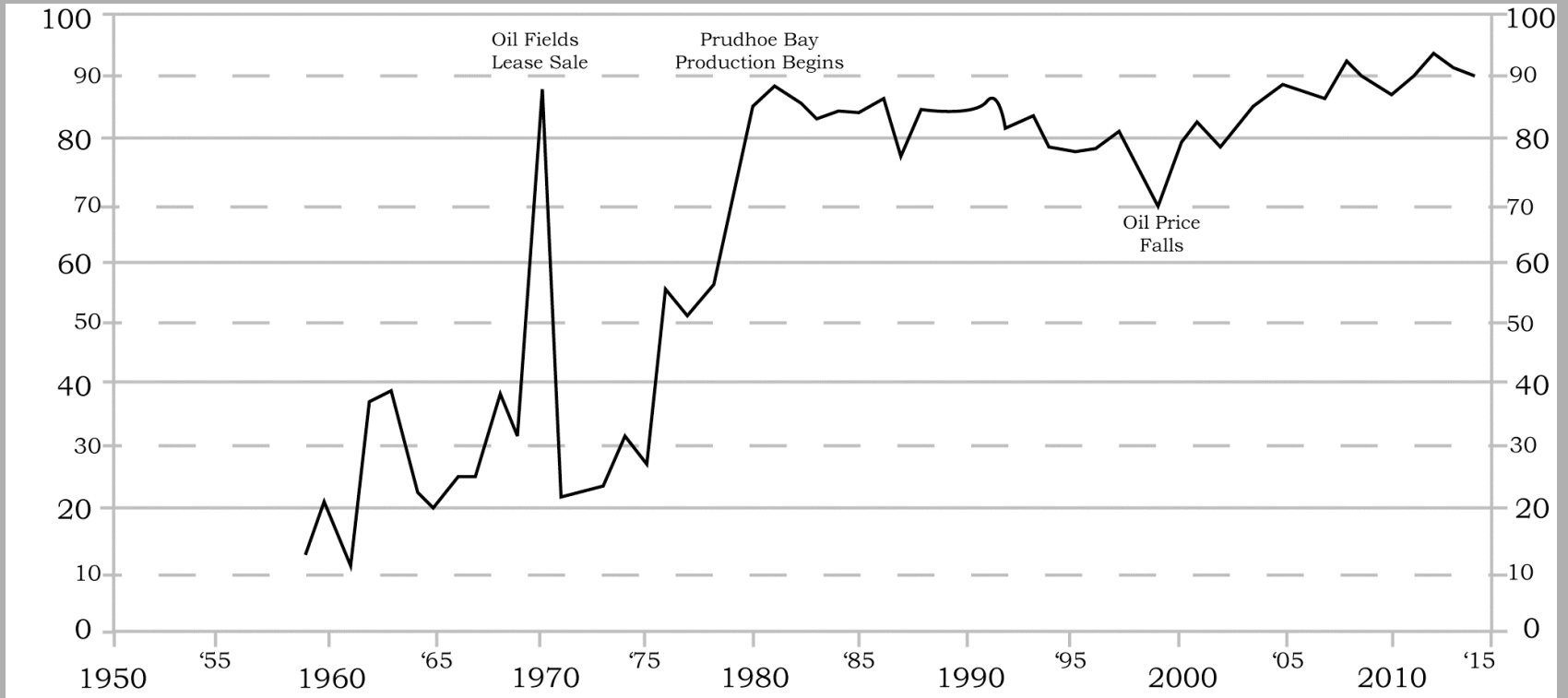
**Presented by
Clive S. Thomas**

ALASKA POLITICAL
APAS
ADVOCACY STRATEGIES

The Revenue-Budget Link

- 1. State revenues dependent on oil prices**
- 2. Oil, the federal govt and state govt as Alaska's economic drivers**
- 3. Separating the budget from oil revenues for a stable revenue stream**

