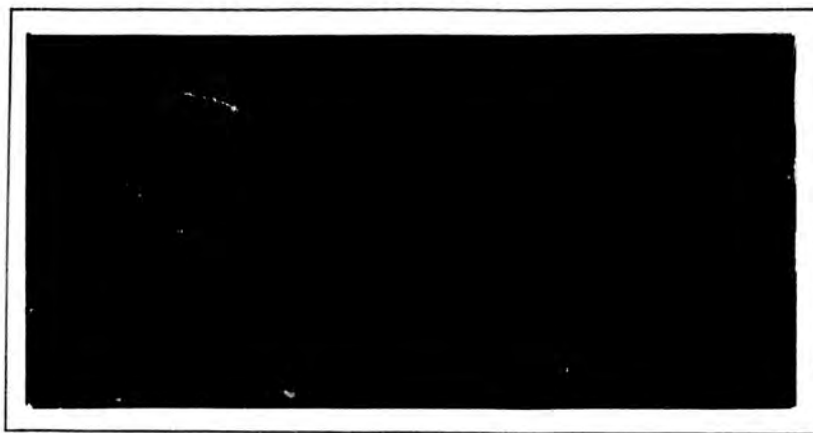


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INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

UNIVERSITY OF ALASKA ANCHORAGE

**Regional Economic Impacts of
State Budget Reductions**

by

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for

**Office of Management and Budget
State of Alaska**

Working Paper 89.1

January 5, 1989

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A reduction in state appropriations of \$349 million would, in the absence of mitigating measures such as salary and benefit rollbacks, reduce the personal income of Alaskans by \$325 million and average annual employment by 8,481--4,688 in the public sector and 3,793 in the private sector. These amounts represent about 3.4 percent of state personal income and 3.7 percent of employment not including military personnel. This estimate is based upon an analysis conducted for the Office of Management and Budget (OMB) using a specially prepared model (OMBCUTS.WK1) and pro forma budget reductions prepared under the direction of OMB.

The economic impact is felt in every part of the state to a differing degree dependent upon such factors as:

- Regional allocation of cutbacks
- Average wage in government and private industry in the region
- Extent of local multiplier effect of reduced spending

We analyze the economic impact in terms of personal income and employment because they are the most comprehensive measures available; however, because they are summary measures, they cannot reflect all the changes which budget reductions of this magnitude would introduce. Personal income is the income of Alaska residents which is mostly wages and salaries but also includes income of the self-employed, government and private transfers, and earnings on investments. It does not measure capital gains and losses or other changes in wealth of Alaskans. Employment is measured in annual jobs. A full-time government employee would be one annual job. Two seasonal jobs held by one person in one year during different seasons would count as one annual job in this definition. One person working year-round at a part-time job in a fast food restaurant would count as one annual job in this definition.

The value of government spending is not primarily measured by the economic impact of those dollars, but rather by the value of the services provided. For example, because personnel expenditures have a larger economic impact than the purchase of supplies does not mean that the value of a dollar spent on a teacher's salary provides a greater benefit to Alaska than a dollar spent on fuel to heat the school building. Obviously, some of each is necessary to provide educational services. Nonetheless, when contemplating budget reductions, the economic impact of those cuts is of importance for decision making.

The results of the analysis are summarized in Table 1 and the accompanying figures. (The letters in parentheses refer to notes imbedded in the model for self-documentation.) The regional impacts are presented either as a share of the state total or in relation to some variable within the region--either employment or personal income. Table 2 converts the results into "bang per buck" ratios showing the employment level associated with \$1 million of expenditures on various categories of government appropriations. Tables 3 and 4 show the detailed budget reductions by program and region upon which the results in the preceding tables are based. Table 5 contains most of the economic data estimated on an election district base and used in the analysis.

The reduction of appropriations can be divided into four categories for the purpose of analyzing economic impact--state government personnel expenditures, other state government expenditures (contracts, grants, capital items, supplies, and travel), local government support (including both personnel expenditures and other procurement), and direct transfers to individuals (administered either at the state or local level). Each type of appropriation has a different type of direct economic effect and each has an impact of different magnitude.

State government personnel expenditures directly support state government employment. They directly create jobs and income; and when state employees spend their income, additional jobs and personal income are created through the operation of the economic multiplier. (We identify the jobs created by the multiplier in this way as Induced Employment.) A portion of personnel expenditures is allocated to benefits, some of which also gets spent within the Alaska economy.

Other state government expenditures purchase a good or a service. There is often an employment (and personal income) component to such purchases, but the direct creation of employment and personal income by these purchases is less than in the case of personnel expenditures. For example, if the state government purchases an automobile, most of the money "leaks out" of the economy immediately. Although the local dealer will enjoy an increase in gross income equal to the price of the automobile, his net income and the net income of his employees will increase by only a portion of the sale price. It is this net income or personal income of the dealer and his employees that is the primary initial economic effect of the expenditure and which forms the basis for the multiplier effect. The second component of these state purchases which generates an economic impact is the purchase by the dealer of locally produced goods and services. This, of course, does not include the automobile itself, but does include utilities and could include advertising, accounting, legal services, etc. We identify the jobs created in this way as well as the employment within the dealership itself as Indirect Employment.

Local government support consists of transfers from state to local government. Local government, in turn, can spend these transfers on personnel or on the purchase of goods and services. Thus, the economic impact of local government support will be some combination of the effects already described. In this analysis we assume that local government support dollars are fungible dollars and that reductions can only come out of the discretionary part of the local budget. Specifically, local debt service cannot be reduced because state government transfers have been reduced.

Direct transfers to individuals increase the personal income of those individuals. This type of spending does not directly create employment, but when this personal income is spent within the economy, additional employment and personal income is created through the operation of the economic multiplier. A significant amount of government spending indirectly increases the personal income of individuals but is not counted here. For example Medicare expenditures allow people to purchase a greater amount of medical services than they otherwise would be able to afford and thus to augment their personal income.

The categorical and regional composition of appropriations analyzed in this paper is shown in Table 1 and Figure 1. Only those impacts which occur within Alaska (the overwhelming majority) are included. The total reduction in spending of \$356 million exceeds the reduction in state appropriations by \$7.2 million because three types of formula programs (Medicaid, AFDC, and Adult Public Assistance) have a Federal match which is reduced dollar for dollar with the reduction in state appropriations. The majority of the reduction in appropriations occurs in the election districts in the Juneau, Anchorage, and Fairbanks areas for obvious reasons. Kenai and Matsu are in the "second tier," followed by the other election districts.

The regional shares of the different appropriation categories exhibit considerable variation. The Juneau, Anchorage, and Fairbanks Election Districts have a much larger share of the state employment loss while the rural election districts in the north and west have a much larger share of the local employment loss (Figure 2). The same pattern appears in the shares of state appropriations for purchases of goods and services. The Juneau, Anchorage, and Fairbanks Election Districts have concentrations of these purchases relative to the rural areas (Figure 3).

The regional distribution of the reduction of appropriations is better measured by comparison to the population and the personal income within each of the election districts. Statewide the reduction in appropriation per capita is \$651 which is 3.7 percent of personal income, but this varies considerably from district to district. Both on a per capita basis and as a percentage of income, Juneau ranks the highest while Inside Passage, Anchorage, and Bristol Bay are virtually identical as the lowest in per capita terms, with Anchorage clearly the lowest as a percentage of personal income (Figures 4 and 5).

Another way to present the reduction in government employment is as a percentage of the government employment within the election district. For the state as a whole, state government employment would decline by 14.5 percent and local government employment by 7.2 percent. In only two areas--Juneau and Anchorage--would the reduction in state government employment be less than the state average percentage (Figure 6). The range is from 12 percent to 39 percent. The range for local government employment is about the same in relation to the average--from 3.5 percent to 13 percent.

Local government support can be characterized in relation to population and in relation to income. In per capita terms it is a measure of the per capita local revenue effort which would be required to compensate for the loss in transfers from state government. On a statewide basis this is \$215 per capita, but every election district is greater than the state average with the exceptions of the Anchorage area and the Fairbanks area (Figure 7). The range of values is from \$149 to \$470. As a percentage of income, local government support ranges from a low of .7 percent in Anchorage to 4.1 percent in Kuskokwim (Figure 8).

The reduction in direct transfers to individuals is the smallest of the four categories of appropriations and is quite small as a portion of personal income for the state as a whole. For the Norton Sound, Interior Rivers, and Lower Kuskokwim, however, it is between .5 percent and .6 percent of personal income.

The total personal income and employment impacts of the different types of appropriation reductions have been aggregated into summary measures. The employment impact is the sum of the direct state government employment loss, the direct local government employment loss, the indirect employment loss due to the reduction in government purchases of goods and services within the economy, and the induced employment loss due to the multiplier effect of fewer government and publicly supported private employees. The largest aggregate employment loss is in Anchorage, followed by Fairbanks and Juneau (Figure 9). This pattern is also reflected in the share of the statewide loss of employment and personal income in each election district (Figure 10).

The pattern is different when the loss of employment and personal income is presented as a percentage of employment and personal income within the election district. The range of loss of total employment is from less than 2 percent for North Slope-Kotzebue to 9.5 percent for Prince William Sound (Figure 11). The range of loss of personal income is not quite as broad. It stretches from a low of 2.2 percent for Anchorage to 8 percent for Juneau.

The impact of this reduction in employment and personal income on population, households, and housing demand is difficult to assess because of a paucity of information at the regional level on migratory responsiveness to economic incentives and housing stock. We have calculated a "household equivalent effect" merely to provide a sense of the potential number of households which might migrate out of each region because of the reduction in economic opportunity. This is based on the observed pattern of workers per household. In some regions these households would be more likely to drop out of the labor force rather than out-migrate. We have not estimated the potential incidence of this effect.

The "bang per buck" of each type of appropriation, measured as the number of jobs lost due to a reduction of \$1 million, is shown in Table 2. Only the statewide figures can be interpreted in this way since the multiplier effect has an inter-regional component. As a consequence some of the employment loss associated, for example, with a reduction of appropriations in the Matsu election district will appear in Anchorage. This is because of the role of the Anchorage economy as a regional center for trade, finance, services, transportation, etc. The "bang per buck" for any category shown for Anchorage thus depends upon the particular regional distribution of appropriations within that category. The same holds for several of the other regions. The Formula programs with a Federal Match are aggregated with the other Formula programs for this analysis although the Federal Match does increase the "bang" by a considerable margin.

The appropriation reductions and their regional distribution which form the basis for the results presented in Table 1 and the Figures are presented in Tables 3 and 4. Estimates of economic variables by election district are in Table 5.

The results presented in Tables 1 and 2 are estimates and, as a consequence, small differences should not be interpreted as significant. The results are based upon the following:

- The specific budget cuts used in the analysis.
- The assumption of no mitigating measures to minimize adverse economic impact such as the use of one-time sources of revenue or salary cuts.
- Assumptions concerning economic behavior in each of the election districts about which there is a paucity of good current information.
- Estimates of employment and income across election districts consistent with the population distribution across districts.

