

March 23, 2016

Honorable Co-Chairs Senators Kelly and MacKinnon and Senate Finance Committee Members,

Thank you for the opportunity to testify on SB114 and SB128, the Permanent Fund Dividend bills. The PFD was set up to be given to the people by the state, Governor Hammond. The companies that take our oil were and are required to pay us for taking that oil and Governor Hammond wisely set up a fund to give back to the people of this great state. There are many people in the state that depend on their dividends to pay their taxes and many of their bills. My family is not the only family that depends on our dividends. If you take this money away from us it will be financially crippling.

Don't take the Permanent Fund Dividend from the people. If you need to use some of the money, take some of the interest of the PFD every other year. Do not take it every year or it will delete our fund and there will be none left for the people which is what it was set up for. By taking the interest every other year, this allows the fund to build up on the off year. I think this would be in the best interest of the dividend holders because it was built for Alaskans.

I would not be against a state income tax like we had before but I am against a fisheries tax or any other tax. We are being taxed a lot at the city level and if you put more taxes on us a lot of cities in the state will go bankrupted. Also, I think it is very disrespectful to our Senior Citizens to say that they should move out of the state because the state pays too much for them. I heard a Representative say this on the radio the other day and was taken aback by the statement. Our State would not be what it is today if it were not for the Senior Citizens. They are the ones who built this great state and nation and they deserve everything we can give them.

I would like to thank Governor Hammond for creating the Permanent Fund Dividend for the people of Alaska. God bless him for that from my family.

Darrel Gross

PO Box 754

Wrangell, Alaska 99929

Doniece Gott

From: Christel <christel@gci.net>
Sent: Wednesday, March 23, 2016 9:15 AM
To: Senate Finance Committee
Subject: Restructuring of PFD

Let my testimony be very clear.

DO NOT RESTSTRUCTURE, REDUCE OR DO ANYTHING ELSE WITH ALASKAN'S PFD UNTIL

- 1) YOU GET OUT OF THE LIO**
- 2) YOUR REDUCE YOUR PER DIEM TO THE STATE AMOUNT WHICH EVERYONE ELSE RECEIVES**
- 3) GET RID OF THE OIL TAX CREDIT GIVE AWAY**
- 4) TAKE OUT FUNDING FOR HUGE NONSENSICAL PROJECTS (I.E. KABATA, SUSITNA WATANA ETC.)**

Doniece Gott

From: steve cothran <cothransteve@hotmail.com>
Sent: Wednesday, March 23, 2016 9:10 AM
To: Senate Finance Committee
Subject: State Budget

Instead of looking at short term measures of tapping into the Permanent Fund Earnings to meet budget shortfalls (a regressive policy that hits the poorest Alaskans the hardest), I encourage the legislature to find more long term sustainable solutions through new revenue sources. Many Alaskans are concerned that new taxes will become permanent and only lead to wasteful spending once oil prices rise again. Why not peg the rate of new taxes inversely to the price of oil?

Steve Cothran

Doniece Gott

From: Chuck Wheeler <charle10wheeler@gmail.com>
Sent: Wednesday, March 23, 2016 8:37 AM
To: Senate Finance Committee
Subject: SB 128 - Gov. Walker

Do not Support SB 128 submitted to the ASL by Gov. Walker.

To state the PF dividend would be \$1000 or more, pending the "moving target" of the State of Alaska deficit spending.,is not based on a long term "run", 2021 and on.PF dividend would drop below 900 ..!

Drawing on the ERA to fund Govt. Opns with A STATEWIDE SALES tax is unacceptable. Also unrestrictive funds are " unfair and unjust" to the remote rural communities in Northern Alaska who rely on AIR TRANSPORTATION for the very Basic NEEDS to exist. With a population of 1/7 , approximately 14% of the TOTAL STATE POPULATION, the revenues derived do NOT reflect expenditures in Remote rural communities because of POLITICAL power in the URBAN regions. Furthermore, natural resource revenues are derived from lands and areas within rural Alaska and imparts to communities' is real and damaging to the Subsistence lifestyle which is NOT recognized by the State of Alaska, Department of Labor and Workplace. Nor is the State of Alaska in compliance with federal law.

