

# Sheffield asks 21% increase in budget

The Associated Press

Juneau — Gov. Bill Sheffield will ask the Legislature to approve a general fund budget in fiscal 1985 of \$3.54 billion, a 21 percent jump over this fiscal year.

The proposed budget, to be introduced Thursday, contains modest increases for most departments but would boost spending in the corrections department by 22 percent to cope with Alaska's jammed jails.

The blueprint, which likely will be unrecognizable after lawmakers finish with it, contains one ghost from Sheffield's first year in office — his dream of creating a special fund to finance long-term capital construction projects.

Sheffield suggests setting aside \$300 million for a "major project fund." Another \$700 million of the total would be earmarked for capital construction projects in fiscal 1985, although Sheffield is laying claim in the budget to only \$337 million, leaving lawmakers to fight over \$363 million.

Sheffield touched on his proposal for a special fund in his "State-of-the-State" address Jan. 10, saying capital spending is often "driven by past poverty, current need and unfortunately, too often by regional jealousies."

"To overcome these problems, I propose the creation of a special fund for major capital projects. There are various ways

to create the fund, and I will submit three options for consideration," Sheffield said.

Included in the spending bill is a proposal to nearly double the \$400 million general fund debt to the Alaska Permanent Fund, the state's oil wealth savings account. The proposal contemplates retiring the expanded debt by at least \$100 million. Jay Hogan, a spokesman for the Office of Management and Budget, said the additional \$381.6 million Sheffield wants to commit to the fund is anticipated revenue that would exceed the state spending limit if used for operations or capital projects.

The original \$400 million debt is what remains of a \$1.8

billion appropriation to the fund by the 1981 Legislature, an appropriation that is being gradually paid off.

OMB released Sheffield's basic proposed budget after it was leaked to The Anchorage Times. More detailed information, including Sheffield's specific proposals for capital construction spending, will be released Thursday, according to Hogan.

Sheffield's proposed general fund budget breaks down this way:

—Operations: \$2.2 billion, nearly 4 percent increase over this fiscal year.

—Capital Construction: \$1 billion (\$700 million for immediate projects and \$300 million for a "major project fund")

—almost double the capital construction budget this fiscal year.

—Loans: \$260.2 million, a 53 percent increase.

Sheffield is asking lawmakers to increase spending for adult corrections to \$69.5 million, up from \$56.5 million this year. The increase would pay for an additional 170 full-time positions. The new workers would staff correctional facilities in Bethel, Goose Bay, Nome, Highland Mountain, Cook Inlet Pre-Trial, Wildwood, Juneau and Ketchikan, according to the budget document.

Overall, growth in government as measured by number of employees, would increase by 1.8 percent under Sheffield's proposal.