



NEWS FROM *MARY*

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Power Cost Equalization

Solving the PCE funding puzzle has been the challenge facing every legislature since the program was revamped in 1992.

The Administration tells us it is working on an Alaska Energy Plan, to be completed in 12-18 months. My colleagues and I have responded by saying that's too long to wait. A recent legislative hearing recapped numerous ideas:

- Sell the 4 dam pool
- Use dividends from AHFC, AIDEA, Science & Technology Foundation
- Consider HB 137, Municipal Dividend Bill which would free up general fund (for PCE?)
- Consider bills by Sen. Adams & Rep. Berkowitz transferring student loan assets to AHFC and create dividend or endowment for PCE.
- Implement a creative Universal Service charge
 - Develop Alternative Energy Sources
 - Locate bulk fuel storage in central locations
 - Develop regional systems, more interties
- Use windfall of high oil prices to set up a fund
 - Capitalize on rural gas deposits
 - Reconsider legislation restricting PCE to residential. If rural economies are to grow, affordable power is a key.
 - Get a point person assigned to the task
- Establish an Energy Czar for rural Alaska

PCE funding is a priority for all of us in the Bush Caucus. We are working on multiple fronts, to make sure the program is squarely funded for both FY 00 and FY 01. **And we continue to work on a long term solution.**

State Operating Budget: Conference Committee Next

The House of Representatives finished its work on the State Operating budget in mid-March and sent it over to the Senate for consideration. The Senate made changes, and the House will receive the amended bill. Just like every other year, the House will not concur with the changes and the budget will be sent to a Conference Committee, consisting of three members of each body.

The good thing about this process is that something left unfunded or shortfunded in the House may have fared better in the Senate---or visa versa. The Conference Committee has the authority to take the higher amount, although they can take the lower figure (or completely zero out the appropriation) just as easily.

That's why it's important that we continue to watch how funding decisions came about and continue to advocate for programs and services that are important to us. The members of the Conference Committee on the Operating Budget will be Representatives Mulder, Therriault and Davies and Senators Parnell, Torgerson and Adams.

Notes on Budget Concerns for Rural Areas

Public Radio - House shortfunded by \$130.0. Senate restored \$50.0 of the cut.

Public TV - both House and Senate budgets cut 5% from FY 00 funding level.

Satellite Infrastructure - House cut of \$28.3 would mean ARCS is off the air 6-8 weeks. Senate budget restored the cut.

Revenue Sharing/Municipal Assistance - Both budgets short fund from FY 00 levels by 10.66%. If no alternative is found cut would be spread statewide.

ARDORS - Funded at current levels in both budgets.

Alaska Legal Services - House cut all state funds. Senate restored.

Power Cost Equalization - Both budgets have place holders at last year's level. Neither designates a funding source, however.

Head Start - Neither budget allows Governor's requested \$2 million increment to serve an additional 400 children.

Fish & Game - After years of tough hits to this budget, the one budget reduction comes in Boards of Fish & Game. May impact Board of Fish meetings dealing with rural issues.

YKHC and BBAHC - the rural health BRU's funding held at last year's level.

Infant Learning Program - The House disallowed Governor's requested increment to address waiting list. Senate budget funds the request.

Aloholcol & Drug Abuse Grants - A reduction of \$500.0 in both budgets will result in loss of federal funds by 2003. More individuals denied treatment.

Bethel Youth Facility - Senate fully funds Bethel Youth increment request.

VPSO's - Funded at last year's level. Governor's requested increment for 15% salary increase was denied.

Council on Domestic Violence - Both budgets short fund program from last year's level, but at different amounts.