

Protecting the Permanent Fund

The Legislature may have completed its Special Session in Juneau by the time you read this. We can only hope legislators conduct their business efficiently and professionally, and that they get it done quickly.

But whatever happens during this special session, we'd like to raise some questions about why this session is necessary and what the administration of Gov. Steve Cowper hopes to accomplish in it.

Gov. Cowper claims — accurately — that the Legislature did not balance the budget before it left. The only catch to that is the projection for state revenues. Technically, the budget is not balanced, because the state is predicting oil prices in the range of \$14 a barrel.

A number of legislators are predicting, and there certainly is merit to their argument, that the price of oil will be higher — maybe even up to \$19 a barrel. If that is the case, there will be enough money.

We here at the *Tundra Times* certainly have no special ability to predict oil prices. In our budget crunch, we can hardly make long-distance telephone calls. So it's difficult to know which side to take in this debate over oil prices.

But we can take a strong stand on the one key issue in this session. What Gov. Cowper is seeking is for the Legislature to make an appropriation from what he conveniently calls the "excess earnings" of the Permanent Fund to the "Budget Reserve Fund." The first deposit would be for \$250 million, and in following years it would be \$150 million a year to build up to a total of \$1 billion.

It sounds fine until you realize that *before* the governor could spend any of this money, the Legislature would have to specifically appropriate it. So we are wondering: Why does this money have to be transferred from the Permanent Fund?

It would appear that if an emergency exists, the money can be taken from these so-called excess earnings by the Legislature. And if legislative action is required either way, we're not certain the money needs to be put in a special account.

It would appear that the only reason for transferring the money from the Permanent Fund to another account is that it might be easier to spend it, if it's already in another account.

We understand that Gov. Cowper is faced with an incredibly difficult task. It's certainly a thankless job to be governor in these days of ever-tightening revenues. At the same time, we do question the need for this "emergency fund." We already have that in the form of the Permanent Fund.

We have to agree with former Gov. Jay Hammond that it might just be better to leave the money where it is until the emergency actually arises.