

From: [Julia Bevins](#)
To: [Senate Finance Committee](#)
Subject: Budget Input
Date: Tuesday, March 08, 2016 9:20:50 AM

To State Finance Committee Senators,

Thank you for tackling this difficult problem.

Here's my input for AK State Budget. ISER's study says that if we cut the PDF, this affects rural Alaskans and the poor disproportionately. Scaled state income taxes would be most fair to Alaskans, but the best way to "share the pain" is to institute sales taxes so that revenue is raised not only from Alaskans, but also by visitors and out of state workers.

To raise revenue:

heaviest weighting on sales taxes,

middle weighting on income taxes,

smallest weighting on the PFD

Rents, licenses, and fees for state services can be increased. Some of these fees are really low compared with similar licenses in other states.

AHFC is a for-profit corporation which really serves Alaskans and adds good money to the state coffers. Are there other arenas of business for which the state could create for-profit corporations?

Regarding cuts: Cutting state agencies should be done with utmost care. Decisions about those cuts are best derived from inside those agencies. Budget dictates from outside those agencies could be disastrous.

I'm concerned about "gutting" the University of Alaska. If we do, that puts our state education into 3rd world status. We are far enough removed from the lower 48. Travel outside is expensive. Culture and climate issues are different (eg cold climate engineering is specialized) and we need to be able to educate our populace. Substandard education will have

negative consequences for our state in years beyond this economic downturn, and that is at all levels from K-12 and our university system.

There may be ways to fundraise and create endowments for our University and similarly, ways to facilitate the flow of money from the community into our public schools outside of government funding. I hope the state is taking a look at this. I've wondered if UA would be well advised to hire a fundraiser to ask for large grants and endowments from our wealthiest state citizens and corporations making their money in Alaska. I know that there are some corporations in some industries which capitalize on our wealth and drain money from our state. There may be creative ways to have those stakeholders really chip in. For example, Princess Tours makes a lot of money in our state without giving a lot back.

Relying heavily on ISER's recommendations I think would steer us in the right direction.

Good luck!

Julia Bevins

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