



# Alaska State Legislature House and Senate Democrats

WEB: <http://www.akdemocrats.org>  
CONTACT: Peggy Wilcox, finance aide  
PHONE: (907) 465-4957  
FAX: (907) 465-4419  
EMAIL: [Peggy\\_Wilcox@legis.state.ak.us](mailto:Peggy_Wilcox@legis.state.ak.us)

**FOR IMMEDIATE RELEASE • May 7, 2004**

## *Stop Hidden Permanent Fund Earnings Use for Government*

### *Democrats object in budget conference to \$5.5 million earnings grab*

JUNEAU – Democratic legislators called on Governor Murkowski today to keep his campaign promise not to use Permanent Fund earnings without voter approval by helping end the quiet use of earnings on administrative departments.

In 1997, the Legislature began by using just under \$500,000 of Permanent Fund earnings to pay for oil and gas litigation in the Department of Law. Since then, the Legislature has increased the fund money that goes to the Department of Law and has expanded its use to include the Department of Natural Resources. This year's proposed budget could include as much as \$5.5 million of fund earnings to these two administrative departments.

"I can understand that the [Permanent Fund] corporation would get paid by the fund, but to pay the Departments of Law and Revenue to do their everyday work crosses the line," said Representative Eric Croft (D-Anchorage).

In the budget conference committee, GOP lawmakers tried to add to the FY05 budget almost \$1 million more to what the Department of Natural Resources gets in fund earnings.

"In the eight years since they began spending [Permanent Fund] earnings on government, the Legislature has increased this amount ten times," said Representative Harry Crawford (D-Anchorage).

Senate President Gene Therriault (R-North Pole) and former Representative Eldon Mulder were leaders of the House Finance committee when this practice began. Since then, while the legislature has been claiming to cut the budget, some of these cuts have really been offset more and more each year by the use of Permanent Fund earnings to fund government agencies.

"The Governor has spent \$4.5 million of Permanent Fund earnings for government on the Departments of Law and Natural Resources. It looks like a slippery slope to me," said House Democratic Leader Ethan Berkowitz (D-Anchorage).

"Each of the last five years they've used more and more of what would go to dividends to pay for government without the people knowing it, and all the while they're claiming to defend the dividend. The time has come to stop this quiet use of Permanent Fund earnings for government," said Representative Croft.

"They say they won't touch the dividend without asking, but they've been doing it all along," said Representative Crawford.

####

### *Putting Alaskans First • Moving Alaska Forward 2004*

Sen. Bettye Davis, Sen. Johnny Ellis, Sen. Kim Elton, Sen. Lyman Hoffman, Sen. Hollis French, Sen. Gretchen Guess, Sen. Georgianna Lincoln, Sen. Donny Olson, Rep. Ethan Berkowitz, Rep. Sharon Cissna, Rep. Harry Crawford, Rep. Eric Croft, Rep. Les Gara, Rep. Max Gruenberg, Rep. David Guttenberg, Rep. Reggie Joule, Rep. Mary Kapsner, Rep. Beth Kerttula, Rep. Albert Kookesh, Rep. Carl Moses