

**From:** [David](#)  
**To:** [House Finance](#)  
**Subject:** Alaska FY Budget  
**Date:** Tuesday, March 01, 2016 11:44:59 PM  
**Attachments:** [AK budget.pdf](#)

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Hello

I was not able to testify on the budget issue today. Please accept the following comments.

Thank you.

David McDowell  
2077 Kathleen Road  
Fairbanks, Alaska

## House Finance Committee, FY17 Budget

Alaska doesn't have a budget crisis, it has a temporary revenue issue perpetuated by overzealous spending when times were good. It should be apparent to anyone that understands basic business economics. Treat your employees poorly with out benefits and a low wage and I guarantee that employee will not remain with you for long and will not provide good services to your clients. Is this the manner in which you intend to run the business of Alaska? It seems to me this is your wish. By investing a little in your business (state) you will reap benefits ten-fold or more. Shouldn't this be your primary objective by maintaining a quality of life that we all value so much as Alaskans? Ever deeper budget cuts is not the answer.

Charlie Dexter and Jo Kuchle so eloquently stated in the Fairbanks Daily News-Miner recently when they asked if your community has been good to you, and why there are so many people leaving and not giving back? Many have come and taken resources from the state for their own profit and benefit. Problem is, we have grown up in a "give me" and "take away" society. It started when gold was taken away from the Fairbanks creeks 100 years ago. Our resources continue to be taken away. Are we properly compensated for the value of what is taken? I get it; we exist because we are a resource takeaway state that serves to provide for our economic wellbeing. Gold, coal, fish, trees, oil, and perhaps natural gas. What happened to giving back in value for what is taken? If you give someone a gift you are expressing gratitude, but you also would like the compliment returned. Unfortunately our resources have been taken far too long for short-term gains and the full value of these gains has not been returned to our communities. We need to utilize our resources wisely and sustainably and we need to be properly compensated for the use of our wealth. That is part of giving something and getting a lot of value in return. And don't get me started on AOGA's crying bitter tears that the current O&G economy is in a hardship. What about the recent billions in net profits big oil has taken recently?

Unfortunately, too many Representatives just don't get it. One example is the proposal to gut the university system. Dollar for dollar the University of Alaska (all campuses inclusive) give so much more back to our communities for the few dollars of investment. A University exists for problem solving, to bring forth innovation, and provide for a better quality of life. UA President Johnson estimates more than 500 university positions will be eliminated to meet Ms. Wilson's proposed operating budget, and along with it complete programs. Sorry to say Jim, but I don't think you will be able to keep a viable University and meet its mission at this budget level. And what will this do to the local economies? Those of us that sought to live in a university town will stop and think about going somewhere else, where the benefits of a solid University provide the cultural and economic wellbeing in a community.

It is unfortunate that too many people think government is wasteful and its budget too large. These are the people who want their money (PFD) for nothing and tricks (services) for free. Sorry, it but it doesn't work this way, freedom comes at a price and it is time we own up to the fact and give back to our communities that have been

so kind to us. We can't continue to cut the budget, cut the budget, then cut some more. Soon there will be no economic prosperity and no quality of life. We will be left with disgruntled residents that won't care to be good community citizens. Is this what the Legislature wants? Do you really believe the majority of your constituents want no services? We all need to give a little to gain so much. First question: Has this community been good to you? My second question is: do you want it to continue giving to our wellbeing? Please look at revenue options before you destroy what we all love about being Alaskans.

David McDowell  
Fairbanks, Alaska

**From:** [Aren Gunderson](#)  
**To:** [Rep. Mark Neuman](#); [Rep. Steve Thompson](#); [Rep. Dan Saddler](#); [Rep. Bryce Edgmon](#); [Rep. Lynn Gattis](#); [Rep. Cathy Munoz](#); [Rep. Lance Pruitt](#); [Rep. Tammie Wilson](#); [Rep. Les Gara](#); [Rep. David Guttentberg](#); [Rep. Scott Kawasaki](#); [Rep. Mike Hawker](#)  
**Subject:** support the University  
**Date:** Tuesday, March 01, 2016 8:48:05 PM

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Hello,

My name is Aren Gunderson, I live in Fairbanks, and work for the University in a research position. I am writing in support of a fully funded University system.

The economic case for research funding is obvious, with a 500% return on investment. In case it hasn't been made clear, those 100s of millions of dollars are spent hiring students and technicians who live and spend their money in Alaska. That money is spent at thousands of local businesses whose products and services support research activities (there is a local electrician currently modifying my workspace who is being paid by a grant from NSF in support of University research, hired by a local contractor, also paid by that grant. After he is done, local plumbers will be here to install new equipment. This money flows through the entire economy of Alaska). But beyond the monetary argument...

What student interested in science would choose to go to a University where no actual science is being conducted, and what would they learn from non-scientists?

What student striving to become an engineer would attend a University where nothing is actually being designed? How do you learn engineering and design without actual engineers to teach you?

Alaskans themselves would be better off leaving the state to receive higher education than to attend their own University where doing real world scientific and engineering research isn't an option.

Ask your state agency scientists if they need the University to support their research into the wildlife, geology, water, oil and gas, mineral resources, and conservation of all the state's natural resources. I suspect many of them were trained in their fields at the University of Alaska to do the research they do in support of the state's interests.

I grew up in Minnesota but I came to Fairbanks because of the opportunities provided by the University. I completed my Master's Degree with the intent of remaining in Alaska. I work for you at the University of Alaska and am involved with numerous research grants right now, spending hundreds of thousands of dollars in our community, hiring students, mentoring graduate and undergraduate students, and writing more grant proposals to continue educating future alaskans. I will be updating my resume in the coming weeks so that I am prepared to find another job after I am laid off. We (my wife and 2 kids) will have to leave the state to find work at another research institution or agency.

To be clear I am willing to pay for the costs of maintaining the University. I support an income tax, the use of the PFD, the elimination/reduction of oil tax credits, and increased taxes on oil production to pay for a functioning economy. Alaskans need to take some personal ownership of their state government, an income tax and use of the PFD will do that.

Thank you for taking the time to read this. If I can be of any help in this matter please let me

know.

Aren



Dear Committee Members,

Am hoped that my now 10 year old son will go to college in 8 years. My husband and I have owned our own business that barely survive the ups and downs of tourism, but every year we put money every year on PFDs into the college savings program that guarantees the tuition rate at UA schools. We have always believed that if our son decides to go to school in Alaska, he will have many excellent opportunities for a high quality education. However, dramatic cuts to research, to the Cooperative Extension system which we use nearly every year, and to the general funds allocated to the University will give the school rate to seek funding elsewhere. It will simply diminish the school's abilities to be a top-notch University which may be irreversible for many years, if ever. We feel that our investment in the future of the University and in our son's education will be significantly lowered in it's value; making us wonder if the past 10 years we have invested money will not have been worth it if the University is not given the chance to continue to advance, to become a better school that attracts people from all over the world. Please give UA a chance to keep on the good work by cutting less than 5% this year, spreading further cuts over the next 3-5 years.

Regarding the Department of Agriculture funding: I understand that the Seed Potato program has been completely cut from the budget and that the Plant Materials Center program will lose a significant portion of it's needed operational funds. My family owns a producing state agricultural plant providing vegetables and flowers to hundreds of Alaskans every year. Loss of the Seed Potato program would be devastating to many small farming enterprises. It is unconscionable to place the burdens of ordering potatoes from the lower 48 on small farming businesses who will be taking their chances that potato diseases aren't imported at the same time. The Seed Potato Program has been very successful and valuable to us by the limited seed stock. The Plant Materials Center is at the heart of Alaska's agricultural future. It takes away the Seed Potato program and cut the whole department so much means the important research that helps Alaskans grow, harvest, sell and consume food originating in the state is jeopardized. As I'm sure you know MOST of Alaska's food products are imported from the lower 48 and are not secure and not cost-effective. We are looking for help when we do our growing and selling in any way we can. Our farm produces several thousand pounds of potatoes, has listed varieties of carrots, dahlias and strawberries, and has identified important plant diseases all with the help of the Plant Materials Center. Please don't cut so much from their ability to provide these important services.

Thank you for your time, effort and thought on these important matters. I can't imagine how hard it must be to be the ones with the scissors. I beg you to think beyond short term challenges and make sure that the consequences of severe cuts are considered with great care. Capital projects like the Susitna Watana Dam and the Rocket Launch pad in Kodiak seem to be SO much less important than the future of education and agriculture.

Sincerely,  
Anita Golton  
Talkeetna, Alaska

**From:** [ANITA GOLTON](#)  
**To:** [Rep. Bryce Edgmon](#); [Rep. Mark Neuman](#); [Rep. Les Gara](#); [Rep. Steve Thompson](#); [Rep. David Guttenberg](#); [Rep. Dan Saddler](#); [Rep. Scott Kawasaki](#); [Rep. Lynn Gattis](#); [Rep. Cathy Munoz](#); [Rep. Lance Pruitt](#); [Rep. Tammie Wilson](#); [Rep. Mike Hawker](#)  
**Subject:** Fwd: testimony on operating budget  
**Date:** Tuesday, March 01, 2016 8:52:41 PM

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Dear Committee Members,

I am writing to express several concerns about the proposed operating budget. I am well aware of the present and upcoming challenges facing all Alaskans due to the financial crisis at all levels of state government and it's many reaches around the State. We all know things will and must change, including cuts to many areas of spending. There are several that I hope will be spared a giant backward step that could undo many years of work, development, and services to Alaskans. Cuts are one thing, but cutting the University and agriculture budget allocations to the point where some programs will cease to exist is short sighted and will be directly harmful to both my family and the whole state.

I am hopeful that my now 10 year old son will go to college in 8 years. My husband and I both own businesses that barely survive the ups and downs of tourism, but every year we put money from our PFDs into the college savings program that guarantees the tuition rate at UA schools. We have always believed that if our son decides to go to school in Alaska, he will have many excellent opportunities for a high quality education. However, dramatic cuts to research, to the Cooperative Extension service which we use many times every year, and to the general funds allocated to the University will not give the school time to seek funding elsewhere. It will simply diminish the school's abilities to be a top notch University which may be irreversible for many years, if ever. We feel that our investment in the future of the University and in our son's education will be significantly lowered in it's value, making us wonder if the past 10 years we have invested money will not have been worth it if the University is not given the chance to continue to advance, to become a better school that attracts people from all over the world. Please give UA a chance to keep up the good work by cutting less than 5% this year, spreading further cuts over the next 3-5 years.

Regarding the Department of Agriculture funding: I understand that the Seed Potato program has been completely cut from the budget and that the Plant Materials Center may lose a significant portion of it's needed operating funds. My family owns a producing state agricultural parcel providing vegetables and flowers to hundreds of Alaskans every year. Loss of the Seed Potato program would be devastating to many small farming enterprises. It is unconscionable to place the burden of ordering potatoes from the lower 48 on small farming businesses who will be taking their chances that potato diseases aren't imported at the same time. The Seed Potato program has been very successful and farmers PAY to buy the certified seed! The Plant Materials Center is at the heart of Alaska's agricultural future. To take away the Seed Potato program and cut the whole department so much means the important research that helps Alaskans grow, harvest, sell and consume food originating in the state is in jeopardy. As I'm sure you know MOST of Alaska's food comes from outside the state and is imported long distances reducing quality, freshness, food security and economic independence. It just doesn't make sense to hurt the present and future of hard working farmers when we should be helping them in any way we can. Our farm produces several thousand pounds of potatoes, has tested varieties of currants, rhubarb and strawberries, and has identified important plant diseases all with the help of the Plant Materials Center. Please

don't cut so much from their ability to provide these important services.

Finally, I feel strongly that senior citizens in Alaska deserve our support. They are mentors, volunteers, buyers of many goods and services, and relatives. Cutting services to these important members of our community is a slap in the face to the Alaskans who built our great state.

Thank you for your time, effort and thought on these important matters. I can't imagine how hard it must be to be the ones with the scissors. I beg you to think beyond short term challenges and make sure that the consequences of severe cuts are considered with great care. Capital projects like the Susitna Watana Dam and the Rocket Launch pad in Kodiak seem to be SO much less important than the future of education and agriculture.

Sincerely,  
Anita Golton  
Talkeetna, Alaska



**From:** [Robert Dawson](#)  
**To:** [House Finance](#)  
**Subject:** cuts  
**Date:** Tuesday, March 01, 2016 9:11:28 PM

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Dear Governor::

When you cut money from programs for the farmers in this state, you are hindering food growth in Alaska.. You are taking fresh vegetables from the people that he grows for..

Vegetables that are pesticide and chemical free,, meat that is steroid free.. I personally am not enrolled in the programs you are cutting, but I have 3 ht-tunnels.. I work with soil and water conservation for soil testing.. It is hard enough to grow crops in this state and make ends meet let alone have someone move the ends so they can not.. Bob Dawson 733-4035

**From:** [Linda Schandelmeier](#)  
**To:** [House Finance](#)  
**Subject:** The Budget  
**Date:** Tuesday, March 01, 2016 9:41:45 PM

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Honorable Representatives and Senators,

I urge you to consider the welfare of all Alaskans as you prepare the State budget. There have been enough cuts; further cuts will jeopardize the State's economy and ability to thrive. The budget should not be balanced on the backs of seniors and children.

In particular, I believe cutting the University budget is shortsighted. We are going to need the wisdom and talents of faculty, staff and students to see us through the challenges ahead.

Really we don't have a budget crisis that we can't solve. Alaskan needs a state income tax, we need to tap the permanent fund earnings reserve, and adjust the Senate Bill 21 Oil Tax structure for starters.

Sincerely,

Linda Schandelmeier  
Fairbanks, Alaska

**From:** [Rhonda Anderson](#)  
**To:** [House Finance](#)  
**Subject:** OWL (Online With Libraries) funding  
**Date:** Tuesday, March 01, 2016 7:00:13 PM

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What happens to a dream deferred?

Does it dry up

like a raisin in the sun?

... *Or does it explode?*

excerpt from *Harlem*, by Langston Hughes

What happens to OWL (Online With Libraries) without funding?

Does it quietly disappear like a quickened heartbeat after a mild earthquake?

Or does it spew forth like hazardous volcanic ash leaving destruction in its wake?

**OWL (Online With Libraries) funding**, which was included in the Alaska Governor's budget but was cut entirely by the finance education subcommittee, should be restored. Without this funding, it would cost us \$40,000 to keep our internet connection in Unalaska, which would **increase the library's internet budget by more than 700%**.

Internet is extremely expensive on the island, and many residents do not have home internet. They need this connection to apply for jobs, do their income taxes, apply for the PFD, continue their education, pay their bills, and connect with their families and the outside world. Perhaps, you will think that we exaggerate when we refer to "the outside world." However, if you take into consideration the fact that Unalaska is an island which is approximately 800 miles away from Anchorage - the nearest major city - this term might be considered quite appropriate.

**The library is the only source of free internet, open to all, on the island.**

If OWL were not available, here are a few programs and services our children would have missed:

Ø Unalaska City School students taking a virtual tour of the UAF campus and asking questions about college life.

Ø Elementary students being able to talk with NASA scientists and take a tour of the space capsule.

Ø Students at UAF, UAA, and UAS being able to take online classes at the library.

Ø A dad reading children's books to his kids via Skype in the library's children's room.

If OWL is not available, here are a few programs and services we might all miss:

Ø Job interviews via Skype.

Ø SAT class through an Anchorage instructor – this will not be possible without high-speed internet and videoconferencing capability.

Ø Skype and FaceTime visits with family, friends, and business associates.

Ø Business opportunities.

Thank you for your time, consideration, and support.

Rhonda L. Anderson

Teacher

**From:** [Monika Switzer](#)  
**To:** [House Finance](#)  
**Subject:** Cut the State Operating Budget!  
**Date:** Tuesday, March 01, 2016 7:42:35 PM

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Dear House Finance Committee General,

I am writing you today because I am concerned about our state deficit.

Right now it looks like we will be running a deficit of \$3.5 billion for the second year in a row.

But please do not raise my taxes in order to fix this problem. Instead, we should cut our state operating budget by at least \$500 million.

I am asking you today to please cut the state operating budget!

Thank you,  
Monika Switzer  
PO Box 874563  
Wasilla, AK 99687

**From:** [juularctic](#)  
**To:** [House Finance](#)  
**Subject:** Council on Domestic Violence and Sexual Assault  
**Date:** Tuesday, March 01, 2016 8:09:40 PM

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As the board chair for Unalaskans Against Sexual Assault and Family Violence I am sending this email in support of continued funding at the highest level possible for the CDVSA. As you know Alaska has the highest rates in the nation on sexual assault and domestic violence. The support and education agencies like the CDVSA and USAFV give are tremendous.

Every week USAFV has clients coming in and also finding shelter at our agency. In a rural area like Unalaska there is nowhere else to go. USAFV works with the local clinic and police and school in order to assist victims and/or educate.

I hope and urge you to continue a strong financial support in your allocation of funds to these agencies.

With regards,  
Juliette Vries

Sent from my Samsung Galaxy Tab®4

**From:** [June Takagi](#)  
**To:** [House Finance](#)  
**Subject:** Regarding Representative Wilson's proposed cuts to UA  
**Date:** Tuesday, March 01, 2016 11:37:13 PM

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Dear House Finance Committee members,

Here is the story of my son, who is currently a sophomore at UAF.