Table 1
SUMMARY OF IMPACTS OF
\$349 MILLION REDUCTION IN
STATE GENERAL FUND APPROPRIATIONS

ELECTION DISTRICT		STATE	KETCH- WRANG- PETER	INSIDE PASSAGE	BARANOF CHICAGOF	JUNEAU	KENAI COOK INLET	PRINCE WILLIAM SOUND	ANCH- ORAGE	MATSU	INTERIOR HIWAYS
		SUM	1	2	3	4	5	6	7-15	16	17
SUMMARY EFFECTS	[I]										
Appropriations (Thousand \$)	[F]	\$356,356	\$12,203	\$5,385	\$5,555	\$49,311	\$18,715	\$10,677	\$119,334	\$20,123	\$7,507
State Government		\$220,328	\$6,827	\$1,824	\$3,214	\$42,761	\$8,180	\$6,377	\$76,479	\$9,713	\$4,040
Personnel		\$114,328	\$3,423	\$913	\$1,712	\$23,276	\$3,994	\$4,450	\$36,968	\$4,792	\$1,940
Other		\$106,000	\$3,404	\$911	\$1,502	\$19,485	\$4,187	\$1,927	\$39,511	\$4,920	\$2,100
Local Government Support	[G]	\$117,894	\$4,509	\$3,162	\$2,055	\$5,629	\$9,315	\$3,920	\$35,808	\$9,214	\$3,072
Direct Transfers to Households		\$18,133	\$867	\$399	\$287	\$922	\$1,220	\$380	\$7,047	\$1,196	\$395
Appropriations Per Capita		\$651	\$665	\$483	\$652	\$1,866	\$565	\$1,252	\$495	\$518	\$624
Appropriations/Personal Income		3.7%	3.6%	2.9%	4.1%	8.8%	3.8%	7.1%	2.4%	3.8%	4.4%
Regional Shares											
State Govt Employment		100.0%	4.0%	1.1%	1.8%	19.2%	3.9%	4.0%	30.5%	4.2%	2.0%
State Other Appropriations		100.0%	3.2%	0.9%	1.4%	18.4%	3.9%	1.8%	37.3%	4.6%	2.0%
Local Govt Employment		100.0%	4.2%	4.2%	2.0%	3.9%	9.2%	3.4%	22.8%	8.7%	3.3%
Local Govt Total Support		100.0%	3.8%	2.7%	1.7%	4.8%	7.9%	3.3%	30.4%	7.8%	2.6%
Direct Transfers		100.0%	4.8%	2.2%	1.6%	5.1%	6.7%	2.1%	38.9%	6.6%	2.2%
% District State Govt Employment		14.5%	18.0%	26.6%	19.0%	12.9%	16.3%	30.4%	12.3%	15.0%	14.7%
% District Local Govt Employment		7.2%	6.2%	7.5%	9.1%	6.3%	11.5%	12.9%	5.3%	12.5%	9.5%
Local Government Support Per Capita		\$215	\$246	\$283	\$241	\$213	\$281	\$459	\$149	\$237	\$255
Local Govt Support/Personal Income	[H]	1.2%	1.3%	1.7%	1.5%	1.0%	1.9%	2.6%	0.7%	1.7%	1.8%
Direct Transfers/District Personal Income		0.2%	0.3%	0.2%	0.2%	0.2%	0.3%	0.3%	0.1%	0.2%	0.2%
Personal Income (Thousand \$)		\$325,424	\$10,981	\$4,873	\$5,314	\$44,728	\$16,926	\$10,196	\$108,189	\$18,304	\$6,752
Employment											
Total (Annual Average)		8,481	323	182	167	1,152	479	282	2,526	508	204
State Govt		2,690	107	29	49	516	105	107	821	114	53
Local Govt		1,998	83	83	40	78	183	68	455	173	65
Indirect		1,100	35	17	19	160	51	24	394	61	23
Induced		2,693	98	53	59	397	139	84	856	160	63
Share of Statewide Income		100.0%	3.4%	1.5%	1.6%	13.7%	5.2%	3.1%	33.2%	5.6%	2.1%
Share of Statewide Total Employment		100.0%	3.8%	2.1%	2.0%	13.6%	5.6%	3.3%	29.8%	6.0%	2.4%
Share of Statewide Induced Employment		100.0%	3.6%	2.0%	2.2%	14.7%	5.2%	3.1%	31.8%	6.0%	2.4%
% District Personal Income		3.4%	3.2%	2.6%	3.9%	8.0%	3.5%	6.8%	2.2%	3.5%	4.0%
% District Total Employment		3.7%	3.6%	4.1%	4.6%	9.1%	5.4%	9.5%	2.2%	8.2%	5.1%
Household Equivalent Effect		4,989	190	107	98	677	282	166	1,486	299	120

ISER \$349 million budget reduction analysis: January 1989

Table 1 (Cont.)

ELECTION DISTRICT		FAIR- BANKS	NORTH SLOPE KOTZ	NORTON SOUND	INTERIOR RIVERS	LOWER KUSKO- KWIM	BRISTOL BAY ALEUT.	KODIAK ALASKA PENIN.
		18-21	22	23	24	25	26	27
SUMMARY EFFECTS	[I]							
Appropriations (Thousand \$)	[F]	\$58,549	\$7,874	\$8,533	\$6,969	\$9,018	\$7,887	\$8,259
State Government		\$43,074	\$2,005	\$3,053	\$2,263	\$3,286	\$3,078	\$3,699
Personnel		\$23,162	\$1,027	\$1,597	\$1,027	\$1,826	\$1,712	\$2,054
Other		\$19,912	\$978	\$1,456	\$1,236	\$1,460	\$1,366	\$1,645
Local Government Support	[G]	\$13,281	\$5,424	\$4,802	\$4,035	\$4,951	\$4,510	\$4,205
Direct Transfers to Households		\$2,194	\$445	\$678	\$671	\$781	\$299	\$355
Appropriations Per Capita		\$796	\$683	\$752	\$611	\$770	\$495	\$583
Appropriations/Personal Income		5.0%	4.5%	6.8%	5.8%	7.5%	3.4%	4.0%
Regional								
State Govt Employment		20.1%	0.9%	1.3%	1.0%	1.4%	2.5%	2.1%
State Other Appropriations		18.8%	0.9%	1.4%	1.2%	1.4%	1.3%	1.6%
Local Govt Employment		9.0%	4.2%	5.6%	4.8%	6.2%	4.6%	4.1%
Local Govt Total Support		11.3%	4.6%	4.1%	3.4%	4.2%	3.8%	3.6%
Direct Transfers		12.1%	2.5%	3.7%	3.7%	4.3%	1.6%	2.0%
% District State Govt Employment		14.5%	20.7%	15.5%	15.2%	17.0%	39.4%	23.3%
% District Local Govt Employment		7.6%	3.5%	7.8%	7.3%	8.6%	7.1%	12.5%
Local Government Support Per Capita		\$181	\$470	\$423	\$354	\$423	\$283	\$297
Local Govt Support/Personal Income	[H]	1.1%	3.1%	3.8%	3.4%	4.1%	1.9%	2.1%
Direct Transfers/District Personal Income		0.2%	0.3%	0.5%	0.6%	0.6%	0.1%	0.2%
Personal Income (Thousand \$)		\$54,254	\$7,359	\$7,835	\$6,338	\$8,474	\$7,103	\$7,795
Employment								
Total (Annual Average)		1,354	156	227	205	251	240	225
State Govt		540	25	35	27	38	67	57
Local Govt		179	83	112	97	123	92	83
Indirect		190	22	19	18	21	26	22
Induced		444	26	61	64	69	55	63
Share of Statewide Income		16.7%	2.3%	2.4%	1.9%	2.6%	2.2%	2.4%
Share of Statewide Total Employment		16.0%	1.8%	2.7%	2.4%	3.0%	2.8%	2.6%
Share of Statewide Induced Employment		16.5%	1.0%	2.3%	2.4%	2.6%	2.1%	2.3%
% District Personal Income		4.7%	4.2%	6.2%	5.3%	7.0%	3.1%	3.8%
% District Total Employment		4.4%	1.9%	6.3%	6.4%	7.1%	2.5%	3.8%
Household Equivalent Effect		796	92	133	121	148	141	132

ISER \$349 million budget reduction analysis: January 1989

Appropriations Bang per Buck

ELECTION DISTRICT	STATE	KETCH-WRANG-PETER	INSIDE PASSAGE	BARANOF CHICAGOF	JUNEAU	KENAI COOK INLET	PRINCE WILLIAM SOUND	ANCH-ORAGE	MATSU	INTERIOR HIWAYS
	SUM	1	2	3	4	5	6	7-15	16	17
EMPLOYMENT/\$1,000,000 APPROPRIATION--BANG/BUCK	24.3	27.4	34.4	30.3	23.5	26.1	27.0	21.8	25.7	27.6
Personal Services	34.2	42.9	45.3	43.2	33.6	36.6	34.2	32.4	34.7	39.1
Formula Programs	27.8	30.2	38.0	32.1	25.3	29.5	28.1	24.7	29.2	31.8
Formula Programs-Fed Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	12.5	12.8	14.2	15.3	12.3	12.1	12.2	12.4	13.0	12.7
Grants	12.5	12.8	14.2	15.3	12.3	12.1	12.2	12.4	13.0	12.7
Capital Budget	11.0	11.2	12.5	13.4	11.0	10.6	10.7	11.0	11.4	11.1
Supplies	5.6	5.7	6.3	6.8	5.5	5.4	5.4	5.5	5.8	5.6
Travel	7.3	7.4	8.3	8.9	7.2	7.0	7.1	7.2	7.6	7.4

ELECTION DISTRICT	FAIR-BANKS	NORTH SLOPE KOTZ	NORTON SOUND	INTERIOR RIVERS	LOWER KUSKO-KWIM	BRISTOL BAY ALEUT.	KODIAK ALASKA PENIN.
	18-21	22	23	24	25	26	27
EMPLOYMENT/\$1,000,000 APPROPRIATION--BANG/BUCK	23.4	20.0	27.4	30.4	28.6	30.6	27.7
Personal Services	33.9	28.7	31.6	38.8	31.0	48.9	38.3
Formula Programs	24.4	20.6	32.6	35.5	34.0	29.8	30.2
Formula Programs-Fed Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	12.8	10.4	10.4	12.2	11.1	12.8	12.2
Grants	12.8	10.4	10.4	12.2	11.1	12.8	12.2
Capital Budget	11.2	9.1	9.1	10.6	9.7	11.2	10.7
Supplies	5.7	4.6	4.6	5.4	4.9	5.7	5.4
Travel	7.5	6.1	6.1	7.1	6.5	7.5	7.1