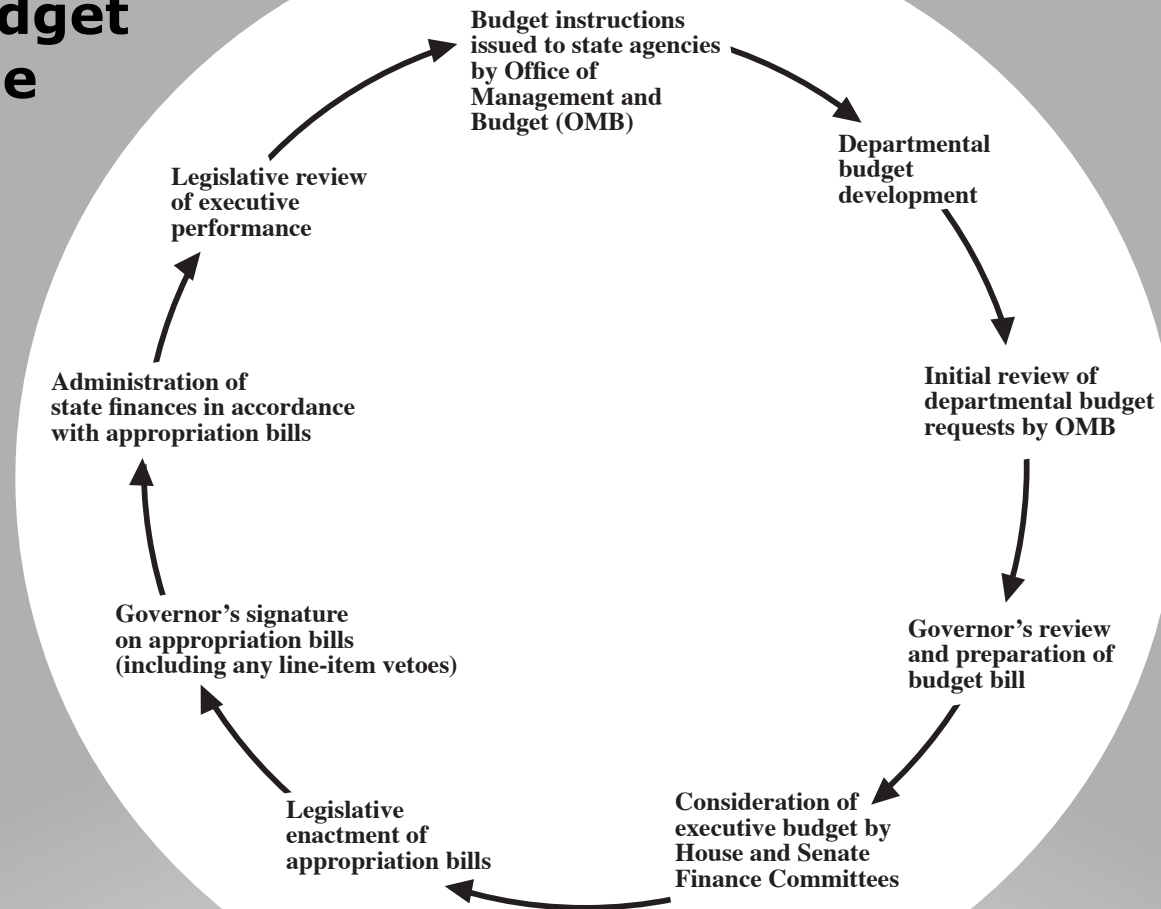
Oil Income as a Percentage of Alaska's Own-Source State Unrestricted Revenues, 1959-2014



State Budget Basics

- 1. The budget as a political document**
- 2. Fiscal years (FY) and three budgets being dealt with at any one time**
- 3. Budget terms: operating and capital budgets**
- 4. The budget calendar**
- 5. The budget cycle**
- 6. State budget politics**