He graduated from South Anchorage High School in 2014, Summa Cum Laude, helped his South HS Nordic Ski team win the state championship in his senior year, was a member of Team Alaska at multiple Cross Country Ski Junior National Championships, was a representative of the United States under 18 nordic ski team (6 males from the US) at the Junior Scandinavian Cups, the runner up region champion in cross country running, and a member of the Anchorage Youth Symphony during high school. I am not listing his accomplishments to brag. I am listing them so that you can be cognizant of the fact that he could have chosen to go to college anywhere. But instead, he chose to attend UAF, because the prospects of an athletic scholarship and the opportunity to ski and run for UAF were quite attractive. Then, when he went on a tour of the university prior to applying, he was just as drawn by the facilities, the research opportunities, and the quality of the faculty.

Currently, He is a biology major taking courses which will place him on a pre-med track, and has been on the Dean's list in the Department of Biological Sciences twice so far, while running and skiing competitively, in various meets against other colleges in the lower 48, representing Alaska well. He is able to balance his academics and sports and concentrate on both because he does not have to worry about how to pay for college. He is the recipient of athletic scholarships in cross country skiing and cross country running, the Alaska Performance Scholarship, the Honors Program Scholarship from UAF, and several other private scholarships, with the athletic scholarship being the largest of his financial aid. Now that he is in his fourth semester there as a student, these are the things that confirm that UAF was the right choice for him. Number one: He is getting a quality education without accumulating a debt. Number two: He is skiing and running with and against the top athletes in the nation, supported by competent coaches and funding for travel to the meets, and raising awareness about UAF. He is worried that the proposed budget cuts will eliminate or reduce coaching positions, reduce scholarships and decrease funding for travel to competitions. This is a young man, who intends to pursue further study in the field of health sciences after graduating from UAF and returning to Alaska to give back to the community that has been so supportive of his academic and athletic pursuits.

It is my sincere request that the kind of opportunity that has been given to my son continue to exist for him and other equally talented and dedicated young student athletes in coming years, so that UAF continues to enroll high calibre students, by not making the drastic budget cuts as proposed by Representative Wilson.

On a less personal note, but just as equally held dear to my heart is a passion about maintaining the integrity of UAF as a research institution. Without its research, a university will be no different than a career preparation school. Surely, our legislators understand that "student instruction" is but one aspect of a university. Institutions of higher education have a responsibility to the current and next generation of the population to make the world a better place through knowledge, problem solving, and innovation, and to preserve the knowledge of past generations accurately and critically. "Student instruction" at the university level goes beyond feeding students a set of prescribed information, and faculty researchers play a vital role in engaging students in research. House Finance Committee members, as you look at the proposed budget cuts, I ardently ask that you preserve the unrestricted general funds so that

the university faculty, researchers, scientists, economists, professionals of the various fields are the ones who have the voice in how the funds are to be spent.

Thank you for your time,  
Go Nanooks!!

*June Takagi, M.A., CCC-SLP*  
*Speech-Language Pathologist*  
*(907) 727-8224 voice/text*  
*(907) 333-2428 fax*

**Confidentiality Statement**

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**House Finance Committee Public Testimony**  
**March 1, 2016**

Good Evening Chair Neuman, Chair Thompson, and members of the House Finance Committee. For the record, my name is Rachel Greenberg, Executive Director, Mat-Su Senior Services; and for full disclosure I am also a Member of the Coalition of Mat-Su Senior Services; Vice-Chair of the Mat-Su Council on Aging; and member of the Alaska Commission on Aging. Today I am speaking on behalf of the Mat-Su Senior Services.

We appreciate that it has been a long day for you and do not envy your position making the difficult decisions you need to make to ensure Alaska is a great place to live, work, play and retire, now and into the future.

The Mat-Su Senior Services has experienced significant costs associated to unrelated issues, such as the Affordable Health Care Act and minimum wage increase to the tune of over \$150,000. To add to this number; MSSS received a \$12,000 decrease in grant funds this year. The proposed budget of a 2.85% to 5% reduction (I've heard differing stories) in senior grant funds will result in an additional \$31,000 to \$56,000. If the proposed decrease in senior benefits, and heating assistance is approved; seniors will likely rely on programs and services offered at senior centers and senior service organizations in order to remain independent and out of the more expensive assisted living and skilled nursing facilities as well as minimize hospitalizations. Due to the increase in senior population, keeping the senior grant programs fully funded at the FY16 level essentially cuts our ability to provide services at the current levels.

The senior grant programs include congregate and home delivered meals; transportation, exercise programs, adult day services, care coordination, chore services, respite services, and more. These programs cost \$574 per senior per year. It costs over \$153,000 per person per year in a skilled nursing facility. About 33% of Alaska Seniors utilize these programs and services

In the Mat-Su, we pride ourselves on working together to minimize or eliminate duplication of administration, grants administration, and more. We are truly doing what we can to maximize the funds to deliver services to the people who need it the most. Collectively, through partnerships, services are currently provided all over the Mat-Su Borough.

It is likely the people who live on a fixed income can't leave the state; spend their money locally; and will need to supplement their income by receiving food from senior centers, food pantries, food stamps and more. In addition to the funds that seniors bring to the state with their retirement income, they are more likely to volunteer, donate, participate on boards, and more. If seniors were to leave the state, this leaves a hole in our communities and families.

We are concerned that some of the proposed budget reductions will result in unintended consequences that may lead to increased utilization of more expensive health and long-term care services thus straining the State's budget and, most importantly, compromise the health and safety of Alaska's older people. I suspect that many residents of Alaska would support restructuring the way government is funded in order to keep seniors living as independently as possible in our state. This may include funding the budget out of the permanent fund earnings; capping the permanent fund dividend; an income tax; or other options.

Thank you for your time and commitment to attempt to cut the budget. I urge you not to reduce programs and services to the people who have made this state the great state it is; or at least work with us to come up with alternatives to ensure Alaskans elders can remain safe, secure, healthy, and independent. I know this isn't easy.

Thank you.

**House Finance Committee Public Testimony**  
**March 1, 2016**

Good Evening Chair Neuman, Chair Thompson, and members of the House Finance Committee. For the record, my name is Rachel Greenberg, Executive Director, Mat-Su Senior Services; and for full disclosure I am also a Member of the Coalition of Mat-Su Senior Services; Vice-Chair of the Mat-Su Council on Aging; and member of the Alaska Commission on Aging. Today I am speaking on behalf of the Mat-Su Senior Services.

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Thank you.

**From:** [Kent Steele](#)  
**To:** [House Finance](#)  
**Subject:** Cut the State Operating Budget!  
**Date:** Tuesday, March 01, 2016 6:33:19 PM

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Dear House Finance Committee General,

I am writing you today because I am concerned about our state deficit.

Right now it looks like we will be running a deficit of \$3.5 billion for the second year in a row.

But please do not raise my taxes in order to fix this problem. Instead, we should cut our state operating budget by at least \$500 million.

I am asking you today to please cut the state operating budget!

Thank you,  
Kent Steele  
PO Box 891  
Delta Junction, AK 99737

**From:** [Alice Murr](#)  
**To:** [House Finance](#)  
**Subject:** GLAD YOU TOLD IT LIKE IT IS  
**Date:** Tuesday, March 01, 2016 6:41:53 PM

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I comment you on telling it like it is for seniors.

Many fail to realize that a lot of these seniors moved to AK as friend and family told them how great the benefits are.

I have lived here for over 60 yrs, still work, saved my money (so I can afford to stay here). I am not happy that I am now

paying \$450. per month for Medicaid (bad part is I can not find a doctor to take it) plus another \$250. per month for my

retiree insurance. I am 68 and don't ever plan on looking to the state to take care of me, since I can not find medical care

under Medicare, I hope that the State will pass the right to die act to relieve family of the burden of self induced death.

Someone needs to inform the public that we are paying Medicare insurance for everyone on Medicaid, plus they get

vision, dental and pharmacy benefits (that people on Medicare do not get). Many are receiving In home care by PCA - some

I know get 50 hrs per week(even with a spouse in the house) paid at a rate of \$23. per hour by the Medicaid, this equals almost

\$60,000 per year. Some of these live with their children so they are charging the \$60,000 per year for care if they are providing care or not.

One case the PCA has to care for and clean up after the clients four (4) dogs as well as the spouse (who receives no

PCA hours, but is on Medicaid). I feel all three levels of the longevity bonus should have been cut this year and stopped next

year, it will at least help with the fact the State has to pay for the Medicare insurance.

We can not afford to house criminals at \$50,000 who continue to steal and terrorize the working and elder people. I expect

to pay in income tax and prefer you take the Perm Fund (and make Alaska safe) but tough cuts have to be made and

the fraud in the Medicaid program has to be stopped. Most of these people are able to do for themselves, but the

State of Alaska is enabling them and their families to continue to commit fraud. AS long as you are giving someone is

taking. Taxes are only going to hurt the working people, but I agree it has to be done, but I feel you need to cut out

all of these give me programs and funding to non profits.

The State also need to discontinue the performance scholarship programs, this is another program that should never

have been started and needs to be stopped now.

Respectfully.

**From:** [Michael Gallegos](#)  
**To:** [House Finance](#)  
**Subject:** Cut the State Operating Budget!  
**Date:** Tuesday, March 01, 2016 6:44:46 PM

---

Dear House Finance Committee General,

I am writing you today because I am concerned about our state deficit.

Right now it looks like we will be running a deficit of \$3.5 billion for the second year in a row.

But please do not raise my taxes in order to fix this problem. Instead, we should cut our state operating budget by at least \$500 million.

I am asking you today to please cut the state operating budget!

Thank you,  
Michael Gallegos  
PO Box 72482  
Fairbanks, AK 99707

**From:** [Christina Chamberlain](#)  
**To:** [House Finance](#)  
**Subject:** Victim Services Funding  
**Date:** Tuesday, March 01, 2016 6:45:23 PM

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*My name is Christina Chamberlain, and I am a strong supporter of the services offered by Unalaskans Against Sexual Assault & Family Violence (USAFV). USAFV provides vital and unduplicated emergency shelter, advocacy, and support services to victims of domestic violence and sexual assault in Unalaska/Dutch Harbor.*

*It is my understanding that the Department of Public Safety subcommittee has recommended to the House Finance Committee that the grants line within the Council on Domestic Violence and Sexual Assault be funded at \$12,652,700. While this represents a decrease from FY16, it will allow USAFV and other CDVSA funded agencies to continue to provide the vital, necessary services that enable victims to find safety and support. We thank you for recognizing the need for these services to victims throughout Alaska by making funding for grants to programs like USAFV a priority in this challenging budget environment.*

*Thank you,*

*Christina Chamberlain*

*PO Box 223*

*Unalaska, AK 99685*

*907-581-3162*



COMMENTS TO THE ALASKA HOUSE OF REPRESENTATIVES FINANCE COMMITTEE, MARCH 1, 2016  
*Patricia M. Ivey, 106 Oak Drive, Fairbanks AK 99709, mailing PO Box 60634 Fairbanks AK 99706,  
phone: 907-590-8800, email iveypat@gmail.com*

Hello. I am Pat Ivey, a 40 year resident of Fairbanks, a retiree and an undeclared super voter. I come to you today to speak on behalf of the Alaska's university, its youth and its seniors. I represent no group or entity today. My comments are entirely my own.

## REQUESTS

### IN SUMMARY:

- Restore the \$35 million cut to the University of Alaska budget. There is no way the university can absorb cuts of this magnitude in so short a time without declaring financial exigency and thus losing all of its federal funding also. Alaska already leads the rush to the bottom in terms of state support for higher education. The University of Alaska is a land, sea and space grant institution established and governed by many laws relating to its status. Cuts of this magnitude prohibit the university from carrying out mandates and its ability to serve Alaskans.
- Restore the \$19 million to the Department of Health and Social Services budget for senior programs. Seniors are the fastest growing population within Alaska, figures not driven by seniors coming in from outside (less than 2%), but by seniors who were born here or came young, have worked, contributed to the economy and aged here and have no intention of leaving in their lifetimes.
- Restore funding to the Department of Health and Social Services budget for youth services. Alaska ranks 42<sup>nd</sup> in terms of support for youth below the poverty line. Don't further exacerbate K-12 school drop out rates caused by kids not being able to concentrate because they are homeless and/or starving.
- Fund the FY2017 operating budget out of the constitutional budget reserve fund (CBRF) if we don't have enough money in the general fund. That's what the CBRF was created for and right now contains \$8.69 BILLION. It will give us a softer landing rather than certain death at the bottom of the current bust cycle by allowing us time to do intelligently what we should have done after the 1980s recession—diversify our economy, protect our most vulnerable populations, and compete successfully in the state, national and world market.
- Before the end of the regular session, pass the operating and capital budgets and the vote to use the CBRF. Special sessions are costly.

## FURTHER DISCUSSION

### FUNDING SOURCES

The CBRF is the only way to go in this legislative session. It takes more time than available to reinstate state taxes, put the infrastructure in place and begin receiving the revenue to help us now. Capping the permanent fund dividends and diverting the leftover permanent fund interest to the general fund will probably also be necessary, but my guess is nobody is going to try that in an election year. But we can start now to diversify so we begin to receive general fund revenues from non-oil revenue sources before we run out of the CBRF. And we can reinstate the state income tax to start generating revenue by 2018 to include wages of people who work in Alaska and live elsewhere.

## THE UNIVERSITY

Federal funding is the major contributor to university research. A significant component of Fed decisions to fund university research depends on the amount of state support for its university. Very often, federal funds are matched by rapidly disappearing state funds. No state funds, no matching fed funds, a double whammy.

University research produces data vital to the conduct of our lives and our industries—witness climate, housing, agriculture, engineering and marine research. Brings dollars into the state. For every one dollar of research funds, four dollars goes into Alaska's economy.

Cooperative Extension, takes the research data, translates it into ways we can apply to our lives and industries for our own self-sustainability, and works with us to make that happen. We better ourselves and contribute further to our economy as a result. Win-win.

Fire science produces trained personnel to predict, control and fight fires. Given higher than normal temperatures and reduced snow cover this winter, we are going to need all the help we can get. The University of Alaska has never been, and will never be, able to sustain itself without state support. The university is a land grant university but never received the lands necessary to sustain itself.

Former university president Mark Hamilton led the charge for nearly a decade to get us to diversify our economy to offset a crash in oil revenues. If any diversification occurred since then, nothing resulted to significantly add to the state's treasury, despite all university efforts. Former president Patrick Gamble, Hamilton's successor, saw that, looked at the continuing downturn in state funding, and led a massive strategic planning effort to get the university into position to handle budget reductions. President Johnson got here just in time for the hangover and thank heaven, he had worked for President Hamilton before so had previous university experience.

But God himself could not have imagined the cuts proposed by the 2016 legislature.

When cuts of this magnitude were imminent in the 1980s, the university was forced to declare its intention to declare financial exigency. Thankfully, the state pulled back from the edge, and the university was able to proceed to restructure without financial exigency. Financial exigency would lose UA all of its federal funding—ALL OF IT—and most likely most of not all of its corporate and private funding. UA might not be there yet, but my guess is that it might be inevitable given the current path of this legislature.

Regarding the university's ability to teach students, degree programs will be cut according to President Johnson, but it takes time. The university is legally bound to provide the resources for students in declared degree programs to finish their degrees if they choose to stay here. Legally bound. At the least that would take a year or two, four at the max, to chop that program.

The university is like the largest seagoing vessel you can imagine. You cannot hit the brakes and stop it on a dime. It takes time to grind a university to a halt.

Meanwhile, if history repeats itself, UA's now uncertain future is bound to scare away federal, corporate and private sources of funding, marketable faculty are looking for positions elsewhere, and students are going to states where the degree outlook is more stable. Budget cuts of this severity devalue degrees.

Circumpolar shipping routes are about to open if they haven't already. Alaska is the only state IN THE NATION on that route but we have little or no infrastructure except Unalaska to participate and absent the university research to help make that happen in a sustainable manner, the entire nation loses out. Or the nation, not wanting to lose out, funnels billions of dollars to other universities to do the work on Alaska land and waterways and all the economic benefit is reaped elsewhere. Ditto climate change research funds. Our coastlines are eroding daily. Alaska is warming faster than anywhere else. The first large fire occurred in Delta Junction in February and it rained last week in Denali. IN FEBRUARY!

According to the American Council on Education, Alaska is leading the charge to the bottom in terms of state support for higher education, predicting that at the rate the trend is going, Alaska's state support for higher education will reach zero by 2025. The University of Alaska cannot survive without state support.

#### ALASKA'S YOUTH AND SENIORS

Cuts to the Department of Health and Social Services jeopardizes Alaska's most vulnerable—it's youth and elders. Youth poverty levels are rising. Youth homelessness is rising. Services and facilities are outstripped by need. Churches and nonprofit organizations strive to fill the gap but are running out of resources.

The elder population is rising exponentially. Massive attempts are underway to help seniors age safely at home, and yet homeless camps are also filled with seniors. The senior population at or below poverty level is rising. The number of seniors over 85 years old is rising exponentially. Assisted living facilities cannot keep up with demand and many cannot pay the astronomical prices for those facilities anyway. Community senior centers provide meals on wheels to home bound seniors. In the Fairbanks area alone, the Fairbanks Senior Center will serve upwards of 50,000 meals on wheels and meals at the senior center in 2016 alone. This does not include all the educational programs and information distribution to keep seniors healthy, housed at home wherever possible and safe. DHSS funds support to senior centers and youth programs through grants is vital to even begin meeting these demands. General relief, public assistance heating assistance, and the rest of the senior programs keeps us at home and healthy for as long as possible so that our woefully inadequate number of assisted living facilities and nursing homes are not further overwhelmed. Homeless camps are full of seniors and youth now. I can't begin to imagine the economic impact of the DHSS cuts, other than to imagine our streets littered with the frozen bodies of the destitute.