ISER \$349 million budget reduction analysis: January 1989

DISTRIBUTION OF 15% REDUCTION
IN STATE GENERAL FUND APPROPRIATIONS

ELECTION DISTRICT		STATE	KETCH- WRANG- PETER	INSIDE PASSAGE	BARANOF CHICAGOF	JUNEAU	KENAI COOK INLET	PRINCE WILLIAM SOUND	ANCH- ORAGE	MATSU	INTERIOR HIWAYS
		SUM	1	2	3	4	5	6	7-15	16	17
APPROPRIATION AMOUNT (\$000)		\$349,175.8	\$11,792.2	\$5,304.2	\$5,518.9	\$49,020.9	\$18,306.3	\$10,458.1	\$115,823.2	\$19,792.1	\$7,419.1
Personal Services	[A]	\$114,328.2	\$3,423.0	\$912.8	\$1,711.5	\$23,276.4	\$3,993.5	\$4,449.9	\$36,968.4	\$4,792.2	\$1,939.7
Formula Programs	[C]	\$121,667.5	\$4,554.5	\$3,400.1	\$2,269.0	\$5,969.4	\$9,717.2	\$3,862.7	\$35,833.0	\$9,748.8	\$3,291.0
Formula Programs-Fed Match	[C]	\$7,180.1	\$410.9	\$80.4	\$36.2	\$290.6	\$409.0	\$218.8	\$3,510.7	\$330.6	\$87.9
Contractual	[B]	\$50,100.0	\$1,592.7	\$293.3	\$693.9	\$10,788.7	\$1,733.9	\$940.9	\$17,890.3	\$2,039.9	\$967.5
Grants	[B]	\$20,600.0	\$654.9	\$120.6	\$285.3	\$4,436.1	\$712.9	\$386.9	\$7,356.1	\$838.8	\$397.8
Capital Budget	[D]	\$20,000.0	\$669.9	\$407.4	\$311.1	\$965.0	\$1,210.4	\$311.6	\$8,801.1	\$1,418.8	\$439.6
Supplies	[B]	\$10,800.0	\$343.3	\$63.2	\$149.6	\$2,325.7	\$373.8	\$202.8	\$3,856.6	\$439.7	\$208.6
Travel	[B]	\$4,500.0	\$143.1	\$26.3	\$62.3	\$969.0	\$155.7	\$84.5	\$1,606.9	\$183.2	\$86.9
Item: % Appropriations		100.0%	3.4%	1.5%	1.6%	14.0%	5.2%	3.0%	33.2%	5.7%	2.1%
STATE GOVERNMENT POSITIONS (\$000)/Position		2,709	107.0	29.0	49.0	516.0	105.0	106.5	821.0	114.0	53.0
% Statewide Positions		\$42.21	\$31.99	\$31.48	\$34.93	\$45.11	\$38.03	\$41.78	\$45.03	\$42.04	\$36.60
% Statewide Personal Services \$		100.0%	4.0%	1.1%	1.8%	19.1%	3.9%	3.9%	30.3%	4.2%	2.0%
		100.0%	3.0%	0.8%	1.5%	20.4%	3.5%	3.9%	32.3%	4.2%	1.7%

ELECTION DISTRICT		FAIR- BANKS	NORTH SLOPE KOTZ	NORTON SOUND	INTERIOR RIVERS	LOWER KUSKO- KWIM	BRISTOL BAY ALEUT.	KODIAK ALASKA PENIN.	OUT OF STATE
		18-21	22	23	24	25	26	27	0
APPROPRIATION AMOUNT (\$000)		\$57,728.4	\$7,774.4	\$8,288.8	\$6,758.5	\$8,799.7	\$7,833.0	\$8,099.8	\$458.1
Personal Services	[A]	\$23,162.3	\$1,026.9	\$1,597.4	\$1,026.9	\$1,825.6	\$1,711.5	\$2,053.8	\$456.4
Formula Programs	[C]	\$13,833.9	\$5,669.9	\$4,992.0	\$4,284.7	\$5,295.6	\$4,701.6	\$4,242.3	\$1.7
Formula Programs-Fed Match	[C]	\$820.5	\$99.6	\$243.9	\$210.6	\$218.4	\$53.6	\$159.0	\$0.0
Contractual	[B]	\$10,035.0	\$324.4	\$606.7	\$477.6	\$601.4	\$456.7	\$657.0	\$0.0
Grants	[B]	\$4,126.2	\$133.4	\$249.4	\$196.4	\$247.3	\$187.8	\$270.1	\$0.0
Capital Budget	[D]	\$2,685.9	\$421.1	\$414.2	\$416.5	\$427.9	\$582.5	\$517.0	\$0.0
Supplies	[B]	\$2,163.2	\$69.9	\$130.8	\$102.9	\$129.6	\$98.4	\$141.6	\$0.0
Travel	[B]	\$901.4	\$29.1	\$54.5	\$42.9	\$54.0	\$41.0	\$59.0	\$0.0
Item: % Appropriations		16.5%	2.2%	2.4%	1.9%	2.5%	2.2%	2.3%	0.1%
STATE GOVERNMENT POSITIONS (\$000)/Position		540.0	25.0	35.0	27.0	38.0	67.0	57.0	19.0
% Statewide Positions		\$42.89	\$41.08	\$45.64	\$38.03	\$48.04	\$25.54	\$36.03	\$24.02
% Statewide Personal Services \$		19.9%	0.9%	1.3%	1.0%	1.4%	2.5%	2.1%	0.7%
		20.3%	0.9%	1.4%	0.9%	1.6%	1.5%	1.8%	0.4%

ISER \$349 million budget reduction analysis: January 1989

Table 4

FORMULA PROGRAM DETAIL FOR DISTRIBUTION
OF 15% REDUCTION IN GENERAL FUND APPROPRIATIONS

ELECTION DISTRICT			STATE	KETCH- WRANG- PETER	INSIDE PASSAGE	BARANOF CHICAGOF	JUNEAU	KENAI COOK INLET	PRINCE WILLIAM SOUND	ANCH- ORAGE	MATSU	INTERIOR HIWAYS
			SUM	1	2	3	4	5	6	7-15	16	17
FORMULA PROGRAM DETAIL (\$000)			[E]									
Public School Foundation Program	ED	5	\$62,613.7	\$2,023.8	\$2,306.5	\$1,122.5	\$2,243.3	\$3,528.4	\$1,412.7	\$17,554.4	\$4,358.5	\$2,561.9
Local School Debt Retirement	ED	5	\$16,420.8	\$699.3	\$20.0	\$318.3	\$926.2	\$2,796.7	\$937.4	\$3,380.1	\$2,908.4	\$26.3
Municipal Assistance	CRA	5	\$8,412.8	\$287.2	\$138.1	\$127.1	\$416.5	\$603.1	\$178.2	\$3,786.4	\$573.7	\$40.1
Longevity Bonus	AD	1	\$7,817.4	\$545.9	\$228.6	\$201.7	\$507.7	\$552.1	\$194.8	\$2,705.6	\$590.4	\$191.8
Municipal Revenue Sharing	CRA	5	\$6,115.8	\$309.4	\$111.8	\$131.0	\$488.6	\$566.7	\$201.8	\$1,962.7	\$414.0	\$73.7
Public Transportation	ED	5	\$3,768.3	\$93.1	\$61.6	\$55.0	\$151.3	\$421.0	\$126.5	\$1,257.3	\$506.6	\$239.9
Leasing-Administration	AD	3	\$3,696.2	\$58.3	\$6.3	\$9.3	\$964.0	\$164.1	\$139.4	\$1,843.1	\$73.9	\$12.3
Power Cost Equalization	CED	3	\$2,958.8	\$3.2	\$409.8	\$11.6	\$0.0	\$0.0	\$111.4	\$0.0	\$0.0	\$55.9
Tuition Students	ED	5	\$2,191.6	\$21.0	\$23.6	\$6.7	\$14.3	\$24.5	\$91.5	\$941.1	\$14.6	\$9.3
Shared Taxes	REV	5	\$1,617.8	\$145.8	\$40.9	\$51.9	\$11.2	\$209.1	\$151.4	\$182.3	\$33.1	\$2.9
General Relief Medical	HSS	1	\$1,415.7	\$0.1	\$0.0	\$3.0	\$73.3	\$82.7	\$70.7	\$888.5	\$50.4	\$2.2
Foster Care	HSS	1	\$1,161.9	\$61.7	\$0.0	\$14.5	\$71.3	\$96.7	\$13.3	\$406.2	\$67.7	\$33.9
Fish Enhancement Tax Receipts	CED	5	\$964.7	\$207.2	\$0.0	\$183.4	\$0.0	\$391.7	\$182.4	\$0.0	\$0.0	\$0.0
Old Age Asst--ALB Hold Harmless*	HSS	1	\$673.0	\$42.1	\$8.1	\$7.0	\$32.6	\$52.4	\$9.9	\$327.1	\$40.7	\$0.4
Senior Citizen Tax Relief*	CRA	5	\$1,082.2	\$43.1	\$28.5	\$18.7	\$52.5	\$84.4	\$34.5	\$343.2	\$83.4	\$27.7
Schools for the Handicapped	ED	5	\$415.9	\$9.8	\$11.1	\$5.4	\$10.8	\$130.7	\$6.8	\$84.7	\$21.0	\$12.4
General Relief	HSS	1	\$273.5	\$3.5	\$1.3	\$1.9	\$5.8	\$4.7	\$0.0	\$170.3	\$12.4	\$0.3
Boarding Home Grants	ED	5	\$67.4	\$0.0	\$3.9	\$0.0	\$0.0	\$8.2	\$0.0	\$0.0	\$0.0	\$0.0
Youth In Detention	ED	5	\$0.0									
Med Asst--ALB Hold Harmless	HSS	3	\$0.0									
Community Schools	ED	5	\$0.0									
National Guard Retirement	MVA	1	\$0.0									
Retirement and Benefits/EPORS	AD	1	\$0.0									
Burial Allowance	MVA	1	\$0.0									
Organizational Grant	CRA	1	\$0.0									
Reenlistment Bonus	MVA	1	\$0.0									
Subtotal			\$121,667.5	\$4,554.5	\$3,400.1	\$2,269.0	\$5,969.4	\$9,717.2	\$3,862.7	\$35,833.0	\$9,748.8	\$3,291.0
Medicaid	HSS	3	\$7,568.3	\$607.8	\$0.0	\$13.6	\$350.2	\$386.7	\$345.9	\$4,472.2	\$227.2	\$9.9
AFDC	HSS	1	\$4,316.1	\$145.0	\$92.5	\$38.9	\$155.1	\$315.9	\$56.1	\$1,713.6	\$346.8	\$94.9
Adult Public Assistance	HSS	1	\$2,475.8	\$68.9	\$68.2	\$19.9	\$75.8	\$115.3	\$35.5	\$835.6	\$87.2	\$71.0
Subtotal--Federal Match			\$14,360.2	\$821.7	\$160.7	\$72.4	\$581.1	\$817.9	\$437.5	\$7,021.4	\$661.2	\$175.8
Grand Total Including Federal Pass Thru			\$136,027.7	\$5,376.2	\$3,560.8	\$2,341.4	\$6,550.5	\$10,535.1	\$4,300.2	\$42,854.4	\$10,410.0	\$3,466.8
Grand Total Excluding Federal Pass Thru			\$128,847.6	\$4,965.3	\$3,480.5	\$2,305.2	\$6,260.0	\$10,126.2	\$4,081.5	\$39,343.7	\$10,079.4	\$3,378.9

ISER \$349 million budget reduction analysis: January 1989

Table (Cont.)

