

Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-3892
Fax: (907) 465-6595



Interim:
716 W 4th Avenue, Suite 400
Anchorage, AK 99501
Phone: (907) 269-0234
Fax: (907) 269-0238

Senator Dave Donley

For Immediate Release: Jan. 10, 2002

Contact: Ron Irwin, Senate Press Office (907) 465-3803

Donley Asks Governor To Institute Hiring Freeze and Provide Contingency Spending Plans

(JUNEAU) - Senator Dave Donley (R-Anchorage), co-chair of the Senate Finance Committee, sent a written request to Gov. Tony Knowles asking him to immediately institute a partial state employee hiring freeze and to instruct his department heads to prepare contingency budgets that identify areas of possible spending reductions.

Donley says a hiring freeze on non-essential state positions is a common sense step toward dealing with the growth of the fiscal gap.

"Last year, when the projected draw from the Constitutional Budget Reserve Fund was estimated at about \$300 million, the Senate Finance Committee asked Knowles' department heads to suggest cost saving measures," Donley said. "No suggestions were ever received."

The administration is now estimating that the CBR draw will be \$865 million this fiscal year and the governor's budget request would require an additional draw of \$1.1 billion for FY 2003.

During a recent budget briefing, given by the governor's staff, Donley asked if the governor had instructed his department heads and commissioners to explore any areas of possible budget reduction, even as a contingency.

"I was astonished to be told the governor had made no such request of his department heads," Donley said. "It is simply irresponsible for the governor to send the legislature a budget with over \$200 million in spending increases when the state has a \$900 million deficit. It is the governor's constitutional duty to at least prepare contingency plans to reduce state spending."

Donley's letter advised that the Senate Finance Committee would be asking for the contingency reductions during their budget hearings.

###