

Daniel George

From: Jack Morkal <jmorkal@gci.net>
Sent: Tuesday, February 16, 2016 6:29 PM
To: Senate State Affairs
Subject: DO NOT TOUCH THE PFD

CUT YOUR BUDGET - LIVE AND PLAN WITHIN YOUR MEANS AND DON'T STEAL THE PEOPLES MONEY TO INCREASE YOUR MEANS - CUT = CUT - CUT!!!!!!!!!!!!!! PRIORITIZE YOUR DESIRES AND STOP DREAMING OF PROJECTS FOR POLITICAL GAIN!!!!!!!!!!

DO NOT TOUCH THE PFD - REDUCE
SPENDING BY REVIEWING ALL BUDGETARY ITEMS, PRIORITIZING, TIMING OF SPENDING, ELIMINATE SUPERFLUOUS PET PROJECTS, REVIEW ALL PAST EXPENDITURES FOR LEGITIMACY, CLASSIFY NICE TO HAVE/DO, ETC.

YOU HAVE NO CLEAR CONSENSUS WITH THE COUNT OF "By my rough count, over 100 people signed up to testify on Sovereign Wealth Fund bill. 57 opposed 17 support, 13 unsure or ambiguous"??? ([Bill Wielechowski](#))

HOW CLEAR DOES IT HAVE TO BE TO GET THROUGH YOUR THICK BIAS TO TAP THAT MONEY

BEFORE YOU WILL LISTEN TO THE ANSWER OF **DO NOT**
TOUCH THE PFD BY THE MAJORITY OF THE
PEOPLE???

**DISREGARD AND YOU ARE OUT OF
OFFICE!!!!!!!!!!!!!!**

**DRIVE THE PARKS HIGHWAY - OPEN YOUR EYES AND YOU WILL SEE FOOLISH
EXPENDITURES BY DOT EVERY DAY.**

**BIG ALASKAN GOVT AND PROJECTS? NO WAY TO PAY? REDUCE AND YOU WON'T
HAVE TO!!!! PUT EACH DEPT OF ALASKAN GOVT ON A BUDGET PLAN - BABY STEP
ONE! EACH WITH A BUDGETARY MANDATED PERCENT EXPECTED REDUCTION
FOR THE FOLLOWING YEAR!**

**STOP SPENDING ON EXPECTED INCOME - SPEND ON ACTUAL INCOME
OTHERWISE SPENDING WILL HAVE TO MEET THE EXPECTED BUT THERE WILL
ALWAYS BE A DIFFERENCE AND SHORTFALL FROM THE DIFFERENCE BETWEEN
REALITY AND THE CONCOCTED FICTION OF HOPE.**

Daniel George

From: Patricia Livingston <patty@mtaonline.net>
Sent: Tuesday, February 16, 2016 5:23 PM
To: Senate State Affairs
Subject: Permanent Fund raid

Numerous legislators have proposed numerous raids on the Permanent Fund.

IT IS OUTRAGEOUS THAT A STATE WITH LESS THAN A MILLION RESIDENTS EVEN NEEDS A BUDGET IN THE BILLIONS.

Figure it out. THE BUDGET NEEDS TO BE CUT!

That includes programs for everyone at all levels: men, women, children, seniors, the poor, the rich, the “natives”, those born here but still not considered native, students, non-students. EVERYONE.

Patricia Livingston

4890 N. Phantom Place

Wasilla, AK 99654

(907) 746-2919

Daniel George

From: marshall@xyz.net
Sent: Tuesday, February 16, 2016 8:16 AM
To: Senate State Affairs
Subject: leave the permanent fund alone

As a long time resident of Homer, Alaska, I urge you to leave the permanent fund alone. Cuts to the permanent fund will drastically impact bush and rural communities to which the PFD is a significant portion of economic survival. How about instituting a commuter type of income tax for all of those folks who live Outside, work here and then take their money and leave? How about stopping funding excessive projects (just look around the Anchorage area for half completed projects) and legislative travel Outside, especially for those legislators who have no intention of continuing in office? How about stop playing politics and wasting time on trying to stop federal dollars, i.e., Medicaid expansion, from coming into our economy? How about taxing the mining industry at a comparable rate?

Thanks for your consideration,
Karen Murdock
55200 East Road
Box 1622
Homer, AK 99603

Daniel George

From: h2odog@mtaonline.net
Sent: Tuesday, February 16, 2016 5:45 PM
To: Senate State Affairs
Subject: PFD

To whom it may concern:

We're against the State of Alaska using the Permanent Fund for paying government bills. Spending by the state has reached the point that even use of the Fund will not cover the debt being incurred.

Make some hard changes: reduce spending for education (that seems to be largely wasted), cut spending by the by the legislature for any but the necessary needs (highway maintenance, safety (police & guard), education (after wasteful programs have been eliminated), stop such programs that give a legislator full retirement benefits for being elected one time. Once wasteful spending by the state has been eliminated, a discussion on how to fund state expenses can be started.

If you and your fellow legislators are unable to make necessary cuts to spending, maybe you should consider retirement and give others the opportunity to get spending under control.

Sincerely,

Gary Swearer and Iris Swearer

Daniel George

From: Bonnie Rae Basler <baslerbb@mtaonline.net>
Sent: Tuesday, February 16, 2016 10:46 AM
To: Senate State Affairs
Subject: do not even touch the permanent fund divided

Dear Sirs:

It stands to reason that if Government is too big to fit a budget without taking from the people you represent you must cut the cost of Government. All of you that represent and in the past represented the citizens of Alaska, with our permission, have blown your opportunity to do something good. By overspending and thinking of nothing but the present and not the future. It is time to make up for all of the past mistakes of budgets that were much too large. So I say cut, cut, cut, and I don't care where you cut. But do not install new taxes or raise the existing taxes. And most of all DO NOT EVEN THINK OF TOUCHING THE PERMANENT FUND. I have lived for a long time in California, and you are headed down the path they follow. And look at them. They are pathetic.

Very Sincerely

Robert W. Baslr

Daniel George

From: Richard Grant <richg@mtaonline.net>
Sent: Tuesday, February 16, 2016 10:19 AM
To: Senate State Affairs
Subject: SB 114

Under subsection (e) The PF Corporation determines the amount distributed to the General Fund annually; thereafter predetermined Dividends are distributed. What controls, if any, are in place to limit the amount placed in the General Fund? Shall annual dividend distributions remain at \$1000.00 or (may) they not? I believe this legislation could set a dangerous precedent for government control over our Alaska Permanent Fund.

Daniel George

From: Ben White <bengoalie11@hotmail.com>
Sent: Tuesday, February 16, 2016 10:12 AM
To: Senate State Affairs
Subject: SB 114 - Comments

Senators,

Thank you for seeking public input into this very difficult issue. My wife and I both work for the State and so we are very concerned with the entire budget issue. I would like to propose an idea. The issue I have with taking earnings from the Permanent fund account and moving them into the general fund is that there is no accountability on spending of general fund. We are in this fiscal crisis because there has been lack of accountability and we have spent too much money for "government", and this is evident now with the collapse of oil prices. In my own personal accounting we have "needs" and "wants". I do not use my future retirement savings account to fund the purchase of "wants" nor should the Alaska State Legislature. I do not, and will not support use of permanent fund earnings to be transferred into the general fund and spent without accountability. If the State Legislature continues to spend at it's current rate, at some point the permanent fund reserve will be spent as well...then what do we do? There are not enough people in the State to tax to cover \$4 Billion a year. Simply using permanent fund earnings to fund "government" does not solve any of our issues. Until there is a conscious effort to reduce unnecessary spending, the money set aside for hard times should not be accessed without any sort of parameters, sideboards and restrictions.

The State needs to first identify what are our priorities. What is needed for the State to grow and what is sustainable...then we can make a list of all our wishes and wants.