#### RESTATE SUMMARY:

- Restore the \$35 million proposed cuts to the UA budget proposed by the House Finance Subcommittee
- Restore \$19 million funding to the Department of Health and Social Services for senior services.
- Restore funding to DHSS for youth services.
- Fund the operating budget out of the constitutional budget reserve if we don't have enough money in the general fund.
- Before the end of the regular session, pass the operating and capital budgets and the vote to use the CBRF. Special sessions are costly.

#### RESOURCES

Land grant university definition- [https://en.wikipedia.org/wiki/Land-grant\\_university](https://en.wikipedia.org/wiki/Land-grant_university)

Sea grant university definition - <http://seagrant.noaa.gov/whoweare.aspx>

Space grant university definition - [https://en.wikipedia.org/wiki/National\\_Space\\_Grant\\_College\\_and\\_Fellowship\\_Program](https://en.wikipedia.org/wiki/National_Space_Grant_College_and_Fellowship_Program)

State Support for Higher Education - Now <http://www.acenet.edu/the-presidency/columns-and-features/Pages/state-funding-a-race-to-the-bottom.aspx> and in the 1980s <http://files.eric.ed.gov/fulltext/ED311794.pdf>

Role of UA Research - <https://www.alaska.edu/files/state/2016-research-finalreview.pdf>

Arctic Priorities - <http://www.adn.com/article/20160228/interview-lt-gov-mallott-shares-arctic-priorities>

Climate change - <http://www3.epa.gov/climatechange/impacts/alaska.html> and <http://www.smithsonianmag.com/science-nature/barrow-alaska-ground-zero-for-climate-change-7553696/?no-ist>

Cooperative Extension Service - [https://en.wikipedia.org/wiki/Alaska\\_Cooperative\\_Extension\\_Service](https://en.wikipedia.org/wiki/Alaska_Cooperative_Extension_Service)

Youth statistics - <http://www.ktuu.com/news/news/report-childhood-poverty-rates-increasing-in-alaska/35426050> and [http://www.homelesschildrenamerica.org/pdf/report\\_cards/long/ak\\_long.pdf](http://www.homelesschildrenamerica.org/pdf/report_cards/long/ak_long.pdf)

Aging Statistics - [http://dhss.alaska.gov/acoa/Documents/ACoA\\_StatePlan\\_FY16-FY19.pdf](http://dhss.alaska.gov/acoa/Documents/ACoA_StatePlan_FY16-FY19.pdf) and <https://www.caregiverlist.com/Alaska/DepartmentOnAging.aspx>

FY 2017 Budget and the Constitutional Budget Reserve - <http://www.legfin.state.ak.us/Other/SwissArmyKnife10.pdf> page 26, and <http://treasury.dor.alaska.gov/Investments/Constitutional-Budget-Reserve.aspx> and <http://www.legfin.akleg.gov/BudgetReports/LY2016/Operating/HouseSubNumbers/UOA-Narrative.pdf> and [http://www.newsminer.com/news/alaska\\_news/budget-crisis-leads-to-possible-restructure-of-ua-system/article\\_9d61e928-c538-11e5-ba45-033c110d85f1.html](http://www.newsminer.com/news/alaska_news/budget-crisis-leads-to-possible-restructure-of-ua-system/article_9d61e928-c538-11e5-ba45-033c110d85f1.html) and <http://www.alaska.edu/files/state/FY17-Budget-Data-Summary-FinalReview.pdf> and <http://www.alaska.edu/files/state/FY17-Budget-Data-Summary-FinalReview.pdf>

## Budget, House Finance

leon lynch <llynch@acsalaska.net>

Tue 3/1/2016 3:52 PM

To: LIO Fairbanks <Lio.Fairbanks@akleg.gov>;

My name is Leon Lynch and I reside in Fairbanks. I have been watching Gavel to Gavel and have seen the legislatures budget expert, David Teal present his budget analysis to you and other committees multiple times. It is always the same; you can't cut your way out of this budget crisis. The gap is so huge that the only option appears to be using earnings from the Permanent Fund. I strongly encourage you to do this now rather than depleting all of our savings the next few years to fill the gap. I think the Governors plan is the best as it provides fiscal stability something that is critically important. However, Sen. McGuire's plan will help fill the gap and appease the folks that are mostly concerned with getting a substantial dividend. My main concern is that you will do nothing but cut resulting in our bond rating being ruined, our savings lost and no dividend at all in a few years. I also support an income tax and oil tax credit adjustments.

Sincerely,

Leon Lynch  
p.o. box 387  
Ester, AK. 99725

## House Finance Committee Public Testimony

March 1, 2016

I am in support of a state that invests in preventative programs that will strengthen communities and reduce costs down the road. I recognize that in order to do so, Alaskans must invest personally and I would like to see the Permanent Fund restructured to meet these priorities.

I am a stay at home mom of two young girls and a volunteer for Fairbanks Families: Best Beginnings Partnership and the North Star Imagination Library. I understand how important it is to support families during the early years. Parenting is hard work and many families are without a strong social network to support their efforts. While the Alaska Constitution does not explicitly require it, investing in the critical years of brain development before children arrive at school has the potential to reduce costs in the K-12 system by catching delays and intervening right away and establishing strong connections between parents and educators that will carry through the years.

People that say early education begins at home and is the responsibility of parents are right on. However, I believe that those parents need support and education. Programs such as Parents As Teachers and Imagination Library take place in the home and offer parents the opportunity to learn and grow with their child. Even as an early childhood professional, I benefited greatly from my participation in Parents As Teachers. Having a child does not make you an expert and parents with Ph.Ds do not necessarily know much about child development!

Investing in early childhood is a smart choice. Study after study has shown the returns, \$4-9 for every dollar invested, according to research by James Heckman. The State of Alaska is at a turning point. While we face this crisis, we have the opportunity to prioritize and refocus. Let's keep our investments where they matter: early childhood and education.

Thank you for your time and dedication to the state of Alaska.

Emily Vockereth

735 Moosewood Circle

Fairbanks 99712

(Page 1)

3-1-16

Roger C. Burggraf reside at 830 Sheep Creek Rd, Bethel AK

I have long been a supporter of Economic Development in Alaska and am heavily invested in Alaska.

We are all concerned about the State Budget and the need to bring it back in balance. We must be careful about what parts of the budget we cut.

The State Legislators and Governor must not destroy any Economic Engines that are generating revenues to the state and are providing jobs to Alaskans.

I have real concerns that if we do not use good judgement we could seriously impact the development of Industries which are essential to the future growth of this state. The primary industries are the Oil Industry, Mining Industry ~~and~~ possibly the Fishing Industry, and the University of Alaska.

In Fairbanks, Anchorage and Juneau the University System is generating revenues to our economy and jobs to many people. Not only to administrators, Professors, research assistants, Scientists but to those that are in the lower echelons that help keep the facilities operating.

②

There has been an effort cut out the Research arm of the Universities. This would be very destructive to the University system since Alaska is being looked at as a prime area to conduct Arctic Research in the Military, Climate Transportation and the Environment. Failure to provide matching funds of 10% of the grants given could destroy grants being given by the Federal Government.

My efforts to get the facts indicate that Fairbanks could lose over 116 million dollars that would be spent locally in salaries and local support companies. State wide over a Billion Dollars of revenue would be lost if the research arm of the University was not funded.

Our University system trains students are in demand in Industry in Engineering, The Business School of Management, Accounting and other areas of Expertise.

We must not destroy those Economic Engines that are generating revenues for the State and are paying high wages to Alaskans.



③

My advice to you is to be careful what you do to cut Government. I am no Fan of the Bureaucracy, but cutting Government too much could have a worse effect on the Alaskan Economy. There is some Fat in State Government but you will find when you review the statistics the only way you <sup>can</sup> do a meaningful cut is in Education + Health + Welfare, and I am not sure you have the stomach to do cuts there.

Obama Care + Medicare be of Help in the Short Term, but will saddle the State with costs that it does not have the revenues to cover.

We need to encourage new Economic Engines that will generate new revenues + new jobs.

I feel the State has to develop a long Term Plan to survive Alaska's Economic downturn. - That means we must develop

- ① Broad Based Taxes including an Income Tax
- ② ~~Dipping into~~ Permanent Fund fund with idea of preserving the corpus of the fund and still pay out a smaller dividend \$1000 or less
- ③ Be innovative and encourage the development of new Industries

Please do not destroy the Economic Engines that are creating revenues + jobs to Alaska

Our Future is in your Hands and we expect you in Government to come up with a solution to the Problems

## **REFOCUSING STATE PETROLEUM & BUDGET ISSUES**

**Testimony of Richard A. Fineberg  
to the House Finance Committee**  
Fairbanks Legislative Information Office  
March 1, 2016 (3:45 PM)

Instead of blindly cutting the budget, I believe that the Legislature must take specific action to change the present and historical North Slope economic structure, in which only three companies control roughly 90 percent of North Slope production. The documented history of TAPS tariff overcharges constitutes a visible aspect of the unfortunate effects of North Slope consolidation and company conduct.

Although I appreciate your legislative outreach, I am deeply disappointed that questions regarding North Slope consolidation and company conduct never come up. This strikes me as a sad indication that this Legislature is not dealing properly with fundamental issues.

I believe this Legislature should also take action on two other fronts: (1) improving the state petroleum audit system to assure appropriate receipt of oil revenue; and (2) fixing the petroleum revenue reporting system to reduce the clouds of confusion that blur the need for proposed systemic improvements.

Based on my past experience, historical information regarding problems dealing with major North Slope producers is readily available in articles and documents previously posted on my web site home page (URL below). For example, see the April 8, 2015 lead article (which includes eight relevant web site hyperlinks). Information on three other 2015 developments can also be found inside red boxes near the home page top right-hand corner.

Thank you.

Richard A. Fineberg  
PO Box 416  
Ester, Alaska 99725

Phone: (907) 479-7778  
Email: [fineberg@alaska.net](mailto:fineberg@alaska.net)  
Web: <http://www.finebergresearch.com>

## House Finance and cuts to Senior and Disability Services

Jean Trainor <jtrainor@accessalaska.org>

Tue 3/1/2016 1:48 PM

To: LIO Fairbanks <Lio.Fairbanks@akleg.gov>;

Dear House Finance Committee,

Please do not cut Senior and Disability Services. It's an understandably daunting task to create a budget as Alaska faces dire finances. Cutting the budget for Senior and Disability Services, however, will only result in disproportionately affecting our most vulnerable citizens. It will also have the unintended consequence of costing more money long term as relatively low cost programs that help our disabled Alaskans remain independent are cut, creating the need for costly alternatives like institutionalization.

In my job, I regularly meet people who have been able to live independently with the hand up that centers for independent living provide. Personal Care Attendants bring a level of care suited to individuals, allowing them to remain in their homes, and living with dignity.

With the help of Senior Day Care services, my own mom lived to a beautiful 91 years, out of the nursing home, cared for by loved ones. She had dementia, but she also had a smile for everyone she met. The cost for my mom's years of community support through FRA and Access Alaska was pennies compared to the thousands of dollars monthly that nursing home care would have cost.

The supports in place through Senior and Disability Services create a network of community for our honored elders, and those of us who experience disability. Cutting the programs of Senior and Disability Services crumbles the solid infrastructure on which our most vulnerable citizens depend.

I appreciate your consideration to fully fund the programs provided by Senior and Disability Services.

Jean Trainor

Information and Referral Specialist

Certified Medicare Counselor

Access Alaska

526 Gaffney Road, Suite 100

Fairbanks, AK 99701

Ph: 907 479-7940

Toll free instate: 800 770-7940

jtrainor@accessalaska.net



2420 Locksley Ct.

Fairbanks, AK 99709

Tuesday, March 1, 2016

Dear Finance Committee Members,

I encourage you to support funding for the University of Alaska (UA) ***at least*** at the level proposed by the Governor. We all recognize the magnitude of the budget crisis and the need to cut spending. But we must cut in a responsible manner that does not jeopardize the basic functioning of the University, nor the related economic and strategic benefit to Alaska. Specifically, cutting research jeopardizes the favorable 4:1 return on state investment (e.g., leveraged federal grants). In addition, the high quality of UA's undergraduate programs is due, in part, to excellence in research. ***Research attracts some of the best faculty.*** The magnitude of the proposed cuts could have devastating and irreversible consequences.

Sincerely,

Peter Delamere

## Slippery slope

Pamela Lynn <aksunshine123@gmail.com>

Mon 2/29/2016 10:27 PM

To: Sen. Bill Wielechowski <Sen.Bill.Wielechowski@akleg.gov>; Sen. Berta Gardner <Sen.Berta.Gardner@akleg.gov>; Rep. Bob Lynn <Rep.Bob.Lynn@akleg.gov>; Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; Sen. Charlie Huggins <Sen.Charlie.Huggins@akleg.gov>; Rep. Cathy Munoz <Rep.Cathy.Munoz@akleg.gov>; Rep. Charisse Millett <Rep.Charisse.Millet@akleg.gov>;

2 attachments

image1.JPG; ATT00001.txt;

Dear leaders

Today it's the young lives of the 1st trimester unborn children, tomorrow it's what?

All lives are precious and made in the image of God.

<https://www.lifesitenews.com/pulse/groningen-u-slogan-should-be-we-kill-babies>

Please vote prolife. Thank you.

Pamela Samash

Nenana

322-2201

# Budget

Gerald Timmons <[timmons.jerry@gmail.com](mailto:timmons.jerry@gmail.com)>

Tue 3/1/2016 10:40 AM

To:LIO Fairbanks <[Lio.Fairbanks@akleg.gov](mailto:Lio.Fairbanks@akleg.gov)>;

Continue to cut as much from our huge bureaucracy as possible to right-size govt and then use the Earnings of the Permanent Fund. I personally prefer capping the PFD at about \$800 with the balance to fund govt. Forget Inflation Proofing until oil is above \$120. An income tax is the last alternative and avoid if possible.

Gerald Timmons

185 Dome Road

Fairbanks, Ak 99709

[timmons.jerry@gmail.com](mailto:timmons.jerry@gmail.com)

## Testimony on the Alaskan Budget

By Carl S. Benson

~~Flb~~ X

Have you ever tried to explain how we operate in Alaska to people in other states? I have; it is not easy. Other states use their tax base, but Alaska does not. The situation is so absurd, that one has to ask, why? I explained that Alaskans don't like to pay taxes and our legislature has been trying something new. Instead of raising revenues, we mail money out to everyone who spends a year here. Honest, I am not making it up. Our present situation is scary.

Our new oil tax law called SB21 was written by the oil industry. If oil prices went up to \$100 per barrel we would still have a big deficit. We must reassess taxes on the oil industry so that we make more money on our resources than we pay the industry to extract them.

Currently, we have a shortfall of more than 3 billion (3,000 million) dollars in our proposed State budget. Some legislators use this as an excuse to cut things they don't like or understand, others push ideas like arming students on campus in spite of opposition by the Board of Regents, students, and faculty. These diversionary efforts not only waste time, they don't contribute to solving the problem. At best they can cause severe damage to the state but only deal with about 1% of the real problem.

Clearly more revenue is needed. Governor Bill Walker's plan of using earnings of the Permanent Fund for their intended purpose and raising tax revenues is the best way to proceed.

Reinstating our graduated personal income tax as a percentage of an individual's federal tax must be an essential component of a long-range fiscal plan.



Our income tax served us well from 1948 to 1980. It was easy to calculate, just a simple percentage of what is actually paid on the Federal income tax form. It was 14% when the income tax was witlessly repealed.

The Alaska state income tax when combined with the revised Dividend program means that people for whom the dividend means the most pay the least, and

people for whom the dividend means the least pay the most. Also, the income tax paid to the state would be deductible from the federal tax, as before, so more Alaskan money would stay in Alaska than does now.

Furthermore, our state income tax would again tax the income of non-residents. Currently, about 10% (nearly \$1 billion) of all the wages and salaries paid in Alaska go to non-residents. Those people feel left out now because they contribute nothing to pay for state services.

A statewide sales tax is inadvisable because it regressively taxes poor people disproportionately, it disproportionately taxes rural Alaska where costs are already higher. Furthermore, a complex statewide system would be required to administer it, and decisions on sales should be left to local governments, especially because some communities already have sales tax.

We can easily double the state gasoline tax. Here are three things to remember about our motor vehicle fuel tax: (1) our gasoline tax is the lowest in the nation. (2) It has not been adjusted in more than fifty years, in spite of inflation. (3) If it is doubled it will still be 5 cents less than the national average.

I ask legislators to exercise their responsibility. Stop doing cuts that do more harm than good. Revise SB21 so it becomes a net asset to Alaska. Use earnings from the Permanent Fund for their intended purpose. Reinstate our

income tax at 14% of the federal tax, as it was before 1980. Continue using federal funds, which for Alaska are immense, and use our tax base like other states do. Remember Governor Wally Hickel said "Alaska is a 'can do' state!" We did it before 1980 and we can do it again.



# ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Finance  
Committee on Budget Committee Name  
Bill / Subject Dated 3/1/16

No VAT

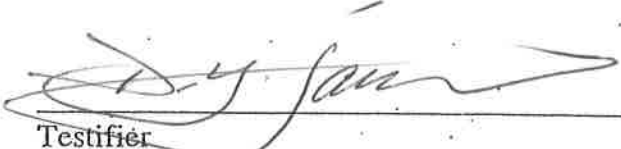
No sales tax

11 of Alaska - fully fund

Yes on income tax

Yes on simple school tax

SIGNED:

  
Testifier

Self  
Representing

4 mile Old Nenana Hwy  
Address / Phone Number

Box 130 Ester, AK

907 479 3608

99725

The State of Alaska only has 2 high endurance patrol vessels—we are about to lose one of them. If we lose this high endurance vessel now, we will never be able to financially replace it later.

I would like to testify on HB 255 specifically page 19; the re-appropriation of the \$3,600,000 which had been appropriated for the repairs and engine repower for the Patrol Vessel Woldstad.

Two years ago when Public Safety determined that the \$2.4 million which had already been appropriated would not be enough to complete the needed repairs--they proposed replacing this 121 foot vessel with at 58 foot limited purse seiner. I talked with Col. Jim Cockrell and asked him what additional funds Public Safety needed in order to complete the repairs, he noted \$1.3 million. After receiving comments from a number of coastal communities, fishing industry participants, and other interested parties, the Legislature appropriated the additional \$1.3 million.

However due to budget cuts and reduction in staffing, Public Safety did not complete the repairs and is now requesting that the fund be re-appropriated and used for other items. I have had several meetings with Colonel Steve Bear and the Governor's office regarding the continued need for both high endurance patrol vessels (PV Stimson & PV Woldstad). On suggestion from Colonel Bear, I am working with staff from Senators Dan Sullivan's and Lisa Murkowski's offices on reviewing Alaska's share of NOAA funding which is used for fisheries patrols and enforcement. Presently, the only information I have received shows Alaska ranking 10<sup>th</sup> or 11<sup>th</sup> on funding allocation. In recognition of its lack of infrastructure for patrols in the Gulf of Alaska, Bering and Chukchi Seas, and along the Aleutian Chain the State of Alaska currently receives between \$1 to \$2 million from NOAA yearly. Some of these funds are used by Public Safety for dock side sampling and some for fisheries and wildlife patrols.

Given Alaska's total coastline, gross value of fisheries, number of daily active fisheries and interest in the Arctic, I believe now is the time for the NOAA funding matrix to be changed to reflect Alaska's resources' true worth. I simply asked that you do not re-appropriate the full \$3.6 million at this time and allow us time to work with our congressional staff. I currently have meetings scheduled in DC the first week of April. One option would be to only re-appropriate \$1.8 million at this time. The remaining \$1.8 million could be used for state matching funds. If Alaska can show that it can provide a funding match it may be possible to receive additional federal funding which would allow for the repair and staffing of the patrol vessel. If this is determined to not be possible using additional federal funds then the remaining \$1.8 million can be re-appropriated next year.

Thank you for this opportunity to testify

Bonne' Woldstad

**From:** [Tina Cyr](#)  
**To:** [House Finance](#)  
**Subject:** Please protect small-town public radio!  
**Date:** Tuesday, March 01, 2016 5:51:17 PM

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Hello my name is Kristin (Tina) Cyr and I am a resident of Skagway. I urge support of Alaska Public Radio funding specifically KHNS that operates in Haines-Skagway-Klukwan.

I am a member supporter of KHNS radio and rely on it for news and the many services it provides our communities. My community population more than doubles in summer - we have a large portion of our town, residents and businesses that are "not in the phone book". These seasonal residents only use cell phones and their numbers are not available thru 411 directory line. These fine folks all listen to the radio!

So much information is shared on the radio with large part of our population that doesn't even have a personal Post Office Box- KHNS listener personals gets the word out!

This isn't just an ordinary radio station- it is generously supported by the towns people and businesses - evidenced by the large donations made during the fund drives.

We are currently on vacation and I have been tuning in to KHNS.org to find out what's happening in local news.

We all have to get leaner with our budgets so I do understand about why State funding would need to be reduced somewhat - but to have it eliminated would be a terrible situation.

Thank you for your consideration.m

Tina Cyr

Sent from my iPad

**From:** [Jennifer Wagaman](#)  
**To:** [House Finance](#)  
**Subject:** Please support behavioral health treatments for Alaska's most vulnerable populations  
**Date:** Tuesday, March 01, 2016 6:02:48 PM  
**Attachments:** [image001.png](#)

---

Dear legislators-

I am writing to ask you to please continue funding for behavioral health treatment and recovery grants for Alaskans. As an FASD diagnostic team coordinator in Fairbanks, I know firsthand of the extreme need for behavioral health services in our community. These frontline services save the state millions of dollars by keeping vulnerable residents out of more costly services.

As a resident of a community that already experiences a behavioral health services crisis, I have seen firsthand what the lack of appropriate counseling, case management and interventions to do families, and how extreme the cost can be when there is a behavioral health crisis. Please sustain the minimal funding we have in place now, so that we will not create a larger problem in our state.

Sincerely,

Jenn Wagaman

-----  
Jenn Wagaman, MA

Fetal Alcohol Diagnostic Team Coordinator

Alaska Center for Children and Adults

voice: 907-456-4003 x126

fax: 907-456-6124

Interested in caregiver support? Visit <http://alaskacenter.org/fasdsupport/>

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**From:** [Melissa Muldoon](#)  
**To:** [Rep. Mark Neuman](#); [Rep. Steve Thompson](#); [Rep. Bryce Edgmon](#); [Rep. Les Gara](#); [Rep. Lynn Gattis](#); [Rep. David Guttenberg](#); [Rep. Scott Kawasaki](#); [Rep. Cathy Munoz](#); [Rep. Lance Pruitt](#); [Rep. Dan Saddler](#); [Rep. Tammie Wilson](#)  
**Subject:** Proposed budget cuts  
**Date:** Tuesday, March 01, 2016 6:14:05 PM

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**The proposed budget cuts in the House Finance Committee will affect seniors and people with mental illness, intellectual and developmental disabilities, substance use disorders, Alzheimer's disease/dementia, autism, brain injury, and fetal alcohol spectrum disorders, by reducing both state and local capacity to serve them and increasing the likelihood they will lose their homes, become or remain unemployed, relapse, engage in . criminal behavior, or require expensive care**

**Please support Community DD Grants to help people with disabilities living stable, safe, and productive lives in the community.**

**Please support the Adult Medicaid Dental Program to ensure that seniors and people with disabilities get basic dental care, and prevent more costly emergency care.**

**I appreciate your support in not making these cuts that would negatively impact Alaska's vulnerable adults.**

**Thank you for your consideration.**

**Melissa Muldoon**

**4559 Treasure St.**

**Wasilla, AK 99623**

**From:** [Polar Hanneman"s](#)  
**To:** [House Finance](#)  
**Subject:** UAF Funding  
**Date:** Tuesday, March 01, 2016 6:22:26 PM

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Attention all Alaska Legislators,

I will be direct because we are all busy people. You must fund UAF to the fullest possible amount. It plays a huge role in our success as a state as well as our success in the world. I would wager that a large majority of representatives and senators count themselves as UA alums.

A community and state can only benefit from a well funded university system. This is where some the best minds of Alaska go to be educated and in turn return to their communities to start businesses, teach in our schools, care for our aging and youngest populations, mine our resources, drill for oil, manage our wildlife, design our roads, bridges and buildings. I could go on and on.

Not only do you need to fully fund UAF and other campuses, you need to finish the UAF Engineering Building. That is the future of the UAF campus. That is what could be the linchpin to keeping many of the best and brightest students in Alaska. The Northern Regions Engineering Program is unique to UAF. It draws people here from all over and there is nothing like it. This building will allow them to go far beyond where they are now.

Furthermore, the legislature also needs to look at what makes a university and university system great. It is great facilities, great faculty, a diverse student body, and extra curricular programs such as sports. My husband and I are active booster members of the UAF Ski Team. My husband is a former Nanook skier himself. Our nephew has been a standout skier for UAF, and our son may make that choice in a year's time when he graduates from Lathrop High School. Please look long and hard at the benefits of all the teams at UAF. They draw students of excellence from around the world. These athletes often remain in the community after graduation and are productive members of the community. A university with mediocre or non-existent sport programs is a university that will wither and become one dimensional.

My husband and I strongly support full funding of UAF, the completion of the Engineering Building, and full financial support for UAF sports teams, especially the ski team. We urge you to do the courageous thing and say no more cuts. Stand up for the whole UA system and all of its faculty and students. Be even more courageous and institute a state income tax. It is the only way to have everyone begin to pay their way for all the programs that make Alaska so great. As legislators it is time to wake up and realize that it is necessary to support a state income tax. Otherwise we continue to face a future that is very much on life support.

Thank you,

Keith and Carolyn Hanneman  
1306 Polar Dr.  
Fairbanks, Alaska 99712



**From:** [Patricia Brown](#)  
**To:** [House Finance](#)  
**Subject:** reinstate OWL funding  
**Date:** Tuesday, March 01, 2016 6:23:21 PM

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Dear House Finance Committee Members:

**I am writing to request reconsideration of OWL (online with libraries) funding.** OWL provides broadband subsidies for Alaska's small and remote public libraries, a videoconferencing network for all Alaskans, and leveraged e-rate subsidies.

Without OWL, Alaskan libraries will lose:

- Affordable and high speed Internet connections necessary for 21<sup>st</sup> century tasks and competencies.
- Videoconferencing capabilities which has allowed for student participation in classes not available in their own communities, local Board trainings, personal legal advice, healthcare advocacy, and shared programs and trainings between libraries.
- Access to information and resources and online library catalogs available only through consistent and high speed internet connections.

**Cutting the OWL program will not only create hardship for libraries and communities across the state but will jeopardize federal E-rate funding that pays for 79% of Alaska's high broadband costs to rural and remote libraries. In Haines alone, we stand to lose \$28,000 in federal e-rate funding.** OWL is a critical program that enables libraries to provide basic internet service to all Alaska residents. Please consider reinstating OWL funding.

Thank you for your time and commitment in service to Alaskan residents.

Sincerely,

Patricia Brown

Director, Haines Borough Public Library

President, Alaska Library Association

**From:** [Carol Tuynman](#)  
**To:** [House Finance](#)  
**Subject:** Please reconsider cuts to Alaska public radio  
**Date:** Tuesday, March 01, 2016 6:23:27 PM

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To the Honorable Mark Neuman, Steve Thompson and House Finance Committee Members:

I understand and appreciate the difficult decisions before your committee for the wellbeing of all Alaskans. I respectfully request that you reconsider the proposed cuts to Alaska Public Radio for the following reasons:

- There are still many people in Alaska who do not have land phones or cell phone access at their homes and public radio is our lifeline. I am one of those people in Haines, Alaska, who lives outside of cell phone service area and relies on our local NPR affiliate, KHNS, to receive important messages and information because I can't get phone service at my home.
- Public radio in Alaska keeps us connected. Aside from our small weekly newspaper, KHNS provides our only reliable daily source of local, state, native and national news. Public radio provides both in-depth and significant news that we must have to stay informed. There is no state newspaper comparable to public radio to keep us informed and aware of issues related to public health, safety and welfare, including fisheries and hunting information. We need this information source to live healthy lifestyles in Alaska. A significant number of rural Native and non-native people practice subsistence lifestyle and rely on public radio for pertinent information.
- Public Radio employs hundreds of people across the state who dedicate their efforts to providing us all information we need to effectively participate in the democratic process. We learn about board and commission opportunities through radio, about educational and recreational opportunities.
- Public radio is part of the emergency broadcasting system that we need should there be an earthquake, tsunami or other natural or manmade disaster. Radio staff are trained to participate in the first responder process, a significant investment of manpower and resources that should be kept intact.
- Commercial broadcasters cannot replace what public radio does in all of the above regards. Many of us cannot get a commercial radio station where we live, even if they could cover all of the services public radio provides.
- You may be aware that local community businesses and residents in Haines and Skagway are among the largest per capita supporters of local public radio in the nation. We have the highest regard for public radio and for a community area of less than 3,000, the \$75,000 raised in 2015 to support our local public radio station represents an average contribution of \$25.00 per resident.
- KHNS plays a vital role in our economy and our community. An important part of a sustainable local economy is well-informed citizens and excellent communication and news sources. There is a multiplier effect of the dollars that go to support public radio that filters into the community through jobs, local spending, attracting

new residents to live in our vibrant community and sharing with visitors our authentic, Alaskan lifestyle which attracts people from all over the world to come here as tourists or to settle here and start businesses, raise a family or retire.

Thank you kindly for your serious consideration of this important budgetary decision. The future of Alaska is in your hands. Help us keep the vital services of public radio for all Alaskans.

Sincerely,

Carol E. Tuynman  
Creative Director  
Alaska Arts Confluence  
217 Main Street  
Haines, Alaska 99827  
907-303-0222  
<http://www.alaskaartsconfluence.org>  
Visit us on Facebook

**From:** [Janet McCullough](#)  
**To:** [House Finance](#)  
**Subject:** Cut the State Operating Budget!  
**Date:** Tuesday, March 01, 2016 6:25:13 PM

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Dear House Finance Committee General,

I am writing you today because I am concerned about our state deficit.

Right now it looks like we will be running a deficit of \$3.5 billion for the second year in a row.

But please do not raise my taxes in order to fix this problem. Instead, we should cut our state operating budget by at least \$500 million.

I am asking you today to please cut the state operating budget!

Thank you,  
Janet McCullough  
9830 Buffalo Mine Rd  
Palmer, AK 99645

**From:** [Maggie MacCluskie](#)  
**To:** [House Finance](#)  
**Subject:** Testimony for Operating Budget  
**Date:** Tuesday, March 01, 2016 5:26:58 PM

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Dear House Finance Committee-

Please include this email message in the testimony from the Alaska public on the FT17 Operating Budget. My name is Margaret MacCluskie and I am a 21 year resident of the state. I reside in Fairbanks and am not employed by the University of Alaska system, though I am an alumni of UAF.

After I graduated with the PhD from UAF in 1997 I left the state for 4 years. I returned to Fairbanks in 2001 in large part because I wanted to live and work in a university town. Moreover, I wanted to raise my kids in a community with a strong and vibrant university because they make the town a better place to live. We often attend the public lecture series (typically about CURRENT research taking place at the university). My kids love going to the Engineering Day each spring and visiting the museum at Halloween.

I urge the Finance Committee to come to a FY17 budget number that is on par with Governor Walker's proposed budget. PLEASE look to solutions like using PFD earnings to bridge the gap of state income and for heaven's sake, Alaskans need to grow up and pay TAXES. We've been getting something for nothing for far too long. This is the time to invest in our state, not hack it apart and that's what I see some of our Representatives advocating. Please think harder about investing in something other than oil. The spending on public and higher education is THE renewable resource we need for this state.

Sincerely,  
Margaret MacCluskie

1995 Red Berry Road  
Fairbanks, AK 99709

**From:** [Angela Roland](#)  
**To:** [House Finance](#)  
**Subject:** Public Testimony on the State Budget.  
**Date:** Tuesday, March 01, 2016 5:34:43 PM

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Dear Legislators,

I'm emailing you with my ideas on how to make government more efficient and cost effective from an Information Technology (IT) perspective.  
I am testifying on my behalf.

My background has been IT since 1999.  
I have worked at Cal State Long Beach, Texas Higher Education Coordinating Board, Alaska DNR and F&G.

I'm currently attending UAS (online) fulltime to complete my BBA/MIS degree.  
I live in Homer, Alaska.

Information Tecnology in the state of Alaska is not managed centrally; each division has their own IT department.  
I believe basic efficiencies could be gained in the following areas by operational oversight:

- \*Security
- \*Web Content Management Systems
- \*Document Management
- \*Databases
- \*Application Platforms
- \*Programming Languages
- \*Software Licensing
- \*Lean Management
- \*Agile Software Development
- \*Hardware deployment
- \*E-waste recycling
- \*Mobile device management

I also ask you to take a look at the State of Washington's CIO's website:

<https://ocio.wa.gov/>

It demonstrates an IT office that is in full charge of it's work. Then take a look at ours.  
[alaska.gov/ets](http://alaska.gov/ets)

The Lean methodology, has been implemented in business and government to eliminate waste and improve services.

I highly recommend it for state IT departments.

<http://www.lean.org/WhatsLean/>

State used computers and IT waste should be collected by Dell Recycling Program.  
HSS has successfully implemented this Dell program and it works very well.  
Please ask their IT department about it, it should be duplicated in all other departments.

We need to keep IT waste out of the landfills in Alaska and earn money back on our used computers.

It would save an enormous amount of time and increase efficiency at PC inventory time as well.

I sincerely appreciate your time,

Angela Roland

**From:** [Kevin McCabe](#)  
**To:** [Sen. Lesil McGuire](#); [Sen. Cathy Giessel](#); [Sen. Gary Stevens](#); [Rep. Lora Reinbold](#); [Rep. Gabrielle LeDoux](#); [Sen. Bill Wielechowski](#); [Rep. Shelley Hughes](#); [Sen. John Coghill](#); [Sen. Bill Stoltze](#); [Sen. Pete Kelly](#); [Sen. Anna MacKinnon](#); [Rep. Lance Pruitt](#); [Rep. Mark Neuman](#)  
**Subject:** #allaboutthebudget  
**Date:** Tuesday, March 01, 2016 5:36:52 PM

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Dear Legislators,

Your constituents are not fooled for a minute. Alaska has the dreaded disease of government bloat. We (you) have a spending problem. In fact we have arguably the most expensive and bloated state government, per capita, in the US.