ELECTION DISTRICT			FAIR- BANKS	NORTH SLOPE KOTZ	NORTON SOUND	INTERIOR RIVERS	LOWER KUSKO- KWIM	BRISTOL BAY ALEUT.	KODIAK ALASKA PENIN.	OUT OF STATE
			18-21	22	23	24	25	26	27	0
FORMULA PROGRAM DETAIL (\$000)			=====							
	[E]	:								
Public School Foundation Program	ED	5	\$6,764.5	\$2,768.5	\$3,685.2	\$3,136.5	\$4,117.9	\$2,829.1	\$2,200.0	\$0.0
Local School Debt Retirement	ED	5	\$2,071.7	\$1,441.2	\$122.0	\$7.0	\$0.0	\$117.1	\$649.1	\$0.0
Municipal Assistance	CRA	5	\$1,168.9	\$379.2	\$158.6	\$109.8	\$120.0	\$123.1	\$202.8	\$0.0
Longevity Bonus	AD	1	\$902.4	\$191.4	\$234.1	\$207.8	\$229.4	\$163.3	\$170.4	\$0.0
Municipal Revenue Sharing	CRA	5	\$513.1	\$294.1	\$205.1	\$230.5	\$176.8	\$197.6	\$238.9	\$0.0
Public Transportation	ED	5	\$563.4	\$26.3	\$35.0	\$24.1	\$38.0	\$98.5	\$70.7	\$0.0
Leasing-Administration	AD	3	\$214.2	\$46.6	\$32.4	\$1.4	\$50.5	\$46.3	\$32.4	\$1.7
Power Cost Equalization	CED	3	\$5.9	\$329.9	\$385.6	\$435.5	\$379.9	\$628.5	\$201.6	\$0.0
Tuition Students	ED	5	\$902.5	\$0.0	\$28.9	\$1.2	\$0.0	\$2.2	\$110.2	\$0.0
Shared Taxes	REV	5	\$42.3	\$72.4	\$3.9	\$5.8	\$3.7	\$403.2	\$257.9	\$0.0
General Relief Medical	HSS	1	\$186.9	\$0.0	\$18.0	\$0.0	\$0.0	\$0.0	\$39.9	\$0.0
Foster Care	HSS	1	\$195.9	\$39.9	\$0.0	\$25.4	\$90.7	\$27.8	\$16.9	\$0.0
Fish Enhancement Tax Receipts	CED	5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Old Age Asst.--ALB Hold Harmless*	HSS	1	\$77.7	\$14.1	\$22.1	\$16.8	\$21.7	\$0.1	\$0.2	\$0.0
Senior Citizen Tax Relief*	CRA	5	\$123.9	\$45.9	\$42.8	\$36.6	\$44.8	\$37.0	\$35.2	\$0.0
Schools for the Handicapped	ED	5	\$32.6	\$13.4	\$17.8	\$15.1	\$19.9	\$13.7	\$10.6	\$0.0
General Relief	HSS	1	\$68.0	\$0.5	\$0.5	\$0.0	\$2.3	\$0.4	\$1.6	\$0.0
Boarding Home Grants	ED	5	\$0.0	\$6.5	\$0.0	\$31.2	\$0.0	\$13.7	\$3.9	\$0.0
Youth In Detention	ED	5								
Med Asst.--ALB Hold Harmless	HSS	3								
Community Schools	ED	5								
National Guard Retirement	MVA	1								
Retirement and Benefits/EPORS	AD	1								
Burial Allowance	MVA	1								
Organizational Grant	CRA	1								
Reenlistment Bonus	MVA	1								
Subtotal		:	\$13,833.9	\$5,669.9	\$4,992.0	\$4,284.7	\$5,295.6	\$4,701.6	\$4,242.3	\$1.7
Medicaid	HSS	3	\$878.0	\$0.0	\$84.7	\$0.0	\$0.0	\$0.0	\$192.1	\$0.0
AFDC	HSS	1	\$527.3	\$98.1	\$210.5	\$213.9	\$176.6	\$54.2	\$76.7	\$0.0
Adult Public Assistance	HSS	1	\$235.6	\$101.0	\$192.5	\$207.2	\$260.1	\$52.9	\$49.1	\$0.0
Subtotal--Federal Match		:	\$1,640.9	\$199.1	\$487.7	\$421.1	\$436.7	\$107.1	\$317.9	\$0.0
Grand Total Including Federal Pass Thru		:	\$15,474.8	\$5,869.0	\$5,479.7	\$4,705.8	\$5,732.3	\$4,808.7	\$4,560.2	\$1.7
Grand Total Excluding Federal Pass Thru		:	\$14,654.4	\$5,769.4	\$5,235.8	\$4,495.3	\$5,513.9	\$4,755.1	\$4,401.2	\$1.7

ISER \$349 million budget reduction analysis: January 1989

Table 5

Election District Economic Information

ELECTION DISTRICT	STATE	KETCH- WRANG- PETER	INSIDE PASSAGE	BARANOF CHICAGOF	JUNEAU	KENAI COOK INLET	PRINCE WILLIAM SOUND	ANCH- ORAGE	MATSU	INTERIOR HIWAYS
	SUM	1	2	3	4	5	6	7-15	16	17
ECONOMIC INFORMATION										
Employment (000)	229.327	9.019	4.427	3.662	12.708	8.918	2.983	112.341	6.193	4.020
W&S Employment 1987	205.973	8.723	4.424	3.475	12.485	8.859	2.920	100.633	6.193	3.215
Military Employment	23.354	0.296	0.003	0.187	0.223	0.059	0.063	11.707	0.000	0.805
Item: Trade Employment	33.64	1.305	0.553	0.554	1.764	1.551	0.378	17.930	1.560	0.357
Item: Trade Emp/Personal Income	5.37	5.20	3.34	5.01	4.25	4.11	3.25	5.82	4.03	2.50
Item: Trade Ratio to State	100%	97%	62%	93%	79%	77%	61%	108%	75%	47%
Item: Local Govt Employment	27.79	1.347	1.111	0.439	1.241	1.598	0.528	8.580	1.387	0.683
Item: State Govt Employment	18.65	0.593	0.109	0.258	4.016	0.645	0.350	6.659	0.759	0.360
Population (000) FY 1986	547.6	10.342	11.154	8.518	26.422	33.139	8.531	240.975	38.847	12.038
Personal Income (\$ million) 1986	\$9,587	\$342.6	\$184.4	\$136.5	\$560.2	\$486.4	\$149.8	\$4,888.1	\$527.1	\$169.0
Per Capita Personal Income (Thousand \$)	\$17.51	\$18.68	\$16.54	\$16.05	\$21.20	\$14.68	\$17.56	\$20.28	\$13.57	\$14.04
Annual Wage Local Government	31.4	\$26.9	\$19.3	\$29.3	\$32.2	\$27.9	\$28.5	\$37.8	\$30.0	\$26.8
State Government	34.7	\$35.0	\$32.0	\$29.9	\$36.6	\$35.8	\$35.3	\$33.9	\$33.1	\$35.4
Employment Support (Induced) [M]	\$30.1	\$25.8	\$18.4	\$20.7	\$26.4	\$24.3	\$24.3	\$32.1	\$22.8	\$21.3
Factors Indirect Govt	\$41.6	\$42.0	\$38.4	\$35.9	\$43.9	\$43.0	\$42.4	\$40.7	\$39.7	\$42.5
Personnel Cost Local Govt Ave.	\$37.7	\$32.3	\$23.1	\$35.2	\$38.6	\$33.5	\$34.2	\$45.3	\$36.0	\$32.2
State Govt Ave. [L]	\$42.2	\$32.0	\$31.5	\$34.9	\$45.1	\$38.0	\$41.8	\$45.0	\$42.0	\$36.6

ISER \$349 million budget reduction analysis: January 1989.

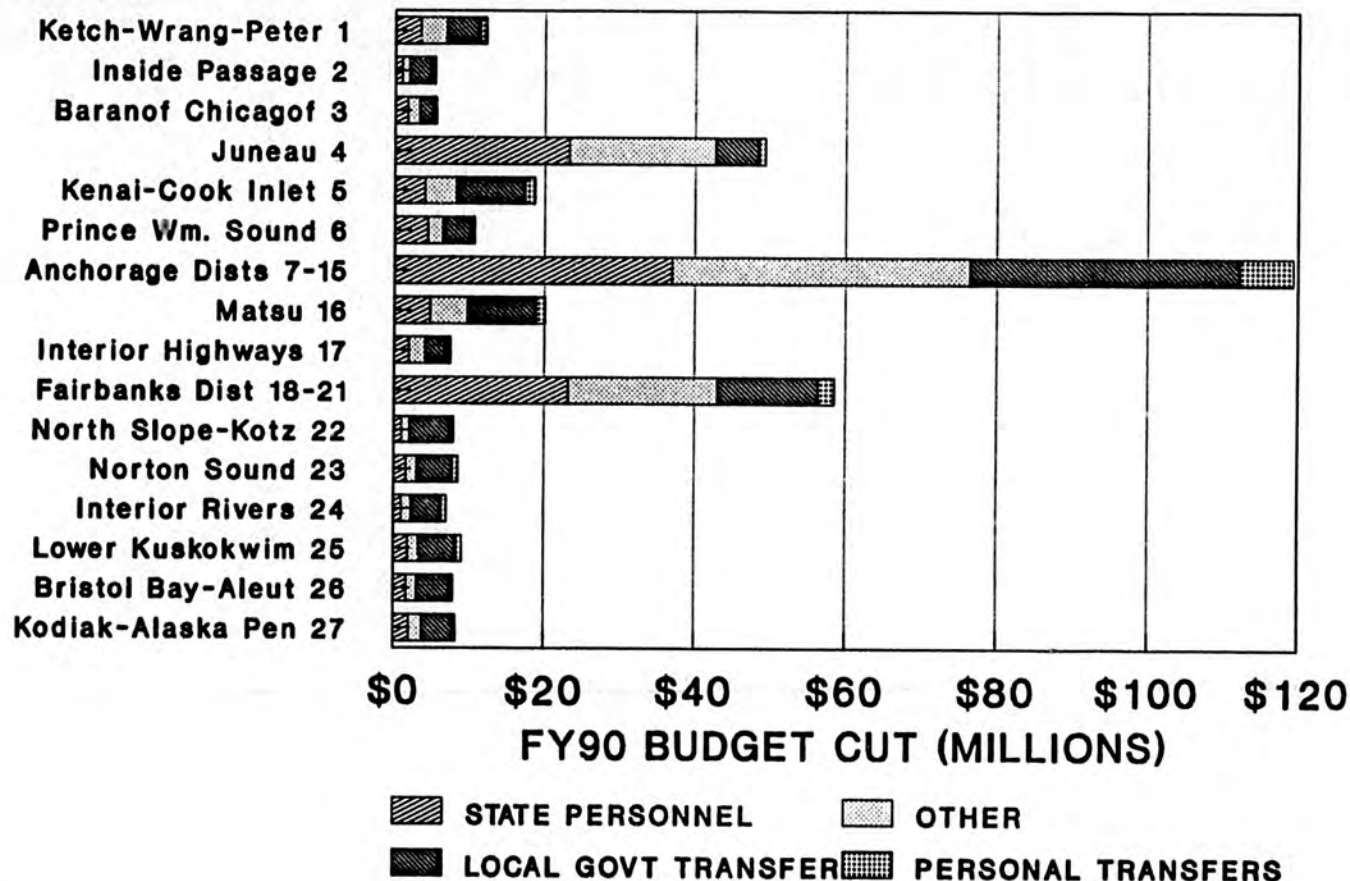
Table 5 (Cont.)

