

From: [Clinton R. Hodges II](#)
To: [Senate Finance Committee](#)
Subject: Requested Budget Feedback...
Date: Monday, March 07, 2016 3:41:45 PM

Dear Chair and members of the Senate Finance Committee,

To be quite honest I'm disappointed with the proposed budgets coming out of the subcommittees in both houses. Frankly, they don't seem to be taking our current fiscal situation seriously. Furthermore, the bad news coming out of BP today that they will shut down three rigs and layoff hundreds of north slope workers will reverberate through our economy in a very negative way. We need meaningful cuts to the government workforce that deals with this reality, now.

I have confidence that the industry will recover by 2020-2021, but in the meantime we should leave tax rates and tax credits alone. We don't need to be kicking this industry in the gut while they're down.

I have testified several times and my position has evolved somewhat but it is basically the same. One, the budget doubled and the size of the workforce increased due to one time fed stimulus funds and \$100.00 plus oil. Sadly, the subcommittees failed to take either of these factors into account and failed to make meaningful cuts to get the budget back on track. Instead, and it appears, members of the caucus have their eyes on the earnings of the Permanent Fund.

President Ronald Reagan said it well that the problem isn't too little taxation but too much government spending. Yet, this legislature of majority Republicans are failing to heed this good advice and instead refusing to cut government spending and the workforce to levels that reflect the current economic reality.

Two legislators boldly stand out, Rep. Wilson and Rep. Gattis. We need more legislators willing to face the fiscal crisis head on like these two. They recognized that we can't afford a university system when our Constitution calls for a university. Research and grants rely on tax dollars and when all costs are factored in the truth is we just can't afford to fund everything the university would like to do. They recognize that low income seniors will not be able to rely on the government for many of the subsidies they have come to rely upon.

We must roll back government spending and the government workforce to pre-Palin levels. Remaining employees should be contributing to their health plans and retirement plans at

levels equal to federal employees. A few months ago the Anchorage Assembly approved salary and benefit increases for teachers and a 1k bonus with absolutely no way to pay for it. The Anchorage School District passed a budget that includes a 50.00/student increase. This isn't responsible budgeting it is pure idiocy.

Like the oil companies our state must cut the government workforce and quit dancing around. What sense does it make to cap the dividend and spend earnings to sustain a level of government that the private sector can't afford?

I think oil and gas will make a gradual comeback and this is the way we should respond too. With necessary and meaningful cuts to spending and the workforce and with an income tax we can weather this fiscal situation in the short term. In the long term if we need more revenue we can look at some of the earnings, a sales tax and tolls. In any event I don't support Walker's Plan and McGuire's Plan. Let's due Clint's Plan! As with any plan there should be sunset clauses in them.

Regards,

Clinton and Gerri Hodges

6930 East 11th Avenue

Anchorage, Ak 99504

907 240 3535

Sent from [Mail](#) for Windows 10