

Daniel George

From: Charity Learn <charitypearl@yahoo.com>
Sent: Thursday, February 04, 2016 4:06 PM
To: Senate State Affairs; Rep. David Talerico; Sen. Click Bishop
Subject: PFD

Dear State Senate,

I am typing this email in regards to SB128, the bill you are trying to use to take away our PFD. To remind you of why we have the PFD in the first place, I must tell you I own property in Alaska and live here, but have no gas, oil, or mineral rights to my property because the state has retained them. Supposedly the PFD gives me a chance to benefit from Alaska's rich natural resources even though the government controls all of them.

Our family uses the PFD to help us survive in a place where the cost of living might otherwise be too much for us to do so. The PFD and lack of taxes have been major incentives for us to live here. Unfortunately it looks like those incentives and our freedom might shortly be taken away. Each year our four childrens' dividends are set aside for their future education. This money can also be used if we have a large purchase to make and don't have the cash. An interest free "loan" we can pay back gradually without the hassle of dealing with a bank. Our own two PFDs have been used in various ways. When we were building our house we used them to buy cement blocks one year, and windows the next. Frequently a portion fills our propane tank at \$600 a year. Sometimes we have had automobile repairs or a new used vehicle we needed that it went towards. We are probably still in Alaska right now because of the PFD. See, last year my husband was regulated right out of his handyman self employment in the name of safety. Without our savings from this past years dividends we might have already packed up and left. As it is we can stay a little longer and try to find some other income. We have to make cuts to our spending already. Why can't the state do the same? The size of the state government has increased 100% since 2006, which happens to be the year we moved here. Your income is less, so cut your spending, not ours.

Sincerely,
Charity Walker

[Sent from Yahoo Mail on Android](#)

Daniel George

From: Damita Duplantis <damitamarie@gmail.com>
Sent: Thursday, February 04, 2016 2:22 PM
To: Senate State Affairs
Subject: PFD - Do not take it from the AK residents

My name is Damita Duplantis. I live in Anchorage. I am adamantly against the usage of the PFD to pay for ANY government expenditures. The PFD should be used for the Alaskan Residents and the residents alone. It is too important for our economy to take any part of it and by doing so is only masking the problem of a bloated government. I demand that you do not take it without putting it before the people to vote on it.

Sincerely,

Damita Duplantis
7440 Randamar Place
Anchorage, AK 99507
404-428-2108

Daniel George

From: david huf <davidmfh@outlook.com>
Sent: Thursday, February 04, 2016 2:36 PM
To: Senate State Affairs
Subject: bill 128

I think itll be best to buy out the pfd at \$110,000 per person so that the fishing can also take a break to recoup the numbers other than that leave it alone its the peoples and the gov needs to figure how to put things into place to handle this without takeing from the people over and over again

Daniel George

From: alaska seafood company <alaskaseafoodco@wildak.net>
Sent: Thursday, February 04, 2016 2:53 PM
To: Senate State Affairs
Subject: Testimony

Thank you for giving us this forum.

I am not sure I can offer useful directions in revenue generation because I still don't understand what the state produces as a product as we do in the free enterprise industries. Last I checked the government was there to assist people not to keep us busier. In my industry we are kept very busy by government. It seems the more people our state has employed the busier we are kept to justify their existence. I am sorry if this appears to be a venting exercise as that is not the intent.

I would like to suggest that perhaps the state could try to operate more like a business. If we find ourselves coming up short in sales (income generation), we are only left with cutting our expenses. My bank doesn't want to hear that I have to do negative cash flow. We don't have the power of taxation we can impose on our customers. It is easy to be a hero when you can spend money on all the goodies, but it sure is hard to make cut backs. Part of the job, good with the bad.

Perhaps a beginning cut back on number of employees. Unfilled positions would be a start. Then go to the ones termed "Non-essential". These would be the ones we hear about when we have a heavy snow storm or adverse conditions making it difficult to go to work for the day.

Thank you for the opportunity to make input to the system.

Dick Hand

Alaska Seafood Company

Juneau, Alaska

907-780-5111

Daniel George

From: dixalaska@aol.com
Sent: Thursday, February 04, 2016 4:58 PM
To: Senate State Affairs
Subject: SB 128 Protecting the Permanent Fund

Follow Up Flag: Follow up
Flag Status: Completed

Dear Readers,

I am sending this email message because I have a professional training scheduled for today. Otherwise, I would be there to testify in person.

DO NOT put oil royalties into the Permanent Fund. DO NOT change the present system of determining the Dividend AT ALL. DO NOT propose an amendment to the State Constitution. Sen. Anna McKinnon's interpretation of the Constitution is totally outrageous and political. It does not serve the public interest whatsoever.