Revenues from natural resources,specifically Oil Production and Royalties' to fund govt. Operations do not fairly and justly benefit REMOTE Rural communities, on the contrary , are reduced incrementally for the past 3 decades. For these reasons I find No support for SB 128.

Emory C.Wheeler

Doniece Gott

From: Joseph Hummel <jhummel73@gmail.com>
Sent: Wednesday, March 23, 2016 7:13 AM
To: Senate Finance Committee
Subject: pfd restructure...No!

To the Senate Finance Committee:

I firmly oppose any restructuring of the PFD.

Please put this to the people for a vote. They will overwhelmingly reject it, I believe. However, if they approve, at least their voice will have been heard, and the government will have the consent of the people to take action on this powderkeg issue!

To legislatively act on this will be EXTREMELY unpopular!

The PFD is a lifeline for many people here in Alaska. Oftentimes it is the only thing which keeps people in this state.

What about the children saving for college?

Please don't take away our "dividend dance" !

Sincerely,
Joe Hummel
Fairbanks, AK

Doniece Gott

From: AL THOMAS <skinal@yahoo.com>
Sent: Tuesday, March 22, 2016 10:22 PM
To: Senate Finance Committee
Subject: permit fund

i am told that the state government wants their cake and mine too. If the state would take away any part of the pfd's it would be devastating to a lot of folks as that we look forward to that to buy firewood,repair the house or car,or medical bills,and stock up on foods for the freezer for the winter I live a small budget and if I can so can they *I oppose any changes to the pfd*

Doniece Gott

From: joyce porte <joybaker6@hotmail.com>
Sent: Tuesday, March 22, 2016 9:47 PM
To: Senate Finance Committee
Subject: Permanent fund vs. Taxes

As a long-time Alaska resident (since just before Statehood), I have observed my fellow Alaskans in their daily financial dealings and feel very strongly that an income tax, similar to Alaska's original income tax, is the best way to solve the problems we have as a commonwealth state. Here is my reasoning.

The typical working family of four often depends on the dividend to be able to stretch the comfort one of living with higher prices in housing, food, travel etc., and sometimes as a way to save for childrens' college funds.

This typical family of four will probably pay a Federal Income tax of \$8,000. If a State income was set up to pay 10% of that amount to the State, \$800, that would be a far cry from losing the 4 permanent dividends each year.

The more wealthy would pay much more in State income tax, but the taxes are spread much more equitably between the rich and the needs.

The same goes for a State sales tax – those close to the poverty level will hurt more than the wealthier.

In conclusion, the cost to the individual to alleviate the crisis should be fairly and equitably divided. Of course, it's the wealthier segment of our society that will get to decide on this, and they would opt for losing the individual permanent fund rather than levying taxes because they would have more to lose.

Joyce Porte

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Doniece Gott

From: Wade & Amy <wadeamy@yahoo.com>
Sent: Tuesday, March 22, 2016 9:29 PM
To: Senate Finance Committee
Subject: Permanent Fund and Taxes

I will only support use of the Permanent Fund if more is done to cut the state government than has been currently proposed by the legislature. After much more has been cut, than I would support a balanced approach using the PFD, sales and income taxes.

Wade Ellis- Anchorage

Doniece Gott

From: MaryBeth Printz <printz.mb@gmail.com>
Sent: Tuesday, March 22, 2016 8:42 PM
To: Senate Finance Committee
Subject: Budget suggestions

Dear Senate Finance Committee:

Please consider the following budget suggestions and act upon them for the good of the citizens of Alaska.

· 1. Size of Government. It is too large and controls too many aspects of our lives. I would ask that you explore every means possible to reduce the size of government before considering the usage of the PFD. Please investigate if one person can do the job of two in every department. Reduce the number of departments to what is absolutely necessary to run the state. Pare down the number of employees to the bare minimum and increase efficiency by offering incentives. The elimination of aides, travel expenses, reimbursement for dining out, etc., need to be considered as well. Moving the capital to Anchorage would also save a lot of money because Alaska is the only state with 'two' capitals, which is pointless and costly.