Here is my recommendation: Establish dedicated funds for the money (ex. education, public works, etc.). By having a dedicated source of funding and a dedicated location for the reserve earnings to be transferred there will be less waste in the future. These funds could have a committee of individuals that represent various sectors to set priorities for the use of the funds. Maybe seek input from the public as to what we want to fund with the earnings?

General Funds are too easy to move to pay for a "want" simply to gain re-election, to win over the public, etc. The reason the permanent fund still exists is because it is a dedicated fund with limited access and serves a purpose! By establishing a dedicated fund, the money would be easier to track and restrain unnecessary spending. It would also allow the general funds used on this activity to be re-allocated to other areas of "need".

Thank you, and good luck!

Ben White
4354 Windfall Ave.
Juneau, AK 99801

Daniel George

From: Robbin Robbert <pastrob2@yahoo.com>
Sent: Tuesday, February 16, 2016 4:13 PM
To: Senate State Affairs
Subject: SB 114

Please vote against sb114. My family of 7 depends on the pfd for the children's Christian education. Thank you!

In Christ,

Robbin Michael Robbert
Wasilla, Alaska

Daniel George

From: Theresa Miller <tmiller@acsedu.org>
Sent: Tuesday, February 16, 2016 5:45 PM
To: Senate State Affairs
Subject: State Budget/SB114

Governor Bill Walker, Lesil McGuire, and others:

We are disappointed to see many government officials responding in a reactive manner rather than a proactive manner regarding the state budget. Indeed, Alaska has seen a downward spiral in oil prices. As a result, there should be reasonable concern regarding the annual budget. Unfortunately, some government officials appear to be panicking instead of approaching the problem in an analytical fashion. Some elected government officials seemed even to be pushing an agenda and/or participating in irresponsible reactive decision making when they were discussing foraging in the permanent fund and/or raising or adding new taxes within a mere few weeks of oil prices dropping.

Elected government officials have an obligation to cut (deeply if necessary) the annual budget before ever considering pilfering the permanent fund or skimming money from hard working citizens. History tells us budget cuts can always be adjusted, whereas tax increases do not fall or even flat line. Taxes only increase and continue to increase, and permanent funds never regain their former glory. Taking hard earned money from citizens then only compounds the problem.

We are middle class Alaskan citizens. One of us teaches and both of us run an Alaskan business. We work long, hard hours and have raised three children with no government assistance. We would appreciate patience. Wait, cut, wait...wait and wait before making the fatal mistake of looting the permanent fund and raising taxes. There is a tremendous amount of wiggle room in the budget. It will take elected officials some hard work to find that money, but it is there. We elected you to work hard just as we work hard.

Sincerely,

Berke and Theresa Miller

Daniel George

From: Bill Smith <wjsmithjr@LIVE.COM>
Sent: Tuesday, February 16, 2016 8:56 AM
To: Senate State Affairs
Subject: Public Testimony on SB 114

My name is Bill Smith. I reside in Chugiak, Alaska, and although I'm not able to testify in person, I'd like to provide my perspective on the current fiscal gap facing the State.

I brought my family to Alaska in 2001, and my wife and I decided to make this wonderful State our permanent home because of the unique combination of opportunity, hospitality, and majestic environment. The fiscal gap that we currently face threatens our economic opportunities in the near term, as well as my children's future in Alaska. As my children are entering college, I find myself for the first time considering that their professional future may not include Alaska.

I don't believe any sincere person can dispute that the current situation will require a combination of solutions; significant budgetary cuts, new sources of revenue, as well as using a portion of the Permanent Fund earnings will be required. The gap is simply too large to address using one or two of the tools at our disposal. We must take significant steps immediately if we wish to avoid severe economic impacts. We cannot take symbolic steps and push the hard work down the road. I believe that leadership involves making the tough choices that need to be made, and our current situation calls for just that.

With the foresight and leadership provided years ago, our previous State leaders provided an amazing gift that does not have an equal anywhere else in the Nation - the Permanent Fund. I ask that you, as leaders of the State, make the difficult decisions needed to avoid jeopardizing that fund, as well as our future. Differing decisions on using Permanent Fund earnings to subsequent sessions, virtually assures the end of the PFD, even at a reduced rate. But more than that, it endangers the corpus - a risk that cannot be tolerated.

I ask that you put aside partisan differences, and work together to take significant steps involving Permanent Fund earnings, budget cuts, and new revenue during the current session. Don't miss the opportunity to do the right thing now, before we are too far down the path to build a sustainable economic future.

Thank you for the opportunity to provide my testimony. I urge you to act now, time is not our friend.

Bill Smith

P.O. Box 672524

Chugiak, AK 99567

Daniel George

From: outlook_9efc2e67e46b06d4@outlook.com on behalf of Bruce Conant <bsconant@ptialaska.net>
Sent: Tuesday, February 16, 2016 4:29 PM
To: Senate State Affairs
Subject: Budget Challenge

Here are some of my thoughts on Alaska's budget challenge:

1. I support some form of using the Permanent Fund earnings to fund State Government. From what I know, I basically support the Governor's proposal. I'm willing to support some compromise/combination of the various plans being discussed.
2. I would like to see the Permanent Fund dividends to Alaska residents graduated. Folks at the lowest income levels would receive the maximum amount and those at the top none. The folks with in between incomes would receive a graduated amount. This seems like a fair way to ensure that low income folks, who depend on the dividend, would continue to receive it. Those at high income levels don't need dividends to live. This concept would be especially important to those who live in bush Alaska. Various income levels for such a system would need to be worked out. If the government can obtain money from its citizens in a graduated way (income taxes), it should be able to give it back in a graduated way.
3. I support re-instituting a state-wide income tax. It never should have been abolished. A good way to graduate the dividends would be to incorporate them into a graduated income tax. However, a graduated dividend program could be instituted separate from a state-wide graduated income tax.
4. Retirement ages for our citizens need to be slowly raised, especially for State and Federal workers. The formulas for retirement age were determined when we had shorter life spans. They need to be adjusted to take into account our longer life spans nowadays. I am a retired Federal worker who worked 7 years beyond when I could have retired. It was not a burden.

The days of 'kicking the can down the road' are past. Most Alaskans are counting on our representatives to come up with viable solutions and not to drive Alaska into the ditch. We can't cut our way out of our budget challenge without serious repercussions. I believe that most Alaskans will support reasonable solutions if they understand them and they are fair.

Thank you for considering my comments. I thank all of you for your diligent work on behalf of Alaska and all its citizens.

Bruce Conant
40 year Alaska resident

Daniel George

From: Carol Carman <carcar@mtaonline.net>
Sent: Tuesday, February 16, 2016 7:13 AM
To: Senate State Affairs
Subject: SB 114

Are you kidding me? Do you ever want to serve in office again?

NO WAY!

Carol Carman

<>< <>< <><

God grant me....

Serenity to accept the things I cannot change, Courage to change the things I can, and Wisdom to know the difference.

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:12 PM
To: Senate State Affairs
Subject: FW: Creative, not predictable problem-solving, please

From: Tina Barela [mailto:ptbarela@me.com]
Sent: Tuesday, February 16, 2016 3:00 PM
To: Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>
Subject: Creative, not predictable problem-solving, please

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

Public unions, hundreds of 100% state funded non-profits, and various other government dependent groups have surrounded our state legislators in Juneau in a budget Alamo and have demanded they surrender to new taxes without making any meaningful cuts in state spending.

Only the free market sets the price for a barrel of oil. When prices go up, oil companies tend to drill more and hire more employees. Conversely, when oil prices plummet, they lay off excess employees and streamline their operations to ride out the low price cycle. The big three oil producers in Alaska have been doing just that. The public sector refuses to do so. Yet, cut we must- to near a pre-bubble 2006 spending level adjusted for population growth and inflation (around \$4.1 Billion). Any politician can spend someone else's money and get perpetually reelected, yet it's in the streamlining of government in the face of staunch organized opposition where true leaders are born.

Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD

tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past?

