

Hickel operating budget less than 1990

JUNEAU — Gov. Hickel has announced the operating budget he will submit to the Legislature in January will be roughly \$110 million less than this year's budget and \$215 million less than the budget proposed for next year by former Gov. Steve Cowper on Nov. 30.

The proposed budget will focus on maintaining service and performing necessary maintenance while cutting the cost of operating government.

Hickel said this is the first in a series of reductions necessary to gradually lead the state to a sustained level of spending.

"Our goal is to make this \$110

million reduction without cutting essential services," Hickel said. "I've instructed my cabinet to cut the fat and not the meat."

Hickel's operating budget is expected to total more than \$2 billion for fiscal year 1992, said Shelby Stastny, director of the Office of Management and Budget.

That is an overall reduction of 5 percent from the current FY91 spending level. In addition, agencies are also expected to fund the \$34 million necessary to pay a cost-of-living adjustment in FY92 within these reduced targets.

This 5 percent increase is the result of collective bargaining agreements

with state employees signed by the Cowper administration in 1990.

"We're not asking for an across-the-board 5 percent reduction because certain departments may not be able to comply," Hickel said.

"But I am asking all commissioners to dedicate themselves to our commitment to an overall 5 percent cut which will translate into the \$110 million reduction."

Much of the reduction is expected through job attrition, which contributes an estimated 2,400 positions per year.

Stastny also said "formula programs" that rely on mathematical for-

mulas to compute funding will not be exempt from consideration during the budget review.

These programs include school district funding, municipal assistance and municipal revenue sharing.

"These programs have long been considered protected," said Stastny, "but we plan to review all government spending."

"However, some federal matching programs, such as Medicaid and Aid to Families with Dependent Children, will not be subject to reductions this year, but will be studied to determine efficiency adjustments which can be made in the future."