ELECTION DISTRICT		FAIR-BANKS	NORTH SLOPE KOTZ	NORTON SOUND	INTERIOR RIVERS	LOWER KUSKO-KWIM	BRISTOL BAY ALEUT.	KODIAK ALASKA PENIN.
		18-21	22	23	24	25	26	27
ECONOMIC INFORMATION								
Employment (000)		30.943	8.355	3.588	3.225	3.548	9.465	5.933
W&S Employment 1987		25.491	8.355	3.557	2.872	3.548	6.290	4.933
Military Employment		5.452	0.000	0.031	0.353	0.000	3.175	1.000
Item: Trade Employment		4.809	0.630	0.438	0.263	0.339	0.410	0.799
Item: Trade Emp/Personal Income		6.06	12.14	4.67	2.50	3.62	2.56	6.21
Item: Trade Ratio to State		113%	226%	87%	47%	67%	48%	116%
Item: Local Govt Employment		2.365	2.371	1.434	1.322	1.437	1.285	0.660
Item: State Govt Employment		3.735	0.121	0.226	0.178	0.224	0.170	0.245
Population (000) FY 1986		73.540	11.530	11.340	11.403	11.715	15.948	14.156
Personal Income (\$ million) 1986		\$1,165.9	\$173.3	\$126.1	\$120.4	\$120.9	\$232.3	\$204.5
Per Capita Personal Income (Thousand \$)		\$15.85	\$15.03	\$11.12	\$10.56	\$10.32	\$14.56	\$14.44
Annual Wage Local Government		\$39.7	\$35.4	\$22.3	\$21.7	\$21.4	\$24.4	\$26.7
State Government		\$33.5	\$33.9	\$43.4	\$39.2	\$40.6	\$32.2	\$35.6
Employment Support (Induced)	[M]	\$28.6	\$57.3	\$25.8	\$19.9	\$24.4	\$25.6	\$28.5
Factors Indirect Govt		\$40.2	\$40.7	\$52.0	\$47.1	\$48.7	\$38.7	\$42.7
Personnel Cost Local Govt Ave.		\$47.6	\$42.4	\$26.8	\$26.0	\$25.7	\$29.3	\$32.1
State Govt Ave.	[L]	\$42.9	\$41.1	\$45.6	\$38.0	\$48.0	\$25.5	\$36.0

ISER \$349 million budget reduction analysis: January 1989.

1. DISTRIBUTION OF THE \$349 MILLION BUDGET CUT BY ELECTION DISTRICT

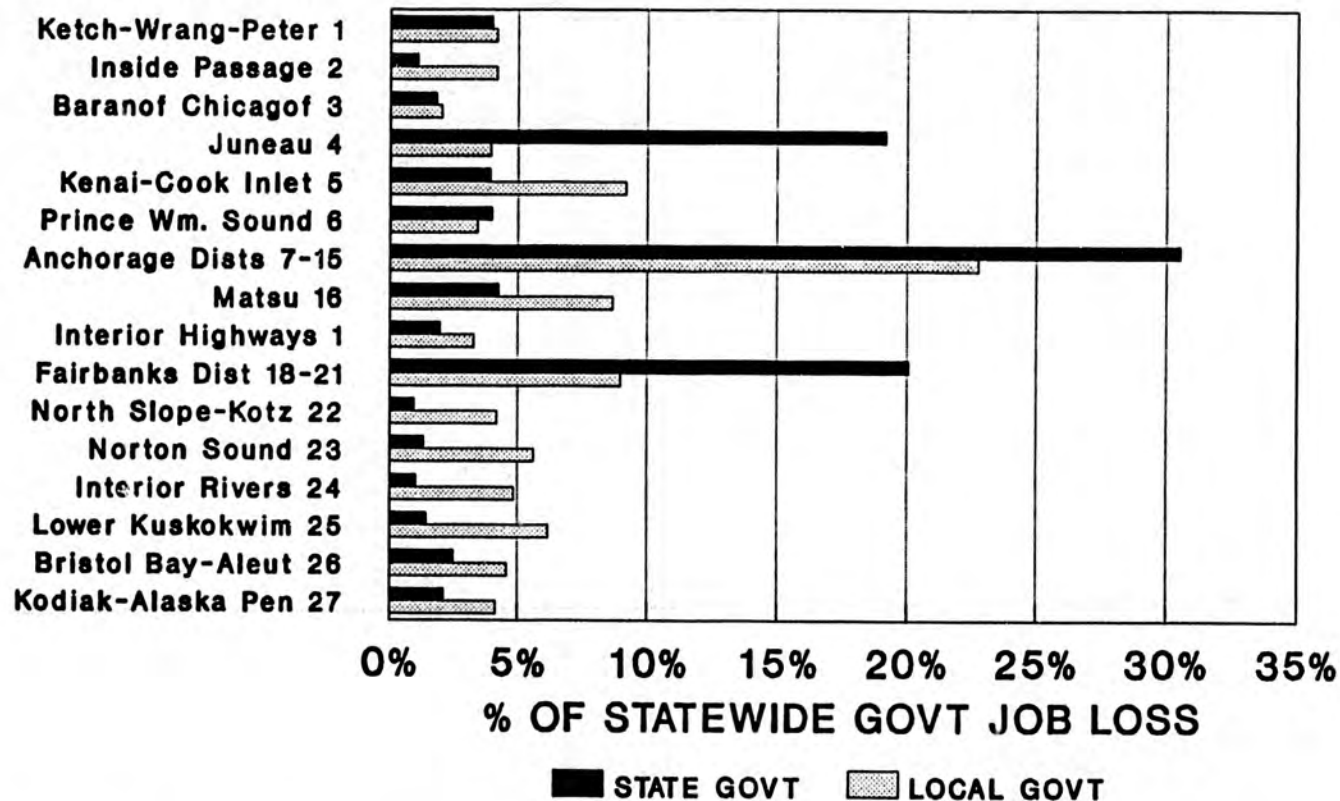
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

2. ELECTION DISTRICT'S SHARES OF TOTAL GOVERNMENT JOB LOSS DUE TO \$349 MILLION BUDGET REDUCTION

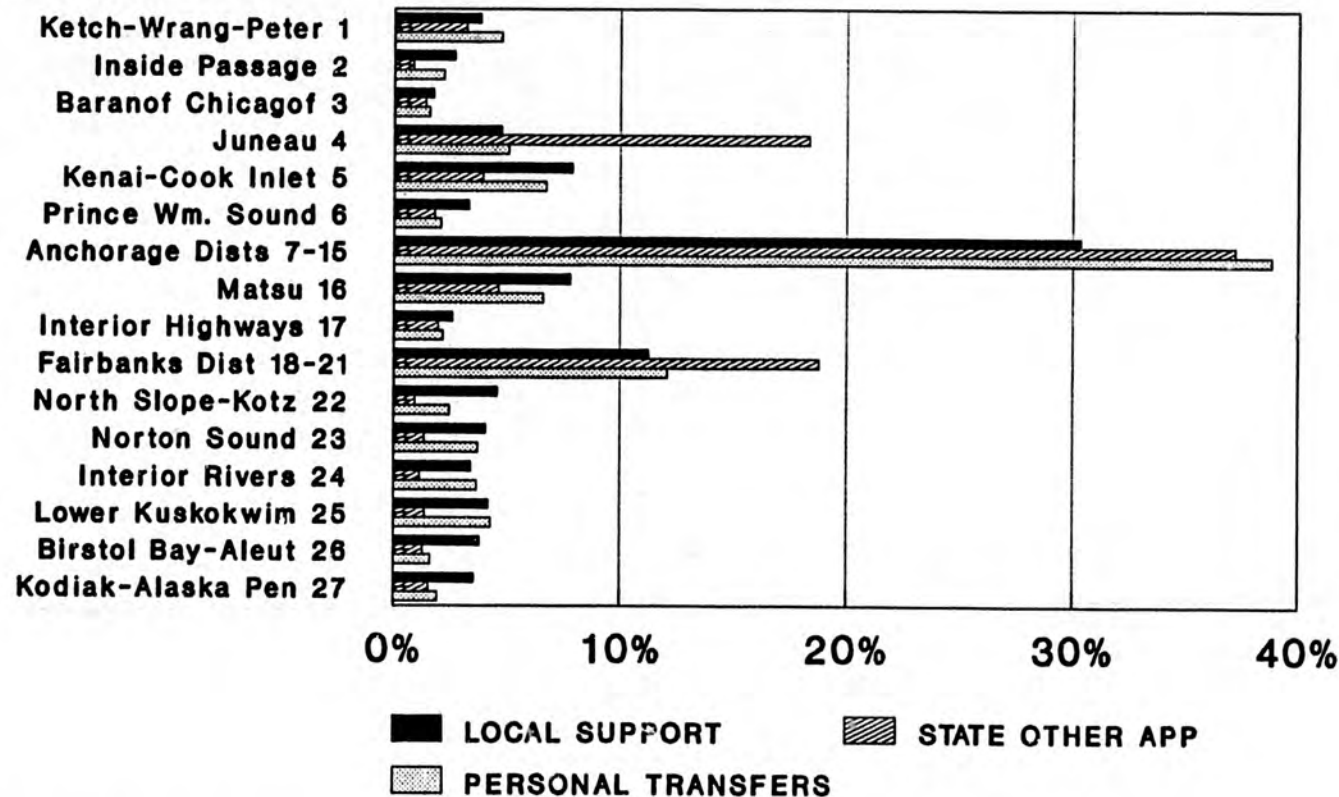
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