Respectfully,

Christina Barela

Daniel George

From: cyndy green <uhehorses@yahoo.com>
Sent: Tuesday, February 16, 2016 6:16 AM
To: Senate State Affairs
Subject: Restructuring the Permanent Fund

Please look long and hard at Restructuring the Permanent Fund, to use it to fund **public schools, public safety, roads, and the ferries.**

If I have to choose between state income tax vs Permanent Fund. I gladly hand over my annual Permanent Fund check. I firmly believe that we need to be using these funds to close the state deficit and to fund the future.

Thank You,
Cynthia L Green
Bush Teacher

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:11 PM
To: Senate State Affairs
Subject: FW: Budget Alamo - A Message to the Grassroots Voters

From: Daniel Hamm [mailto:daniel_hamm@hotmail.com]
Sent: Tuesday, February 16, 2016 3:42 PM
To: Daniel Hamm <daniel_hamm@hotmail.com>
Subject: Budget Alamo - A Message to the Grassroots Voters

State Budget Alamo

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

Public unions, hundreds of 100% state funded non-profits, and various other government dependent groups have surrounded our state legislators in Juneau in a budget Alamo and have demanded they surrender to new taxes without making any meaningful cuts in state spending.

Only the free market sets the price for a barrel of oil. When prices go up, oil companies tend to drill more and hire more employees. Conversely, when oil prices plummet, they lay off excess employees and streamline their operations to ride out the low price cycle. The big three oil producers in Alaska have been doing just that. The public sector refuses to do so. Yet, cut we must- to near a pre-bubble 2006 spending level adjusted for population growth and inflation (around \$4.1 Billion). Any politician can spend someone else's money and get perpetually reelected, yet it's in the streamlining of government in the face of staunch organized opposition where true leaders are born.

Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past? It's all up to you- the grassroots voter and taxpayer. Join me in individually contacting your legislators to stand firm on the \$4.5 Billion budget line with no new taxes or PFD raid.

The Juneau Alamo is under heavy siege by an army of public lobbyists. Your voice must penetrate that siege. Rest assured that if they falter now, we the voters will remember the budget Alamo. This fall's election will be their San Jacinto.

Sincerely,

Daniel Hamm


Daniel George

From: David and Charlotte Crockett <snowedinn@mtaonline.net>
Sent: Tuesday, February 16, 2016 6:14 PM
To: Senate State Affairs
Subject: Budget

LEAVE THE PERMANENT FUND ALONE!!!

Cut the budget! Cut fraud regarding the PFD.

David and Charlotte Crockett

"Peace I leave with you, my peace I give unto you: not as the world giveth, give I unto you. Let not your  be troubled, neither let it be afraid."

John 14:27

Daniel George

From: Wayne <quite74@yahoo.com>
Sent: Tuesday, February 16, 2016 6:08 PM
To: Senate State Affairs
Subject: Fiscal Plan proposed by Sen. Lesil McGuire

Thank you for holding a public meeting on Senate Bill 114 where we have a chance to comment.

I disagree with the use of the Permanent Fund to bridge the gap in the State budget. This just didn't happen overnight, and it seems that the Legislature must be somewhat accountable for this shortfall.

There is not a guarantee that we will always have a dividend, but it was set up by Gov. Hammond for the residents of Alaska. By taking part of the Permanent Fund to help you out, what tax or avenue would you use to have the working non-residents help out? The way I see it, I could live in Washington State, fly up to Alaska to work for my 2 or 3 weeks, enjoy all the benefits that are here, and really not spend a dime here except for the beer I have in the airport on the way home. Thanks for all the infrastructure you have built the last 10 years.

Of course this is just my opinion.

Sincerely,

Wayne L Selmer
Skagway Alaska

Daniel George

From: David Luntz <david.luntz@hotmail.com>
Sent: Tuesday, February 16, 2016 3:44 PM
To: Senate State Affairs

Leave our dividend alone.

Sent via the Samsung Galaxy S6 edge+, an AT&T 4G LTE smartphone

Daniel George

From: Don Fritz <halibut58@yahoo.com>
Sent: Tuesday, February 16, 2016 6:24 PM
To: Senate State Affairs; Sen. Lesil McGuire
Cc: Sen. Peter Micciche; Sen. Charlie Huggins; Sen. Bill Stoltze; Sen. John Coghill; Sen. Bill Wielechowski; Sen. Pete Kelly; Senator.Kevin.Meyers@akleg.gov
Subject: SB114 Testimony

Thank you for this opportunity to testify regarding SB114

First off I congratulate Senator McGuire for her efforts in putting forth this bill. While I am not in total agreement with all aspects of the bill, I applaud Senator McGuire's effort to bring this bill forward and to acknowledge the fiscal situation that the State is in. Further I applaud her acknowledgement that the Permanent Fund earnings are needed in crafting a solution for our problem.

I encourage the legislature to both support and modify as appropriate Senate Bill 114, and to also seek additional cuts in government beyond those proposed by the Governor to date. If you can only identify 200 million dollars in additional cuts this year, I am fine with that. If you identify 1 billion dollars in additional savings I would be happy with that. If you identify more, you have my support.

So far, I have seen no cuts identified by the legislature, even though we have close to one third of this session behind us. Where is the work project of all those legislators who pledged to start working on identifying additional cuts last spring? My belief is that the legislature needs to start leading on our fiscal problem, face reality, and start educating your constituents regarding the ability to cut our way out of the situation we are in. Several of our legislators need to stop hiding behind the multitude of positions, many erroneous, held by their constituents. Perhaps you would serve your constituents better by attempting to educate them of our fiscal reality. I fault the legislature for the situation that we are currently in, including the debt and unfunded liability that we have amassed, and for the false belief that continues throughout the state that we can simply cut the budget to a point where we find our way out of this situation.

While Senator Kelly faults the reporters for failing to get the word out regarding cuts already made, I fault our legislature for failing to provide realistic feedback to their constituents regarding efforts undertaken so far, as well as for failing to communicate actions that we should take to move beyond this situation. While I accept that you cannot educate those unwilling to listen, many constituents are willing to accept facts once presented as such. I am fearful when I hear the ridiculous suggestions of either enshrining the PFD in the constitution, or cashing it out among all current citizens and taking away this source of revenue meant to pay for government; both for our generation and for future generations. Unfortunately, some legislators seem to perpetuate this belief. I find this shameful.

The Permanent Fund belongs to the people of this State collectively, not individually. It needs to be used for the public good, not individual entitlement or greed. I am willing to accept that the good old days of free money are over, and that the Permanent Fund earnings have a higher purpose than issuing a dividend.

My preference based on the entitlement mentality many citizens demonstrate today would be to completely stop the issuance of PFD's and use the money for both the State Government that we need, and to further grow the fund, in hopes that a PFD could be paid to future generations that would appreciate the gift that it is rather than demand the welfare that many of us seem to view it as today.

Our legislature needs to face the fact that our collective failure to adequately save our money and to instead overspend over the last 3 decades has put us up against a wall, and you need to educate the public that the only realistic means of funding our government going forward is to utilize the earnings of the Permanent Fund. Our natural resource revenue has minimal ability to continue to pay for 90 percent of the government that we collectively demand. My belief is that the Permanent Fund was designed for this eventuality; unfortunately the PFD has clouded that position.

There is no solution to our situation without use of the Permanent Fund earnings. Dr. Scott Goldsmith and Director David Teal have provided you sage advice regarding the need to utilize the Permanent Fund earnings. It is time for you to follow their advice and to lead your constituents into accepting the realities we face. You have

an obligation to educate your constituents as well as represent them. Representing their position when you know that it is wrong is not leadership.

Thank you for your consideration of my comments!

