

HB 57
OPPERATING BUDGET
SUPPORTING DOCUMENTS
March 6, 2017

#58

Shawn Arnold

Nome, AK

Issue: Education



Nome Public Schools

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Shawn Arnold, Superintendent

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To: House Finance Committee

From: Shawn Arnold, Superintendent

Date: March 4, 2017

RE: FY18 Education Budget Reductions

I am pleased to address the House Finance Committee as they consider the impact to education funding, particularly the needs at remote and rural schools. