



NEWS FROM

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Budget Concerns Top 2000 Legislative Session

The 2000 Legislative Session begins on Monday, January 10. There is no long term viable financial plan for the State in sight. Rising oil prices have eased some of the pressure, and the latest numbers project a deficit of half of what was earlier expected, now about \$500 million. This still means a draw-down on our savings accounts, giving legislative leaders an argument for further spending cuts. The Governor's budget proposes some important spending increases, particularly in programs that affect children. We will hear familiar arguments that increases need to be matched with decreases elsewhere, a continuing challenge in funding for rural Alaska.

Revenue Sharing Municipal Assistance

The Governor's Budget keeps funding levels the same as last year (a 1/3 cut from the prior year). Some members of leadership have suggested there will be another 50% cut this year and elimination next year. Other proposals for changing the program would eliminate funding for unincorporated communities. It is hard to predict the outcome at this point, but I'm prepared to battle if proposals to further cut our funding arise.

Power Cost Equalization

PCE continues to be in need of a long term funding source. The program is likely to require supplemental funding for the current year, and it still lacks a stable source for FY 01. PCE will continue to be a target of some urban legislators who don't understand how important affordable power--statewide--is in developing long range economic stability of the state as a whole.

I'm committed to continuing the effort to educate my colleagues on rural issues and will fight for PCE funding.

School Construction Funding

The lawsuit, *Kasayulie et al v. State*, over inadequate funding for rural schools got the attention of some legislative leaders. We may see a statewide bond proposal to take care of the multi-year backlog of school construction and major maintenance needs. No bill has yet been filed, but I would personally support such an effort. Our district has 23 projects on the waiting list.

VPSO Funding

The Governor's budget has an increase for VPSO funding. The indirect rates charged to administer the programs have been an issue for some urban legislators, and we can expect another battle this year.

Other Issues and Concerns for this Session

The Federal government has begun the process of implementing **subsistence** management on federal lands following the failure of the legislature to pass a constitutional amendment proposition during the September 1999 Special Session. We don't expect any changes of heart, but must be alert to any proposals that would weaken rural subsistence protections established in ANILCA. Rep. Hudson, co-chair of House Resources has said he will address the issue at the outset of session and then see what the Senate may or may not do.

The state's request for preclearance of **reapportionment** legislation is before the Department of Justice. Rural Alaska will lose strength because of population shifts in the next reapportionment; however, a finding by the Justice Department that the new laws impact minority districts negatively may help us in the next reapportionment plan.

The **BP/ARCO merger** may take up legislative time at the outset of the session. **State Worker contracts** are also likely to be a contentious issue. I'll be keeping my eye on any action on recommendations by the legislature's **Privitization** committee, my primary concern being the impact on rural services if the state is replaced by private industry as the service provider.

Office Notes . . .

I'm pleased to have an eager and capable staff working for our district again this year. If you call and I'm not in the office feel free to talk with Pat Jackson or Trim Nick. I was also fortunate to receive an intern placement from the University, Lissa Robertson, who will be both learning and helping us keep up with the ever-changing issues.

My committee assignments are the same as last year: Resources, Fisheries, and Regulation Review. My budget subcommittees include Corrections and the Courts.

Call toll free 1-800-323-4942