

# ALASKA STATE LEGISLATURE

## Session

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Resources Committee

Joint Armed Services Committee

Judiciary Committee

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## SENATOR BILL WIELECHOWSKI

### Sponsor Statement

### *Senate Joint Resolution 1- Const. AM: Protecting our Permanent Fund*

When Alaska's Constitution was adopted, it required management of public resources for the maximum benefit of all Alaskans. The Permanent Fund was created in 1976 after oil on the North Slope began flowing in order to provide future generations of Alaskans a share in their great natural resource wealth.

25% of petroleum and resource revenues were to be deposited into the Permanent Fund, and those funds are constitutionally prohibited from being spent. The earnings may be appropriated by the legislature for any purpose after dividends are paid and the fund is inflation proofed.

In 1982, the Alaska State Legislature approved the Permanent Fund Dividend, a measure that appropriated to each and every Alaskan a check that reflected some of the earnings in the Permanent Fund. This dividend has become a vital part of our state's economy.

Many Alaskans count on their dividend to make simple ends meet, provide for their family, reduce debt and pay for their education. Making sure each and every Alaskan receives a share of our state's resources creates a vital connection between the people and the government.

Creating a safeguard against legislative spending of the dividend ensures that this valuable economic stimulus money stays in the hands of the people most able to spend it appropriately: individual Alaskans. Multiple economists point to the value of the dividend, and the harm that would come to the Alaska economy should it be reduced or eliminated.

There is no language in our state Constitution that protects the funds eligible for distribution from being spent by the legislature for other purposes. As our state faces massive deficits, it is the duty of the legislature to protect future generations.

This resolution would allow a vote to the people of Alaska to decide if the PFD, with its current calculation, should be enshrined in our state Constitution.