Don Fritz

Daniel George

From: GEORGE CHAPMAN <George.Chapman@matsuk12.us>
Sent: Tuesday, February 16, 2016 6:54 AM
To: Senate State Affairs
Subject: budget

I think the dividend has taken too much of our time. We have spent time debating what to do with the dividend for years and in the meantime we have had the legislature in special session spending more money on items they couldn't get to because of all this debate. Many time the special sessions have accomplished nothing more than spending more money for per diem expenses etc. Use the dividend but come up with a sound fiscal policy. We need to have a state sales tax so that visitors that use facilities around the state pay for the upkeep. If tourist help pay sales tax we could develop facilities for tourists to make the state even more inviting. I would welcome a income tax as well as long as it was a flat tax without loopholes and the need for an army of government employees to determine if people paid the correct amount. Don't add more layers of government for something that should be simple.

Disclaimer Notice: This email and any attachments to it may be confidential and are intended solely for the use of the individual to whom it is addressed. Any views or opinions expressed are solely those of the author and do not necessarily represent those of the **Matanuska-Susitna Borough School District**. If you are not an intended recipient for this email, you are hereby notified that this is not a waiver of confidentiality and that you must not take any action based upon its contents, and any dissemination, distribution, or copying of this information is strictly prohibited.

If you believe you have received this information in error, please notify the sender immediately by reply email and immediately delete this message from your system.

Daniel George

From: hollyberry45@mtaonline.net
Sent: Tuesday, February 16, 2016 2:21 PM
To: Senate State Affairs
Subject: CUT, CUT, CUT SPENDING! DO NOT TAX, TAX, TAX!

Dear Governor Walker and Juneau Legislators. We stand firmly behind cutting state spending sufficiently to preclude new or increased taxes as written in the letter herein forwarded to you. Please be assured that raiding the Permanent Fund will surely resonate negatively henceforth with Alaskan voters. Sincerely, Jim and Holly Pazsint of Wasilla. 907-745-7577.

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

Public unions, hundreds of 100% state funded non-profits, and various other government dependent groups have surrounded our state legislators in Juneau in a budget Alamo and have demanded they surrender to new taxes without making any meaningful cuts in state spending.

Only the free market sets the price for a barrel of oil. When prices go up, oil companies tend to drill more and hire more employees. Conversely, when oil prices plummet, they lay off excess employees and streamline their operations to ride out the low price cycle. The big three oil producers in Alaska have been doing just that. The public sector refuses to do so. Yet, cut we must- to near a pre-bubble 2006 spending level adjusted for population growth and inflation (around \$4.1 Billion). Any politician can spend someone else's money and get perpetually reelected, yet it's in the streamlining of government in the face of staunch organized opposition where true leaders are born.

Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past?

Daniel George

From: Katrina Matheny
Sent: Tuesday, February 16, 2016 2:26 PM
To: Brandon Brefczynski; Daniel George
Subject: FW: Use of Permanent Fund

Please see the below testimony for tonight's Senate State Affairs hearing on SB 114.

Thanks!

Katrina

From: James Lavrakas [mailto:lavrakas@icloud.com]
Sent: Tuesday, February 16, 2016 9:27 AM
To: Katrina Matheny; Sen. Gary Stevens
Subject: Use of Permanent Fund

Gary,

We spoke recently about continued support of KBBI. I appreciate the time you took to talk.

My wife Ruth and I are unable to attend or call into the legislative hearing tonight on the use of Permanent Fund earnings, but we did want to express our opinion to you on the subject. It's pretty straight forward:

Alaskans have had a good ride with freebies until this budget crisis. It's time to stop being selfish and pitch in. Ruth and I are in favor of doing that with either an income tax of 6%, a capped PFD of \$1000, or both.

Please include this email from us as part of the testimony tonight from long-time Alaskans.

Jim & Ruth Lavrakas
PO Box 1459
Homer, AK 99603
907-299-8393 / cell

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:12 PM
To: Senate State Affairs
Subject: FW: CURRENT BUDGET DEFICIT

From: Jim Alaska Gem Homes [mailto:homes@AlaskaGemHomes.com]

Sent: Tuesday, February 16, 2016 2:53 PM

To: Senate State Affairs <SenateStateAffairs@akleg.gov>

Cc: Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. Liz Vazquez <Rep.Liz.Vazquez@akleg.gov>; Rep. Chris Tuck <Rep.Chris.Tuck@akleg.gov>; Rep. Cathy Tilton <Rep.Cathy.Tilton@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>; Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>; Rep. Paul Seaton <Rep.Paul.Seaton@akleg.gov>; Rep. Dan Saddler <Rep.Dan.Saddler@akleg.gov>; Rep. Lance Pruitt <Rep.Lance.Pruitt@akleg.gov>; Rep. Mark Neuman <Rep.Mark.Neuman@akleg.gov>; Rep. Charisse Millett <Rep.Charisse.Millet@akleg.gov>; Rep. Cathy Munoz <Rep.Cathy.Munoz@akleg.gov>; Rep. Bob Lynn <Rep.Bob.Lynn@akleg.gov>; Rep. Gabrielle LeDoux <Rep.Gabrielle.LeDoux@akleg.gov>; Rep. Wes Keller <Rep.Wes.Keller@akleg.gov>; Rep. Craig Johnson <Rep.Craig.Johnson@akleg.gov>; Rep. Shelley Hughes <Rep.Shelley.Hughes@akleg.gov>; Rep. Mike Hawker <Rep.Mike.Hawker@akleg.gov>; Rep. Lynn Gattis <Rep.Lynn.Gattis@akleg.gov>; Rep. Mike Chenault <Rep.Mike.Chenault@akleg.gov>; Sen. Bill Wielechowski <Sen.Bill.Wielechowski@akleg.gov>; Sen. Donny Olson <Sen.Donny.Olson@akleg.gov>; Sen. Berta Gardner <Sen.Berta.Gardner@akleg.gov>; Sen. Lyman Hoffman <Sen.Lyman.Hoffman@akleg.gov>; Sen. Johnny Ellis <Sen.Johnny.Ellis@akleg.gov>; Sen. Dennis Egan <Sen.Dennis.Egan@akleg.gov>; Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>; Sen. Bert Stedman <Sen.Bert.Stedman@akleg.gov>; Sen. Peter Micciche <Sen.Peter.Micciche@akleg.gov>; Sen. Kevin Meyer <Sen.Kevin.Meyer@akleg.gov>; Sen. Lesil McGuire <Sen.Lesil.McGuire@akleg.gov>; Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>; Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. Charlie Huggins <Sen.Charlie.Huggins@akleg.gov>; Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>; Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; governor@alaska.gov

Subject: CURRENT BUDGET DEFICIT

NO!!!! you cannot tap the PFD funds, NO!!!! you cannot implement a state income tax! Just stop the spending. Oil will recover and new business will come to Alaska. In the meantime, do not write red checks on money you are not getting. Every responsible Household in Alaska and most of America stops spending when they do not have the money in their accounts. STOP THE SPENDING.

Here is a suggestion on some of the ways money can be saved:

The technology exists for virtual class rooms. USE IT!!!! This would be way better than the unjustified financial expense of supporting teachers and buildings in the middle of nowhere. When a family decides to live off the grid or outside public school systems, then the rest of the state should not be financially responsible for those decisions and lifestyle. The technology to conduct school via internet and virtual classrooms is way cheaper than supporting the facilities and staff requirements for small schools. The same can be said for transportation of students in remote areas. Use the Internet.

Stop stupid ideas like a bridge across the inlet. First of all, a tunnel makes much better sense. Second of all, until we use up all of ARTIC Valley which should be acquired back from the Bases, there is no shortage of land in or near Anchorage. A bridge to a spot 20 miles outside of Wasilla does not make sense unless you live in Point Mckensie and work in Anchorage. The number of people that do in so small, it is not right.

Quit building 100 million dollar airports in communities with 300 year round residents. It does not make sense. STOP SPENDING MONEY WE DON'T HAVE!

Stop doing stupid stuff like signing contracts to rent a space like the LIO building when there are perfectly good alternatives like the ATWOOD building that costs the taxpayers 500% less.

I am in favor of a sales tax to help bridge the gap, but not state income taxes and not the PFD. I am personally in favor of legislation that requires the legislators to go to jail if they spend more than we the voters freely give them to work with.