Those Alaska citizens who are suffering financial hardship DEPEND on the PFD. I use it to pay my fuel bills (even though I am already eligible for State Heating Assistance, it doesn't begin to cover the cost). I also use it to fly out of state for medical and dental services.

Persons who are more well off may use it for a vacation. They are also able to benefit charities by choosing to Pick. Click. Give. That is extremely beneficial to public needs of all sorts.

I support a 15% State Income Tax which would be based on level of income and be deductible from the Federal Income Tax as was the case when I moved to Juneau in 1975.

I oppose any statewide Sales Tax. Low income persons use most of their income for living expenses, the wealthy do not. The City & Borough of Juneau already has a Sales Tax. I am 82 years old and the Senior Tax Exemption has been reduced substantially to meet CBJ budget needs. Communities that have a Sales Tax already do NOT need an additional one.

I urge you to include this message to the Finance Committee and all other Committees in the House and Senate that are discussing the state revenue options.

Dixie A. Hood
9350 View Drive
Juneau AK 99801

Daniel George

From: Don Hoshaw <hoshawdj@gci.net>
Sent: Thursday, February 04, 2016 4:57 PM
To: Senate State Affairs
Subject: Budget proposal

To whom it may concern.

As a fiscally responsible and conservative citizens we would ask that you look at reducing the budget prior to dipping into the Permanent Fund. We don't have a problem with utilizing the P.F. for supporting necessary services, but like the rest of this country, we have gone way too far with "give away" programs. Enough is enough. In fact it's time to roll some of these programs back before we find ourselves in the same state as other countries like Greece, Spain, etc. and other US states, e.g. California, Illinois, etc.

Thank you.

Don, Susan and Rebecca Hoshaw.

Daniel George

From: tcup@gci.net
Sent: Thursday, February 04, 2016 3:43 PM
To: Senate State Affairs
Subject: PFD: TO HELP BALANCE THE BUDGET IN ALASKA

Greetings:

I support Gov. Walker's plan to use PFD monies to help run State Government in Alaska.

The PFD is a good thing; but it also has a negative: it attracts many folks' relocation to Alaska. Many who relocate are folks who need other programs to capitalize as with free-food giveaways. Others relocate because Alaska doesn't have State Income & Sales Tax requirements.

Signed:

E. F. Bean
Anchorage, AK

Daniel George

From: K, E, & E Martin <keeconstructionllc@yahoo.com>
Sent: Thursday, February 04, 2016 3:23 PM
To: Senate State Affairs
Subject: SB 128

Dear Senators,

As you struggle to balance Alaska's Budget, SB 128 seems to be the Governor solution, but is it? Alaska has from it's early days valued it's resources, and our founders recognized "us" as owners of such assets by establishing the Permanent Fund. In some Alaskans eyes the Fund isn't a "at will cash account" for government to spend, especially that of which is distributed as a Dividend! (as our advisory vote validated years ago).

I believe that most Alaskans have at this time conceded to the fact that our Representatives will spend it at sometime in the very near future, and on a short / long term basis utilize it's earnings for essential services. Now as reality sets in we also expect Government to legitimize it's use.

In doing so I don't agree with the Governors Plan.

First lets look at why we are where we are with regard to our resource development and what we can do to meet the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use to benefit all Alaskans. This is stated emphatically in the Alaska Constitution. With less than 1% of it's land in Alaska in private ownership, Alaska's hope for a sustainable private economy is nowhere in the immediate future, and it will be decades before we can realize this goal unless we act soon... NOW IS THAT TIME!!!!

My Plan is to offer legitimacy to Governmental use/taking of the earnings through a tangible to the people of Alaska:

Offer, by way of a Voucher, to all residents of Alaska to purchase one acre or multiple acres "utilizing the other 1/2 of the PFD earnings in a ONE MILLION ACRE SALE of land, to Alaskans first, then to other US citizens for the purpose of a revenue generator with the capability of ONE BILLION DOLLARS per year or up to 5 years and 5 Million Acres.

This program would give the State a revenue stream for 5 years and allow those resources & lands on which they sit to be developed and utilized as what they where intended to be, creating a tax base in Boroughs/ Municipalities thereby paying for those current essential services & creating Alaska's next boom in this lackluster economy.

After these Vouchers are spent then the Legislature can do as they please through the proper means to spend on government. This legitimatizes it's use of "the earnings for government"!!

The Program could be also used to convert leases to fee simple land sales for " any other ownership desires in mining, fishing, remote rec/trapping cabins or airport lease lands. This program is intended to further the Settlement, Utilization and Development of Alaska's Lands by it's People !!!

Thank you very much for your consideration on the issue of the use of the PFD Earnings.

Sincerely,

Edward D. Martin, Jr.

