From:JimW <2jweid@alaska.net>Sent:Friday, February 19, 2016 4:19 PM

Senate State Affairs

Subject: Raiding the Permanent Fund comments

February 19, 2016 Fairbanks, Alaska

4:16 PM

To:Comments PF < SenateStateAffairs@akleg.gov>

Dear legislators,

Comments on SB 128 PERM. FUND: DEPOSITS; DIVIDEND; EARNINGS (Sponsored by the Governor) Comments on SB 114 PERM FUND: EARNINGS, DEPOSITS, ACCOUNTS (Sponsored by Senator McGuire)

For those of you who defend the Permanent Fund:

Not only are you NOW defending the Permanent Fund from being raided this year. Your defending against future raiding.

According to the newspaper, the dividends are expected to be the same amount for the next couple of years – in other words, \$2000 this fall \$2000 next fall. And maybe another \$2000. The next full.

If one of the voters in your district has a family of four – two adults and two kids you're talking \$8000 this year \$8000 the year after this and \$8000 the year after that.

In other words, you're protecting \$24,000 worth of cash and come in the next three years to that individual voters family.

There are some reasons to defend the Permanent Fund:

- 1) 83% of us voted NO to raiding the Permanent Fund,
- 2) No is NO and we still mean NO because the dividends are the essential to the economy, Alaska.
- 3) It is the only thing that benefits each of us fairly and equally regardless of race, economic status, or physical location.

Therefore, I urge these two bills to be killed in committee so that they never see the light of day again.

Sincerely yours,

"A friend of the dividend"

Jim Widener 5479 Chena Hot Springs Rd. Fairbanks, Alaska 99712 verification phone number 488-6366

PS: I have lived in Alaska nearly 44 years and I helped establish the Permanent Fund and especially the dividend program. It is the one and only thing that is benefited all of us equally from the oil wealth and the oil boom.

It is a trust fund set up to last for in perpetuity providing dividends to the people of Alaska.

You legislators are trustees --- not representatives some predatory interest group that thinks they should get more than one dividend check--in some cases 50 - 60 and up dividend checks EACH.

From: pamela goode <prgoode@yahoo.com>
Sent: priday, February 05, 2016 3:23 PM

To: Sen. Bill Stoltze
Subject: SB128 - Public Testimony

SB128 PUBLIC TESTIMONY BY Pamela Goode

Private Citizen from the Alaska Interior.

Let me put this bill in very simple laymen terms

This bill basically wants Alaskans to hand over their keys to the multi-billion dollar Permanent Fund (PF) LOCKBOX, which belongs to all Alaskans; present, and future.

The whole purpose this PF was set up was to reserve a portion of the Oil revenues and keep the politicians and special interests out of it. And now they want us to give them, the same politicians that spent all the money, sole access to the PF so they can use a small percentage of market value to run then government.

AND IN RETURN: We've got this great deal for you!

INSTEAD of giving you a gradually increasing PFD, we'll promise you a dividend off the gradually decreasing Petroleum Royalties which will currently cut your dividend in half.

WOW!

I'll tell you what, if you can pass this bill without being tarred and feathered, I'll congratulate you for pulling off the biggest "CRIME OF THE CENTURY." This truly is a Crime against all past, current, and future Alaskans.

AND IN MY OPINION if this bill passes, all legislators and the governor should be behind bars. Therefore, to help keep you folks from possibly being tarred and feathered and out of jail, I oppose SB128 and hope you do too. It is constitutionally unethical and immoral.

Thank you.

From: Sen. Bill Stoltze

Sent: Monday, February 15, 2016 11:09 PM

To: Senate State Affairs
Subject: FW: Budget Crunch

From: Michael Chartrand [mailto:machartrand@mtaonline.net]

Sent: Monday, February 15, 2016 12:17 PM **To:** Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>

Subject: Budget Crunch

Dear Senator,

We are writing to let you know our thoughts on dealing with the current budget crunch. First and foremost we strongly object to any attempts to use our PFD to finance state government. Many Alaskans really depend on the earnings of that fund to make it financially in this place of high prices. There are some that can afford to donate a portion of their dividend to worthy charities and that's wonderful, but many of us really need that full amount. The PFD was not intended to fund any part of state government and should stay that way..