Isn't it about time you started listening to your constituents and voted according to their will.

Signed a voter.

Jim

Daniel George

From: Jim and Janet Faiks <alaskalpaca@mtaonline.net>
Sent: Tuesday, February 16, 2016 10:06 AM
To: Senate State Affairs
Cc: Sen. Charlie Huggins; Rep. Mark Neuman; Rep. Shelley Hughes
Subject: Budget

Dear Sirs,

First I would like to thank you for your service as a legislator. I know it takes a great deal of time away from your family. I also really appreciate your tackling this budget crises as a top concern. We do not need a repeat of the 80's. We are blessed this time to not have an over inflated economy and also to have saved a huge cash reserve. Here are my thoughts:

1. During the good times, I believe that we allowed the State Government programs and departments to grow. We spend three times per capita on State Government compared to the other states. Please make some big cuts by eliminating non-essentials so that we are more inline with reality.
2. As an employer in the private sector, I find it difficult to compete with the State salaries, work hours, benefits and retirement. All of these were enriched during boom times, and never come back down to reality.
3. I don't believe that the Permanent Fund Dividend was ever intended to be a "PERMANENT DIVIDEND". I think the program attracts unproductive citizens and in many cases, it funds drug habits. The program is expensive to administer and it is abused, as in the case of the "Alaska Bush People". Many of my retired friends spend hours calculating to make sure they meet the minimum amount of time required to be in the state. None of these people need the money. We just can't afford to give money away anymore.
3. I support a State sales tax which would require everyone to contribute to the government services that they are receiving. Tourists visiting Anchorage are always amazed that there is no sales tax. They expect to and should be contributing to our economy.
4. If we can't get our house completely in order with the above measures, than I would be willing to pay an income tax. I've invested my life in Alaska, and she has been good to me. My children are building there lives here and I don't want to see the State fail.

Sincerely,

Jim Faiks

PO Box 521150

Big Lake, AK 99652

This email has been sent from a virus-free computer protected by Avast.

www.avast.com

Daniel George

From: Karen King <karen.king@spawnak.com>
Sent: Tuesday, February 16, 2016 5:50 PM
To: Senate State Affairs
Subject: SB 114 public testimony

To whom it may concern:

I am, unfortunately, missing the public testimony opportunity this evening in Anchorage but want to speak about SB 114. I support using our Permanent Fund earnings as part of a comprehensive solution to solve Alaska's budget deficit. Fund earnings **MUST** be used in conjunction with spending cuts and other revenue (taxes)

Using the Permanent Fund is the cornerstone of a responsible solution for Alaska. The legislature must act now to solve this crisis as we will otherwise deplete our savings in less than two years.

If you do not **ACT NOW**, your inaction will stoke the fire of fear among Alaskans. Fear is a strong motivator that, on its own, often does harm to our economy, and right now people are scared. And when people are uncertain for the future, they restrict spending and a poor economy becomes a self-fulfilling prophecy.

As a legislative body, you must **ACT Now** toward a solution, thereby giving Alaskans better assurance of their future. Please use Permanent Fund earnings as the part of a solution toward ending our budget crisis -- and do it in this legislative session.

Thank you.

KAREN KING
Owner/President & CEO
Spawn, formerly Nerland Agency
T 907.274.9552
F 907.274.9990

SEE *brave:works* AT [SPAWNK.COM](http://www.spawnak.com) <<http://www.spawnak.com>>

Named one of "Outside Magazine's" "100 "Best Places to Work in America" 2 years in a row.

Daniel George

From: Kristi Wood <bikemoredriveless@hotmail.com>
Sent: Tuesday, February 16, 2016 8:27 AM
To: Senate State Affairs
Subject: Please support SB114

Hello Alaska Senate State Affairs Committee,

I am writing to you in support of SB114. I am not an economist, but I've studied the economic data from the Institute of Social and Economic Research (ISER) regarding Alaska's current fiscal crisis. The only logical conclusions I can draw after reviewing this data, is that the legislature must act during this legislative session, and accessing a portion of the Permanent Fund earnings is the single most substantive way to close this gap.

Also, due to the magnitude of the crisis, swift action that includes a portion of the Permanent Fund is the only way to preserve the future of the Permanent Fund. That's because if we do not close the fiscal gap during this legislative session, we risk being forced in to drastic measures in the next two years that could result in significant negative impacts to the Permanent Fund.

I understand the motivation to seek further cuts in spending, however it is irresponsible to focus on cuts alone. The magnitude of this crisis is such that new revenues must be incorporated. As an example, the savings from firing all State employees would not be enough to bridge the fiscal gap, and would also trigger a highly disruptive downturn in Alaska's economy.

While an income tax and revising oil taxes and credits are also important sources of new revenue that must be explored, those revenue sources amount to significantly less than what will be made available to Alaska via SB114. ISER's data shows us that we can only expect roughly 800 million dollars from reorganizing oil taxes and credits, and roughly 650 million from an income tax. Together that amounts to less than half of what we need to close the gap.

By utilizing a portion of the Permanent Fund, SB114 gains us close to 2 billion, closing the gap by half.

I fully respect the concern that capping PFD checks could have a negative impact on some Alaskans who may be counting on that money to make ends meet. However, if we do nothing, we risk losing the PFD checks altogether; that clearly would not be acceptable. SB114 stabilizes PFD checks at a sustainable amount, preserving the Permanent Fund so that it can be, well, permanent. This gives Alaskan families the opportunity to plan and budget according to a set, predictable amount.

In closing I urge your timely support of SB114, as it provides us with a sustainable path forward for securing the future stability of the permanent fund, and also makes substantive progress in closing the enormous fiscal gap.

Respectfully,
Kristi Wood
Anchorage resident

Daniel George

From: Barbara Bell <barbaraelfmanbell@gmail.com>
Sent: Tuesday, February 16, 2016 11:09 AM
To: Senate State Affairs
Subject: Testimony in Support of SB 114

February 16, 2016

Ladies and Gentlemen:

I'm writing in support of SB 114, as introduced by Ms. McGuire. I am unable to attend your meeting this evening, thus this e-mail.

Ms. McGuire's proposal is an important piece of a long-term solution to address our state's budget deficit. It is important for us to act now to fix our budget deficit, to avoid bigger problems later.

Specifically, I support reducing each Alaskan's PFD check to \$1000 this coming year, with the balance used to fund our state deficit. This is one part of a bigger solution, which could also include cutting expenses wherever possible. I also support other measures, and although I hate taxes as much as the next person, these measures may include levying state income taxes on businesses and individuals, AND possibly also including levying a sales tax. Most other states in our country have one or both of these taxes, which fund their governments. We need to consider similar taxes, because state operating money needs to come from somewhere!

We need to act! We need to look at more ways to cut expenses. We need to cut the PFD. We need to consider adding some taxes (but ONLY after expenses are cut!).

We can not sit around and hope the price of oil goes back up. Oil prices are volatile, and long term, we can't count on the price going up to a level to sustain our state spending.

If we don't act NOW, our entire state savings (including permanent fund money) can be drained away in a few years, which would leave us high and dry - then we'd have no choice but to then levy taxes. If we levy high taxes, our business community might shrink, which would spiral us deeper in the hole. And of course the PFD would be only a memory. Our rural residents, in particular, depend on the PFD each year. A smaller PFD is better than no PFD!

Thanks for your consideration.

Barbara Elfman Bell
11211 Kaskanak Circle
Eagle River, AK 99577

phone 907 223 4446

Daniel George

From: Marc Grober <marc@interak.com>
Sent: Tuesday, February 16, 2016 9:16 AM
To: Senate State Affairs
Subject: STOP FIDDLING AND ADOPT THE NECESSARY TAXES!