Kathleen A. Martin

Edward D. Martin III

KEE Construction, LLC

Daniel George

From: Jerry Alderman <jalderman@gci.com>
Sent: Thursday, February 04, 2016 3:26 PM
To: Senate State Affairs
Subject: Budget crisis

We are in a situation where we can't do the "politics" thing anymore. You know, the "no new taxes", "leave the Permanent Fund earnings alone", "cut the budget". None of these chants work. I understand how a politician would want to say these kinds of things to the voting public, because a lot of the voting public wants all kinds of stuff from government, but doesn't want to pay a single penny for any of it. That is a fairy tale. Fairy tales don't come true.

Simple arithmetic shows that you can't cut our way out of our fiscal situation. I don't want any more cuts to the State budget at all. Step 1 is using permanent fund earnings as a funding source. You must get this done now. Next year is too late. You have more budget work to do already next year. Again, this is simple arithmetic.

Please don't get all dysfunctional and political on this. Pass a bill that intelligently utilizes the Permanent Fund earnings as they are meant to be utilized.

Daniel George

From: Laurie Hueffer <l.hueffer@gmail.com>
Sent: Thursday, February 04, 2016 12:43 PM
To: Senate State Affairs
Subject: Act Now Please!

- • I agree with these points in Alaska's Future's message. Please work together for Alaska!
- •
- Act Now for a common sense long-term solution that solves Alaska's budget challenge.
- Our budget shortfall is not a Republican or Democratic challenge; it's an Alaska Challenge that requires an Alaska solution.
- If we don't Act Now we will deplete our savings in less than two years. After that painful cuts and taxes will further stress the economy and the state's bond rating will take another hit.
- We can't tax or cut our way out of this. Even if we cut \$500 million, and taxed an additional \$500 million, it would only prolong the life of our shrinking savings by less than a year.
- While taxes and new revenue should be part of any plan moving forward, the cornerstone of any plan is using a portion of the earnings of the Permanent Fund.
- No amount of spending cuts or tax increases will matter if we don't restructure how our Permanent Fund dividend is calculated, meaning leaner checks, but would provide long term stability for the state budget and protect dividend checks for Alaskans for generations to come.

Thank you,

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Laurie Hueffer
l.hueffer@gmail.com

Daniel George

From: Lois Conway <loisc@mtaonline.net>
Sent: Thursday, February 04, 2016 4:22 PM
To: Sen. Bill Stoltze
Subject: Permanent Fund

Dear Senator Stoltze

Thank you. Just to confirm my email last month – PLEASE do NOT destroy the Permanent Fund as it is not established. There is no need to do so because we can already access the Fund earnings for the State budget, when needed. That is why we have a Federal tax exemption on the fund. Let it be. We may have decreases in the PFD and that is just fine. It won't be destroyed. I just can't understand any logic in destroying the Permanent Fund then setting up some other device and some kind of guarantee of dividend! It makes no sense at all.

JUST SAY NO, NO, NO!!!

Thank you

Lois Conway

Palmer

Daniel George

From: Deloris Azimi-Tabrizi <d_azimitabrizi@yahoo.com>
Sent: Thursday, February 04, 2016 5:06 PM
To: Senate State Affairs
Subject: budget

While listening to the radio today I understand that Gov. Walker is trying to take the PFD away from the citizens of Alaska. Our household of 3 voters would rather hear about cutting expenses. The spending of money way out of our means on the legislative building in Anchorage (that appears to be profiting a legislator's friend the trips that are more for personal vacation than for helping the citizens of Alaska with problems and the personal friends hired to increase the bureaucracy of our state should be addressed first. I am sure there are other practices of spending that we as ordinary citizens don't hear about that should be eliminated.

There should also be more time and energy in developing ways to raise money instead of trying to keep the status quo going.

Just because taking the PFD looks like an easy fix doesn't mean it's good government and is obviously not well thought out.

Mohammad, Deloris and Hassan Azimi

Daniel George

From: Janelle Slivinske <janelleslivinske@yahoo.com>
Sent: Thursday, February 04, 2016 3:26 PM
To: Senate State Affairs
Subject: do not take/reduce our permanent funds

We disagree with the governor's proposal to utilize our permanent funds. We as Alaska residents do not approve of SB 128.

Paul C Smith and Janelle Smith. 2/4/2016

GOOD MORNING FROM JUNEAU: Normally, Must Read is a Monday edition. But because our Alaska Permanent Fund is at stake, and Gov. Walker's SB128 sets \$1,000 as the 2016 Permanent Fund Dividend, we think you'll want to read on.

SB128, the Governor's [Permanent Fund Restructuring bill](#), has just two Senate committees -- State Affairs and Finance. The State Affairs (Sen. Bill Stoltze) public hearing is Thursday.