We would not object to a state tax of some type (income or sales) but it should come with a sunset provision that would eliminate it when oil prices return to a certain predetermined level. If a state sales tax is decided on it should not include any levy on groceries.

We strongly object to any use of taxes to fund the gas pipeline proposal that the state is now unwisely a part of. If the government cannot afford that pipeline through excess revenues it must not use an additional tax or our PFD to fund it.

It is obvious that major spending cuts must be made. All of us must bite the bullet on this point. Spending cuts should be across the board and not overburden any one group or organization. It must be fair. All funding should be eliminated for "pie in the sky projects" including Susitna Hydro and the Knik Arm Crossing.

The Oil Tax issue must be revisited. We are missing out on tax revenue from oil companies that can certainly afford to pay their fair share for our resources

We hope you will consider these points in making your determinations.

Thank-you

Michael and Aimee Chartrand

| Daniel George | |
|--|--|
| From: Sent: To: Subject: | Bob Solberg Monday, February 15, 2016 3:31 PM Senate State Affairs State Budget Deficit |
| In 1999, the last time raiding the permanent fund was put to a public vote, it of course resulted in a resounding 80% "NO". After which, one Juneau politician made an interesting statement I will never forget. Paraphrasing, it went something like this: | |
| "Our current deficit is happen". | s so large that oil would have to go to \$22 a barrel in order to fill it and that will never |
| | annot reduce state government to a sustainable point is just plain ludicrous. It is not time for time to get out the chain saws! We have a state with a population of a small city; we do not ent. |
| • | roying the current permanent fund "owner dividend" and replacing it with some contrived as of what you call it, will just turn it into another government handout at the whim of |
| | nt gets its fingers into the permanent fund, the massive overburden of government we are h will just continue to expand. It is time to end this madness now! |
| Regards | |
| Bob Solberg | |
| Palmer, AK | |
| | |
| | |

From: Shannon and Nick Farstad <farstad1982@gmail.com>

Sent: Tuesday, February 09, 2016 8:41 AM

Subject: budget & taxes

Representative Ortiz.

I was born in Ketchikan in 1961 and have lived here since. I have been married to my wife Shannon for 34 years. We have raised three great children while living in Ketchikan.

I have been a D.O.T. M&O Highways employee since 1990, and currently still employed with the State.

Regarding SB 128 & HB 245, I'm not in favor of using the permanent fund. This helps many families with the high cost of living in Alaska.

I would like to recommend in order to receive the permanent fund that a citizen would have to be a resident for 3 years instead of 1 year.

Regarding HB 249 & SB 132, I'm not in favor of increasing the fuel tax. Alaskans pay some of the highest prices for fuel in the country. For some reason we are still paying \$ 2.99 to 3.14 per gallon for unleaded in Ketchikan. The Governor refused a request to have the attorney general investigate this matter. I would think he is concerned about the high costs also and was disappointed he didn't allow the investigation.

Regarding HB 250 & SB 134. I'm not in favor of having a income tax.

I believe all of the departments can work on operating more efficiently before any of these bills are passed into law.

I have seen first hand with M&O that they do in-fact have some work to do to become more efficient.

If you have any questions I would be happy to reply. I can be reached by email or my cell phone 907-220-5061.

Thank You for your time and consideration.

Nick Farstad

From: Arthur Corliss <arthur@corlissfamily.org>
Sent: Monday, February 15, 2016 1:38 PM

To: Senate State Affairs
Subject: Fiscal crisis

Follow Up Flag: Follow up Flag Status: Follow up

Categories: Completed

Greetings:

As an Alaskan resident I've watched for decades how the AK government is mismanaged our economy budget. With the current chaos on world oil markets things have reached a fevered pitch. Before everyone follows through with knee-jerk reactions I'd like to add my voice to the din.

First: ignore the idiotic notions by the GCI's lobby. None of it address the most fundamental problem: your spending problem. I had lunch with (then) Lt. Gov. Parnell several years back and I told him that excessive capital investment is stupid because it's not only *doesn't* guarantee you growth, it only guarantees greater carrying costs on the expense budget.