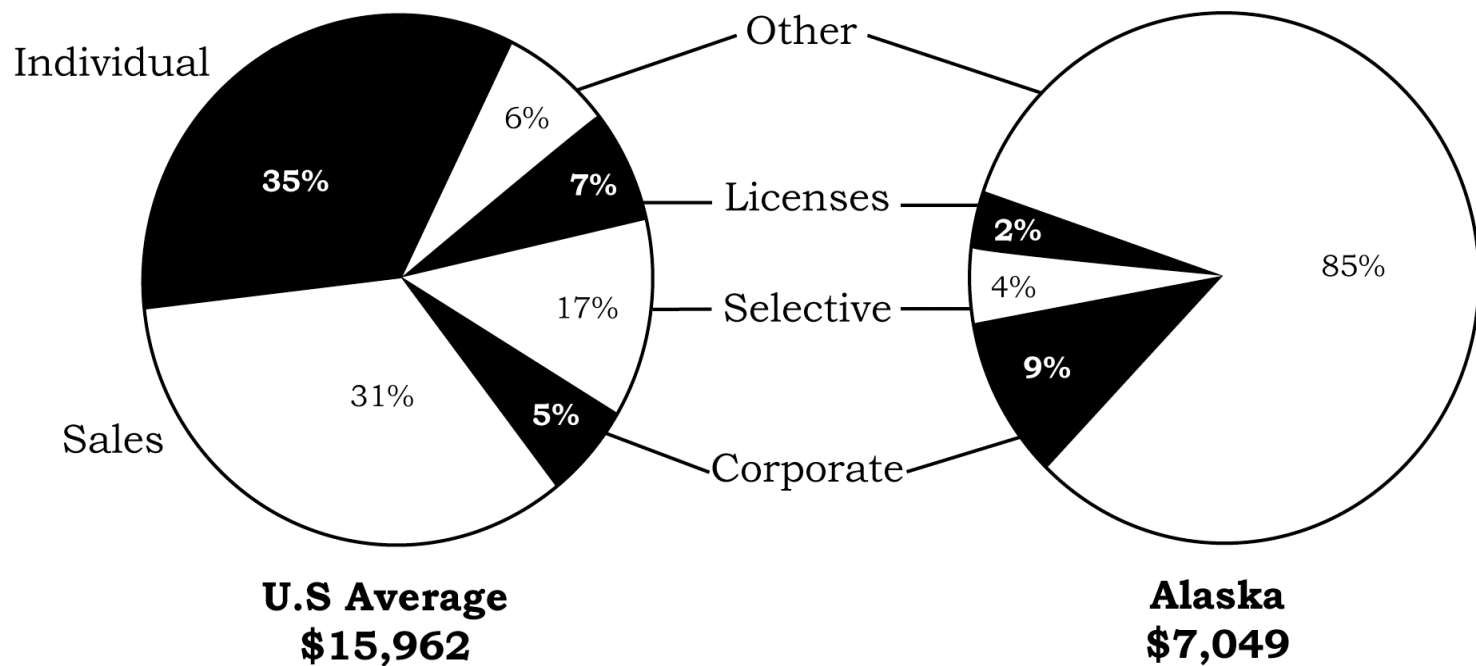
The Budget Cycle



State Revenue Basics

- 1. The state's own-source revenues**
- 2. Federal funds**
- 3. The current problem—simple arithmetic--
\$3-4 billion deficits**
- 4. Stop-gap measures—the CBR**
- 5. Taxes alone won't fill the gap**
- 6. The FY 2017 budget—Tim Bradner**