3. ELECTION DISTRICT'S SHARES OF NON-JOB RELATED EXPENDITURES LOST DUE TO THE \$349 MILLION BUDGET REDUCTION

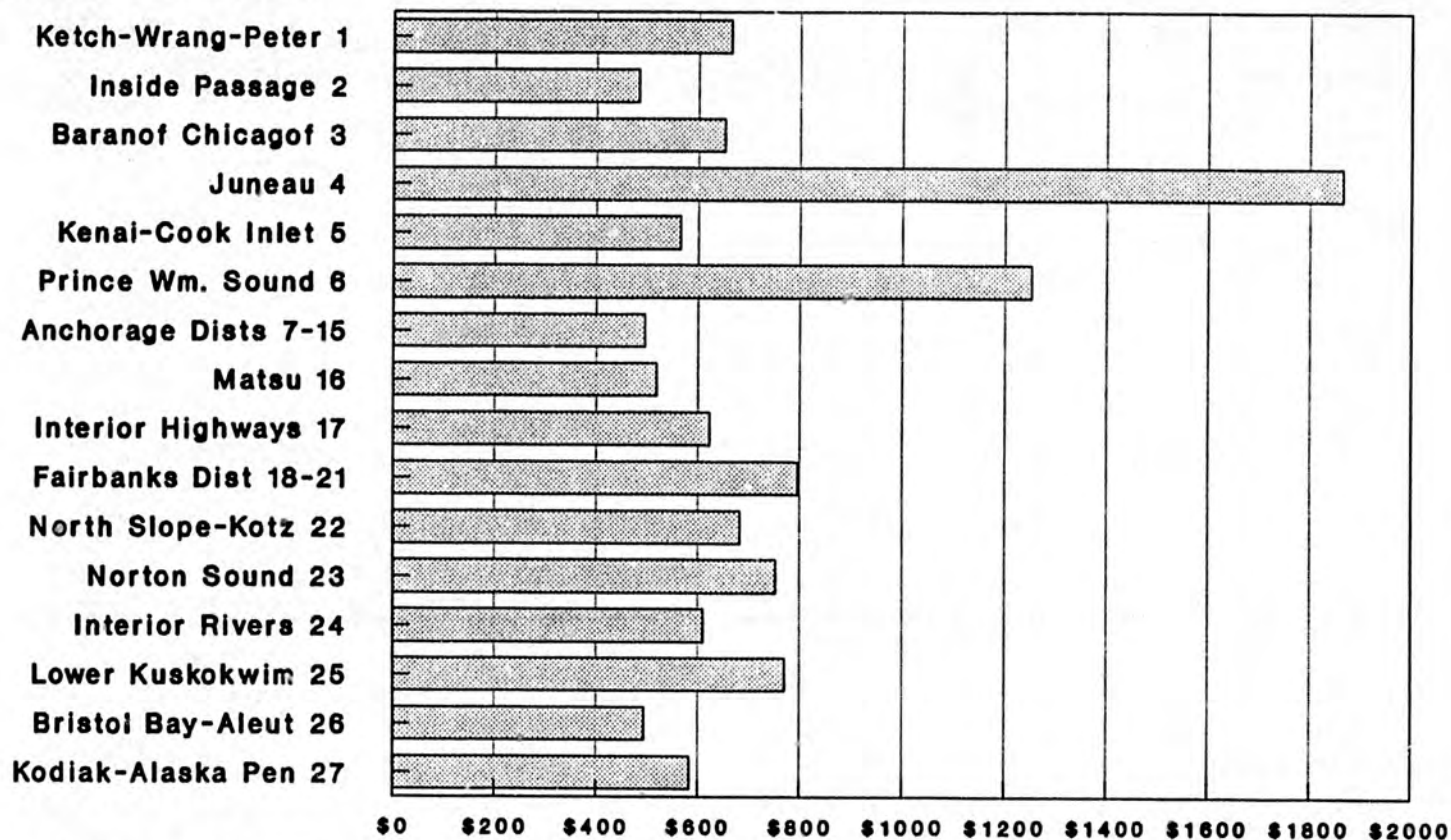
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

4. PER CAPITA DISTRIBUTION OF THE \$349 MILLION BUDGET CUT BY ELECTION DISTRICT

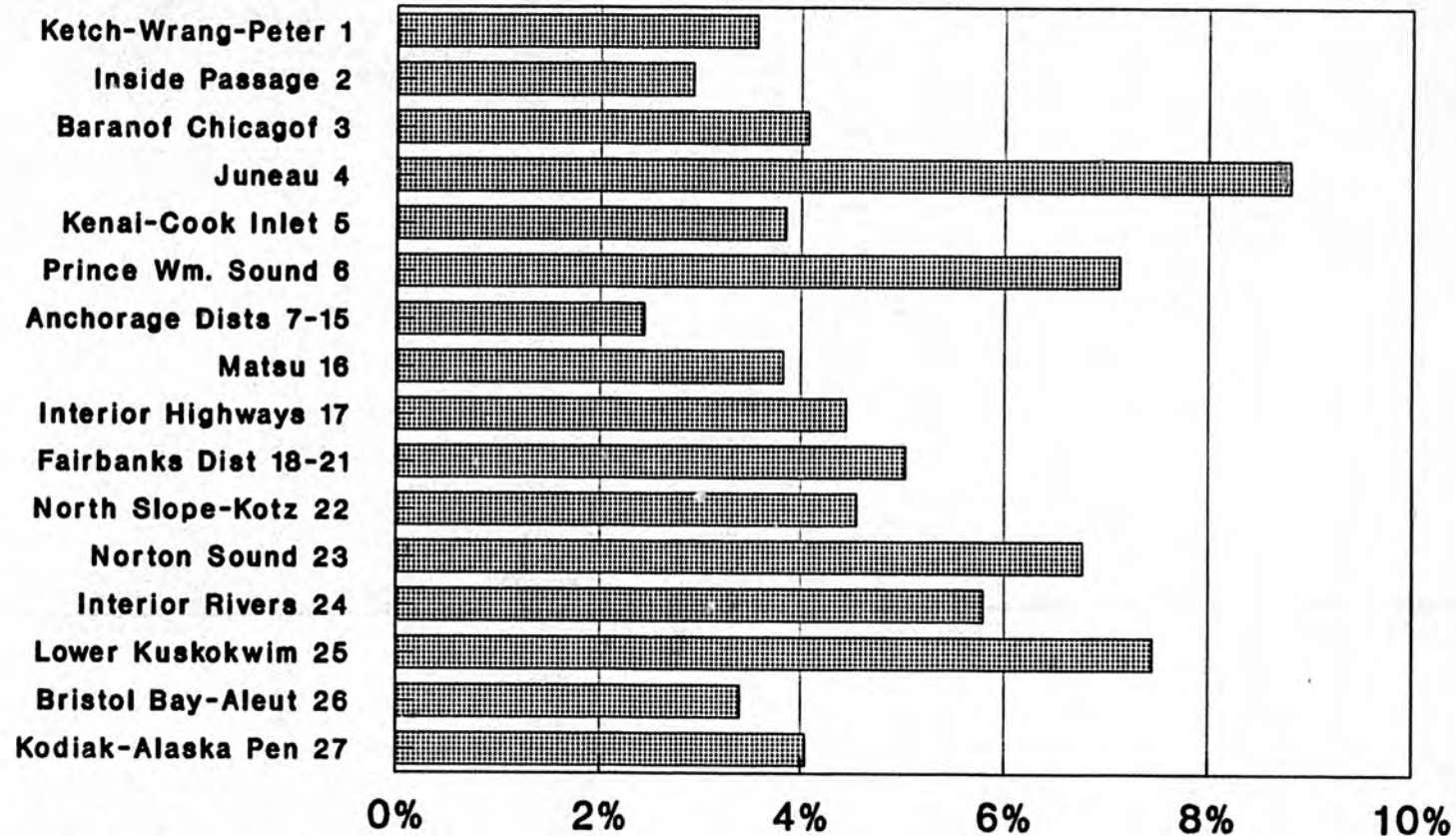
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

5. PERCENT OF ELECTION DISTRICT PERSONAL INCOME DIRECTLY LOST DUE TO THE \$349 MILLION BUDGET CUT

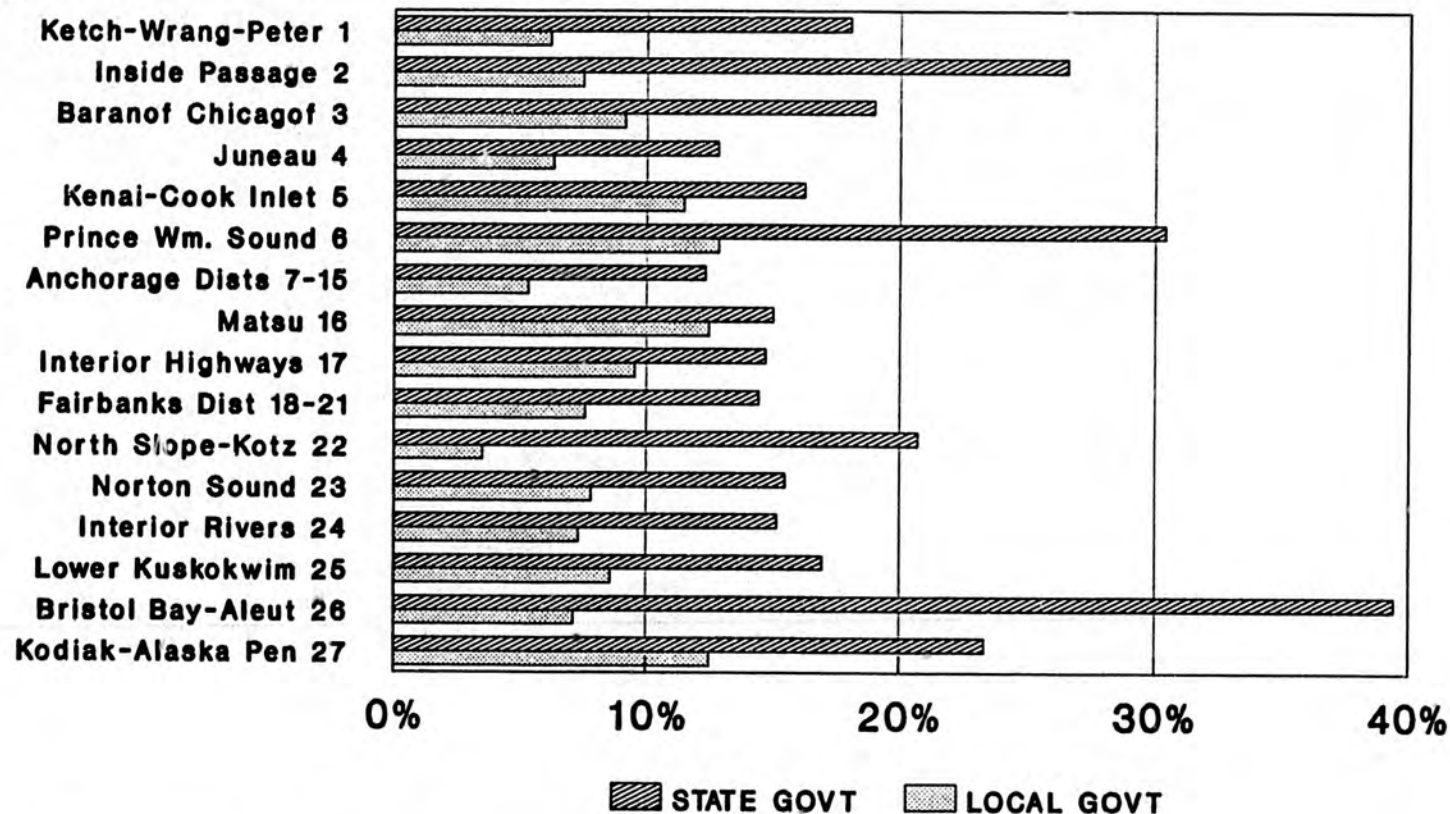
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