· 2. Spending. Fund what supports the good of the population not what is politically motivated. If the project does not benefit the entire population in an area, then it should be *permanently* discarded. There are too many projects like bridges and roads to nowhere that do not make any fiscal sense. When economic evaluations show that a project (i.e., Knik River Bridge) will never pay for itself and the burden for its support falls on taxpayers, eliminate it forever.

· 3. Sales/Income Taxes.

o If a sales or income tax is going to be instituted, do not give people PDF money and then take it back as a tax because it makes no fiscal sense. It is the same principle as Daylight Savings Time. And taxes only go up.

o If there is an income tax, it should be a flat tax, say 10% of a person's income, *including investment income and out-of-state residents*. That way, it would be fair for low-income individuals. It would be simple and would not require a multitude of state employees to oversee.

o Capping the Dividend. Only after significant housecleaning is done, should using the PDF be considered. This is a last resort when budgets in all other areas have been stripped to the bone, it should be at the lowest proposed rate.

· 4. Medical care.

o Support our elderly. Most seniors live on limited incomes and need assistance with all forms of medical care. Let's take care of our old folks, our family members, and not discard them!

o Copy Canada's health care system. It works.

· 5. Education. Funding for education needs to be closely examined.

o Close UAF. The three funded programs there can be moved to UAA, Anchorage.

- o Technology in schools is antiquated and needs to be updated to keep pace with the rest of the world.
 - o Now that No Child Left Behind is no longer a federal mandate, get rid of the plethora of tests. There is too much money (millions of dollars) spent on (over) testing our children. The number of days in a school year spent testing is 30 days or more (in the ASD), which is a significant loss of educational time. Testing is not learning. Years ago, students had one test a year, the Iowa achievement test. Teachers did not have to spend days of educational time in a lab prepping students for a pre-test or a post-test and missing more educational days for the actual test.
 - o Return to one achievement test a year in the spring as a measurement of annual progress. That test would take no more than one day of educational time. There would be no prep because teachers instruct what is in the curriculum and that is what would be tested.
 - o Funds could be spent to better prepare future teachers in our state universities.
 - o Teacher assessment. Using the AMP/MAP/STAMP, etc. test scores to assess teachers is an unfair practice because students who didn't care spent minutes on a test that took others several days or more for serious students to complete. The scores from the apathetic students impact the teacher's evaluation. Principals should assess teachers, not standardized test scores.
 - o Educational Choices. There are enough educational choices available to students. Several schools are losing population and those neighborhood schools might close. If there are too many options, how will any school be strong to support itself or a neighborhood? I do not support vouchers because they will undermine our current educational system.
 - o Too much money is spent on over-staffed administrations. Only a small amount of the funds for education actually go to teachers who work with children everyday. Funds should be directed to benefit those teachers and their students.
 - o Listen to teachers. We do our job every day and know what is needed and what is not necessary better than anyone else.
- 6. Early Teacher Retirement. Please pass the early retirement initiative. I am a veteran teacher (this is my 16th year) and highly educated. I would certainly take advantage of early retirement. This would save the state money because there are many teachers with a lot of education and experience who are near retirement eligibility. Younger, less experienced teachers are more economical! We would be buying the years.

· 7. Daylight Savings Time. Please get rid of this archaic ritual. It does nothing for the population but creates sleepy people in the spring. It is pointless, especially in Alaska.

· 8. Alaska LNG project. The state should go-it-alone and not rely upon oil companies who can leave the state at any time. However it needs to be managed by someone knowledgeable in business who will run it properly.

Thank you for your time and consideration of my suggestions.

Sincerely,

MaryBeth Printz

Anchorage, AK 99517

Doniece Gott

From: Kathy Matta <itmattas@icloud.com>
Sent: Tuesday, March 22, 2016 5:57 PM
To: Senate Finance Committee
Subject: Permanent Fund

Dear Sirs,

As a resident of Soldotna I do not want to see the permanent Fund used for any other purpose such as paying off debts because of wasteful spending. Its not the peoples fault that this debt has come about. Its the governments fault for all the grants and whatever else. We the people are not responsible for this mess and we the people should not have to continue to pick up what these politicians have done to the State of Alaska.

Kathy Matta
32940 Robert Ave
Soldotna AK
99669