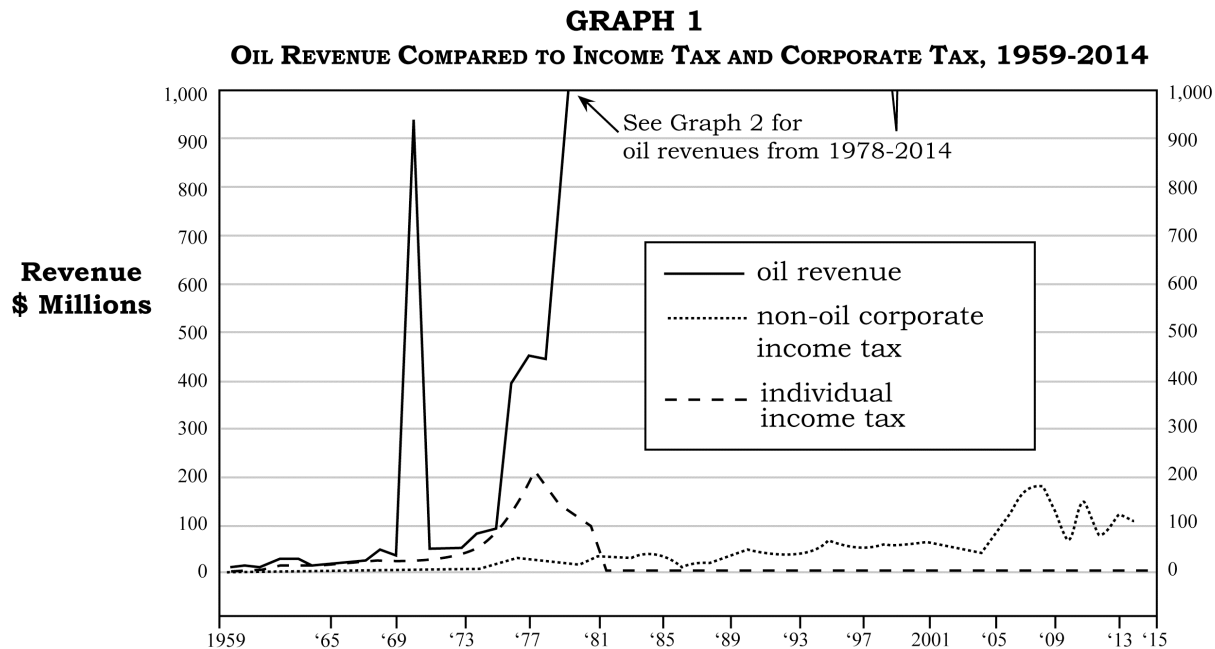
Alaska's Own-Source State Tax Revenues Compared to the 50-State Average (Based on Tax Revenue for Fiscal Year 2012)