Legislators need to hear that since the governor did not cut the budget, Alaskans are concerned that he'll restructure the Permanent Fund and add new taxes, without making cuts.

This is an opportune time to get your message across. Below you will find information and links to help you understand the bill and to get involved.

Alaskans Invited to Weigh-in on Governor's Permanent Fund Bill Using Permanent Fund Earnings & Permanent Fund Dividends. In order to maximize public participation, the Senate State Affairs committee has scheduled public testimony on Thursday, February 4 beginning at 5:30 p.m. so that Alaskans may weigh-in on Gov. Bill Walker's proposal to restructure the Alaska Permanent Fund.

Citizens may testify in person at their local LIO. Locate your nearest LIO by calling (907) 465-4648 or visiting <http://akleg.gov/lios.php>. If you live off the road system or in a community without an LIO nearby, please contact Senate State Affairs Chair Senator Bill Stoltze's office at (866) 465-4958 in advance of the hearing to arrange to testify by telephone. There are a limited number of phone lines to the Capitol; please plan to attend and testify at your local LIO.

To submit written testimony to be placed on the record and distributed to committee members, send your comments to senate.state.affairs@akleg.gov or fax to (907) 465-4928.

Daniel George

From: Ray JW <rayjw@gci.net>
Sent: Thursday, February 04, 2016 1:13 PM
To: Senate State Affairs
Subject: permanent fund public testimony

Dear Legislators and Governor

This is my testimony on SB 128,

My first comment is on the statement Walker made (**his comment was, he could cut all public employees and still not be able to balance the budget**) this kind of a stupid statement tells me that the governor is not serious about cutting any spending to balance the state budget he see's an opportunity to scare the public into using the permanent fund, adding state income tax and raising property tax. **HE NEEDS TO BE STOPPED IN HIS TRACKS.**

How did the state get to this point in our history, by spending be on our means to pay.

1. Approving city and state wage increases we could not afford, continually adding more employees to the city and state payroll.
2. Continually adding more spending to Schools, and social programs, plus adding Medicaid to the state's responsibility (**We all know that at some time the Federal government will stop picking up the cost of this program and the state is on the hook**).

The first approach to balancing the budget is to cut spending to the bone, to include city and state workforce, Schools, police, fireman, social programs, until I see were and how the cuts are made, I am apposed to any changes to the Permanent fund, or any tax increase or implementation of a state income tax.

To reiterate I appose the Governors approach to balancing the State Budget

Raymond Woodworth
Anchorage, Alaska

Daniel George

From: Ronald Johnson <rajohnson@alaska.edu>
Sent: Thursday, February 04, 2016 3:30 PM
To: Senate State Affairs
Subject: sb 128

I support SB 128 as we can't use cuts alone to solve our fiscal problems.

If revenue enhancements are adopted, I vote for one underlying principle to be **[all Alaskans should have "skin in the game"]**

Hence, if we implement an income tax [I will willingly pay if it is simple], we should also take actions that effect the PF dividend and/or a sales tax -I prefer the former. Maybe > 30 % of Alaskan families pay no federal income tax and hence wouldn't pay a state income tax if it is a flat % of the federal tax.

--

Ron Johnson
Professor Emeritus
Mechanical and Environmental Engineering
Univ of Alaska Fairbanks

2113 Jack St
Fairbanks, AK 99709

Daniel George

From: Rose Edgren <raedgren@gci.net>
Sent: Thursday, February 04, 2016 3:49 PM
To: Senate State Affairs
Subject: SB 128 Perm. Fund: deposits,dividends,earnings

I OBJECT to tapping into the PFD resource Balancing the budget and controlling spending with available funds should be accomplished by: cut grants, examine the misuse of welfare such as Medicaid, food stamp and the myriad of uncountable giveaway programs. I OBJECT to giving more money to Forestry for woodland fires. Forestry administration should be examined on initial attack of fires. Their slow response or the "let burn" mentality is responsible for the HIGH COST. There is A LOT of unnecessary spending which should be cut. Trust me, we all can do without and should find our own means of getting the things we need. I OBJECT to an income tax as well because there is so much gross spending in Government!
Thank you Sent from my iPhone

Daniel George

From: Stephen Senisch <sasenisch@gmail.com>
Sent: Thursday, February 04, 2016 3:06 PM
To: Senate State Affairs
Subject: Gov. Walker's Permanent Fund Proposal

Good day,

State spending has grown during the high revenue years and it needs to be cut not just by millions of dollars but by billions of dollars. The state government must live within its means as each family living here has to. If I lost my job and had to work at one making much less money I would not be asking my kids or other family members to support the lifestyle I had been living.

The size of state government must shrink to accomplish the goal above.

I think it can best be accomplished by listening to the ideas that come from employees of the state government. I have worked for large organization most of my life. The best ideas usually come from those doing the work, but unfortunately those persons are not always asked for their input or listened to when they provide it.