The first thing that the Legislature needs to accomplish this year is the immediate adoption of a 15% graduated State income tax. My analysis suggests that Alaska would be able to raise almost \$3B in this manner with a negligible impact on most Alaskans)based on comparisons of the tax regimes in South Carolina and California and the comparative income distribution and population between those States and Alaska. In fact, the data show that most Alaskans as yet make no net payment for any State or Local services; we are poster children for upper middle class welfare. Additionally, a substantial State income tax allows the State to offer credits and exemptions that allow, for example, for a \$6.00/gallon gasoline tax that functions as a luxury tax.

Time after time, those promoting zombie economics (what else would one call the arguments for wholly discredited supply-side arguments of "Reagonomics") have been caught short when their attempts at producing a public position has resulted in that public loudly proclaiming that they don't mind additional taxes to maintain their quality of life as supported by the current levels of government, as long as the taxing authority isn't profligate (for some reason Mr. Hawker's name keeps popping up). Yet a small band of ideologues, holdoing the State hostage, can only hear one drum.

Enough! Whatever your persuasion, acting responsibly means adopting an income tax now. Get on with it!

Daniel George

From: Senate State Affairs
Subject: State Budget Alamo

From: Margaret Loew [<mailto:margaret@whollyliving.com>]
Sent: Tuesday, February 16, 2016 2:05 PM
To: Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>
Subject: FW: State Budget Alamo

Hi Bill,

We have supported you & appreciated you in the Senate. I hope you agree with Daniel Hamm. He totally hit the nail on the head. CUT SPENDING! We don't need to keep doling out our funds. Let's reign in the budget & spending! Stand strong, please! It may not be popular, but it is right!

Beloved, I wish above all things that thou mayest prosper and be in health, even as thy soul prospereth. *3 John 2*

Thou wilt keep him in perfect peace, whose mind is stayed on thee: because he trusteth in thee. *Isaiah 26:3*

Margaret Loew

15091 Lazy Lady Lane

Palmer AK 99645

907-745-5639

Change Your Water....Change Your Life!

From: Alaska Republican Assembly [<mailto:akrepublicanassembly@gmail.com>]
Sent: Tuesday, February 16, 2016 11:42 AM
To: Alaska Republican Assembly
Subject: State Budget Alamo

All,

I wrote the below email to send to all the legislators and the governor. Hopefully it will get printed in some news outlets also. Please write and email and/call your your state legislators and the governor with your thoughts. You can also copy the below letter text, sign it, and email it also.

State Budget Alamo

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

Public unions, hundreds of 100% state funded non-profits, and various other government dependent groups have surrounded our state legislators in Juneau in a budget Alamo and have demanded they surrender to new taxes without making any meaningful cuts in state spending.

Only the free market sets the price for a barrel of oil. When prices go up, oil companies tend to drill more and hire more employees. Conversely, when oil prices plummet, they lay off excess employees and streamline their operations to ride out the low price cycle. The big three oil producers in Alaska have been doing just that. The public sector refuses to do so. Yet, cut we must- to near a pre-bubble 2006 spending level adjusted for population growth and inflation (around \$4.1 Billion). Any politician can spend someone else's money and get perpetually reelected, yet it's in the streamlining of government in the face of staunch organized opposition where true leaders are born.

Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past? It's all up to you- the grassroots voter and taxpayer. Join me in individually contacting your legislators to stand firm on the \$4.5 Billion budget line with no new taxes or PFD raid. You can also sign this letter and email it to the legislators listed below.

The Juneau Alamo is under heavy siege by an army of public lobbyists. Your voice must penetrate that siege. Rest assured that if they falter now, we the voters will remember the budget Alamo. This fall's election will be their San Jacinto.

Daniel Hamm

President - Alaska Republican Assembly

Daniel George

From: Rick Kullberg <rwkullberg@hotmail.com>
Sent: Tuesday, February 16, 2016 5:40 PM
To: Senate State Affairs
Subject: public testimony on Alaska budget

To the Senate State Affairs Committee:

- I urge you to support an endowment plan for sustainable funding of the state budget. I favor a plan whereby
 - o All petroleum revenue is deposited in the Permanent Fund.
 - o The earnings of the PF are used to inflation proof the fund, grow the fund, and pay for state operating expenses.
 - o Draw from the fund is not based on POMV, which includes unrealized capital gains and typically has greater fluctuation than earnings.

I support the Governor's proposal (SB128) to manage Alaska's wealth. There is sound precedent for his plan. By similar means, Norway has amassed the world's largest Sovereign Wealth Fund (greater than \$800 billion) and is not faced with a budget crisis because of falling oil prices.

In addition:

- I suggest that you consider offsetting the cost of Medicaid by eliminating the PFD.

Faced with a deficit of 3.4 billion, we have to make hard choices. Medical care for the poor is essential; PFD payments are not. As a state, we are not required to participate in Medicaid, but it is both morally and financially prudent to do so.

The median family income in Alaska is 70k per year. At least half the families in Alaska don't need a PFD to survive. In principle, by cutting the PFD to offset the cost of Medicaid, we are directing Alaska's resources to the people who need it the most.

The estimated cost of expanded Medicaid to the state in 2016 is \$785 million. The total PFD payout at \$1000 per capita is \$738 million, which is about equal to the State's share of the cost of Medicaid. Eliminating the PFD could effectively offset the cost to Alaska of expanded Medicaid.

There is a financial benefit to the state in participating in Medicaid. Under expanded Medicaid, the estimated federal expenditure in the state this year is \$1.57 billion. That's a dollar amount equal to twice the total PFD payout. Those funds are injected by the federal government into our economy.

As it stands the PFD is not an effective way to help the neediest people in our state. There are 66,000 people in the state below the federal poverty level. They need financial assistance. The PFD is apparently not enough to lift them out of poverty. For every dollar we give these people, we have to pay \$10 dollars to the rest of the residents.

If the State wants to give financial assistance to the poor, a more cost effective way should be implemented.

- I support implementing a state income tax.

The State's operating budget cannot be covered by earnings from the Permanent Fund. Taxes or other sources of revenue will be required to close the gap. A flat tax rate of 20% of federal tax liability for individuals and corporations would raise nearly \$1 billion. That tax could be reduced by implementing a sales tax or taxes on gasoline, alcohol and tobacco. It is important that corporations as well as individual pay their fair share of taxes.

- I urge you to carefully examine the value of tax credits given to the oil companies.

We spend half a billion a year on oil tax credits to encourage exploration for oil in the state. We need to determine whether tax incentives to produce more oil in Alaska are effective when the cost of oil is less than \$30 per barrel.

- I do not encourage further cuts to the state operating budget.

If further cuts are to be made in the state budget, I urge that such cuts be across the board. We have already cut the budget by 35%. Those programs that have survived the recent round of cuts are presumably important. Rather than eliminate entire programs, let them live on less for now.

I wish you the very best in solving our state's budget problems. I encourage you to work in cooperation with all other legislators and the Governor's office to produce a plan for budget stability in Alaska.

Sincerely,

Richard Kullberg

Anchorage

Daniel George

From: Ronald Johnson <rajohnson@alaska.edu>
Sent: Tuesday, February 16, 2016 9:45 AM
To: Senate State Affairs
Subject: sb 114

Pls add this to the public testimony.

*I support SB 114 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

Fairbanks, AK 99709

Daniel George

From: Sally <rare1alaska@gmail.com>
Sent: Tuesday, February 16, 2016 11:43 AM
To: Senate State Affairs
Subject: permanent fund

As a long-time real estate broker in the state, I cannot tell you how many people have moved here with large families mostly to get the permanent fund and social service benefits. I have watched them become a drain on the community and the state. I would happily give up most or all of the permanent fund dividend if it would cause the leaches to leave the state.

I remember income tax here and while it wasn't oppressive, it wouldn't affect those people who live primarily on state benefits. A sales tax would reach everyone, and tourists who are used to having sales tax wouldn't balk at it as much as residents, but I think it would be fairer to all of us.

As to the budget reserve, I would like to see it continue having some part of it moved into savings. I know that over the next two years a great part of it will need to be used, but I hope you don't make a move to have it disappear.