How many state employees do we have? And how many are we funded for? Where does the excess money go? A gas pipeline!? Seriously!? A Railroad to nowhere? Really? Medicaid expansion which IS going to cost huge money after the fed dollars run out?

This deficit was not caused by fluctuating oil prices. We have more than doubled the size of the state government in the last ten years; THIS is the root cause of our current \$3.5+ Billion deficit. Our deficit was caused by the out-of-control spending habits of our elected officials. It must stop.

State spending must be reduced to less than \$4.5B this year. The sneaky SB114 attempt to levy a 75% tax on PFD checks by changing how they are calculated is beneath you. We want NO tax, whether income tax, sales tax, motor fuel tax, or even fair tax or flat tax, unless, and until, you cut spending. Our problem is over spending, not income generation.

I support closing the fiscal gap via the non-partisan UAA Institute of Social and Economic Research (ISER) Plan of setting an annually sustainable budget, and drawing from the Earnings Reserve and/or Constitutional Budget Reserve until the price of oil comes out of its temporary low price hole.

Please keep in mind that a vote for any compromise plan, including a caucus rule forced vote, which includes ANY new taxes; or a raid on the PFD will cause those of you who I vote for to lose my support. Those of you who I do not get to vote for will lose any financial support in re-election that I may decide to send. I am serious about this. And I will write an e-mail a day if I have to. Please always remember that you work for us, not Governor Walker and not the special interests currently running up and down the halls in Juneau trying to take advantage of this crisis.

Your constituency is demanding that you cut spending before considering any new taxes or use of the PFD payout. I do not envy your job, but Alaska's future is at stake. Please make the right choices for our children and for the State we all love so much.

Respectfully

Kevin McCabe



Muldoon

**From:** [Linda File](#)  
**To:** [Sen. Click Bishop](#); [House Finance](#)  
**Subject:** Fwd: Budget ideas and input  
**Date:** Tuesday, March 01, 2016 5:38:47 PM

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March 1, 2016

Dear Alaska Legislators, Senator Bishop, Members of the Finance Committee;

Thank you for seeking public input. My priorities for cutting the budget include:

- Top Tier State administrative positions - reduce salaries by 10%, examine and reduce benefits similarly
- Legislator per diem - examine and reduce by 10 to 25%
- Legislator salaries - reduce by 5 - 10%
- Legislator retirement benefits - reduce to equivalent of teacher Tier 4 benefits

I believe a good faith effort to make cuts in what legislators pay themselves in this second half of the 29th Legislature would be respected by the public.

Revenue enhancement suggestions:

- Return the Income Tax with sliding scale - wealthiest Alaskans (\$150,000 up) pay more and the most vulnerable (at poverty level) pay least. A straight percentage may work and achieve the same. End the unsustainable idea that we in Alaska never have to pay for the many services we receive living in this State.
- End favoritism to business through the tax structure which currently puts business' finances above the interests of those who work for them. No free passes for business over individuals in taxation.
- Put the earnings of the Permanent Fund to work for functions that promote the present and future good of all Alaskans--education, health, seniors, the disabled and those in poverty.
- Examine how solvent municipalities such as the City of Fairbanks have remained solvent and invite input from their mayors and city managers. (Fairbanks has a permanent fund and does not have a deficit.)
- Cap the dividend - the idea we always receive but never have to give is unsustainable.
- Create a State Bank per new bill introduced by Kawasaki and Tuck - revenue earned goes back to the State.
- Out of State Non-Resident Worker Tax or Annual Fee, whichever is possible - end the long run of resource earned dollars leaving our State through high paid commuting workers; has gone on too long.
- Reinstate a School tax of \$10 to \$100 per worker depending on income to help everyone realize education costs something.
- Raise non-resident State Fishing, Hunting and Camping fees - create a significant flat fee tax for those who come and use the services of a guide to extract our fish and animal resources.
- End favoritism toward oil and resource extraction companies - create a fair and equitable tax structure that reflects Alaskans' ownership of State resources. They should not be getting a free pass, even with the lower price of oil, which is not the fault of the people of Alaska.
- Rather than reduce agencies by an across-the-board percentage, examine areas that are

identified as least essential and seek wide agreement to encourage state employees to work together to reduce costs that will bring actual savings, not simply cut lowest wage workers who do much of the work.

-Rather than allow windfall spending at end of fiscal year (spend now or it's gone), find a way to limit spending on non-essentials to only what is needed according to common sense.

Supervisors should be made responsible for reducing office budgets from the previous year, not engaging in windfall spending.

-End 'double-dipping' State retirements. This is unsustainable.

Our university returns dollars, our seniors return dollars, employed young people happy in their lives return dollars, education returns dollars. Oil is in the past, new energy ideas and expansion into the Arctic to protect the planet is the future. We are on the cutting edge of a warming world. There will be opportunities for research, for hosting conferences, for leading the way. Alaska must be in the lead as these new challenges arise. I hope we are up to doing so.

We will not be able to cut our way out of this mire to a better Alaska. We must all do our share.

Thank you;

Linda File

**From:** [Thomas Brinner](#)  
**To:** [House Finance](#)  
**Subject:** Cut the State Operating Budget!  
**Date:** Tuesday, March 01, 2016 5:44:37 PM

---

Dear House Finance Committee General,

I am writing you today because I am concerned about our state deficit.

Right now it looks like we will be running a deficit of \$3.5 billion for the second year in a row.

But please do not raise my taxes in order to fix this problem. Instead, we should cut our state operating budget by at least \$500 million.

I am asking you today to please cut the state operating budget!

Thank you,  
Thomas Brinner  
1621 Norene St  
Anchorage, AK 99508

March 1, 2016

Alaska House Finance Committee

Senator Pete Kelly  
[Senator.Pete.Kelly@akleg.gov](mailto:Senator.Pete.Kelly@akleg.gov)  
Fax: 907-465-4714

Senator Mike Dunleavy  
[Senator.Mike.Dunleavy@akleg.gov](mailto:Senator.Mike.Dunleavy@akleg.gov)  
Fax: 907-465-3805

Senator Click Bishop  
[Senator.Click.Bishop@akleg.gov](mailto:Senator.Click.Bishop@akleg.gov)  
Fax: 907-465-5241

HB256: APPROP: OPERATING BUDGET/LOANS/FUNDS

Budget Idea Request

Dear Senators:

My first and foremost thought to solving our issues with the Alaska State budget is to follow in the example of the states that precede us in regards to Marijuana Tax. We've already legalized it, so let's get it going so we can tax it to make it all worth our time.

In Colorado alone, according to the Denver Post posted 10/09/2015, Colorado recreational marijuana sales were coming in at \$59.2 million per month. When combined with medical sales of \$41.4 million per month the total is over \$100 million in sales PER MONTH. I know we're not Colorado, but the evidence of major increase in tax revenue is crystal clear.

According the Denver Post article: "There are three types of state taxes on recreational marijuana: the standard 2.9 percent sales tax, a 10 percent special marijuana sales tax and a 15 percent excise tax on wholesale marijuana transfers. For August, Colorado collected \$11.2 million in recreational taxes and fees and \$2.0 million in medical taxes and fees, bringing the 2015 cumulative revenue total to nearly \$86.7 million. In 2014, total marijuana tax revenue was \$76.2 million." It is obvious that the further along an industry like this gets, the more revenue (tax and business) will only increase.

According to the Huff post Politics 07/06/2015, one year of legal marijuana generated \$70 Million in Tax Revenue for Washington State. This was double the forecasted revenue.

In an awesome article by Investopedia 04/14/15: "Which State generates most tax revenue marijuana sales? Colorado is leading the way at a tax rate 27.9% commercial, 2.9% medical. Washington comes in second with analysts estimating \$1.9 billion in marijuana tax dollars over the first five years."

So I ask you, it is not going to take billions of dollars to run the marijuana department of the state. Colorado had an excess in 2014 that enabled them to set aside \$40 million for schools! Not only will this help Alaskan's, it will obviously make money locally and add additional tourism during the summer months.

Does taxation of marijuana seem more profitable to fixing our budget than taking away our PFD's or a state sales tax of \$6%? I have attached my recent letter to the senators regarding the sales tax and more ideas regarding the budget. I explain how taxing its residents by way of income will only hurt the state; however this is a recreational tax and is much, much more easily accepted by the general public.

Thank you for your time and consideration.

*Adam and Raymie Rushing*

Adam and Raymie Rushing  
PO Box 799  
Delta Junction, AK 99737

attachments: HB134 Letter by Adam and Raymie Rushing 02/24/2016

February 24, 2016

Alaska State Labor & Commerce Committee

The Honorable Senator Mia Costello  
State Capitol Building  
Juneau, AK 99701-1183  
[Senator.Mia.Costello@akleg.gov](mailto:Senator.Mia.Costello@akleg.gov)  
Fax: 907-465-2040

RE: SB 134  
State Sales Tax Proposal of 6%

Dear Senator Mia Costello, Senator Cathy Giessel, Senator Kevin Meyer, Senator Gary Stevens, and Senator Johnny Ellis:

I respectfully wish to have my voice heard prior to the vote to initiate Alaska state tax of 6% as proposed in SB 134.

The letter by the Governor states that this proposed state tax "The relatively modest tax is expected to raise approximately \$200,000,000 annually."

As an Alaskan, I feel my voice needs to be heard on this issue at hand. I also know that many Alaskan's feel the same as I do - that one of the major draws to this state and surviving its unique and harsh conditions is the long standing NO State Income Tax! I will outline below many reasons I am against this action and make it as brief as possible.

1. Alaska is already incredibly expensive to live in. A tax will not increase your population or business, but in turn will hurt the Alaskan economy. I am sure you are familiar with the Council for Community and Economic Research Index, First Quarter 2015. If you have not seen it, I would just take a look at it. To give you an idea, for the Interior of Alaska our utility costs are at 245.3 where as the National Average is 100.0. Alaskans have chosen to live here and it already costs us an arm and a leg to do so. Do you really think our economy, which has a 6.7% unemployment rate, can take on a state income tax too? How will that impact our retirement community whom create commerce in Alaska by residing here income tax free? Will they decide to go to WA, NV, TX or FL? Why not KEEP the residents you already have!

2. The Governor is asking that its citizens take the responsibility of mismanagement of money, leading to a projected \$427 Million deficit next year! Alaska has never needed to incorporate an income tax in prior years in order to prosper; yet the state continues on. No one seems willing to cut the unnecessary items in the budget . Why is it that the answer to Government overspending always seems to be more taxes on the citizens? Those whom have been entrusted to run this Great State's budget need to figure out what THEY are doing wrong and fix it so that it can work on the amount they are already given instead of punishing the State's residents. This may be as simple as using Skype vs Travel, scanning documents vs photocopying. I could easily see millions being saved in those two line items alone! Alaskan's WILL respect those types of cuts, because that is how we handle money in our homes. Cut in the areas were you cannot afford and/or do not need, and trim the fat everywhere else!

3. Consider a state income tax resident exemption. Working in our state is a sizeable population who regularly commute to their homes in the Lower 48. Many of these people have high-paying incomes from the North Slope, commercial fishing and mining. They pay no state income tax to Alaska, and possibly not even in their home state. Yet, Alaska provides for them a paycheck as well as roads, airports, docks, hospitals and other services.

Right now there is NO incentive to LIVE and WORK in Alaska, why not change that? YOU have the power to do so. If you choose to live and work in Alaska don't be penalized , choose to tax those that choose to work in Alaska, yet live out of state and don't get taxed by a state income or a sales tax? Right now it can be cheaper to live in Washington State (no state taxes) and spend the money to fly to work once a month, thus taking ALASKAN money right out of the state!

An income tax with resident exemptions can be easily monitored because of our Permanent Fund Division. Bona fide Alaskan residents receive the PFD, non-residents do not. Therefore, this income tax with resident exemptions could be readily enacted and monitored with minimal expense, as the system is already in place.

SB 134 does not make any sense to me. An income tax not bring any net new money into our economy! We CHOOSE to live in this state with one of the biggest benefits being no state taxes. Everything else here is an expense, including gas for our vehicles - being one of the highest in the nation and utilities being 145.3 CPI ABOVE THE NATIONAL AVERAGE (for us here in the interior). We may not, as a community, be able to afford to ride another expense. In order to have a quality of life, it may force people out of the state! Is Alaska ready to take that responsibility too?

We are Alaskans, and we believe in doing things for ourselves. This is simply taking money from its residents and giving it to the government. This does not create wealth for the state - just transferring over our resources to the government, so it can spend that too. Alaska is not California, DC or New York. As Alaskans are we live in the harshest and most stunning environment possible in the United States! We proudly live here and we do so with respect for state. But living here takes money; so logically following, if you take more from Alaskan's pockets, they have less to feed their families and heat their homes. Let's instead cut where we



need to cut in the budget and make it right! Please don't forget it's our choice to reside in this amazing state, and I don't know if this economy we have can take a state income tax without having significant losses!

Respectfully,

*Adam and Raymie Rushing*

Raymierushing@gmail.com

907-460-0129

Delta Junction, Alaska

reference: Alaska Economic Trends, July 2015

U.S. DRUGS

# Colorado Raised More Tax Revenue From Marijuana Than From Alcohol

Tanya Basu @mstanyabasu | Sept. 16, 2015

**It clocked in at \$70 million last fiscal year alone.**

Pot is a boon for tax revenues in Colorado, outpacing revenue from alcohol taxes in the fiscal year ending on June 30.

Colorado collected almost \$70 million in marijuana taxes during that time, nearly double the \$42 million collected from alcohol taxes. The state had a [tax holiday](#) for marijuana on Wednesday, an event that was welcomed by consumers and producers alike.

The sales tax holiday underscores the sheer productivity of marijuana taxes, Mason Tvert, director of communications for the Marijuana Policy Project, [told the Colorado Spring Business Journal](#).

“Marijuana taxes have been incredibly productive over the past year, so this tax holiday is a much-deserved day off,” Tvert said. “This will be the one day out of the year when the state won’t generate significant revenue. Over the other 364 days, it will bring in tens of millions of dollars that will be reinvested in our state.”

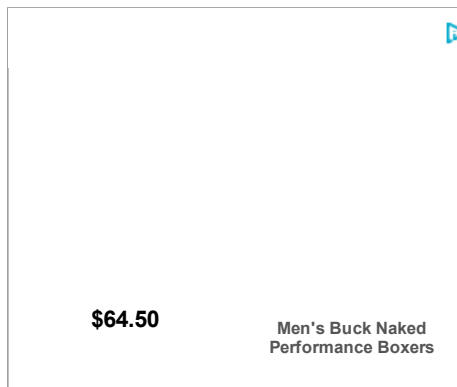
Tvert’s prediction isn’t an exaggeration, as Colorado’s data indicated that the 10% retail tax on marijuana and 15% excise tax for large wholesale weed has been fruitful.

On the state’s one-day tax holiday, shoppers saved about \$20 an ounce on Wednesday, but distributors saved roughly \$300 a pound, with one grower [telling ABC](#) he “probably saved \$45,000 before lunch.”

For a month-by-month breakdown of Colorado marijuana tax collections, click [here](#).



Jon Paciaroni—Moment Editorial/Getty Images  
Denver, Colorado- Interior of a commercial medical and recreational marijuana grow facility.



**MARIJUANA ON THE COVER OF TIME**



Cover Credit: GARY TRUDEAU

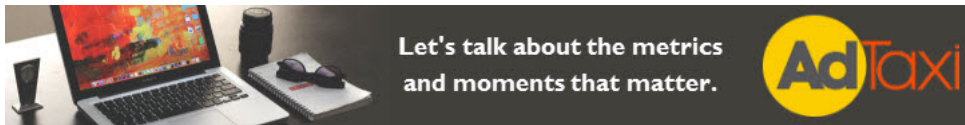
The Dec. 9, 1996, cover of TIME

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# DENVER AND THE WEST (/NEWS)



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## DENVER AND THE WEST

# Colorado monthly marijuana sales eclipse \$100 million mark

Colorado recreational marijuana sales are close to \$60 million in August 2015; medical marijuana sales climb slightly

By Elizabeth Hernandez

*The Denver Post* (<mailto:ehernandez@denverpost.com?subject=The Denver Post:> )

POSTED: 10/09/2015 05:41:12 PM MDT | UPDATED: 5 MONTHS AGO

58 COMMENTS ([http://www.denverpost.com/news/cl\\_28947869/colorado-monthly-pot-sales-pass-100-million-mark#DISQUS\\_THREAD](http://www.denverpost.com/news/cl_28947869/colorado-monthly-pot-sales-pass-100-million-mark#DISQUS_THREAD))

Monthly marijuana sales in Colorado have soared past the \$100 million mark for the first time, according to the August recreational and medical marijuana sales data from the state Department of Revenue released Friday.

Once again, marijuana sales surpassed the previous month's numbers with recreational marijuana coming in at \$59.2 million and medical marijuana tallying \$41.4 million.

The combined \$100.6 million in marijuana sales continues the month-to-month record-setting trend for 2015.

Recreational cannabis sales began on Jan. 1, 2014 in Colorado, the first state to launch a retail marijuana program. In that first month, there were \$46.9 million in total sales — \$14.7 million was recreational, \$32.2 million medical. August 2014 marked the first time that recreational sales exceeded medical sales.



(</portlet/article/html/imageDisplay.jsp?contentItemRelationshipId=7131374>)

Colorado marijuana sales in August surpassed \$100 million for the first time. (Denver Post file)

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There are three types of state taxes on recreational marijuana: the standard 2.9 percent sales tax, a 10 percent special marijuana sales tax and a 15 percent excise tax on wholesale marijuana transfers. For August, Colorado collected \$11.2 million in recreational taxes and fees and \$2.0 million in medical taxes and fees, bringing the 2015 cumulative revenue total to nearly \$86.7 million. In 2014, total marijuana revenue was \$76.2 million.

Perhaps the most-watched figure in the state's marijuana tax data is the 15 percent excise tax that is earmarked for school construction projects. In August, that tax brought in \$3.3 million, up from \$3.1 million in July.

Another state recently joined Colorado and Washington in selling marijuana to adults 21 and older. [During Oregon's first week \(http://www.thecannabist.co/2015/10/09/oregon-marijuana-sales-recreational-debut-colorado-washington/42068/\)](http://www.thecannabist.co/2015/10/09/oregon-marijuana-sales-recreational-debut-colorado-washington/42068/) of legal recreational marijuana sales, which started Oct. 1, retailers sold an estimated \$11 million worth of pot.

In contrast, Colorado's first week of legal sales reached \$5 million.

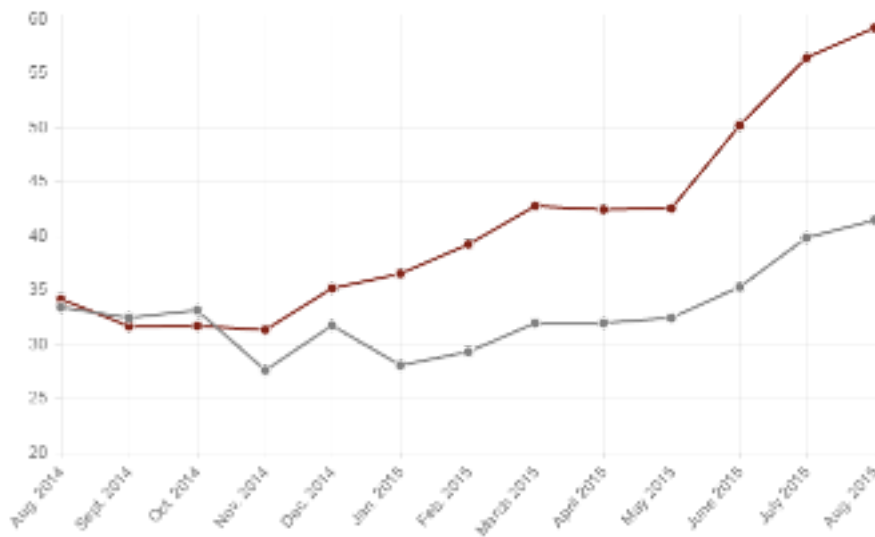
Elizabeth Hernandez: 303-954-1223, [ehernandez@denverpost.com](mailto:ehernandez@denverpost.com) or [twitter.com/ehernandez](https://twitter.com/ehernandez)



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## Sales stats for Colorado weed

A month-by-month look comparing sales of recreational and medical marijuana



2015 Recreational total (8 months)  
\$369,062,012

2015 Medical total (8 months)  
\$269,979,424

**2015: \$639,041,436**

2014 Recreational total (12 months)  
\$313,226,353

2014 Medical total (12 months)  
\$385,972,452

**2014: \$699,198,805**

Source: Colorado Dept. of Revenue; graphic by Kevin Hamm, The Denver Post

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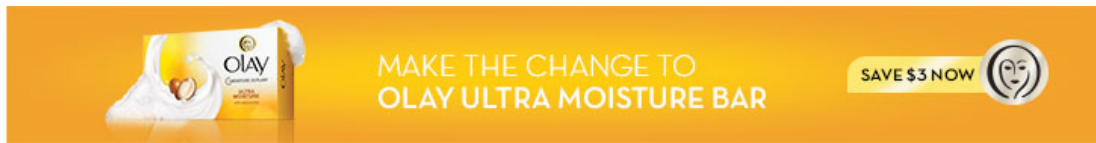
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# One Year Of Legal Marijuana Generated \$70 Million In Tax Revenue For Washington State

07/06/2015 06:50 pm ET | Updated Jul 07, 2015

3.5 K



Matt Ferner

National Reporter, The Huffington Post



ASSOCIATED PRESS

Washington state raked in more than \$70 million in taxes during its first year of legal and regulated marijuana sales.

The [Washington State Liquor Control Board](#), the government body charged with overseeing the state's marijuana industry, reports that state pot shops sold more than \$257 million worth of marijuana, generating more than \$64 million through July 1 thanks to the state's marijuana excise tax.

Add in local sales and other taxes, and Washington's state and local governments have collected more than \$70 million, [according to The Associated Press](#) -- roughly doubling the state's original marijuana tax revenue forecast of \$36 million for the first year of sales.



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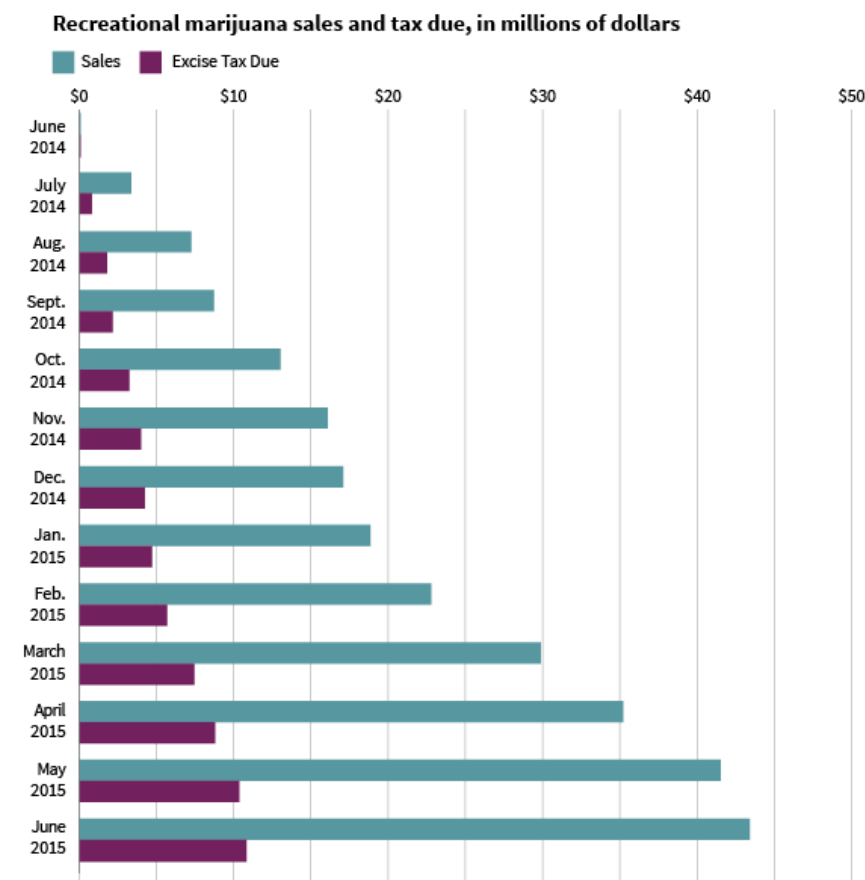
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"These impressive numbers are likely to catch the eyes of policymakers in other states that could use a little help closing their budget gaps," Tom Angell, chairman of the advocacy group Marijuana Majority, told The Huffington Post.

"While this amount of money isn't nearly enough to run a whole state with, these are real dollars that can now be spent on things like schools, healthcare and road repair instead of going straight into the pockets of the drug dealers who controlled the marijuana market prior to legalization," Angell added. "And this is only the first year. Expect to see even more revenue generated -- and more jobs created -- in the next few years."

Here's a look at rising marijuana sales and taxes in Washington state in the last year:



Source: Washington State Liquor Control Board

THE HUFFINGTON POST

Despite the state's slow start getting its regulated pot industry off the ground and early concerns about [marijuana shortages](#), the Evergreen State topped Colorado's first-year marijuana tax revenue of [about \\$44 million](#). While voters in both states legalized recreational marijuana in 2012, Colorado became the first state -- and first government in the world -- to regulate marijuana production and sales when its first shops opened on Jan. 1, 2014. The first marijuana shops in Washington state didn't open until July of that year.

Since then, marijuana sales have increased steadily across the state. The state Liquor Control Board reports that the state's marijuana businesses are

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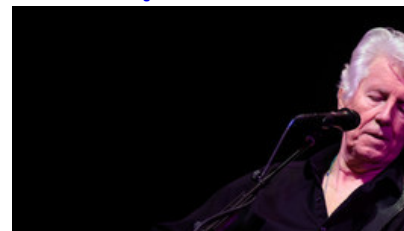
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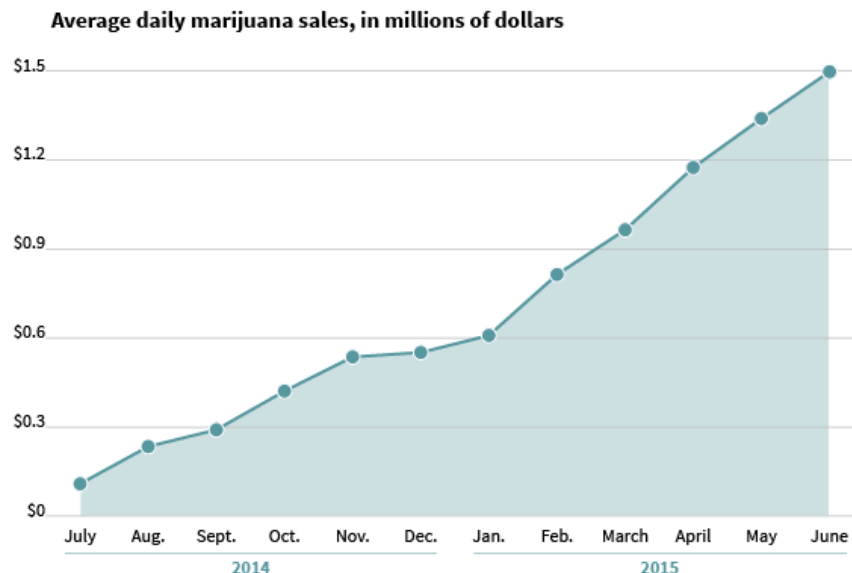
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selling nearly \$1.5 million in marijuana per day from about 160 retailers statewide, as of July 1. Here's what average daily sales looked like in the past year:

## Marijuana Sales Increasing In Washington

Data from Washington state is showing that weed sales and taxes collected are increasing dramatically by the month.



Source: Washington State Liquor Control Board

THE HUFFINGTON POST

In the first year of legalization, Washington state's [marijuana businesses](#) sold more than 22,000 pounds of marijuana and 700,000 marijuana-infused edible products, including both solids and liquids. Meanwhile, state cultivators harvested nearly 60,000 pounds of marijuana flower.

The state has approved more than 6 million square feet of plant canopy to produce marijuana to date, according to data HuffPost received from Brian Smith, the communications director for the state Liquor Control Board.

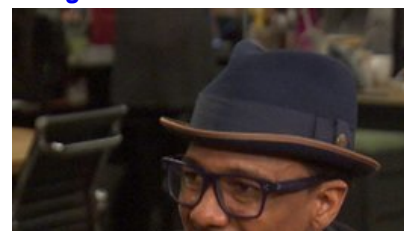
Besides Washington and Colorado, two more states -- Oregon and Alaska -- as well as the District of Columbia have legalized marijuana for recreational purposes. While Oregon's new law went into effect [just last week](#) and [Alaska's went into effect in February](#), the first shops in both states aren't expected to open until 2016.

Legal marijuana is the fastest-growing industry in the United States, [a recent industry report found](#), and if the trend toward legalization spreads to all 50 states, marijuana could become larger than the organic food industry.

Marijuana remains illegal under federal law.

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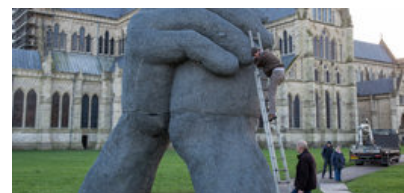
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# Colo. pot users helping build schools with tax dollars

Trevor Hughes, USA TODAY 5:25 p.m. EST February 17, 2015



(Photo: Trevor Hughes/USA TODAY)

DENVER – Colorado's marijuana users are helping to buy new roofs, boilers and security upgrades for public schools across the state as the first round of special pot taxes gets allocated later this year.

The state's voters in 2012 legalized pot sales – and taxed them heavily – in part because the constitutional amendment promised that \$40 million dollars a year would go toward school construction across the state. In the first full year of sales, however, the state expects to collect only about \$17 million in special school taxes levied on the marijuana industry. Still, it's better than what the state collected the year before: nothing.

"The people who were smoking marijuana before legalization still are. Now, they're paying taxes," Gov. John

Hickenlooper said.



USA TODAY

Vermont lawmakers consider legalizing marijuana

[\(http://www.usatoday.com/story/news/politics/2015/01/27/vermont-lawmakers-consider-legalizing-pot/22431415/\)](http://www.usatoday.com/story/news/politics/2015/01/27/vermont-lawmakers-consider-legalizing-pot/22431415/)

Overall, Colorado collected about \$63 million in marijuana taxes in 2014 on an industry worth about \$700 million. Much of that tax money goes directly into the state's general fund, not into the specific school-construction account. The school-construction money comes from a 15% tax levied on wholesale sales from growers to recreational marijuana retailers. Much of the rest of the tax money is being dedicated toward drug-abuse education, research and substance abuse treatment. Because Colorado was the first state to legalize and tax recreational marijuana sales, lawmakers across the country are closely watching its experiences.

"It is money we're trying to put to good use," said Sen. Pat Steadman, a Democrat and member of the Colorado Legislature's budget-writing committee. "We had no tax money to combat these ills when it was being sold illegally."

Sweet Grass Snickerdoodle Cookie 10mg	\$3.50
Sweet Grass PB Cookie 10mg	\$3.50
Cresco Sack	\$1.88
1 Penny	\$0.01
1 Penny	\$0.01
1 Penny	\$0.01
SUBTOTAL: \$63.83	
CO STATE TAX: \$1.84	
DENVER CITY TAX: \$2.30	
SPECIAL DISTRICT TAX: \$0.70	
CO SPECIAL TAX: \$6.17	
DENVER SPECIAL TAX (RETAIL): \$2.18	
TOTAL: \$76.80	
PAID: \$100.00	

A copy of a receipt from a Denver marijuana store shows the taxes paid on the transaction. (Photo: Trevor Hughes/USA TODAY)

A delegation of Vermont policymakers visited Denver this month as the Green Mountain State considers legalization, the latest in a string of visitors curious to better understand how Colorado is handling the end of marijuana prohibition. Driving the Vermont delegation's visit is an independent report suggesting Vermont could see new taxes revenues worth \$20 million to \$75 million annually, in part paid by pot tourists from Massachusetts, New York and New Hampshire.

"Our assumption is that it would take the industry a few years to ramp up," said Scott Newell, director of the office of capital construction for the Colorado Department of Education. Washington state, which has also legalized recreational marijuana, also expects to see its tax collections grow over the coming years. Washington expects to collect about \$694 million in state revenue through the middle of 2019, according to state budget projections, although it collected only about \$40 million in recreational marijuana taxes in 2014.

In Colorado, Newell's office oversees the marijuana money being dedicated toward school construction. He said he expects to have about \$17 million to hand out in this first round, with the \$40 million annual allotment available in a few years. In Colorado, a small rural, public charter school could be built for \$10 million, he said, while an urban high school could cost \$100 million or more.

"There's a lot more sales taxes being generated than excise taxes, and sales taxes don't go to this program," he said. "There's been a common misconception on marijuana tax."



USA TODAY

Denver airport bans pot-themed souvenir sales

[\(http://www.usatoday.com/story/news/nation/2015/01/28/denver-airport-bans-pot-themed-souvenir-sales/22486127/\)](http://www.usatoday.com/story/news/nation/2015/01/28/denver-airport-bans-pot-themed-souvenir-sales/22486127/)

Colorado policymakers in 2014 discovered that far fewer people than expected switched from medical marijuana to recreational marijuana once it was legalized Jan. 1, 2014. Medical marijuana is taxed at a far lower level, and most heavy users opt to spend \$15 on a state-issued "red card" allowing them to buy medical pot. In most cases, the marijuana itself is exactly the same. A study commissioned by the state found that in some ski towns, tourists were buying 90% of the recreational marijuana sold.

In part because medical users aren't switching, the state's tax collections are below predictions. And home-growers are exempt from the state's tax system since they're not legally allowed to sell their crops, although some clearly do, according to police.

A state study said that gray market of home-growing is a factor in dragging down tax collections, since illegal transactions remain untaxed.

Legalization advocates say there was always bound to be growing pains, but they point out the irony that some Colorado policymakers are peeved the state collected less marijuana tax than expected. This is an industry, after all, that operated totally illegally just over a year ago.