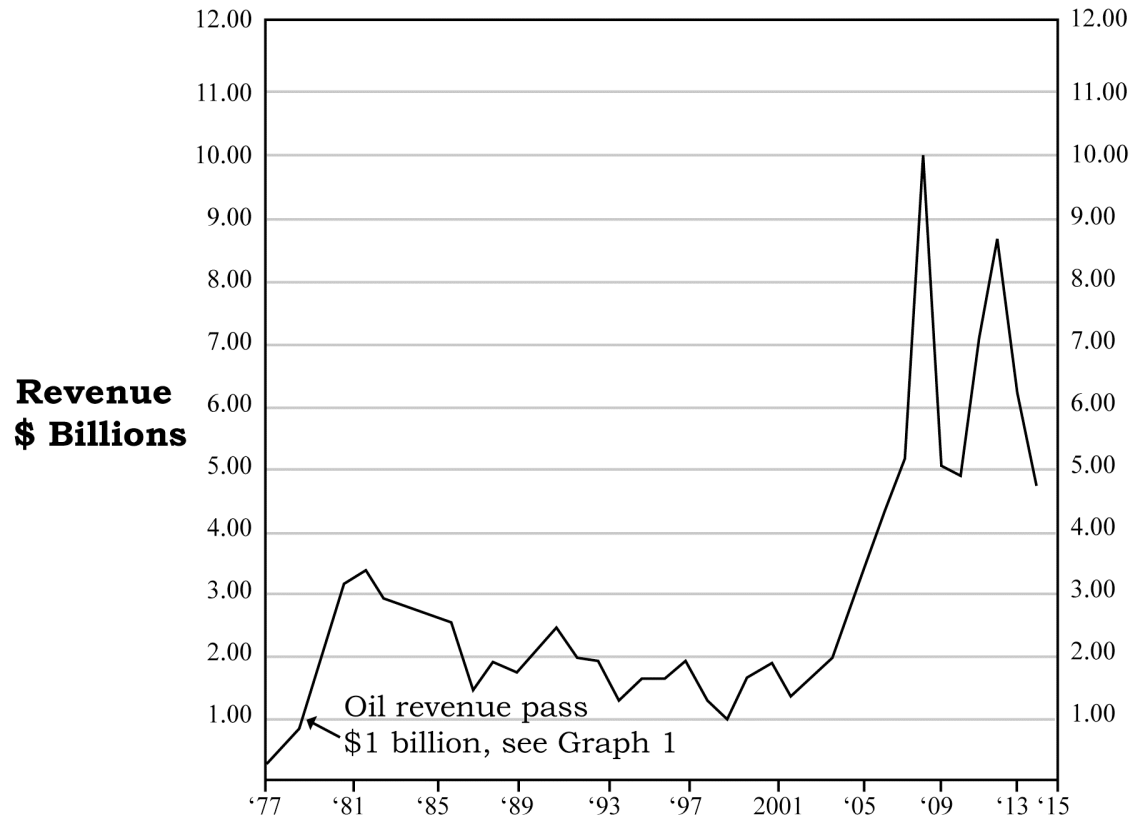
Dealing with the Present Budget

1. Past budget deficit history
2. The difference today

ALASKA'S OWN SOURCE STATE REVENUE AND TAX HISTORY, 1959-2014



GRAPH 2
OIL REVENUE, 1977-2014



3. Solutions: Their pros and cons

- a. Cutting the budget**
- b. Increasing user and other fees**
- c. Reinstating the state income tax**
- d. A statewide sales tax**
- e. Using some Permanent Fund earnings**

Estimated Revenue From an Alaska State Sales Tax

Tax Rate	Estimated Revenue in \$ Millions, with no Exemptions	Per Capita Revenue	Estimated Revenue in \$ Millions, with Exemptions	Per Capita Revenue
1%	110	\$173.70	75	\$118.40
2%	220	\$347.40	150	\$236.90
3%	330	\$521.10	225	\$355.30
4%	440	\$694.80	300	\$473.70
5%	550	\$868.60	375	\$592.10
6%	660	\$1,042.10	450	\$710.60
7%	770	\$1,215.80	525	\$828.90
8%	880	\$1,389.50	600	\$947.40

The Psychology of Public Officials and Dealing with them Effectively

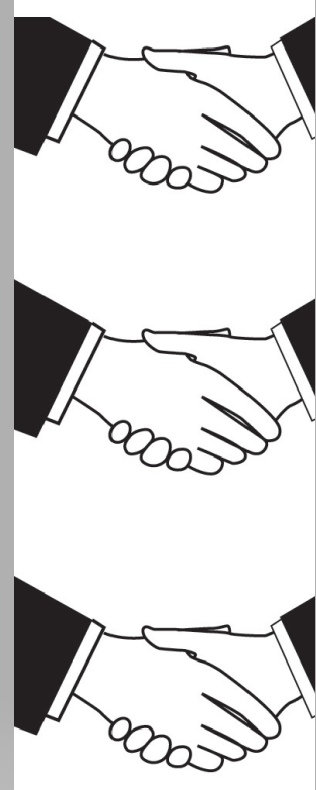


Eight Essentials of Lobbying and the Themes of the Two Presentations

- 1. Contacts**
- 2. Trust/credibility**
- 3. Personality and the human element**
- 4. Information—technical and political**

- 5. Political management**
- 6. Knowledge of the process**
- 7. Mutual benefit**
- 8. Influence/power**

**The implications for you and
your lobbying effort**



Thinking and Acting Politically

What do we mean by thinking and acting politically?

Why do we need to think politically before we act?

**The key to thinking politically:
Understanding human beings and how they operate in a situation where they do not have complete control.**

Ten Elements of Thinking and Acting Politically

- 1. A particular state of mind—having the right attitude.**
- 2. Governmental structure versus actual political decision-making.**
- 3. Authority versus power.**
- 4. The need for compromise—Remember no one has a monopoly on right, goodness or truth**
- 5. Personality and understanding the motives, goals and agendas of politicians and public officials.**

6. Put yourself in “their” shoes

7. Mutual benefit to you and to them.

8. Not taking things at face value—a healthy skepticism.

9. Anticipating political ramifications.

10. Making decisions in a fluid environment with incomplete Information.

The implications for you and your lobbying effort.



