

Adams sees 'no logic' in PF proposal

The Associated Press

Juneau — The chiefs of the Alaska House and Senate finance committees say Gov. Bill Sheffield's plan to commit more general fund money to the Alaska Permanent Fund has little chance of legislative passage.

House Finance Chairman Al Adams, D-Kotzebue, said Thursday he saw "no logic in appropriating an additional \$400 million when we still have a debt of \$400 million on the books."

Senate Finance Co-Chairman Don Bennett, R-Fairbanks, said, "I've seen nothing but raised eyebrows and gruff grumbling about that proposal."

He predicted the idea would be left out of any fiscal 1985 budget proposal prepared by his

panel.

"Before we've even had a chance to talk about it, they're saying no?" asked John Greely, Sheffield's deputy press secretary. He said the governor planned to lobby hard for the proposal.

Bennett said a big Permanent Fund appropriation undermines the Legislature's constitutional power to appropriate funds.

Sheffield wants to commit the \$400 million to the fund, and retire the debt gradually, as has been done with a 1981 appropriation of \$1.8 billion. That debt has been reduced to \$400 million.

The Permanent Fund is Alaska's oil wealth savings account and is intended to be used when

the state's oil wealth runs dry. Half of the interest earned by the fund goes to pay for the

state's dividend program to qualified residents. The fund, which now amounts to about \$4.5

billion, automatically receives 25 percent of oil and mineral income generated annually.