Math is simple. At some point all of you will have to learn how to do it. Stop spending. Leave the PFD alone. Finding more ways to siphon funds, whether it be the citizens via new taxes, raiding the CBR & the PFD, whathever, does nothing to solve the root of the problem. And that problem is undeniably undisciplined and unsustainable spending by the state government.

--Arthur Corliss Live Free or Die

From: Brett Morehouse <stinkbear@gmail.com>
Sent: Thursday, February 18, 2016 5:23 PM

To: Senate State Affairs
Subject: Testimony on SB 128

I urge the indefinite suspension or elimination of the Permanent Fund Dividend.

The dividend was not meant to exist in perpetuity and the time has come to end it.

It will take much more to balance the budget than reducing the PFD to \$1000.00. It will take taxes as well, and taxing while distributing PFD's amounts to nothing more than redistribution of wealth.

"Cutting the PFD would be disproportionate to the poor" If that is the case then giving all applicants the same amount of dividend regardless of their income has been disproportionate to middle and high income people for the past 33 years.

All received the same amount, all should lose the same amount.

I have not received a PFD since 2007 because I work overseas for at least 6 months / year. I do not qualify for a PFD because I am not in Alaska for 180 days / year.

If I become liable for an income tax despite my absence, but I am excluded from the PFD because of my absence, that would be quite disproportionate.

Brett Morehouse

Fairbanks, AK

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

From: Fran Ulmer <faulmer@gmail.com>
Sent: Saturday, February 13, 2016 9:51 AM

To: Senate State Affairs
Subject: Fiscal crisis

Follow Up Flag: Follow up Flag Status: Completed

Dear Senators,

I am writing to you to express my appreciation to you for your service to the people of Alaska, both those here now and future generations of Alaskans.

As you consider the possible solutions to the budget gap and the economic crisis which looms in the near future, I sincerely hope you will be thinking about that future and not about next year's election campaign.

As a former member of the Alaska Legislature, I understand that it is very difficult to put aside the politics, and to focus on solutions that may be unpopular in the short term but benefit the state for the longer term. But that is what is called for at this moment in Alaska's story.

I am not advocating for a specific piece of legislation, but rather for a balanced package that includes: reducing spending (but not so much that you precipitate a recession), imposing new taxes (long overdue in the state with the lightest tax burden of any state), using earnings from the Permanent Fund (which was exactly what was intended when the Constitutional Amendment was adopted in 1976), and adjusting oil tax credits (if needed to achieve balance).

Thank you for doing your very best to be fair, open minded and courageous.

Sincerely,

Fran Ulmer

Sent from my iPad

From: Judy Andree <jagster42@gmail.com>
Sent: Monday, February 08, 2016 3:13 PM

To: Senate State Affairs
Subject: Alaska Budget Crisis

I would like to share some thoughts that I have on the budget situation

.

- 1. New revenues should be progressive. The burden should not fall more heavily on lower income families who are already struggling. I know many low income families with children who are having a difficult time financially. Some are working two jobs; others find the cost of childcare prohibits both parents working. A progressive income tax would be more fair than, say, a state sales tax which everyone would have to pay equally.
- 2. The Permanent Fund with its PFD should be protected in perpetuity. I do support using some of the earnings for state budgeting; I support a cap on the dividends; I support creative ways to determine the cap which might, for example, reflect in a percentage point the amount of earnings on principal; I support creative ways to utilize the other various savings accounts held by the State. I tend to be financially conservative in that safeguarding the principle is important.
- 3. I do not support budget cuts that impact public education. Strong public education is essential to continued growth for the State economically. Our universities can foster the next innovation in healthcare, technology, climate change, and other areas important to our citizens. Pre-K to 12 education establishes the foundation for advanced learning, critical thinking, communication and the other skills that employers seek or that companies might seek when considering locations for expansion.
- 4. Nor do I support cuts to healthcare. However, I do support letting the expansion of Medicaid play out to find the accrued benefits to the State budget. I do strongly support a continuing search for measures to stabilize costs and slow the rise in costs. I urge the Legislature to work with DHSS to find these various measures.
- 5. Oil tax credit policy should be adjusted to fit more sensibly with current oil revenues. I understand the desire to encourage oil exploration, but that has to be balanced with our need for strong public education and other essential State services.
- 6. I am not automatically opposed to the Governor's Sovereign Wealth approach, but I do want to study that further as it does revamp the entire PFD process.

