

Cowper considers special session

by A.J. McClanahan

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Gov. Steve Cowper is expected to decide within the next two weeks whether to call a special session of the Legislature to deal with a predicted shortfall in the state budget of \$317 million, according to Cowper's press

secretary, David Ramseur.

"The governor is going over the budget line by line, trying to decide if a special session is necessary, and, if so, what topics would be discussed," Ramseur said.

By law, the governor has until July 2 to sign the state budget passed by the

Legislature.

Ramseur said there is much internal debate within the Cowper administration as to whether to call a special session.

Figures released last week by Hugh Malone, commissioner of the Department of Finance, showed a projected budget deficit of \$317 million.

(Continued on Page Six)

• Forecast shows shortfall

(Continued from Page One)

ment of Revenue, show that the estimated General Fund deficit at the end of Fiscal Year 1988 will be \$317 million.

The Department of Revenue made its forecast about one month earlier than normal. The key uncertainty in the forecast is the price of oil, with an assumption of the price at around \$14 a barrel.

"There has been a great deal of

speculation recently that oil prices will continue to improve and the state's revenue position in corresponding fashion," Vincent Wright, research chief for the Department of Revenue, said in a memo to the governor. "This may very well be true.

"However, there are factors that still suggest tremendous downside risk relative to oil prices."

Wright said because of those concerns, prudence dictates a "cautious approach relative to the state's spending plans."