Before any new tax is introduced I think we should use some or all of the earnings from the permanent fund dividend program to fund state government, but only after the annual budget is cut as indicated above. I do not agree that we should create a new endowment program as the governor has suggested. I would like to keep the permanent fund program in case oil prices do rebound at some point in the future. I have 4 grandchildren that have had half their permanent fund dividends invested for college.

While I do not want to be taxed any more than anyone else living here if some additional tax is necessary it should be a state wide sales tax. This way everyone in the state shares the burden of funding the state government and is reminded of it every time they go to the store. I watched a recent news story about an expected 2 million visitors to the state this year. Those visitors could help fund our state services by having a state sales tax. I think food should be exempt from such a tax. I also think this would bring in tax revenue from those working in the state but not living here. My concern with creating any new state department would be the need for additional state employees to administer it. Growing state government by creating new departments or programs at this time does not make sense.

I do not support a state income tax because the middle class will bear the burden of it, me included. Those at the low end of the income scale will not pay it and those at the top will be able to avoid it.

I do not understand why the state is even involved in the LNG pipeline. Any LNG pipeline should be left to private sector with oversight by the state. If it will be profitable then it will be built. Let the private sector assume the risk of building it and it not being profitable. Do not saddle the people of Alaska with that risk. I do not believe that any government can accomplish something on this scale more efficiently than the private sector. We will only squander our diminishing state revenue if we continue on the path we are on now.

Funding for education should not be treated any differently than any other state program. Parents should have more choices in the education of their children.

I was not born in Alaska, but I have lived in the state longer than any other and call it home. One thing I like about living in Alaska is that I do not have someone else telling me what I can and can't do every time I turn around. Another is that I do not have a heavy handed government with its hand in my pocket taking the money I work hard to earn and spending it less efficiently than I can. Unfortunately the federal government already does that.

Bottom line we need to cut spending significantly before asking for money from the people of Alaska. If the governor is unwilling or unable to do this then he should resign or be recalled and replaced with someone who will work with the state legislature to accomplish this goal.

Thank you for your time.

Stephen Senisch

4673 W Gold Leaf Cir

Wasilla, Alaska 99623

907 891 4471 cell

Daniel George

From: Steve and Karen <alaskalees@gmail.com>
Sent: Thursday, February 04, 2016 1:32 PM
To: Senate State Affairs
Subject: PFD Funds and new spending

Greetings,

I knew it would be just a matter of time before you politicians would come to grab the PFD. I am opposed to ANY change in the distribution of the PFD. I strongly suggest you folks figure out another way to pay the debt. Why do you guys, the Governor in particular just want to keep expanding the debt? I have to live with in my means, and quite frankly my means are not growing by any means. I say a state sales tax is the way to go, I say no to a personal income tax too. We, the citizens will be watching closely how you handle the budget problem. Remember you might want to listen to the people, because you need our votes to stay in office.

Respectfully,

*Steve Lee
Wasilla*

God, Guns and Guts, Made America Free

Daniel George

From: Tony Tengs <ttengs@ak.net>
Sent: Thursday, February 04, 2016 4:57 PM
To: Senate State Affairs
Subject: Testimony on SB 128

Follow Up Flag: Follow up
Flag Status: Completed

Dear Senators,

Please add this submission to the testimony on SB 128.

While I recognize that "something has got to be done!", with regards to solving our budget woes, I am not in favor of harvesting the Permanent Fund as a primary solution. It should be looked at as a last resort, after an income tax, or as part of a "shotgun" solution approach. An income tax would be the most responsible solution, and would enfranchise Alaskans further to be more participatory in the process of government, which can only be regarded as a good thing in a democracy.

Sincerely,
Tony Tengs
139 W. 2nd St.
Juneau, AK 99801

907-723-8047

2/4/16

TO: STATE SENATE. AFFAIRS

FAX: 907 465 4928

FROM: ROBERT MARY KREFT

907 746 0796

2/4/16

PFD

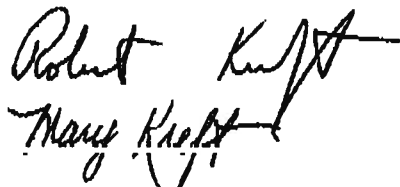
We are not for the bill SB128, to use the PFD for state shortages.
The fiscal shortages should be by reducing Government and regulations that tie up development of state resources. Reduce state employee's salary starting at the top with the Governor and his staff.

The Alaska Constitution can only be changed by the people by voting, not by the Governor stroke of a pen because he wishes to do so.

We are a nation of laws and the Governor is breaking the law, that we the people have in our state constitution...

We are against all the Governors proposals.