I urge the members of the Legislature to work together in nonpartisan fashion to solve the budget question. Thank you.

__

Judy Andree 5985 Lund Street Juneau, Alaska 99801 907-780-6767 (home) 907-321-1559 (cell)

From: jma@mtaonline.net

Sent: Tuesday, February 09, 2016 5:01 PM

To: Sen. Bill Stoltze

Subject: Income Tax and Permanent Fund

MARIANN FALCONE PO BOX 671548 CHUGIAK, AK 99567-1548

February 9, 2016

The Honorable Bill Stoltze Alaska Senate 120 4th Street Juneau, AK 99801

Dear Senator Stoltze:

Regarding the Income Tax and Permanent Fund,

The pfd is a huge pump into our economy & PROTECTED by the constitution. \$100 million in cuts is squat! Every year the legislature comes up with CUT the pfd.

You have your rainy day fund use it then write a budget NO FRILLS, (fancy office space, \$\$ spent on project for studies that are NEVER going to go anywhere, FRESH FLOWERS??? Really at your meetings?) get down to BASICS.

You guys always want more but never learn to count pennies. Try that instead of counting millions bet you'll get further.

It wouldn't matter how much you taxed us the way the \$ gets spent we'd still be in the hole.

You don't give raises to undeserving--that's what you're asking for. NO!

A proud member of National Write Your Congressman.

Sincerely,

MARIANN FALCONE 907-694-0653

From: Michael P. Blair < Michael.Blair@tananachiefs.org>

Sent: Tuesday, February 09, 2016 9:54 AM

To: Senate State Affairs

Subject: State budget -income tax vs permanent fund

To Whom it may concern:

As a working resident of the State of Alaska I am offering my opinion on the State budget and financial obligations.

First, I would prefer that the legislature use the earnings of the Permanent fund to fund the State government over the implementation of an income tax. Many of these costs are benefits to every citizen of this state, and many are federally mandated programs. The use of the permanent fund earnings would mean all citizens of Alaska would be paying the cost of these programs, and have a greater stake in the workings of the state government.

Second, the limiting/end of the annual permanent fund payout, would reduce the amount of fraud that takes place by part time residents claiming to be full time residents. It would also reduce the number of people moving to Alaska to take advantage of social welfare programs, and the permanent fund, thus reducing the State costs to these social welfare program.

In conclusion, I would say it does not make a lot of sense to me, to give me money from the permanent fund, only to be taxed by the State government on the money they just gave me. Reducing the permanent fund yearly payout would also reduce my Federal income tax.

Thank you for you time,

Michael P. Blair

From: Shannon and Nick Farstad <farstad1982@gmail.com>

Sent: Saturday, February 13, 2016 10:45 AM

To: Senate Labor and Commerce; Senate State Affairs; Senate Transportation Committee; Sen. Bert Stedman

Subject: Budget & Taxes

Dear Legislator,

I was born in Ketchikan in 1961 and have lived here since. I have been married to my wife Shannon for 34 years. We have raised three great children while living in Ketchikan.

I have been a D.O.T. M&O Highways employee since 1990, and currently still employed with the State.

Regarding SB 128 & HB 245, I'm not in favor of using the permanent fund. This helps many families with the high cost of living in Alaska.

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I believe all of the departments can work on operating more efficiently before any of these bills are passed into law.

I have seen first hand with M&O that they do in-fact have some work to do to become more efficient.

If you have any questions I would be happy to reply. I can be reached by email or my cell phone 907-220-5061.

Thank You for your time and consideration.

Nick Farstad

From: schuri95@gci.net

Sent: Monday, February 08, 2016 1:10 PM

To: Rep. Charisse Millett; Rep. Kurt Olson; Rep. Lora Reinbold; Rep. Dan Saddler; Rep. Louise Stutes; Rep. David Talerico; Rep. Steve Thompson; Rep.