The oil tax credits should be reduced or removed. In the long run these companies will explore when it is to their benefit, without the state providing them with oil tax credits. This may not benefit us currently, but will for future Alaskans. I would like to see Alaskan oil remain in Alaska for use here.

It is important that the budget be balanced, and that we learn to live within our means. Being from an unorganized rural community, I think that we are being hit harder with the cuts than those in the city. Yes, our school is entirely funded from the state. But the other very important issues to us are transportation and public safety. Our area has received multiple cuts in these areas—several DOT sites are being closed. This directly affects our safety in traveling to the city for supplies and medical visits.

I hope that you will move rapidly and in a non-partisan manner to conclusions that will benefit our state in the long run.

Sally Young

Tok, Alaska

Daniel George

From: Murphy_Sean <Murphy_Sean@asdk12.org>
Sent: Tuesday, February 16, 2016 3:15 PM
To: governor@alaska.gov; Sen. Click Bishop; Sen. John Coghill; Sen. Mia Costello; Sen. Mike Dunleavy; Sen. Cathy Giessel; Sen. Charlie Huggins; Sen. Pete Kelly; Sen. Anna MacKinnon; Sen. Lesil McGuire; Sen. Kevin Meyer; Sen. Peter Micciche; Sen. Bert Stedman; Sen. Gary Stevens; Sen. Bill Stoltze; Sen. Dennis Egan; Sen. Johnny Ellis; Sen. Lyman Hoffman; Sen. Berta Gardner; Sen. Donny Olson; Sen. Bill Wielechowski; Rep. Mike Chenault; Rep. Jim Colver; Rep. Lynn Gattis; Rep. Mike Hawker; Rep. Shelley Hughes; Rep. Craig Johnson; Rep. Wes Keller; Rep. Gabrielle LeDoux; Rep. Bob Lynn; Rep. Charisse Millett; Rep. Cathy Munoz; Rep. Mark Neuman; Rep. Kurt Olson; Rep. Lance Pruitt; Rep. Dan Saddler; Rep. Paul Seaton; Rep. Louise Stutes; Rep. David Talerico; Rep. Steve Thompson; Rep. Cathy Tilton; Rep. Chris Tuck; Rep. Liz Vazquez; Rep. Tammie Wilson
Subject: Feedback

Dear Senator,

An income tax is my last choice.

Take the PFD pay out from people and use it for Gov.. Re-evaluate after three years.

All Alaskans need skin in the game. This is imperative.

For too long the people that work hard have been footing the bill for everyone, both locally and federally. That is WRONG.

A Hard Working Citizen,

Sean Murphy

Daniel George

From: Steve Alexander <saalex@gci.net>
Sent: Tuesday, February 16, 2016 5:04 PM
To: Senate State Affairs
Subject: SB 114

To the Alaska Governor and all Legislators:

Since it seems likely that you never will have the guts to quit handing out the corporate goodies of the State to all the socialist dependents you have created, the next best option available to us in the working crowd is for you to use the PFD to fund the socialist appetites for all the sweeties you hand out. The cost for the essentials of genuinely necessary government long ago got dwarfed by the mountain of expenditures that are raw pandering for votes used to keep your power and prestige. And that seems mostly true for both Democrats and Republicans.

Even so, please use the PFD to "balance" your bloated budget. It is at least fair across the board. All consumers at the public piggy trough would then have to "pay" a little for the slop they get.

I fully understand that the liberal Democrats are opposed to this; and not because they care about being fair, or the poor, or the economy. They are acutely aware that the dependency on government handouts they must have in order to keep growing their mechanisms of people control requires those handouts to continue unabated.

Abate it. Please. Use the PDF instead of creating more taxes to undermine our freedoms and create more dependency on your bloated government.

Steve Alexander
Wasilla, AK

Daniel George

From: EndtimeWarrior <lastdayswindwalker@yahoo.com>
Sent: Tuesday, February 16, 2016 3:02 PM
To: Senate State Affairs
Subject: Senate Bill 114

02/16/16
re: SB 114

Dear Senate Committee,

I could not attend the hearing, as I just was released from the hospital. However, I would like to give my testimony by email regarding how to proceed with the Alaska Permanent Fund Dividend (AKPFD) being used to address the state budget deficit.

Over the years, I have used the AKPFD to pay for storage, fuel oil, doctor/dental bills, car repairs, utilities, catch up on rent, etc. I make an okay basic hourly wage. Even so, the AKPFD has been a blessing when needed the most.

I have some suggestions:

- 1.) Give a very fair one time 'pay-out' to all Alaska residents that have been here for 3-5 years or longer, and be done with it. The legislative body then will be able to use the AKPFD to do with however they see fit.
- 2.) A 3% sales tax that includes part-time out of state workers and summer tourists
- 3.) A 'Tax Cap'

Honestly, we are all aware that this is an opportunity for the leadership of Alaska to use the AKPFD to try to make an easy but temporary fix to a larger problem. I would suggest looking into #1 as noted above, then making the other adjustments as needed. By doing so, it provides the Alaskan people an opportunity to seed that money back into our communities. Sure, some folks will leave the state, but so be it. Many of us are committed to this land and the people here.

That's about it.

Respectfully submitted,

Teresa Lundy
2913 Telequana Drive #4
Anchorage, AK 99517
(907)947-4107

Daniel George

From: Tim Brady <ancbuckeyes@gmail.com>
Sent: Tuesday, February 16, 2016 5:10 PM
To: Senate State Affairs
Subject: SB114 Support

I support SB 114 to use a portion of the PF to fund government.

Tim Brady

Daniel George

From: Todd Bethard <Todd@gmccontracting.net>
Sent: Tuesday, February 16, 2016 9:21 AM
To: Sen. Bill Stoltze
Subject: Budget Crisis

Bill,

I saw the article in the paper looking for public input on the use of the permanent fund, so I thought I would chime in. I think the permanent fund was a great thing for people when the state was flush with money, and it could be good for folks again down the road. but now our budget is shot, and without a stable, predictable capital budget, our construction industry will fall precipitously. The fund should be used as an endowment, the capital of the fund cannot be spent, but the interest earned on it and on what remains in savings, should be used to fund state government. I know this is unpopular, but it is 'free' money that people should not be counting on as income. Many of the people who would scream at the thought of losing their dividends are the very people that are beneficiaries of the state programs that need the funding.

It seems so simple. In good years, add into the endowment, and possibly tackle larger capital projects. In tougher years like now, we would have a steady budget that is funded solely of the interest earned. The budget would need to be leaner, but would still be funded and stable.

My two cents.

Thank you for reading.

Todd Bethard, P.E.



Contracting, Inc.

351 E. Intl. Airport Rd

Anchorage, AK 99518

Office: 907.561.4733

Legislative Hearing on SB 114, February 16, 2016

Under normal circumstances I am not the guy who testifies at legislative hearings but the current fiscal situation in Alaska compels me to make sure my feelings are well known. I promise to be brief as my message to you all is really a simple one.

I think my desires for Alaska are on par with every other Alaskan out there. I want our state to stay strong. I want our state to remain a good place for business. I want our state to continue to be a place where young people have opportunity. I've been living here for 41 years and for all that time these three things have been true and I certainly do not want to see that environment diminished in any way. I think we all want our children and grandchildren to be able to enjoy that same level of opportunity.

Today, however, we find ourselves in a bit of a financial pickle, more clearly, a budget crisis. You know better than I that in 2016 alone the State of Alaska is running a budget deficit that is roughly 2/3 of the overall budget. Clearly an unsustainable position. In order to maintain the environment we've all been enjoying ever since oil was discovered at Prudhoe Bay I think it's very clear that we all have to be ready to make fundamental and significant changes in the way the state manages its budget. We have to address revenue and expenses in a way that we haven't had to do in 40 years. It's been a great run but sadly, I think that run is over.