Thank you Robert & Mary Kreft

Handwritten signatures of Robert Kreft and Mary Kreft. Robert's signature is above Mary's, both in cursive script.

The Big Myth

Now that one Chinook salmon is worth more than one barrel of oil, here's a simple question for you during this difficult fiscal time: how much money does the State of Alaska make off of the commercial fishing industry? Specifically, what is the *Net Return* to the State after expenditures spent in direct support of the industry are deducted from the taxes and fees generated? Before you answer this question, let me first give you some statistics published by the Marine Conservation Alliance in their report titled *The Seafood Industry in Alaska's Economy*, published in 2011 and based on 2009 statistics:

- In terms of both volume and ex-vessel value of commercial fisheries landings, Alaska leads all states;
- In the list of the top 50 U.S. ports based on volume, Alaska has 11. When based on ex-vessel value, Alaska has 10, with 8 of them in the top 20.
- Alaska accounted for 95% of total U.S. pacific salmon landings in 2009.
- If Alaska were a nation, it would have placed 14th among seafood producing countries in 2008.

Let me also tell you that I have asked the same question to a variety of people including State Representatives, State Senators, members of Governor Walker's staff as well as many friends and acquaintances, some of whom have been commercial fishermen in the past. To a person, all of them have over estimated the actual return to our coffers. They too have heard the advertisements paid for by the commercial fishing industry (and the State of Alaska) espousing how great commercial fishing is for Alaska coffers. They too have bought into the big myth that commercial fishing adds significant dollars to our State budget.

So what is the answer for this multi-billion dollar industry? How much do we actually make on our fish? The answer: About \$24 million dollars. (That's million with an "M".) To put that in perspective, the State spends about \$35 million plus a day (enacted 2015 \$12.8 billion dollar budget over 365 days). We don't even make enough money from selling all of our fish to fund our State government for ONE DAY! Nearly 2 million metric tons of fish harvested from our waters annually and we can't even fund the State budget for one day with the money we receive for our fish.

To be fair, the values I give are somewhat outdated. They are from the 2008 Alaska Economic Performance Report published by the Commerce Department. Since 2009, the Commerce Department has not published the "*Net Return to the State of Alaska*" in their annual *Economic Performance Report*. Instead, their reports talk about how much money is generated from the various industries, but they fail to mention how much money the State spends in support of those industries. This is akin to only putting credits in your checkbook register and failing to add the debits. Look at how much money we have added to our checkbook! Instead it perpetuates the myth—the lie if you will, that the commercial fishing industry greatly adds to our State coffers. I am sorry to say, that is not the case. We receive a pittance of what our fish are worth.

Those ads we hear on the radio by the commercial fishing industry talk about the number of jobs commercial fishing provides for Alaskans. They fail to mention that over 74% of the workers in Alaska's seafood processing industry are non-residents (*Rate of nonresidents holding Alaska jobs climbs for the fourth straight year*. www.ktuu.com, February 1, 2016). Or that the majority of fishing permits are owned by non-residents. Alaska Dispatch just reported on January 15, 2016 that "*forty years ago at Bristol Bay, 36 percent of the more than nearly 2,000 permits were held by locals and 64 percent by nonresidents. By 2013, the numbers were 19 percent local and 81 percent nonresident. Similar trends, by varying degrees, are happening in other regions as well.*"(<https://www.adn.com/article/20160115/alaskans-own-dwindling-number-alaska-fishing-permits>).

The Alaska Seafood Marketing Institute (ASMI) perpetuates the lies and myths through their advertisements and publications. They claim in their December 2015 publication *The Economic Value of Alaska's Seafood Industry* for instance, that the Seafood industry contributes \$76.1M in tax revenues to the State of Alaska with \$39.8M going to the General Fund. Like the current Department of Commerce's economic performance reports, they fail to mention how much money the State pays to support the commercial fishing industry, however. The Alaska Department of Fish and Game, in just one example, brings in around \$16.2 million dollars from the commercial fishing industry. At face value, this sounds great. But ADF&G spends over \$42.5 million in support of the commercial fishing industry (at a loss of \$26 million). ASMI's 2015 report also takes credit for "industry self assessments" basically taxes they impose on themselves to enhance and support their industry. They collected \$10.2 million to fund ASMI for instance. They collect money to advertise selling our fish for their benefit and they want to show this as tax monies generated for the people of Alaska? This is disingenuous at best. They also fail to mention the actual dollar amount the State annually gives to ASMI to advertise and market our fish. The Juneau Empire reported on November 13, 2015 that ASMI would receive \$24.8 million in State funding.