Cathy Tilton; Rep. Liz Vazquez; Rep. Tammie Wilson; Rep. Mike Chenault; Sen. John Coghill; Represenative.paul.seaton@akleg.gov; Sen. Kevin Meyer; Sen. Click Bishop; Sen. John Coghill; Sen. Mia Costello; Sen. Anna MacKinnon; Sen. Gary Stevens; Sen. Bill Stoltze; Rep. Charisse Millett;

Rep. Jim Colver; Rep. Mike Hawker; Rep. Shelley Hughes; Rep. Craig Johnson; Rep. Wes Keller; Rep. Gabrielle LeDoux; Rep. Bob Lynn

Rep. Lance Pruitt; Rep. Paul Seaton; Sen. Mike Dunleavy; Rep. Mark Neuman; Rep. Kurt Olson; Rep. Cathy Munoz; Sen. Cathy Giessel; Sen. Charlie

Huggins; Sen. Pete Kelly; Rep. Lynn Gattis

Subject: Budget Crisis Direction

Follow Up Flag: Follow up Flag Status: Completed

ALCON.

Cc:

What I want to see from my Party and our Legislative branch:

1. I do not want to see the Governor's Plan enacted.

I would like the PFD Earnings (Rainy Day) to be used, as bridge to gap our deficit, while extensive cuts are made across all the Departments for the next three years. Please do not solely rely on the heads of the departments to suggest their reduction plans. We need unbiased individuals to dissect, line by line expenditures, and identify potential savings, fraud, waste and or abuse of taxpayer funds.

2. I reject the Letter from the other side of the aisle about "power sharing" as a path to fix our Budget crisis. As I've heard from our National stage over the last seven years, "...elections have consequences."

v/r,

Shaun and Julie Churilla

Eagle River, Alaska

My name is Melanie Glatt

I speak on behalf of myself & my family. My husband & I have been residents of AK since the mid-80's. We currently reside in Palmer.

I have the following comments re: the Governor's proposal to limit PFD's:

- #1) Cut spending. Why the Legislature didn't allocate more \$ to savings earlier to cover further entitlements is beside me. Many people have moved here because our entitlements are so high. I hold the Legislature responsible for blowing tons of \$ for poorly thought out projects as well.
- #2) Use part of the Permanent fund earnings for the state budget. However, continue to inflation proof the PFD fund, but leave the corpus alone.
- #3) I am not in favor of an income tax on Alaskans at all. This hurts the worker's in AK only.
- #4) If you must tax, institute an income tax on out of state worker's only. This is in force in states like PA.
- #5) If a sales tax is instituted tax everyone
- #6) Furthermore have you considered charging the Feds a rent of sorts per acre on all of the locked up lands in parks, monuments etc.? I am sick & tired of the Feds limiting our economy. Perhaps the Legislature could partner w/other western states on this. Utah & NV come to mind. Perhaps tax the Feds on lands not yet distributed to the state?
- #7) Any fool could have guessed that Pres. Obama wouldn't approve the Keystone pipeline after 7 years of waiting. I have to question why the Legislature didn't jump on this and partner w/Canada, get a pipeline to TAPS so that Canada could get their oil to market and AK could gain royalties?
- #8) Lastly, continue moving forward w/the gas pipeline in terms of permits and approvals but wait to build it.
- #9) While it is all well & good as to the sale of AK lands to the private sector but we personally know of a current project that is wasting much more \$ than it will ever bring in. You might want to scrutinize DNR Land sales. The state will lose \$. You might also look into DVR and limit their expenditures for patrons. As a prior employee, I was aghast as to the waste of \$ going to alcoholics.
- #10) Why the State has limited it's economy to oil & tourism is nuts. The lack of diversification has hurt us exponentially, making the rooster come home to roost.