"There are hundreds of millions worth of marijuana sales now taking place in licensed taxpaying businesses, instead of on the underground market," said Mason Tvert of the Marijuana Policy Project, which backed Colorado's legalization efforts. "The tax revenue is a bonus but our overall goal was to eliminate the underground market."

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**From:** [Sue Sprinkle](#)  
**To:** [Rep. Mark Neuman](#)  
**Cc:** [Rep. Steve Thompson](#); [Rep. David Guttenberg](#); [Rep. Les Gara](#); [Rep. Tammie Wilson](#); [Rep. Mike Hawker](#); [Rep. Scott Kawasaki](#); [Rep. Lance Pruitt](#); [Rep. Cathy Munoz](#); [Rep. Lynn Gattis](#); [Rep. Bryce Edgmon](#); [Rep. Dan Saddler](#)  
**Subject:** AK State Budget  
**Date:** Tuesday, March 01, 2016 5:45:58 PM

---

Ladies and gentlemen,

I'd have been at the LIO (Faribanks) but like you, I had deadlines. I'm a private business owner and hope you'll accept this email as my testimony.

I respect that cuts need to be made to our budget but let's think long term. Not what's "good politically."

But we should initiate an income tax NOW while folks have still have jobs and money. Not after they loose them due to the slashing cuts to our University. Let's ask the folks who work in this state but don't live here to help pay for the use of our infrastructure and public services.

I find it exhausting to continue pleading for full funding of our University and Early educational institutions. Far better to invest in our people than in the International corporations that extract our resources and bank their profits in other countries.

Our research facilities are world-renown. Why hobble them? Our scientists are internationally celebrated. Let's not chase them away.

Oil will run out. Brain power doesn't. Don't strangle it.

Thank you,

Sue Sprinkle

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**From:** [Linda File](#)  
**To:** [Sen. Click Bishop](#); [House Finance](#)  
**Subject:** Re: Budget ideas and input  
**Date:** Tuesday, March 01, 2016 5:46:08 PM

---

I recently sent a budget message and did not include my address:

Linda File  
820 Canterbury Drive  
Fairbanks, AK 99709  
907-322-6548  
(Resident of Alaska since 1965)

On Tue, Mar 1, 2016 at 5:38 PM, Linda File <[filelinda@gmail.com](mailto:filelinda@gmail.com)> wrote:

March 1, 2016

Dear Alaska Legislators, Senator Bishop, Members of the Finance Committee;

Thank you for seeking public input. My priorities for cutting the budget include:

- Top Tier State administrative positions - reduce salaries by 10%, examine and reduce benefits similarly
- Legislator per diem - examine and reduce by 10 to 25%
- Legislator salaries - reduce by 5 - 10%
- Legislator retirement benefits - reduce to equivalent of teacher Tier 4 benefits

I believe a good faith effort to make cuts in what legislators pay themselves in this second half of the 29th Legislature would be respected by the public.

Revenue enhancement suggestions:

- Return the Income Tax with sliding scale - wealthiest Alaskans (\$150,000 up) pay more and the most vulnerable (at poverty level) pay least. A straight percentage may work and achieve the same. End the unsustainable idea that we in Alaska never have to pay for the many services we receive living in this State.
- End favoritism to business through the tax structure which currently puts business' finances above the interests of those who work for them. No free passes for business over individuals in taxation.
- Put the earnings of the Permanent Fund to work for functions that promote the present and future good of all Alaskans--education, health, seniors, the disabled and those in poverty.
- Examine how solvent municipalities such as the City of Fairbanks have remained solvent and invite input from their mayors and city managers. (Fairbanks has a permanent fund and does not have a deficit.)
- Cap the dividend - the idea we always receive but never have to give is unsustainable.
- Create a State Bank per new bill introduced by Kawasaki and Tuck - revenue earned goes back to the State.

- Out of State Non-Resident Worker Tax or Annual Fee, whichever is possible - end the long run of resource earned dollars leaving our State through high paid commuting workers; has gone on too long.
- Reinstate a School tax of \$10 to \$100 per worker depending on income to help everyone realize education costs something.
- Raise non-resident State Fishing, Hunting and Camping fees - create a significant flat fee tax for those who come and use the services of a guide to extract our fish and animal resources.
- End favoritism toward oil and resource extraction companies - create a fair and equitable tax structure that reflects Alaskans' ownership of State resources. They should not be getting a free pass, even with the lower price of oil, which is not the fault of the people of Alaska.
- Rather than reduce agencies by an across-the-board percentage, examine areas that are identified as least essential and seek wide agreement to encourage state employees to work together to reduce costs that will bring actual savings, not simply cut lowest wage workers who do much of the work.
- Rather than allow windfall spending at end of fiscal year (spend now or it's gone), find a way to limit spending on non-essentials to only what is needed according to common sense. Supervisors should be made responsible for reducing office budgets from the previous year, not engaging in windfall spending.
- End 'double-dipping' State retirements. This is unsustainable.

Our university returns dollars, our seniors return dollars, employed young people happy in their lives return dollars, education returns dollars. Oil is in the past, new energy ideas and expansion into the Arctic to protect the planet is the future. We are on the cutting edge of a warming world. There will be opportunities for research, for hosting conferences, for leading the way. Alaska must be in the lead as these new challenges arise. I hope we are up to doing so.

We will not be able to cut our way out of this mire to a better Alaska. We must all do our share.

Thank you;

Linda File

**From:** [mariann](#)  
**To:** [House Finance](#)  
**Subject:** State budget  
**Date:** Tuesday, March 01, 2016 5:09:23 PM

---

I propose a 35 % straight across the board cut beginning with the governors salary. All state legislators salaries would receive same said cut. You all overspent on bells & whistle, ludicrously budgeting at \$105 a barrel. You have the budget reserve to use to ride your mess over while you figure out how to accomplish what you previously screwed up.

Next all departments would receive the same 35 % cut across the board. Before you say Can't do that. Quit funding for example the state troopers with \$30k radio stacks in their planes every other year, make them pull their 250hp engines out of the salt water like responsible people do. Kill department duplications & funding feasibility studies on projects that will never be built.

Why build a gas line when 2 years ago a process was found that allows oil & gas to flow thru the existing pipeline to Valdez then separated.

& don't get me started on the extravagant offices in downtown anchorage. Session is in Juneau what do you need these for to begin with? Plus do you realize Texas government meets every OTHER year & manages to get their work finished in a shorter time than our state?

It's called work effectively & efficiently quit acting like it's the 70's & money falls from pipelines. It Doesn't anymore.

Sent via the Samsung GALAXY S® 5, an AT&T 4G LTE smartphone

**From:** [Marybeth Holleman](#)  
**To:** [House Finance](#)  
**Subject:** ADFG budget  
**Date:** Tuesday, March 01, 2016 5:12:12 PM

---

Finance Committee:

Given our severe budget crisis and the need to cut government spending, I request that you discontinue funding of the ADFG Intensive Management predator control program. Not only does this program cost Alaskans millions of dollars, but it also simply isn't effective in increasing prey.

In just the years 2012 to 2014, ADFG spent more than \$5 million killing bears and wolves. The per-kill cost is outrageous: North Slope, \$49,986 per brown bear; Koyukuk, \$12,692 per wolf, Upper Yukon-Tanana \$12,790 per wolf. It's a ridiculous amount of time and expense being used just to kill a few predators. And it's even more ridiculous since it doesn't work: after 10 years of predator control in the Middle Kuskoswim, ADFG reports "no progress."

This wasteful spending must stop. Why should we cut education but still allow this outlandish spending on killing wolves and bears for no reason other than - well, I have no idea what the reason could be. It doesn't work. The Yukon Territories came to this conclusion years ago, and no longer throw away their money.

It's expensive, it doesn't work, and, what's more, most Alaskans do not support it.

So, cut the IM program now.

Thank you,  
Marybeth Holleman  
Anchorage AK

[Your Name]  
1101 Kellum Apt. C406  
Fairbanks Alaska 99701  
907-750-3035  
jayedestinyalmer@alaska.net  
March 1, 2016

House Finance Chair Rep. Mark Neuman, R-Su-Valley

HB256

Dear House Finance Chair Rep. Mark Neuman, R-Su-Valley:

This letter is a public testimony about the proposed cuts to the Fiscal Year 2017(HB256). I work as a peer counselor here in Fairbanks and I am also involved in advocating for the rights for individuals and families directly affected by mental illness. Recently I had an opportunity to attend a local focus meeting that SILC (Statewide Independent Living Counsel) hosted at Access Alaska here in Fairbanks, during this meeting an employee of Access Alaska shared testimony from one of his coworkers, in this testimony she shared that she has had several clients tell her that they are purposely hurting themselves in order to be admitted to Fairbanks Memorial Hospital on the behavioral health unit just so they could receive services at Fairbanks Community Mental Health Services! There is a shortage of providers in Fairbanks (and likely the whole state) who will see people that have Medicaid as the primary insurance coverage; providers have said they are reluctant to accept Medicaid because of the excess paperwork required by Medicaid as well as the slow reimbursement rate as well as the low reimbursement amount. Alaskan residents with mental illness and substance use don't deserve to be blacklisted when it comes to receiving services. At a time when the state is facing a severe and unprecedented budget crisis, those in Juneau should be focusing their energy towards fixing our fiscal situation, not creating more hurdles for the most vulnerable residents of our state.

I am not only speaking as a provider for those with mental illness and substance use issues, I am speaking of my own experience living with mental illness and the challenges of finding competent providers that will accept Medicaid or offer a sliding scale fee low enough that I can afford.

If you have any questions or comments feel free to contact me.

Sincerely,

*Jaye Palmer*

[Your Name]



**From:** [Keeley Olson](#)  
**To:** [House Finance](#)  
**Subject:** Budget Testimony  
**Date:** Tuesday, March 01, 2016 5:15:29 PM  
**Attachments:** [image003.png](#)

---

*My name is Keeley Olson, and I serve as the Executive Director of Standing Together Against Rape, Inc. (STAR). Our agency is located in Anchorage, Alaska and provides 24 hour crisis intervention, advocacy, emergency assistance, and support services to victims of child sexual abuse and sexual assault. STAR is also actively involved in education and violence prevention.*

*Last year our agency served 1,300 unduplicated individuals, and responded to over 1,900 crisis line calls to provide information, support, and dispatch Advocates for 24 hour in person response. In 2015, STAR responded to 236 urgent sexual assault response team call outs and provided support to over 700 children and their family members as they reported crimes of child sexual abuse.*

*STAR's Community Prevention and Education Team provided age appropriate personal safety presentations to 14,900 students in the Anchorage School District. STAR's Green Dot Instructors provided evidence-based bystander intervention training throughout the community and trained 13 new trainers last month to build capacity for the prevention project. In 2015, STAR provided prevention and education training to 67 service agencies, 85 community organizations, reaching over 5,000 Anchorage residents.*

*Our agency currently receives grant funds disbursed through the Department of Public Safety, Council on Domestic Violence and Sexual Assault. We would like to express our support for the current funding amounts contained in the close out of the Department of Public Safety subcommittee of \$12,652,700. While this reflects a decrease of \$340,000 from the FY16 budget, this amount allows the core emergency services we provide to our communities to continue. We thank you for recognizing the need for these services and prioritizing them within this challenging budget.*

*In addition to the support in the grants line we would like to encourage the committee to reconsider the proposed cuts of 3 staff member positions within the CDVSA office staff. The programs currently use the CDVSA staff for technical support, expertise in the subject matter, data and research functions, and financial information. Regardless of what position is cut within the Council, losing 3 staff members of a team of nine will impact the local programs in receiving the type of support needed from the Council. We encourage you to consider only cutting 2 staff members and keeping a staff of 7 to support the intervention and prevention work going on throughout Alaska.*

Thank you,



**Keeley Olson**

Executive Director

Standing Together Against Rape (**STAR**)

1057 W. Fireweed Lane | Suite 230 | Anchorage, AK 99503

Office Line | 907.276.7279

24 Hour Crisis Line | Relay Friendly | 907.276.7273

Fax | 907.278.9983

[keolson@staralaska.org](mailto:keolson@staralaska.org)

[www.staralaska.com](http://www.staralaska.com)

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**From:** [Jeanne Earnshaw](#)  
**To:** [House Finance](#)  
**Subject:** OWL funding  
**Date:** Tuesday, March 01, 2016 4:45:29 PM

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OWL (Online With Libraries) funding, which was included in the Alaska Governor's budget was cut entirely by the finance education subcommittee, should be restored. Without this funding, it would cost us \$40,000 to keep our internet connection in Unalaska, which would increase the library's internet budget by more than 700%.

- Our internet connection, which we share with the school to save money, costs \$159,492 per year.
- o Federal e-rate funds pay \$79,746 of this cost. OWL pays \$35,074.
- o If we lose OWL funding and are unable to make up the difference with city funds, we will lose much of this \$79,746 in federal funding.
- o If we start charging patrons for internet use, we will lose all of the federal funding.
- Internet is tremendously expensive on the island, and many residents do not have home internet. They need this connection to apply for jobs, do their income taxes, apply for the PFD, continue their education, pay their bills, and connect with their families and the outside world.
- The library is the only source of free internet, open to all, on the island.

Samples of programs and services that were made possible by OWL:

- Unalaska City School students were able to take a virtual tour of the UAF campus and ask questions about college life.
- Elementary students were able to talk with NASA scientists and take a tour of the space capsule.
- Students at UAF, UAA, and UAS are able to take online classes at the library.
- Several patrons have mentioned to me that they are using the library internet to operate small businesses.
- A dad reads children's books to his kids via Skype in the library's children's room.
- Patrons have job interviews via Skype.
- We are hoping to offer an SAT class through an Anchorage instructor this year, but it will not be possible without high-speed internet and videoconferencing capability.

Thank you for your consideration and support,

Jeanne Earnshaw  
Unalaska Resident

Sent from my iPhone

**From:** [J Jones](#)  
**To:** [House Finance](#)  
**Subject:** Written Testimony for House Finance Committee  
**Date:** Tuesday, March 01, 2016 4:51:39 PM

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Dear Finance Committee,

I am writing in support of funding the University of Alaska at the amount requested by the governor and funding research and other creative activities. I have been a professor at the University of Alaska Fairbanks for over 15 years. I greatly fear that the reduction in state funding to the university that has been proposed will have lasting effects for the next 20 - 30 years. In order to manage such a large reduction, the university would be in danger of losing accreditation, if whole programs have to be eliminated on such a short time frame. With the mass layoffs that would occur, our best teachers and researchers will leave UA and Alaska for positions at better-supported institutions. Enrollment at UA will decline as students choose to pursue their degrees out of state. The damage to UA's reputation will impair its ability to hire quality faculty to replace the faculty who left.

As a professor, research is a central component in the education of my students, and provides valuable information for managing our wonderful natural resources in Alaska. Research in my lab has been supported by a number of grants from the National Science Foundation and other federal agencies. The vast majority of that funding goes towards supporting undergraduate and graduate students in the forms of stipends, tuition, and money to support their thesis research. Beyond the direct support, these grants enable me to have a lab with state of the art equipment. Critical for training students in the use of the latest tools and techniques, and prepares them to be competitive for jobs. A productive lab also allows me to recruit from the brightest minds across the country, many of whom choose to stay in Alaska after graduation.

Lastly, as a father of a 12-year-old daughter, if these cuts are enacted and given the certain effect on the University, I have to ask myself if the University of Alaska would be a university where I would want to send my kid. If these cuts are enacted, the answer is certainly no.

Respectively,

Jeremy Jones

1107 Ridgpointe Drive

Fairbanks, AK 99709

**From:** [Evelynn Trefon](#)  
**To:** [Rep. Mark Neuman](#)  
**Cc:** [Joan Brown](#); [Peter Ecklund](#); [Darrell Breese](#); [Rex Shattuck](#)  
**Subject:** Letter about FY17 Budget  
**Date:** Tuesday, March 01, 2016 4:42:41 PM  
**Attachments:** [Letter to State.docx](#)

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Dear Representative Neuman,

I have written you a letter with my concerns regarding the proposed FY17 budget. Please see attached. I will be forwarding the same letter to many of your colleagues. Please feel free to call me if you would like to discuss any of this further.

Good luck with the tough decisions that you are faced with.

Thank you and best regards,

Evelynn Trefon  
Newhalen, Alaska  
[907-444-8875](tel:907-444-8875)

Evelynn Trefon  
PO Box 244  
Iliamna, AK 99606  
Tel 907-444-8875  
evelynntrefon@gmail.com

FEBRUARY 29, 2016

**Representative Mark Neuman**

State Capitol

Juneau, AK 99801-1182

Dear Representative Neuman,

I am writing to you in regards to a few items of great concern for my community with the proposed FY17 budget. I am a resident of Newhalen in the Lake Iliamna area, the Vice Mayor for the Newhalen City Council, and am on the Board of Directors for Iliamna Newhalen Nondalton Electric Co-Op. Please see my concerns below on Proposed Fuel Increases, Community Revenue Sharing, Power Cost Equalization, Income and Sales Taxes, Iliamna Trooper Station, and K-12 Funding.

