

Stevens expects dropoff in funding

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• **APPROPRIATIONS:** As senator switches panels, access to deals may fall.

By **SAM BISHOP**
Fairbanks Daily News-Miner

WASHINGTON — Sen. Ted Stevens sees leaner times ahead for those who have enjoyed the recent growth in federal spending in Alaska, but not because he is stepping down as chairman of the U.S. Senate Appropriations Committee.

"It is going to be a tougher period," Stevens said earlier this month before leaving Washington, D.C., for a midwinter break. "I see a reduction in what we call earmarks across the board for everybody, because of the circumstances we've just been exposed to in terms of the economic future of the country"

For most of the past eight years, Stevens has held one of the most influential positions in the U.S. government. Except for a year and a half when Democrats regained the Senate majority, Alaska's senior Republican senator has occupied, in addition to his personal offices, an ornate suite on the first floor of the U.S. Capitol reserved for the appropriations chairman.

That chairmanship ends shortly after noon Tuesday, when the Senate convenes for the first session of the 109th Congress. Party-imposed term limits will force Stevens out. Figures indicate Stevens used his chairmanship to greatly increase some categories of federal spending in Alaska. He believes that vast pressures on the federal budget may soon freeze that growth, though.

The pressure comes from Social Security, Medicare and interest on the national debt, he said. Each is taking a larger and larger portion of the federal government's income.

"Availability of money for what we call discretionary funding is very limited right now. And the tighter the budgets are, the harder it is to move some of that money around," he said.

Stevens doesn't expect, though, that his ability to move that money will end as he and his staff close the door on suite S-120.

"I am the senior member of the majority party. I don't expect to be ignored, no matter where I am," he said.

Where he will be more often now is leading meetings of the Senate Commerce, Science and Technology Committee. Stevens expects to accept that committee's gavel from his fellow Republican, and sometimes stinging critic, Sen. John McCain of Arizona.

McCain's criticism has often struck at Stevens' "earmarks," the spending that Alaska's senator adds at the request of folks back in Alaska,

After Stevens took the chairmanship of the committee, most categories of federal spending in Alaska did not change much, according to the U.S. Census Bureau's Consolidated Federal Funds Reports.

Federal formula spending — the base money for roads before any earmarks, for example — continued to grow but saw no significant jump in the years immediately after Stevens secured the top spot. Neither did direct payments to Alaskans for

such programs as Medicare or Social Security. Defense spending actually declined slightly. Civilian agency spending held steady.

But federal grants for projects and other miscellaneous enterprises in Alaska headed north in a hurry.

From fiscal year 1983 to 1997, while Stevens built seniority on the Appropriations Committee, per capita spending in grants in Alaska declined slightly.

In the next budget year, the first for which Stevens led the creation of the spending bills, per capita spending on grants in Alaska rose by more than 50 percent, from about \$1,300 to \$2,000. The national average dropped to less than \$500 at the same time.

By 2003, the per capita grant total had grown to about \$4,650 per person in Alaska, according to the latest Census Bureau figures. It's now the largest category among five broken out by the bureau, the other four being retirement and disability payments (which are relatively low in Alaska), other direct payments (such as agricultural subsidies, also quite [ow), procurement and the federal payroll.

In fact, the per capita grant rate lone in Alaska is now almost as much as the per capita total of all federal pending in Nevada, which has the lowest return rate from the federal government of any state.

With the growth in grants, Alaska as overtaken Virginia as the top recipient of federal money per capita. The federal government in 2003 spent, in Alaska, \$12,244 per Alaskan. That was about \$1,000 more than in Virginia, home of the Pentagon, many federal offices and the legions of federal contractors sometimes dubbed "Beltway bandits."

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EARMARK BENEFITS

Stevens makes no apology for this growth, for three reasons. One, Alaska is unique, he said. Two, every other state has benefited from the kind of projects he is promoting. Three, he's not increasing overall federal spending.

"You'll remember now, I've prided myself on the fact we have not increased spending by the earmarks," Stevens said. "We have earmarked money that was going to be spent somewhere and said spend 'that much' in Alaska, where they had not spent money in the past.

"Water and sewer in rural Alaska is the primary example," he said. "That was always in the Department of Agriculture. County agents in every county, in agriculture country, they handled those things, helped local cities and little places get water and sewer improvements. We didn't have county agents, so we never got that money, so I had to earmark it."

To do much of the work he had in mind, Stevens got Congress to create the Denali Commission in 1998. Earmarked funding for the commission, which focuses on rural development, should reach \$165 million this year, up from \$128 million last year.

