

# Legislators react to Cowper's budget

By Jennifer Gordon

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Gov. Steve Cowper's State of the State speech is on the minds of many legislators as they settle down to the third week of the 1989 Legislative session.

Representatives and senators from rural and urban districts alike are troubled by the same problem — how to cut the budget without cutting services to the people.

Sen. Steve Frank, R-Fairbanks, said that the governor's maintenance level budget is similar to the current budget, but that the Legislature is of the opinion that some reductions need to be made.

While the governor said generally that to keep all state benefits and services, the budget would have to be cut and taxes raised or added, Frank said he thinks the reductions should be prioritized, to deal with the most compelling needs first.

"I don't think the Legislature is going to openly embrace the idea of taxes," Frank said. He suggested that a more balanced approach is needed.

He said the Legislature should first look at other sources of new revenue, before considering taxes.

Sen. Pat Pourchot, D-Anchorage, said that he also noticed that the budget proposal was similar to last year's, but pointed out that the capital budget has recognized some "unusual needs" in rural Alaska. He said programs like Headstart, a program to get children into school and learning at an early age and other social and health programs have received increases in funding.

Pourchot said that while the budget increases were fairly modest, it was too much overall, and he believes the Legislature will be making cuts "across the board" in March or April.

Rep. George Jacko, D-Pedro Bay, said he thought the governor's speech was interesting, and he commended the governor on being out front on the issues. He said, however, that he doesn't support everything the governor has proposed and would not support anything that was detrimental to his district or rural Alaska.

Jacko said that he believes the state should invest in rural Alaska, since economical resources are found out-

side the cities. He said that investing in the fishing industry can benefit the whole state and suggested taking money from the Railbelt Energy Fund to finish projects on St. George and St. Paul Islands.

"My concern is what happens if one or all the revenue measures don't pass the Legislature," said Rep. Lyman Hoffman, D-Bethel.

Hoffman said the governor's \$2.3 billion maintenance budget is predicated on raising revenues. If those revenues are cut, he said, it will mean major cuts in the budget.

Sen. Fred Zharoff, D-Kodiak, said that his initial reaction to the governor's proposal was that it was one of many that will be reviewed during the Legislative session. He said the overall impact of the budget looks good for his district and the state in general, in that it maintains a level of several services. He said he is concerned, however, about the tax structures proposed.

Zharoff said that many of the cities in his district already have city taxes, and adding a state tax would be too much to ask. He said the people in

Kodiak are currently paying as much as \$1.38 a gallon for gasoline and an 8-cent increase could also cause problems. The gas tax would be used to improve roads, but Zharoff said road maintenance in rural Alaska is at a minimum and doubts his district would benefit from the tax.

Rep. Kay Wallis, D-Fort Yukon, said she does not believe a sales tax would benefit the state as much as a higher income tax then the governor proposed.

"If you're living on \$500 a week, a sales tax becomes an increased expense which negatively affects families, especially those with children."

Wallis is strongly opposed, she said, to raising the gasoline tax from 8 cents to 16 cents. She said in Shageluk, a village in her district, motor fuel is approaching \$5 per gallon.

While Wallis said she didn't want to target any specific programs for cuts at this time, she said that all state spending will be scrutinized this year and "nothing is sacred or exempt from this scrutiny."