

Cowper seeks ways to ease budget cuts

by Gov. Steve Cowper
for the Tundra Times

If you've been listening to the news reports from Juneau the past few months, you might think the only topic on people's minds here is money.

This year especially, there's good reason for that. With the drop in world oil prices, Alaska will take in about half as much money this year as we received last year.

For example, in 1986, the state collected \$3.1 billion or about \$5,700 per person. This year, we will receive about \$1.6 billion or about \$3,000 per person, and that is projected to drop even further to \$1.5 billion in 1988.

Just about everyone is having trouble adjusting to the lower level of money. I've had to propose cuts in government services totaling 27 percent when compared to 1986, and everyone is going to feel the change. We simply can't afford for government in Alaska to be everything to everyone, as it has been in the past.

Rural Alaska will not be spared from reduced services and fewer dollars for public works projects. But I've been working with the Legislature to make the changes easier.

One area where that's the case is education. I've proposed a new method of funding schools that is fair to all districts. For communities with Regional Educational Attendance Areas, the state will continue to pay the full costs of education. In urban areas where there is a tax base, local governments will help share the cost of education.

Another area where rural Alaska will see changes is in energy and fuel costs. In 1986, the state spent \$17.6 million for rural energy subsidies through the Power Cost Equalization program. This year that will drop to \$11.1 million.

I've introduced legislation to

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reallocate money under the program in order to avoid huge increases in power costs for most residential residents, for whom the program was created in the first place.

Even though money has been getting the headlines, we're doing a lot of other things to address the needs of rural Alaska.

As a result of the enormous changes in rural communities over the past few years, many rural Alaskans feel a lack of control over their lives. They believe stronger local governments can help correct that, and I agree.

Soon after the Legislature adjourns, I'll be appointing a Rural Governance Council to review the problems of rural Alaska and make recommendations to me about what we can do to correct them. The council will focus on stronger forms of rural government that can work within the Alaska Constitution.

The group will be composed of five residents of rural Alaska and one person each from my office and the Department of Community and Regional Affairs. I expect the council to give me recommendations in time to introduce any necessary legislation next year.

Another area on which I'm spending a great deal of time is creation of an economic development plan which can help rural economies.

There's a new economic climate developing in Alaska, and I think rural



Alaskans and village and regional corporations should be a part of it. My fisheries "mini-cabinet," composed of people from several state departments, is working on a long-range plan in which some smaller rural fisheries, especially in Western Alaska, would be reserved for local people.

There's also a growing market for some products produced in the rural areas, and we're putting together a plan to help promote and sell those

products. Any economic development plan we adopt will include a strong commitment to subsistence.

Finally, rural Alaskans should know that they have a direct line to the governor's office. My new staff assistant for rural affairs is Rosita Worl, whom you may know best as publisher of *Alaska Native Magazine*. She has considerable experience in rural Alaska and will be handling rural issues in my office.