

Cowper asks Alaskans to accept cuts

by Gov. Steve Cowper
for the Tundra Times

Let me set the record straight.

Unlike much of what you've been reading about your state government lately, the following is factual. It is all on the record. You can look it up.

In 1985, the state of Alaska spent \$3.7 billion. In 1986, the figure was down 23 percent, to \$2.8 billion. By 1987, it was \$2.4 billion. My first budget will be for Fiscal Year 1988, which begins July 1. It calls for a reduction to \$1.9 billion.

That means that in three years, state spending will have been cut nearly in half. If you account for inflation, we're back where we were in 1979. If you consider only the state agencies — "the bureaucracy" — we're back to 1972 per capita spending levels, before the pipeline.

When I came to Juneau five months ago, I saw the need for further reductions in state spending, and I thought the best way to do it was to ask everybody to give up something. My first budget, which has not yet been adopted by the Legislature, makes reductions which are fair and just.

That doesn't mean everybody gets "equal" treatment, as is the case with across-the-board cuts. It does mean that nobody has to shoulder an unfair burden, except for those public employees who hold the 850 state jobs which will be eliminated from next year's budget, in addition to 650 positions cut this year.

We are asking Alaskans of all ages to accept some limitation on their state benefits. We have proposed that student loans and longevity bonuses go to those who most need the money.

We are asking that people at every income level take part in the solution. We have proposed revenue measures



assessing those who can afford to pay, and we are asking people in rural Alaska and urban Alaska to settle for less from their government.

I am asking our excellent state workforce to take a pay cut. I don't think there is enough appreciation of how hard most state employees work and how dedicated they are to their

jobs.

Many state employees took my proposal as a slap in the face. It's not. It's a recognition that all of us are in this together and that everybody needs to help us resolve our fiscal problems.

If you believe government has a job to do, then we're approaching a point

where enough is enough. You can argue about where that point is, but it's clear that there's not enough oil money to pay for even a basic level of government. In fact, we can't even come close with the oil money.

For 1988, we'll need an additional \$400 million to balance the budget. Our money situation won't get much better in the year to come, so we may well figure out how to pay for what we want. The decision can be put off for a year or two at most, but then it cannot be avoided. As tempting as it may be, we can't run away from it.

To help pay for a moderate level of state services, I proposed an income tax, some spending of the Permanent Fund income and a suspension of some oil tax breaks. Taken together, those revenue measures spread the burden in a fair manner, as does my proposed budget.

My plan doesn't satisfy everybody, but I'm ready to defend it.

In the meantime, the Legislature has a responsibility to make some decisions. I can veto a budget, but I can't write one. I can introduce revenue bills, but the Legislature has to pass them. It's now time for legislators to act.

Just last week in letters-to-the-editor columns around the state, I was roundly criticized for cutting student loans, senior citizens' benefits, aid to education, aid to public broadcasting, support for telecommunications, fish and game biologists, police officers, village runway lights, the arts, road maintenance, school debt retirement and, of course, public employee wages.

Let me pose a question: If I don't intend to cut state spending, who do you suppose all those letter-writers were talking about?