UNDERSTANDING THE MAJOR PLAYERS THROUGH THEIR JOB DESCRIPTION, GOALS AND NEEDS BOTH PERSONAL AND PROFESSIONAL

- 1. Legislators**
 - a. No job precise description**
 - b. Shortages of:**
 - (i) Power**
 - (ii) Time**
 - (iii) Information**



2. Staffers—Aides

3. The Governor and his/her Staff

- a. A statewide constituency**
- b. Managing the executive branch**
- c. Dealing with the legislature**

4. Bureaucrats

- a. Job security**
- b. Technical orientation**
- c. Information**

5. Interest Groups and Lobbyists

6. The media

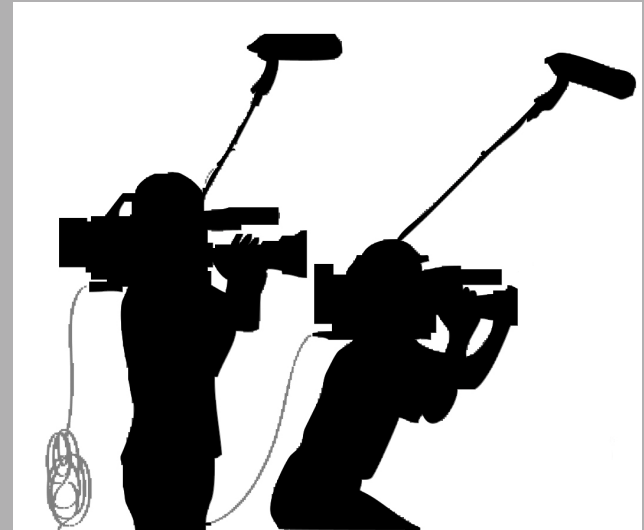
7. Constituents

8. The Public and Public Opinion

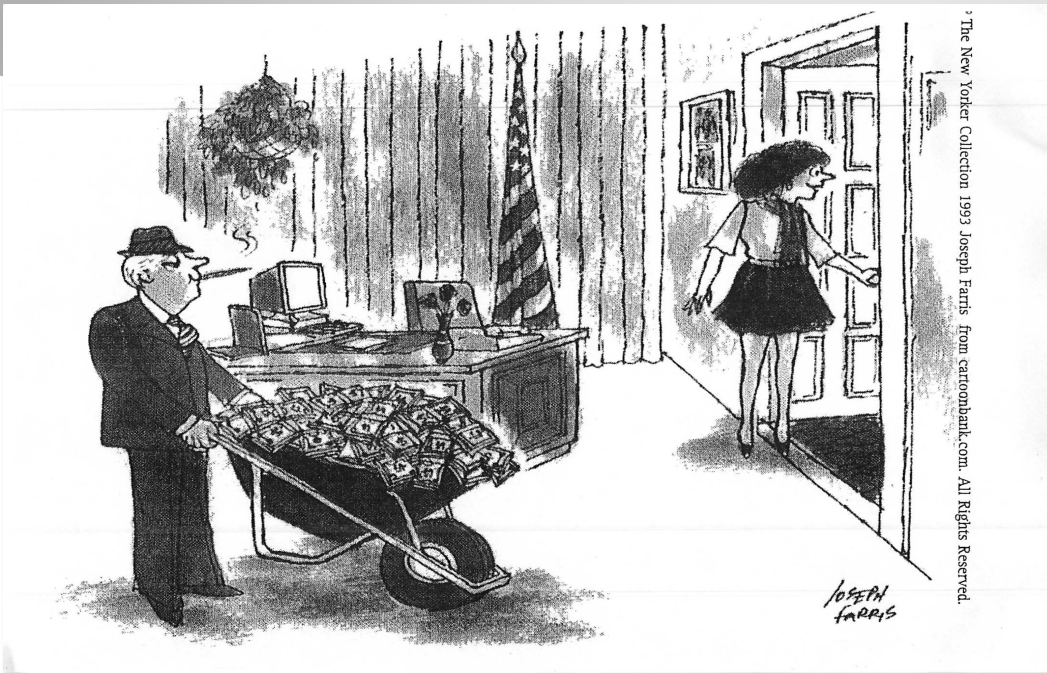
9. The Courts

10. External Influences—the federal government, foreign countries, etc.,

The implications for you and your lobbying effort



Effective Lobbying: An Exercise in Personal Communication and Political Management



ALASKA POLITICAL
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ADVOCACY STRATEGIES

THE BASICS OF ADVOCACY AND LOBBYING

- 1. It's all about power**
- 2. Understanding where power lies**
- 3. The elements of power**

Dispelling Some Myths

Lobbying versus political advocacy

**The Basics of Advocacy Lobbying
versus the Complexities**

1. THE BASICS OF LOBBYING

What is Lobbying?