6. PERCENT OF ELECTION DISTRICT STATE AND LOCAL GOVERNMENT JOBS LOST DUE TO THE \$349 MILLION BUDGET CUT

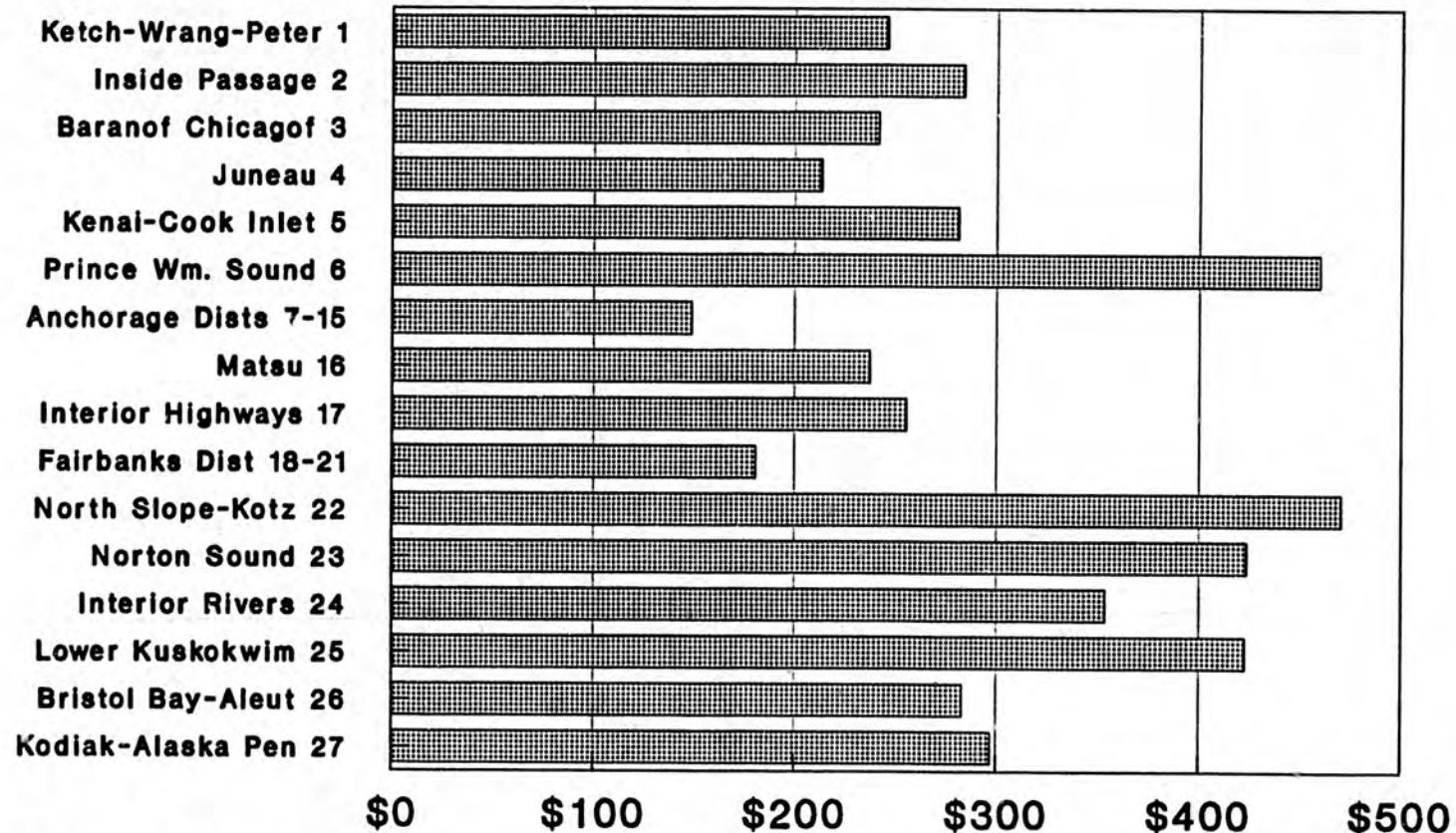
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

7. PER CAPITA LOCAL GOVERNMENT SUPPORT ELIMINATED BY THE \$349 MILLION BUDGET CUT

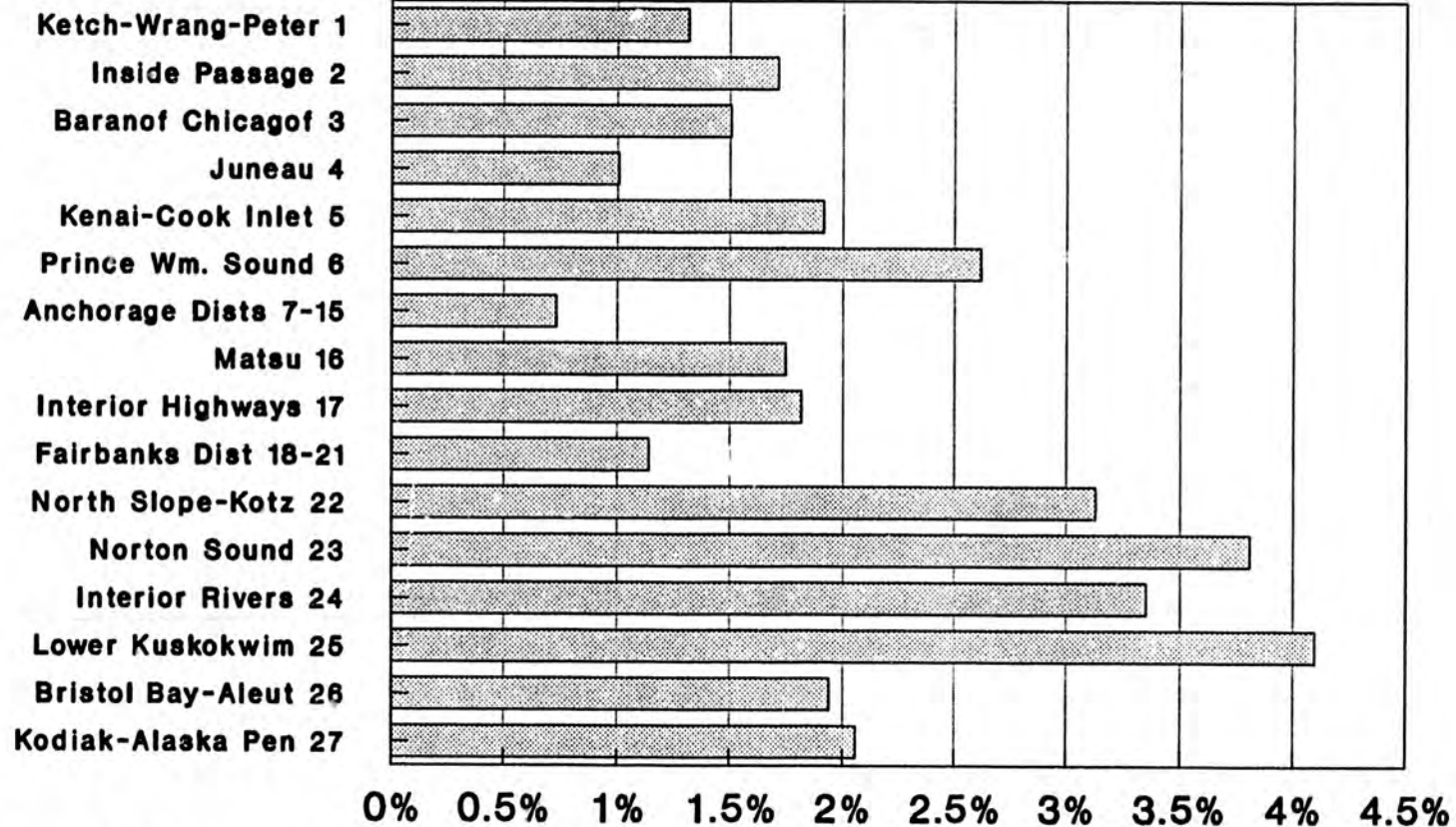
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