Proposed Fuel Increases

HB 249 is about increasing taxes on different forms of fuel in the State of Alaska. Throughout all of rural Alaska, this will impact us the most. Increasing the aviation gas tax from 4.7 cents to 10 cents per gallon is going to hurt rural Alaska. We greatly dependent on air travel and air freight. Any increase on jet or aviation fuel will in turn increase our airfare and freight prices. In speaking with local air charters, they use around 60 gallons of jet fuel for a 55 minute, one-way flight from Anchorage to Iliamna. Rates for this flight are currently \$190.00 for residents and \$240.00 for non-resident. Increasing jet fuel by 6.8 cents to \$0.10 cents per gallon would cost the air taxis an additional \$408.00 per flight. On a 9 passenger plane, this is an additional cost of roughly \$45.00 per person raising the rates to a minimum of \$235.00 for resident and \$285.00 for non-resident for a one-way flight.

For general freight, we currently pay \$0.60 to \$0.95 cents per pound. A 52-pound variety meat pack from Mike's Quality Meats currently costs \$255.00. Freight would be an additional cost of approx. \$50.00. I could not even begin to speculate how the increased fuel prices will impact our freight rates. Some would cry, "well why doesn't rural Alaska subsistence hunt?" We do, but that also requires gasoline (air freight and barged in), oil (air freight), a snow machine or ATV (barged in or air freight), bullets (air freight), a gun (air freight), proper clothing for the elements (air freight), and much more.

The proposed gasoline fuel tax increase from 8 cents to 16 cents per gallon would increase our current rates of fuel from our “low” price of \$4.64 to \$4.72 per gallon at minimum. Increases on fuels will not solve any problems in rural Alaska. It will only generate more.

Increases on the aviation and jet fuels will also increase expenses of our commercial fishermen. Most fishermen fly to their fishing locations each summer. They also have their freight flown in. Increasing taxes on gasoline, jet, and aviation fuels will potentially bankrupt our fisher people and cause the sell of more permits to people Outside. Fish prices are already at super low levels and tacking on more expenses to them is ruthless and irresponsible. Our commercial fishermen and rural Alaskans can only take so much before their backs will break and they will sink.

### Community Revenue Sharing

At our last city council meeting, we were advised that our yearly Community Revenue Sharing from the State of Alaska will be decreasing by \$34,085.00 to \$67,170.00. This will GREATLY impact our community and all municipalities throughout Alaska. This was also decreased by approx. \$5000.00 from FY15 to FY16. For FY17, we are basically being asked to eliminate more than 1/3 of our yearly budget.

Community Revenue Sharing has become an integral part of the City of Newhalen. It represents nearly 90% of the yearly budget. We use these monies to provide needed services and jobs for the community. The population of Newhalen is approximately 200 people. Of these, less than 25% have full or part-time employment. Through a recent door-to-door survey, it was documented that 80% of our residents fall below the poverty line.

As a city, we are looking at other sources of income and eliminating expenditures. Options being considered are: closing the community health clinic, looking at new sites to sell gravel, licensing dogs in the community, and more. The selling of gravel brings an additional source of money for the city. However, 50% of the money from the sales must be sent to Bristol Bay Native Corporation, as they own the mineral rights to all the land in the area. We do not have a savings account to fall back on, and there is no “extra money” to start one. Every penny that is received by the city is spent to the fullest possible potential.

Below is data from the State of Alaska’s website that shows the amount of revenue sharing for the past 11 fiscal years for three rural cities in Southwest Alaska: Newhalen, Nondalton, and New Stuyahok. I have also included if the cities lost or gained revenue compared to the year prior.



Fiscal Year	Newhalen	Nondalton	New Stuyahok
Population Est. (2013)	193	166	529
FY17	\$67,170.00	\$65,853.00	\$76,366.00
FY17 Vs. FY16	<i>-\$34,085.00</i>	<i>-\$33,459.00</i>	<i>-\$38,085.00</i>
FY16	\$101,255.00	\$99,312.00	\$114,451.00
FY16 Vs. FY15	<i>-\$5,128.00</i>	<i>-\$5,128.00</i>	<i>-\$5,541.00</i>
FY15	\$106,383.00	\$104,051.00	\$119,992.00
FY15 Vs. FY14	+\$1,803.00	<i>-\$101.00</i>	<i>-\$263.00</i>
FY14	\$104,580.00	\$104,152.00	\$120,255.00
FY14 Vs. FY13	<i>-\$44,484.00</i>	<i>-\$44,152.00</i>	<i>-\$50,406.00</i>
FY13	\$149,064.00	\$148,304.00	\$170,631.00
FY13 Vs. FY12	+\$8,470.00	+\$9,434.00	+\$8,825.00
FY12	\$140,594.00	\$138,870.00	\$161,806.00
FY12 Vs. FY11	+\$36,469.00	+\$33,542.00	+\$39,777.00
FY11	\$104,125.00	\$105,328.00	\$122,029.00
FY11 Vs. FY10	<i>-\$139.00</i>	<i>-\$977.00</i>	+\$981.00
FY10	\$104,264.00	\$106,305.00	\$121,048.00
FY10 Vs. FY09	<i>-\$342.00</i>	+\$204.00	+\$1,960.00
FY09	\$104,606.00	\$106,101.00	\$119,088.00

As shown above, we are not the only community in Alaska that is facing a budget crisis if this revenue continues to be decreased or eliminated. The City of Nondalton is located approximately 18 air miles north of Newhalen. They also rely heavily upon revenue sharing as their ONLY source of non-locally generated income. Both cities provide the core community services to their people such as septic pumping, water and sewer, garbage removal, and managing the dump. The cities also provide a source of employment to four people in Newhalen and six people in Nondalton, who would otherwise be without a job. If revenue sharing continues to drop and even disappears, it would devastate the cities of Newhalen, Nondalton, and many, many more throughout Alaska.

Ms. Kathie Wasserman, Executive Director of the Alaska Municipal League, has said time and time again, “they (the state) can ‘save’ money until some of these municipalities shut down and then all the liability of that municipality goes to the state.” What Ms. Wasserman is referring to an Alaska Statute that states if a municipality has to shut down, the state would incur all of the cities expenses and responsibilities that it has to a community to provide the essential services such as water, sewer, trash disposal, etc. I fear without revenue sharing, this will happen to many communities throughout Alaska.

### Power Cost Equalization (PCE)

“PCE was instituted as a program to provide economic assistance to customers in rural areas of Alaska where the kilowatt-hour (kWh) charge for electricity can be three to five times higher than the charge in more urban areas of the state. PCE fundamentally improves Alaska’s standard of living by helping small rural areas maintain the availability of communications and operation of basic infrastructure and systems, including water and sewer, incinerators, heat and light. PCE is a core element underlying the financial viability of centralized power generation in rural communities.” These are not my words but Alaska Energy Authority’s on their fact sheet about PCE. Each one of those words rings true.

Based on the reporting period from 07/01/14 to 06/30/15, Iliamna Newhalen Nondalton Electric Coop (INNEC) provided electric service to a combined community population of 476 people. There were 187 residential and 15 community facility customers that qualified for the PCE credits. In 2015, INNEC, generated 903,259 total PCE eligible kWh. For 2015, the last reported average PCE payment per eligible kWh was \$0.24. This equates to \$216,782.16 savings for the three communities, or roughly \$1,073 per eligible customer. An average family of four pays roughly \$150.00 per month. Without PCE, they would be facing around \$240.00 (roughly \$90 more per month). That is a big added cost for our residents who are already struggling with their day to day expenses.

For our residents to continue to thrive and be able to afford their electrical expenses, PCE must be held intact for its specific use. Without it, rural Alaskans across the state will suffer and it will be detrimental.

### Income and Sales Taxes

A broad income tax has been proposed at the state level. For a small community such as Newhalen, it would apply too much pressure to our already too tight belts. I believe this could be a great revenue source generator for the state as a whole, but it should be imposed on people who make more than \$150,000 per year. In Ohio, they currently have a 5.925% on income tax for people whose income is over \$200,000. Hawaii imposes a rate of 11% for income over \$200,000. I believe either of these options to be fair and just. Here are some other examples across the nation:

**Connecticut:** 6.5% on income over \$500,000

**New Jersey:** 8.97% on income over \$500,000

**North Dakota:** 4.86% on income over \$373,650

**Rhode Island:** 9.9% on income over \$373,650

**Maryland:** 6.25% on income over \$1 million

**New York:** 8.97% on income over \$500,000

**Oregon:** 11% on income over \$250,000

**Vermont:** 8.95% on income over \$373,650

Tennessee charges a 6% tax on interest and dividend income but wages are not taxed. This is a very interesting idea considering how many different corporations offer their shareholders a dividend.

The idea of a Statewide sales tax has been tossed around as well. For Newhalen, a state or local sales tax would not help to fill anyone’s coffers in a positive way. There are only two local businesses in Newhalen – Newhalen Bingo and INN Electric Co-Op. Imposing any taxes on Bingo would potentially drive

sales to our neighboring village of Iliamna, which is also currently tax free. Instituting taxes on INN Electric Co-Op would only initiate more harm to our residents by potentially driving up rates.

#### Iliamna Trooper Station

Trooper Joe Minnick is currently stationed at the Iliamna Trooper Station in Newhalen. He is our closest form of law enforcement in the Lake Iliamna, Lake Clark, and Kvichak River area. Currently, there are no Village Public Safety Officers or Village Public Officer in any northern Bristol Bay villages, which includes Port Alsworth, Nondalton, Iliamna, Newhalen, Pedro Bay, Pile Bay, Kokhanok, Igiugig, and Levelock. According to Bristol Bay Native Association, due to budget cuts by the State from last year, the open position for a Rover Village Public Safety Officer for the Northern Region has been eliminated. If Trooper Minnick were taken out of the northern Bristol Bay Region, it would be tragic and potentially devastating for our communities. We value him as a true asset to the region and rely on him and his authority.

#### K-12 Funding

"I believe the children are our future. Teach them well and let them lead the way," – Whitney Houston

I believe in this statement. We owe it to our children to ensure that children in schools with enrollments of 10 (Chignik Bay School) all the way to 2,222 (East High School) deserve a proper and well funded education. With other proposed items in the budget, schools throughout the state will need to figure out how to make the same dollar stretch further, even without even considering more budget cuts for themselves

#### Conclusion

I guess my main purpose of writing this letter is not to offer solutions. It is to remind you that for every action that is taken during this legislative session, we will be effected. You have been elected by the people to represent the people of your district. We have entrusted you with this great duty. It is your job to weigh all the options presented before you and figure out how to get us out of this mess, and hopefully prevent it from happening again. Rural Alaskans deserve a voice. Remember us. Remember how we live and what it takes to live here.

SINCERELY,

*Evelynn Trefon*

**Vice Mayor, City of Newhalen**

**Secretary, INN Electric CO-OP**

**Resident of House District 37 and Senate District S**

**From:** [Teri Toland](#)  
**To:** [House Finance](#)  
**Subject:** Budget  
**Date:** Tuesday, March 01, 2016 4:37:36 PM

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I am writing to encourage the House Finance Committee to take the appropriate actions to craft a sustainable state budget that includes revenue. Utilizing some version of Governor Walker's plan, or others that have been submitted shows commitment to making a positive impact on the life of every Alaskan. What is unacceptable is no action whatsoever by our legislators. Interestingly, Wyoming and Alaska are the only two states that have a permanent fund from oil. As a Wyoming resident for 45 years, I did not even know that there was a fund. The monies in Wyoming are set aside for public services, and have allowed the state to remain stable in times of boom and bust. Accessing the permanent fund earnings this spring to begin to address the shortfall is non-negotiable.

Thank you for considering these points,  
Teri Toland

--

Teri Toland, Principal

Stedman Elementary

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**From:** [Unalaska CVB Events](#)  
**To:** [House Finance](#)  
**Subject:** Public Testimony - OWL Funding  
**Date:** Tuesday, March 01, 2016 4:37:56 PM

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To Whom it Concerns,

I am a concerned citizen of Unalaska, AK. While I understand there is a need for cuts in state spending, I am disheartened to find that public services is the first thing that the government is looking to sacrifice.

Having internet provided at the Unalaska Library is incredibly important to our community. Many residents such as myself opt out of paying for internet at home because the rates are so expensive, and the internet service is already horribly slow and unreliable. The library is our go-to for taking care of personal business and helps us stay educated and connected- I can't imagine what the community would do without it, especially when considering those who are less fortunate.

Also, the library and school share the internet connection as a way to save money. Please, please do not cut the OWL funding.

Thank you,

Erica Mobley  
Visitor Coordinator  
Unalaska/Port of Dutch Harbor  
Convention & Visitors Bureau  
PH 907-581-2612 FX 907-581-2613  
[www.unalaska.info](http://www.unalaska.info)

**From:** [nlord@xyz.net](mailto:nlord@xyz.net)  
**To:** [House Finance](#); [Rep. Paul Seaton](#); [Sen. Gary Stevens](#); [Sen. Peter Micciche](#); [Rep. Mike Chenault](#)  
**Subject:** operating budget  
**Date:** Tuesday, March 01, 2016 4:39:01 PM

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Dear House Finance Committee Members,

I attended the public testimony session today on the budget but couldn't stay until Homer was heard. This was the first time I've gone to a teleconference in years, because I feel so strongly about the budget situation.

Your expert consultants have all told you that you can't cut your way out of our giant deficit situation. Your constituents understand that as well. Please follow the governor's lead THIS YEAR to put together a fiscal plan that involves taxation, permanent fund earnings, and savings, as well as budget reductions less extreme than what are before you now. Delay in doing this will only deepen the crisis as well as threaten the state's credit rating.

I'm concerned about many parts of the budget but especially education and the university. I teach part time (adjunct) at the Kachemak Bay campus (part of Kenai Peninsula College) and at UAA. I tell you this not out of self-interest (I can survive without teaching) but because my experience with the university helps me understand what a difference it makes (positively) in people's lives--first-generation students, returning students, student preparing for careers, students changing careers, lifelong learners, etc. Education is fundamental to our economy, democracy, community health, and future. The \$15.8 million in university cuts in the governor's budget are extreme on top of last year's cuts, but your subcommittee's recommendation (is it \$50 million in cuts?) is absolutely devastating. We cannot be the state and people we need to be with a university weakened that much. And yes, research is an integral part of our university and brings to us federal and other funds as well as world-class experts to help solve problems and build strong communities.

Education in Alaska also includes funding for libraries and public media. These should be highly valued and protected from devastating and counter-productive cuts.

What I'm asking of you is to please cut the operating budget with knowledge and care, to do the least harm, and to balance that with a fiscal plan to address the whole problem. For the university, please consider that the level of cuts in the governor's budget is already deep enough--too deep for many of us who value education.

Sincerely,  
Nancy Lord  
Homer

**From:** [Jeff Smeenk](#)  
**To:** [House Finance](#)  
**Subject:** Comment against the loss of funding of potato program at PMC  
**Date:** Tuesday, March 01, 2016 4:39:49 PM

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Members of the Finance Committee,

From various news sources I get the impression that Alaska Agriculture is feeling disproportionate amounts of budget pain. In last year's budget funding supporting the state's Soil and Water Conservation districts was removed. In this year's budget significant cuts to both the University's Cooperative Extension Service and the State of Alaska's Plant Material Center are being considered. These cuts are on top of the state's loss of the USDA Agricultural Research Service several years ago. The loss of these support mechanisms combine to deal a huge blow to agriculture!

The timing of these budget cuts is horrible to Alaska's growing Ag industry. Years of state investment in the Alaska Grown program is beginning to pay off. Customers are asking for Alaska Grown produce in the store. The state's farmers markets are growing wonderfully, both in number and in gross sales. We are pushing aggressively into new agricultural venues such as peonies, rhodeola, value added food processing and many others. Unfortunately, these new growers and/or new venues often need research and information support as they build their business. Sometimes the information generated by other states is appropriate for Alaska growers but often the practical horticultural information has to be generated here in Alaska. Already, the agricultural professionals at the Soil and Water Conservation Districts, the University, and the Division of Agriculture's Plant Material Center have difficulty in determining appropriate solutions for Alaska agriculture issues. With the looming budget cuts I don't see how we'll be able to continue to help these industries along their way to long-term self-sufficiency.

As a certified seed potato grower the loss of the potato program at the PMC will impact my business immediately and the entire state in a few years. Seed growers have to plan several years in advance. Last month I placed my order at the PMC for seed stock that I will plant in 2017. This material will be planted for several seasons to increase the amount until I have enough to sell to commercial table stock growers. So the material that I ordered last month will probably be seen by the farmers market customers in 2020. If the program is completely terminated I won't be able to plant certified seed and then several years later sell my seed on to the farmers market growers.

Some may say that losing this segment of industry is no great loss and that we can bring seed potatoes in from other states but they will have forgotten history. The Alaska seed potato industry was developed about 30 years ago to rescue a situation where potato diseases were rampant and potato production was declining. The industry's certification program, which is overseen by the Division of Agriculture, has made outstanding strides in correcting these problems.

The potato program of every state that I know of is managed either by

the state or by the state's land grant university to maintain objectivity. This objectivity ensures the customers and the regulators of other states, that the industry is not trying to pull 'a fast one' on anyone. Of all the (legal) crops grown in America seed potatoes are the most regulated. There is both a significant paper trail and numerous physical inspections of the production sites required by regulation.

Seed producers pay for the initial seed material and we pay for the annual inspections. In light of the budget constraints the state faces we anticipate paying more for both to defer some of the costs. But please don't entirely gut the potato program at the PMC.

I look forward to answering any further questions you might have and can be reached at (907) 357-1440

Sincerely,

Jeff Smeenk

District Manager of Palmer Soil and Water Conservation District

and Owner of Alaska Specialty Crops in Palmer