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COMPASS: *Points of view from the community*

# Education fund belongs in the plan

By JIM DUNCAN

Addressing the fiscal gap by putting in place a long-range fiscal plan has emerged as the leading issue this legislative session.

Gov. Tony Knowles provided the leadership necessary to bring the issue to the forefront this session by making it a priority in his State of the State address. His fiscal plan includes a number of revenue-raising measures and clearly states that any use of the Permanent Fund earnings should occur only after a vote of the people. I agree.

While the leadership of the Alaska Senate advocates that a constitutional spending limit and further budget cuts will do the job, members of the House are exploring a number of tax measures and have suggested capping the Permanent Fund dividend, allowing the excess Permanent Fund earnings to flow to the general fund, unrestricted, to fund a variety of government programs without a vote of the people.

I think that the use of Permanent Fund earnings will need to be part of any long-range plan but disagree with the approach being advocated by the House members for several reasons. First, it does not require a vote of the people; second, it may have too big of an initial impact on the amount of the dividend; and finally, by allowing the earnings to flow to the general fund unrestricted, it does not assure the citizens that the portion of the dividend they are giving up will be used to provide an important and necessary government service instead of



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merely adding to the size of government.

If use of Permanent Fund earnings is to be a part of a fiscal plan, I believe that the earnings should be used to help fund K-12 education. Providing a sound education system for our children is not only a constitutional requirement but should be our highest priority for government spending.

In the late 1980s Gov. Steve Cowper proposed a constitutional amendment establishing an education endowment. In February 1996, as Senate minority leader, I reworked the proposal and introduced a constitutional amendment to establish an education endowment. Unfortunately, the amendment was not approved by the Legislature. I believe if the proposal had been adopted in 1996, we would not be facing a fiscal crisis of the magnitude we have today and would not be considering all the tax measures that are now under discussion.

A constitutional amendment creating an education endowment should be part of the fiscal policy discussion today. While the proposal I offered would have to be restructured somewhat, an amendment could be structured that would phase in the use of the earnings to help

close the fiscal gap, minimize the impact on the dividend, and make a real commitment to educating our children.

A constitutionally created education endowment is attractive for several reasons: It requires a vote of the people before earnings would be used, minimizes the number of tax measures immediately needed, avoids the necessity for draconian budget cuts, and makes a real commitment to our greatest constitutional responsibility, K-12 education.

Additionally, since communities spend a large portion of their budget on education, a constitutional commitment to stabilize education funding from the state will benefit property taxpayers.

It is not too late to have a constitutionally established education endowment as a part of a long-range fiscal plan. To do so will take leadership from educators and citizens. Approving a constitutional amendment creating an education endowment is the right thing to do this session and the right thing to do for our children.

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■ Jim Duncan, of Juneau, served in the Alaska Legislature for 24 years. He is currently commissioner of administration. The views expressed do not necessarily reflect the views of the Knowles administration.