

Revenue Sharing Differential Asked for Living Costs

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JUNEAU To State Rep.

Chuck Degnan, D-Unalakleet, it

boils down to a simple matter of "Equalizing the buying power of the dollar."

Lack of transportation, compounded by communications problems, has resulted in a higher cost of living all over rural Alaska, says Degnan, in support of legislation to amend state revenue sharing provisions to reflect area cost-of-living differentials.

The Democrat from Unalakleet, where the cost of living climbs far above the Anchorage area, introduced legislation in the State House last year to distribute state aid to local governments recognizing appropriate area-cost-of-living differentials.

It cleared the House Local Government Committee, then emerged from judiciary with some proposed changes in the form of a committee substitute bill attached. House Finance Committee Chairman Oral Freeman, D-Ketchikan, scheduled a hearing on the matter Tuesday, Feb. 25.

Degnan feels that not only

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Alaska Representatives to the Conference on Indian Health held in Washington, D.C. on Feb. 7, 1974, are: left to right: Lillie McGarvey, Chairwoman, Alaska Native Health Board; Georgianna Lincoln, Fairbanks Native Community Center; Chris Anderson with Doyon, Ltd.; Joe Lomack, Chairman of Yukon-Kuskokwim Health Corporation; and Carl Jack, Director of AFN, Inc., Health Affairs. Senator Mike Gravel coordinated efforts for Alaska's input during the Conference, which included the future of Indian Health Service.

Cost of Living...

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the bush, but the Anchorage area legislators should support the measure because it would provide leverage to get similar legislation in Congress and benefit the whole state in federal revenue sharing.

"The concept itself is not new," he said. "It has been used by the state in determining salaries and the federal government gives a 25 per cent cost of living allowance.

"Theoretically the cost differences are incorporated into planning for special projects, but it is not yet incorporated into the budget for revenue sharing," he said.

"Since local governments depend on the state for some direct assistance in revenue sharing, it is only fair that we try to equalize buying power of the dollar," he said.

Communities without the relatively higher cost of living are afraid that the budget will not be fully funded and therefore they will get proportionately less, yet this is not the case, Degnan argues.

"The budget can only provide for expected costs and supplemental appropriations are possible. If the urban communities are not in favor of supplementals, they aren't going to pass because urban communities have the majority vote," he said.

"The way the bill is structured, Anchorage will get what they are entitled to now under the state. Communities in high cost areas will get a percentage more depending on how high their cost of living is compared with the base district," he said.

Figures included in Degnan's original legislation, co-sponsored by 11 other members of the House, were based on 1972 administrative studies by the state. They showed the cost of living to be considerably higher in the Anchorage area.

Legislation offered as a Judiciary Committee substitute would determine area cost-of-living differential for each city and organized borough by election districts. That measure also includes the wording of the original Degnan bill, that monies be distributed, "Based on the sum of per capita, per mile and per bed or facility grants due each city or organized borough multiplied by the appropriate area cost-of-living differential."