Alaska produces more than half of all U.S. seafood (*2013 Alaska Economic Performance Report*). According to the ASMI's 2015 report, the Alaska seafood industry creates an estimated 111,800 jobs, \$5.8 billion in annual labor income and \$14.6 billion in economic output throughout the nation. These numbers are both awesome and impressive. What is not impressive is the fact that the State of Alaska only nets \$24 million from our fish. Why are we not collecting more money for our fish? Why is ADF&G spending \$42 million to support the commercial fishing industry and only bringing in \$16 million. We can't even get ADF&G to spend \$100,000 to fix the O'Brien/ Haley Creek Road used by thousands of Alaskans for reaching dipnetting grounds, but they can take a \$26 million dollar loss every year?

Raiding the Alaska Permanent Fund to fund our State budget is not a solution. It is theft. A better approach is to raise the fees and taxes on the commercial fishing industry and start actually getting a decent return for our resources. The same is true for the mining and timber industries. Mining actually adds significantly more to our State coffers than

commercial fishing—about five times as much. Non-resident cast members of the reality show *Deadliest Catch*, which often brags about how much money the boats and crewmembers make for one short season, should think about that before they protest the proposed Pebble Mine.

In addition to getting more for our fish and other resources, we should implement an income tax with a tax credit given to Alaska residents who qualify for the Alaska Permanent Fund. A 6% income tax with a credit up to \$6,000 for Alaskan residents would ensure that all residents that make under \$100,000 would pay no tax, and those that make more than \$100K would pay 6% on the amount over that ceiling. There were **87,888 non-resident workers in Alaska in 2014** (*Nonresidents Working in Alaska: 2014* Alaska Department of Labor and Workforce Development, January 2016). Both the seafood industry and oil industry added more non-resident workers than resident workers. According to the report, nonresident wages increased 7.0 percent to \$2.6 billion. That's \$2.6 billion dollars generated in our State and left our State. A 6% income tax rate could generate \$156 million from non-residents alone and at least keep a fraction of that lost money here in the State.

There's an old joke that 78% of all statistics are made up on the spot. Don't take my word on any of the figures you have read here. You should do your own research as I have and weed through the hype and myths perpetuated by the commercial fishing industry. There is no denying that the commercial fishing industry is a huge and impressive economic force in the State of Alaska. That is true. What is not true, however, is that the industry supplies a great deal of monies for our State government. There are a lot of people getting rich off of our fisheries resources. The State of Alaska—and the majority of its residents—are not part of that group, however. Think about that the next time you hear or see an ad by the Alaska Seafood Marketing Institute espousing how great the industry is for the State of Alaska. Think about that the next time the Board of Fish limits subsistence, personal use, and sport fishing in favor of the commercial fishing fleets like they have done time after time.

Sincerely,

Jake Sprankle
2665 Monteverde Rd.
Fairbanks, AK 99709
jakesprankle@gmail.com
(907)-590-3462

February 3, 2016

I would like to express my opinion on the proposals set forth by Governor Walker, the legislators, lobbyists etc. i.e. the political machine of the state of Alaska regarding the taking of the residents of Alaska's PFD and raising or implementing taxes. I have no doubt that the state is in financial trouble, but how did this happen? Let's look at the real cause of this situation: Racketeering by every politician and lobbyist in this state, due to the breaking of trust of the "Peasants" that put them in office and the mismanagement of every single thing they have been entrusted to manage. We therefore have a cluster of the state's fiscal Liability. A politician and lobbyist are a little above a pedophile and just below a horse thief as once described by one "ole-timer". Now, let's see whose running to support new taxes and fleecing of the permanent fund dividend. Well, first we have the labor unions that no doubt have been promised some job contracts, then we have the state employees who we all know deserve our money more than we do. How else would the DOT plow the bike paths here in Tok on Sundays, unless there is excess money to waste? Let's not forget the schools that spend the most money per student yet is dead last academically of all 50 states. This is not to mention that Alaska is rated the 7th most corrupt State in America. We are also rated the most violent per capita. GOOD JOB Political Machine!!

Now I have a few more things to mention about the town I live in. Tok, with approximately 1200 residents has three clinics, two of which are native and one which is state. The state clinic is manned full-time by a clerical person, but only has medical personnel once a week. Do we really need to keep this state clinic going when we have two others staffed with medical personnel all the time? We also have a full time legislative office that we really don't need. By the way, the building which the LIO rents here in Tok is owned by an ex-politician (so goes the rumor). I have to throw in the bio-mass boondoggle for the school that so much money has been invested in. Also, why do we need to pay for a superintendent of schools along with an assistant superintendent for such a small school district?

I say all this to try to point out to you great managers that you have not cut near enough or even care to cut enough to begin managing this state. Now you want the peasants to give you more money to waste when you couldn't manage or plan for the money you had.