8. LOCAL GOVERNMENT SUPPORT LOSS FROM \$349 MILLION BUDGET CUT AS A PERCENT OF PERSONAL INCOME

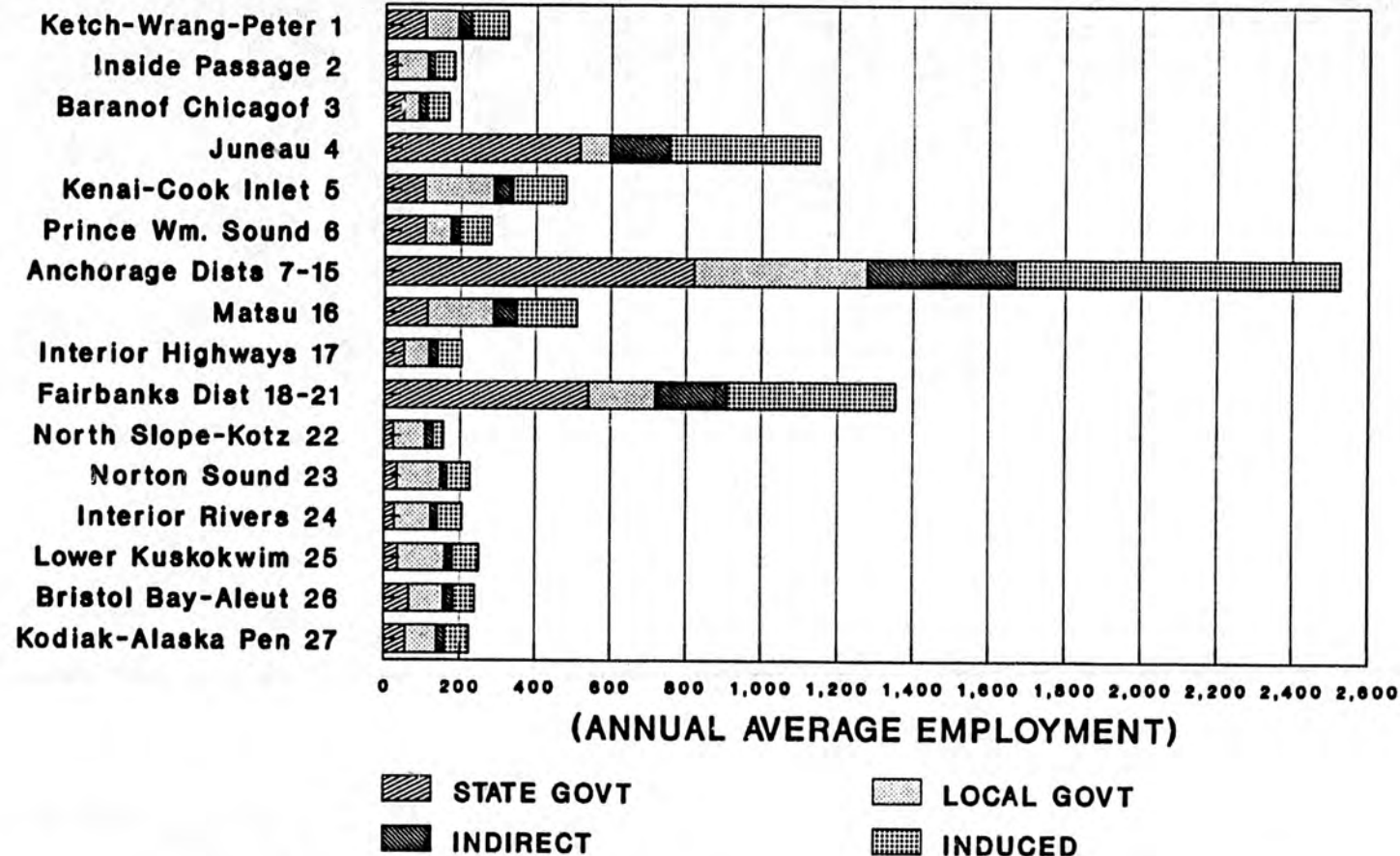
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

9. DISTRIBUTION AND COMPOSITION OF TOTAL JOB LOSS FROM \$349 MILLION BUDGET CUT

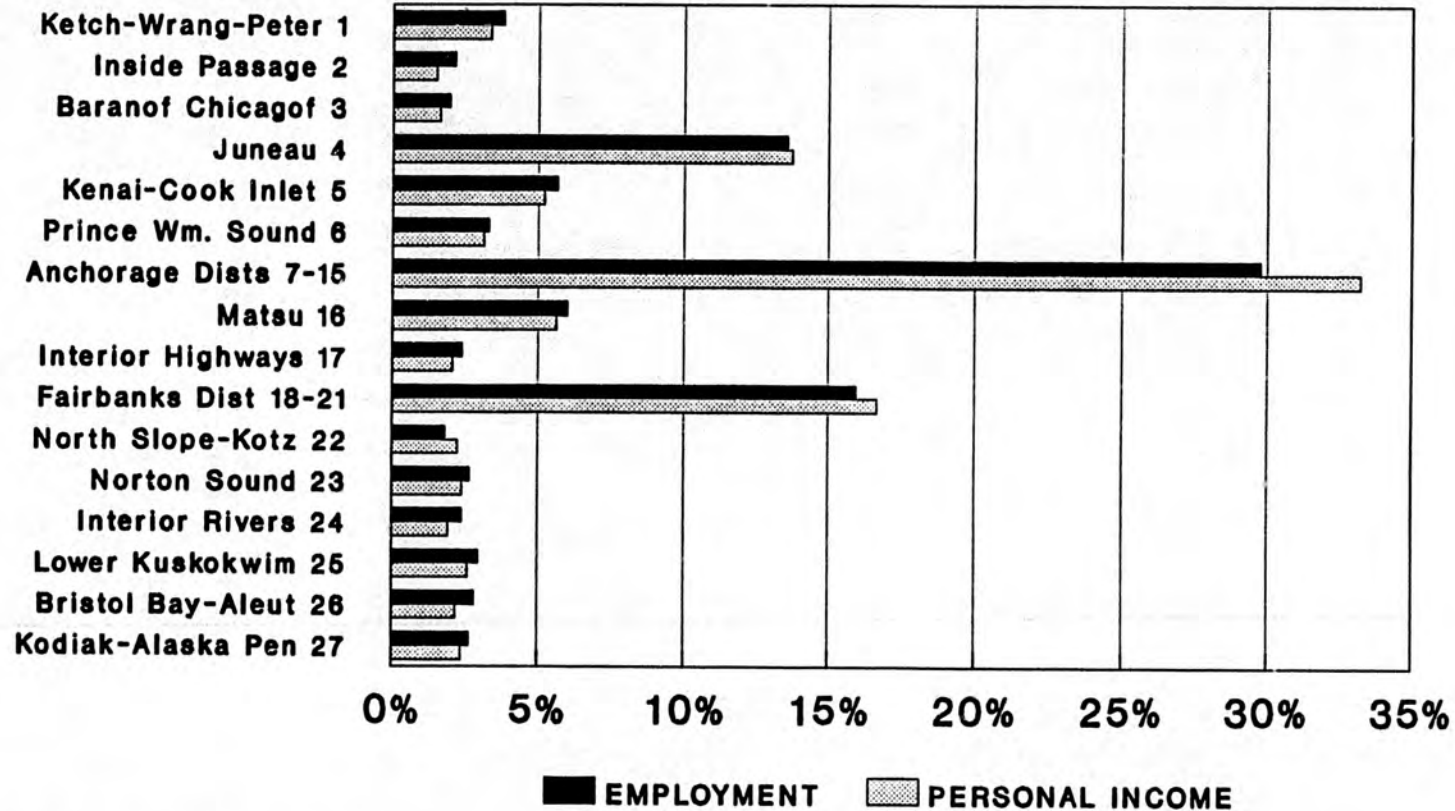
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

10. SHARE OF STATEWIDE JOB AND PERSONAL INCOME LOSS DUE TO \$349 MILLION BUDGET CUT

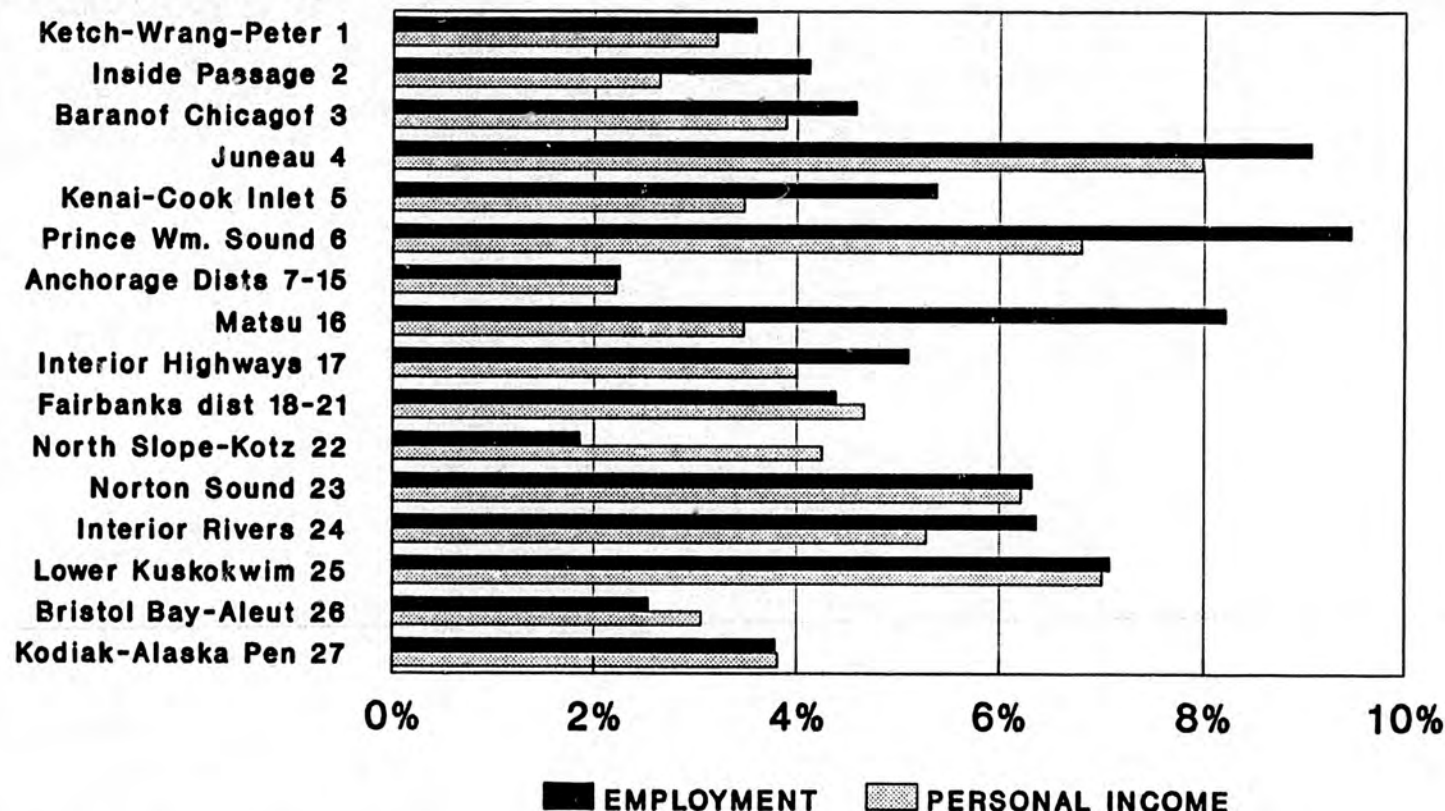
ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.

11. PERCENT OF ELECTION DISTRICT JOBS AND PERSONAL INCOME LOST DUE TO TOTAL EFFECT OF \$349 MILLION BUDGET CUT

ELECTION DISTRICT



ISER \$349-Million Budget Reduction
Analysis, January 1989.