

## Borough Projects Await State Budget

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Erik Wander/KMXT

The Kodiak Island Borough's lobbyist recently released a report to the Assembly detailing Governor Palin's deficit and budget reductions and how they affect Kodiak state funding requests.

Borough manager Rick Gifford said the report, released to the public February 10th and currently available on the borough's web site, is always subject to change, given the uncertain nature of budget amendments and revisions. He said the governor made the budget cutting decisions because of the reduced forecast for oil prices.

-- (State Funding 1 49 sec. "Obviously things change ... revenues to the state.")

Gifford said the budget, as amended, does maintain certain key funding, such as education and retirement funds.

-- (State Funding 2 23 sec. "It appears that the budget ... are require this year.")

Despite Palin's proposal to reduce capital spending, Gifford said Kodiak's major projects are still in the budget according to the report.

-- (State Funding 3 49 sec. "The Governor has also ... still seem to be in there.")

According to the Kodiak Island Legislative Report, the most recent revenue estimates project a shortfall of about one-point-three billion dollars for fiscal year 2009, which will require a draw from the Constitutional Budget Reserve. The Governor recently proposed another two hundred sixty eight-point six million dollars in cuts to reduce spending during fiscal year 2009. A large portion of the reduction will be reached by reducing oil industry exploration tax incentive credits by 200-million dollars.

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