"We created the Denali Commission so that money was spent wisely and we didn't have a horde of people going up there to see where it should be spent," Stevens said. "We used Alaskans to determine where the money should be spent, with a 5 percent overhead limit. And everybody learned we were doing that, we weren't wasting the money we took in earmarks, and so they didn't oppose our earmarks."

Stevens said that even as chairman he never got all his desired earmarks. The subcommittee chairmen would often say, "Hey, Stevens, we don't have that kind of money" he said.

The one setting in which he found himself able occasionally to direct large sums of money to Alaska was in end-of-session conference committee negotiations, he said.

Sometimes, members in such negotiations will obstinately object to a spending item, he said. "We have things that fall out at the end," Stevens said. "And when it falls out ... I say 'Wait a minute, if you're not going to do it, all right, but will you take this?' And it's mine. It may be \$40 million for water and sewer that wasn't in there before."

"I've lost that capability the last -minute adjustment money" he said.

But he will remain a member of the committee and the Defense subcommittee chairman. He will still have the ability to go to other subcommittee chairmen and ask for earmarks, he said.

"And most of our money came through that way, not at the last minute," Stevens said. "Most of the money we have earmarked has been through long painful work of staff and myself and Alaska staff and people coming down from Alaska to talk to people on the subcommittee."

Lisa Sutherland, the long-time aide who often helped guide that process, will leave the Appropriations Committee and become chief of staff on the Commerce Committee, Stevens said.

Stevens said he expects things will work about the same for Alaskans seeking his help, though.

"We have not changed," Stevens said. "People from home still come to this office and talk to someone on this staff that has the jurisdictional area that they're concerned with, and that staff takes them over to the staff of the subcommittee of the Appropriations Committee, if money is involved."

He also said he doesn't expect Alaskans to hire lobbyists if they want to talk to him.

"I don't ever remember ever refusing to see an Alaskan, unless it's someone who has called me a dirty name," he said.

Alaskans may find the returns on their requests a bit less generous, though, Stevens said.

"We cannot expect to have an increase in discretionary spending in the period ahead of us," he said. "We're going to have to live at the current level, and maybe even see it decrease a little. As we do that, it's going to lessen the ability to move money around to villages, to docks or various other things. It is going to be a tougher period."

David Walker, director of the Government Accountability Office, put it more strongly this fall. The nation faces "large and growing structural deficits" because of the aging population and increasing health-care costs, he told a group of journalists in October.

"GAO's simulations show that balancing the budget in 2040 could require actions as large as cutting federal spending by about 60 percent or raising taxes to about 2.5 times today's level," he said.

Stevens, like Walker, believes the problem is mostly growth in entitlement spending. Stevens had little control over that as appropriations chairman. Such programs are funded automatically until their authorizing law is changed, and authorizing legislation is handled by other committees.

So Stevens doesn't see his spending on agencies and earmarks as a problem, particularly not the money going to Alaska.

"We have lots of items that we've earmarked that are less than a million dollars. That's a lot of money to me still, but in terms of the overall national budget that we're handling, \$790 billion (of discretionary spending), that's not a lot of money,"

he said. “And Congress is not going to say you can’t do that anymore. We’ll still be able to earmark money from pots of money that will be spent.”

HIGH-VALUE TARGET

Such views have made Stevens a regular target for some of the groups that watch federal tax and spending issues in Washington.

Those groups are not unanimous in their assessment whether Stevens’ actions have worsened the federal budget imbalance, though. The annual deficit hit \$568 billion during the last fiscal year, almost a quarter of the total spending of \$2.3 trillion.

The Citizens Against Government Waste has for years complained that this is in part fueled by the kind of pork sent to Alaska by Stevens.

It’s not just about pork, though. The group also doesn’t like his votes on many of the budget policy questions that come before Congress. They gave only two Republican senators a worse rating in their congressional scorecard for the 2003 session. (Sen. Lisa Murkowski of Alaska was one of those two.)

The Concord Coalition gave Stevens a 14 percent rating, also one of the lowest among Senate Republicans in 2001. The organization advocates a balanced federal budget.

Americans for Tax Reform, however, gave Stevens a 100 percent rating for 2004. The National Tax Limitation Committee gave him an 88 percent rating for the 2003-04 sessions. And the National Taxpayers Union gave him a “B-” after analyzing his choice on every major budget vote in the 2003 session.

Nevertheless, another such group, Taxpayers for Common Sense, slapped Stevens with a zero rating in 2002, a distinction he shared with only two other senators. In 2003, Stevens got an 11 percent rating from the group, again one of the lowest in the Senate.

If any sympathizers with that group expect a major change in direction with Stevens absent from the chairmanship of the Appropriations Committee, though, they must consider that Sen. Thad Cochran, D-Miss., received exactly the same scores.

And who is he?

Likely the next chairman of the U.S. Senate Committee on Appropriations.

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