



Alaska State Legislature House and Senate Democrats

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Crawford Bill Creates the Alaska Heritage Fund

Fund would be a permanent, renewable, augmentable endowment

JUNEAU- Rep. Harry Crawford (D-Anchorage) will introduce a bill Wednesday to move the Alaska State Legislature in a more fiscally responsible direction. Crawford proposed the creation of The Alaska Heritage Fund, which will use the balance of the Constitutional Budget Reserve to create a permanent, renewable and augmentable endowment.

"The time has come for the Alaska Legislature to remove its collective head from the sand and face the looming financial crisis head on. The estimated 2.8 billion dollars currently in the Constitutional Budget Reserve fund is expected to be exhausted by the year 2005," Crawford said. "We have squandered six billion dollars of our states' savings account, and will exhaust what remains if we don't act now to create a permanent source of revenue."

The Constitutional Budget Reserve was created as a resource for borrowing – all moneys are supposed to be repaid. To date, however, there has been little repayment. The fund creates an inflation proof principal, which, when invested using the prudent investor rule, will grow at a rate equal to or greater than inflation. The principal of the Alaska Heritage Fund, like the Permanent Fund, will be unavailable to the Legislature without voter approval.

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Sen. Bettye Davis, Sen. Johnny Ellis, Sen. Kim Elton, Sen. Lyman Hoffman, Sen. Georgianna Lincoln, Sen. Donny Olson, Rep. Ethan Berkowitz, Rep. Sharon Cissna, Rep. Harry Crawford, Rep. Eric Croft, Rep. John Davies, Rep. Gretchen Guess, Rep. Joe Hayes, Rep. Reggie Joule, Rep. Mary Kapsner, Rep. Beth Kerttula, Rep. Al Kookesh, Rep. Carl Moses