The process whereby information is exchanged and a group, organization or constituent's views are made known to government officials (elected and appointed officials or both) with the ultimate goal of influencing their decisions in favor of the entity doing the lobbying.

This involves four major steps:

- a. Gaining access to policy makers.**
- b. Building up relationships with these officials.**
- c. Providing them with information on the issue or cause.**
- d. Influencing their actions.**

Five Types of Lobbyists:

- a. Contract lobbyists**
- b. In house lobbyists**
- c. Legislative liaisons**
- d. Volunteer or cause lobbyists**
- e. Individual personal lobbyists**

2. THE COMPLEXITIES: THREE REASONS

- a. Applying the basics to the free-flowing and ever changing Juneau political scene.**
- b. So many choices to make and a wrong one can really screw you up for three reasons:
(1) It can ruin your campaign; (2) it can lose you contacts and valued access; and
(3) it can cause dissension in your organization.**
- c. The advantage of resources and access.
Politics (and life) is unfair even in a democracy!**

There is No One “Right Way” to Lobby

3. POLITICAL POWER

What is it: The ability to make someone do something they would not ordinarily do.

The essence of power is need, dependence and mutual benefit

You have to give a public official a reason to want to help you if they don't have one already

Resources are very important

Other elements of political power

The implication for lobbying

4. ELEMENTS OF A LOBBYING CAMPAIGN

**The Lobbying Coordinator and
Clearinghouse Person**

Building an Information Network

**Gathering Supporting Materials and
Documenting Your Contacts with Policy
Maker**

5. GUIDELINES ON CONTACTING PUBLIC OFFICIALS

The Most Effective Methods of Contact with Policy-Makers and their Staff

- a. Personal visits**
- b. Staff dealings**
- c. Letters**
- d. Phone calls**
- e. E-mails**
- f. Using influential people**
- g. POMs—Public Opinion Messages**

Gaining access and building up relationships with policy makers and others affecting your issue

Dealing with Policy-Makers and their Staff

Time problems—so be brief

- a. What do you want?**
- b. Why do you want it?**
- c. How much will it cost?**
- d. Its implications for my office?**

Presenting Written Information and Materials

- a. Brevity at first—a page or so**
- b. Have well-written and short back-up info**
- c. Ask or wait to be asked if they need more extensive info**
- d. Tips on committee hearing**

Monitoring and Record-Keeping

**A Reminder About Reporting Back to the
Lobbying Coordinator/ Clearinghouse Person**

6. CONCLUSIONS: FACTORS TO KEEP IN MIND IN LOBBYING

Six General Points

- 1. There are no secrets to successful lobbying**
- 2. There is no ONE way or RIGHT way to Lobby**
- 3. The human element is paramount in lobbying (and in politics in general)**

- 4. Lobbying is a four-stage process:**
 - (1) Gaining access to policy-makers;**
 - (2) building up relationships with them;**
 - (3) providing information;**
 - (4) Influencing their decisions.**

- 5. No one has a monopoly on rightness (or righteousness!): There is no such thing as a TOTALLY public interest issue:**

- 6. Lobbying is an exercise in orienting resources (time, money, labor, members/ citizens, votes, etc.) for political purposes which should be coordinated**

Twelve Keys to Successful Lobbying

- 1. Be organized and well prepared:**
- 2. The time to plan a lobbying campaign is WAY before the legislative session begins**
- 3. Be sure to CLEARLY DEFINE what you want**
- 4. Know the process and the players**
- 5. Cover all the bases**

- 6. Be able to distinguish between the AUTHORITY structure and the POWER structure in an organization:**
- 7. Establish and maintain good contacts and build up trust**
- 8. Choose your lobbyist carefully**
- 9. Don't do your dirty washing in public if you can avoid it**
- 10. Be flexible and willing to compromise**

11. Don't drop in to legislative and executive department offices

12. It's not over until it's over