Thank you

RESOLUTION 01-2016

A RESOLUTION OF THE BARROW CITY COUNCIL ENDORSING GOVERNOR BILL WALKER'S "NEW SUSTAINABLE ALASKA PLAN" AND BESEECHING THE ALASKA STATE LEGISLATURE TO ADOPT A SUSTAINABLE BALANCED BUDGET DURING THE CURRENT LEGISLATIVE SESSION TO INSURE LONG-TERM FISCAL STABILITY FOR THE STATE OF ALASKA

WHEREAS, global oil prices have dropped significantly over the past two years and are not expected to rebound for the foreseeable future, thereby impacting Alaskan oil production which also continues to decline resulting in a huge state budget deficit, currently being funded with saving; and

WHEREAS, even with significant budget cuts, all state savings are projected to be depleted in just a few years; and

WHEREAS, Alaska faces a period of fiscal uncertainty unrivaled in state history, which in the current fiscal year, unrestricted general fund revenue will cover only 40 percent of the budget, leaving a \$3.4 billion gap between spending and revenue – despite a 35 percent reduction in state spending since 2013; and

WHEREAS, even under the most optimistic assumptions, neither oil prices nor North Slope production are expected to increase sufficiently to make up for these large revenue shortfalls demanding dramatic government cost reductions; and

WHEREAS, if the status quo budgeting approach continues, savings from the state's Constitutional Budget Reserve (CBR) will be required to cover the gap and at current and projected oil prices, these savings will be depleted by the end of fiscal year 2018, which at that point the Permanent Fund Earnings Reserve would be needed to address the ongoing shortfall; and

WHEREAS, this grave situation resulted in the Standard and Poor's Rating Service revising Alaska's credit rating outlook to negative on August 18, 2015 and calling on lawmakers to address the state's structural deficit and warned that: "We expect that if lawmakers do not enact significant fiscal reforms to reduce the imbalance within the next year, the state's rating could begin transitioning downward. The rating migration lower would likely persist and accelerate if lawmakers continued to fail to act"; and

WHEREAS, Governor Walker has unveiled and submitted to the State Legislature *The New Sustainable Alaska Plan* which involves using the existing Permanent Fund in a new way which is similar to what is sometimes referred to throughout the world as a sovereign wealth model, an approach, which in simplest terms, uses very large financial assets in a formulaic, sustainable way to provide a stable source of revenue; and

WHEREAS, all future resource revenues (except those needed to fund the annual dividend program) would now be directly deposited into the Permanent Fund and is expected to not only exceed the rate of inflation, but provide real growth or in other words, that which would otherwise have gone to fund spending sprees during the good years is now diverted into savings to ensure the long term health of the Fund; and

WHEREAS, by moving this revenue into our sovereign wealth account (Permanent Fund), excess money received from future spikes in global commodity markets will stay in our savings, rather than funding bloated and unsustainable budgets, whereby then a stable and consistent withdrawal from our sovereign wealth earnings would be made to fund the state budget, based on carefully calculated formulas and reasonable assumptions; and

WHEREAS, deep budget cuts, along with new sustainable revenue from our sovereign wealth, can cover most of the state's huge budget deficit, but to completely close the gap a balanced suite of targeted and broad based taxes possibly including a state income tax which would enable the state to capture revenue from out of state workers and an increase to alcohol, tobacco and motor fuel taxes, cross-industry tax adjustments, as well as, reforming the current oil and gas tax credit program is necessary; and

WHEREAS, the New Sustainable Alaska Plan will provide a balanced path to long-term fiscal stability, protect the economy, preserve dividends, and make the Permanent Fund permanent, as well as, enable the state to continue meeting its obligations — to protect the safety and health of Alaskans, provide quality education, and promote employment opportunities in a growing and increasingly diverse economy; and

NOW THEREFORE BE IT RESOLVED that the Barrow City Council through a unanimous vote of the body hereby formally beseeches the Alaska State Legislature to sincerely work together to create and adopt a sustainable balanced budget during this current legislative session utilizing the sovereign wealth model described in *The New Sustainable Alaska Plan* as presented by Governor Bill Walker to include both additional substantial expense reductions, as well as, sustainable new revenue generation..

PASSED AND APPROVED UNANIMOUSLY BY THE BARROW CITY COUNCIL THIS 28th DAY OF JANUARY 2016

Attest:

Bob Harcharek, Mayor

Bot Harcharek

Ronette Panningona, City Clerk