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COMPASS: Points of view from the community

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Five months ago Gov. Frank Murkowski summoned 55 Alaskans to the University of Alaska Fairbanks. Together we listened and talked, explored new ideas and revisited old ideas concerning Alaska's fiscal future and the Permanent Fund. We agree with Gov. Murkowski and many Alaskans that the fiscal crisis we face is real and that we must protect necessary public services like police, fire, health and education.

The gravity of our situation is the same today with oil at nearly \$40 a barrel as it was at \$30 a barrel when we met in February. If anything, it demonstrates that the volatility of oil prices makes it difficult to depend on and plan for the future. What we can depend on is the Permanent Fund, but only if it is protected and managed correctly.

Gov. Murkowski has called the Legislature into special session on Tuesday to consider the future fiscal health of Alaska. We hope that legislators will travel to Juneau focused on Alaska's long-term economic health. We believe that people of good will can disagree. There was a vigorous debate and sharp differences at the conference. However, we were dedicated to the task, understood our charge and practiced the art of compromise. Ultimately we set aside our differences and reached a consensus on recommendations that we believe are in the best interest of Alaska overall.

During the special session, the Legislature can debate without the distractions of other legislation or an adjournment deadline. The Conference of Alaskans worked in an atmosphere free from politics and differing agendas. We encourage the members of the Legislature to do the same -- to listen to their constituents, to consider the future not only for this generation but for future generations.

At the Conference of Alaskans, we answered four fundamental questions posed to us by Gov. Murkowski:

- Should the use of income from the Permanent Fund be limited by the constitution to 5 percent of the fund's value as the Permanent Fund Trustees have proposed?
- Should a portion of the income of the Permanent Fund be used for essential state services such as education?
- Should the use of the income of the Permanent Fund for dividends and possibly for other purposes be determined annually by the Legislature, as is currently the case? Or should it be dedicated in the constitution?
- Should the state maintain a minimum balance in the Constitutional Budget Reserve to stabilize state finances against fluctuations in oil production or prices?

The first three of these questions are embodied in the call for a special session. As noted above, the delegates came to Fairbanks with 55 differing opinions. Provocative discourse led us to a unanimous position that the POMV method of managing the

Permanent Fund's assets should be endorsed and adopted. At the risk of being repetitious, we, as do the fund's trustees, see this as a superior management tool for the fund. Politicizing this commonly used endowment concept is unwarranted.

The political and policy issues intertwined with the remaining two questions are many. Our conference, with two dissenting votes, endorsed the concept of using a portion of the earnings to support essential state services such as education. We also acknowledged that the administration and Legislature must look to other broad-based and alternative sources of revenue. The most difficult issue, although supported by a majority of conferees, was whether the dividend should be protected in the constitution. We endorsed the basic concept that the fund was created to provide a source of money to present and future generations of Alaskans and that a portion should be used for the continuation of a constitutionally protected dividend.

Were our conclusions the only answer? Certainly not. Were our conclusions the very best? Perhaps not. Is inaction in the forthcoming special session a viable option? Absolutely not! We 55 of the Conference of Alaskans stand ready to help the Legislature in any way we can, but this task lies squarely on their shoulders.

Michael J. Burns was chair of the conveners of the Conference of Alaskans.