So now let's get everyone we can together and on-board and extort the PFD and create taxes to keep our rackets going. **Typical Politician** Make the peasants believe that some-how they were involved in the mismanagement of the states money and make them agree to give "us" more or we will pull the plug on ALL these programs. Well, you hacks.... That's exactly what needs to be done... CUT programs without adding taxes or touching the people's PFD money. Start Over at the bottom is the only way to begin to get things back in order. One more thing, all you politicians and lobbyists who are on board with this, Watch-out, your days in office are numbered. My family and I all vote and we will make sure we vote against anyone who is involved in this scam against the residents of Alaska.

Patrick Woody

PO Box 1028 – Tok, AK 99780

Before we let our Governor or Legislature charge us one dime in tax, take away the Permanent Fund Dividend or cut the budget, we need to tell them to completely rid our tax laws of all the unconstitutional oil tax credits /payments that are made to private companies to subsidize private profits. I'm speaking of all the oil exploration credits, per \$5/8\$ barrel credits and tax exemptions included in SB21.

Article 9, section 6 of our Constitution states, "No tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit be used, except for a public purpose". Yet our Governor and Legislature continue to fund this unconstitutional private corporate purpose. Our Constitution requires our resources be used for public purposes such as public safety, roads, education, and public health and not to pay welfare to a private oil company to subsidize its profits.

In addition to violating the public purpose provision of our Constitution, the tax credit system corrupts the public process in two primary ways. First, it keeps the beneficiaries of the payments secret because the credits are deemed to be confidential tax information. Secondly, it helps hide the credit program from budget cuts because the revenue the Legislature budgets to spend has already been reduced by all of the oil credits. Under the normal budgetary process of open government, when Alaska decides to build a public road, school, dock or a ferry, the contract is open to the public and each individual project is openly discussed. A bill is passed, signed by the Governor, and contracted to an open bidder. We know who and how much is being paid. We can exclude contractors who have shady records. The project is owned by Alaskans and is designed to serve a public purpose. Alaskans can directly verify that the project exists. Under the tax credit system, we don't know who was paid, how much they were paid or even if anything was ever built or accomplished. It is illegal for anyone to speak of the details of any of the expenditures reimbursed to the oil companies by the State because the credits and payments are issued using the Department of Revenue's confidentiality rules self-imposed by the Legislature. The Legislature has essentially criminalized open government. This is bad public policy and bad governance. All Alaskans have the right to know who is spending our money, how much is spent and what public purpose was accomplished. Our Legislature keeps the oil industry's information secret to our detriment. Perhaps only the few connected legislative leaders and their top political contributors know the details of this information. An ordinary Alaskan's only source of the credit payouts so far has been oil company bankruptcy filings.

It is long past the time to completely end the unconstitutional oil tax credit program just as the legislature did for the film credit program. Once the entire oil industry written tax credit program is removed from our tax laws, we will be able to plan for a future based on real economics instead of subsidies and slogans. If a Legislator can show economically how any of these former credit amounts would serve a public purpose in Alaska in can be addressed in the budget. This will allow for vetting and prioritizing of projects just as we do for every other expenditure for public purpose.

The successful private oil industry exists because prudent people using the best information available decided to drill a well after assessing that the reward will be greater than the risk. Today new unsubsidized wells are being drilled around the world despite the low prices, so why would we set up a credit program that incentivizes drilling only uneconomic wells which drain our oil and cash reserves in the process? If our Governor and Legislature honored our Constitution, this would not be an issue.

Wayne Blank, CPA

Daniel George

From: Cathy McCorquodale <cathymcc@gci.net>
Sent: Thursday, February 04, 2016 2:02 PM
To: Senate State Affairs
Subject: SB128

I support SB 128! I DO NOT support SB 114.

Sincerely,

Cathy McCorquodale

Daniel George

From: Clare Hill <chillydog1990@gmail.com>
Sent: Thursday, February 04, 2016 4:02 PM
To: Senate State Affairs
Subject: Testimony on Senate Bill 128

To the Committee:

I am a 25-year resident of Fairbanks and a recently-retired public school teacher. I vote in every election: national, state, and local. My voting status is Undeclared.

I am writing in support of Governor Walker's Permanent Fund Protection Act. I fully support his plan to restructure the Permanent Fund and cap the dividend at \$1000.

I believe this is a very important component of a multi-faceted plan to solve our fiscal crisis. I also support a state income tax, a limited state sales tax, restructured oil/gas taxes/credits, a gasoline tax, and an end to megaprojects.

I believe that the sovereign wealth plan, along with a state income tax and a small sales tax would be the most fair and equitable way for all Alaskans to "share the pain" and to participate in their government.

Thank you for your attention,

Clare Thurmond Hill

4320 Parks Ridge Rd.
Fairbanks, AK 99709 (residence address)

P. O. Box 196
Ester, AK 99725 (mailing address)