As others have suggested it seems we need for three things have to happen simultaneously in order to solve the problem:

1. Permanent Fund Reform – Recall that when then Governor Hammond and the Alaska Legislature ushered the Permanent Fund and the PFD into existence its intent was to allow us to responsibly face the exact situation we are in today. Personally, I support using a portion of the Permanent Fund earnings to support state government. I also support continuing the distribution of the PFD, at a capped and sustainable level, as it has become an important part of the Alaska economy, especially in rural Alaska.
2. Taxes – Understand that I, like everybody else on the paying end of taxes, am not a fan of taxation in any form. That said in order to balance the budget it sure seems that we need to look at additional sources of revenue

besides the Permanent Fund earnings which means instituting taxes in some form once again. Whether it's an income tax, sales tax, or some other form that has yet to be determined I think that the days of zero taxes on Alaskans have to be over. Oil will most certainly continue to hold a very important place in the Alaska budget and overall economy but at ~\$30 per barrel oil, and with production on the decline, we have to face the fact that the free ride courtesy of oil has come to an end.

3. Budget cuts – Lots of people are using the phrase “Right Sizing the Budget.” I completely agree that we need to address the size of the state's budget and be prepared to make some difficult decisions and difficult budget cuts, but we need to do that sensibly. No doubt we can find plenty of programs that can be trimmed but budget cuts that go too deep and too quickly run the risk of unnecessarily putting people and institutions at risk. Also, if cuts go too deep that action alone could kick start an avoidable economic recession throughout Alaska.

I also think that absent significant movement on some or all of these of these fronts this year Alaska's private sector will also have to start to take a hard look at their own capital budgets and start scaling back on that investment. Pulling that money out of the Alaska economy would be yet another economic blow, compounding the overall problem.

In summary, since this hearing is specifically about SB 114 I am here to tell you that I support SB 114 as I think using a portion of the Permanent Fund earnings is the biggest and most effective step we can take towards resolving the budget problem and preserving the Permanent Fund Dividend. Lastly, I think that action has to be taken this session as the price of inaction is simply too steep.

Dan Boyette
danboyette@gci.net

WILLIAM M. TOPEL
6707 MINK AVE.
ANCHORAGE, AK 99504
907-333-1234 (H), wmtopel@yahoo.com

February 16, 2016

ALASKA STATE SENATE
STATE AFFAIRS COMMITTEE
SEN. BILL STOLTZE, CHAIR
CAPITOL BLDG., ROOM 205
JUNEAU, AK 99801

Dear Sen. Stoltze:

Please include my following testimony in the public hearing on Sen. Lesil McGuire's proposed legislation SB 114 or SSSB 1114: **"An Act relating to the Alaska Permanent Fund Corporation, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to the mental health trust fund; relating to deposits into the dividend fund; and providing for an effective date."**

To: Senators Stoltze, Coghill, Huggins, McGuire, and Wielechowski:

Greetings. You can refer to my historical background and experience in Alaska from my testimony On SB 128 on February 4, 2016. **I write to all of you today in opposition to SB 114 or SSSB 114.**

The overall impression and analysis of Sen. McGuire's original SB 114 bill and subsequent amendments to change its numbering to SSSB 114 is that this is another attempt to derail a successful state program – the Permanent Fund investment and Dividend distribution program – by focusing more on revenue generation instead of spending control.

I will repeat some of my past testimony that also applies to this bill. I've seen the exponential growth of state government since 2006. Instead of frugally spending the excess revenues from high oil prices and high production taxes, state government kept over-spending like the federal government has been doing for decades. We have Gov. Walker and some in the legislature, in this case Sen. McGuire, who want to fleece the average citizen, like me, who use the PFD

checks to pay our bills or make small investments, while we have to live within our means. It's time that the state government also live within its means and stop trying to gouge the average citizen. We need to restore the scope of state government back to its essential core functions and mission and a good example of that would be to stop offering benefits beyond the minimal required federal Medicaid programs. After studying state economist Scott Goldsmith's ISER state budget analysis, private sector economist Brad Keithley's state budget analysis, and the United For Liberty (UFL) state budget analysis, I would recommend adopting their approach to achieve a sustainable budget of between \$4.5 billion now, to \$4.2 billion and to \$3.8 billion in the next consecutive years by using the excess earnings of the Earnings Reserve of the Permanent Fund after inflation proofing and dividend distribution.

The effect of capping the Permanent Fund Dividend checks to Alaskans would be near disastrous to those who need it the most -- the average citizen and small businesses. It would be an excessive regressive tax, even before considering any other proposed sales taxes or income taxes on the poor low-income Alaskan, the seniors living on fixed incomes, and those in the private sector, all of whom use the PFD checks to pay their bills. Those who would benefit from the passage of SB 114 or SSSB 114 would be those who have state jobs. Those state jobs are very lucrative in pay and benefits compared to similar private sector jobs or public sector jobs in other states. Keeping all of those state jobs at current levels while reducing the disposable income of those in the private sector is **grossly unfair** to those in the private sector and the poor people, the fixed-income seniors, and small private sector businesses. From a macroeconomic level, the loss of the "multiplier effect" from the movement of the expenditures of those PFD checks in the economy would constrict the private economy even further by reducing consumer consumption and private investment. My questions to the legislators are the same:

- (1) Do we really want to nearly destroy the private sector of Alaska and hurt the poor, the working poor, and seniors on fixed incomes while keeping the grossly overgrown and bloated state government?
- (2) Do we really want to further reduce the private sector middle class while expanding the amount of the poor and maintaining the largesse of those in the public sector?

To the Democrats who have prided themselves on traditionally helping the poor, the working poor, and the fixed income seniors, then SB 114 or SSSB 114 would not help their plight. To the Republicans who have prided themselves on limiting government or helping small businesses, then SB 114 or SSSB 114 would not limit state government, but would allow government to continue to grow beyond its' constitutional essential core functions and missions and would restrict potential markets for small Alaskan businesses. SB 114 or SSSB 114 makes no sense politically.

Let's look at the facts, the numbers, and the long term. There are not enough people in Alaska to tax, through income or sales taxes, to make up for the continuing budget deficits. We have to rely upon resource development, not only for private sector jobs, but also for state revenues. We also have to keep cutting the costs of state government until we reach that sustainable level. We also have to open up our lands to more private ownership and development so that people can be financially independent without government intervention for the long term.

In conclusion, please vote NO on SB 114 or SSSB 114. I would hope that this legislature would not want to create economic class warfare. Please continue to cut state spending. Put state government on a sustainable level by living within its means, just like people and families have to do. The Permanent Fund Dividend program belongs to the people of Alaska. Thank you.

William Topel.

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:12 PM
To: Senate State Affairs
Subject: FW: budget

Expires: Sunday, August 14, 2016 12:00 AM

From: John Barnes [mailto:jsbarnes@mtaonline.net]
Sent: Tuesday, February 16, 2016 3:38 PM
To: governor@alaska.gov
Subject: budget

I believe you should leave the PFD alone and stop spending all the money you are giving away now..

Require anyone without children to get a job, train for a trade or employment or do service work for food stamps. To many collect food stamps and welfare checks and work for cash. You are hurting our economy and the people that need the help. The PFD helps the elderly make ends meet, paying for fuel, food, meds and other essentials. It is a tremendous boost to the state economy when the checks come out as a good portion stays here at home.

A state income tax is fair and those that live here could get a refund each year and those that work here and take their money outside would not get that rebate. Keep our money here.

I can't believe that with all you people in Juneau that you can't see all the waste, corruption and fraud that goes on.

As for Sen. Bill Stoltze and Rep. Shelley Hughes I have always held you in the highest respect and don't believe you can't see what is happening. Government is not or should not be a charity org.

Please reconsider what you are doing and it's ramifications in years to come. You will all be up for reelection sooner or later and I don't think anyone that votes to take the PFD in any shape or form will survive.

Good luck and may you do what is right.

Jack Barnes

Palmer Alaska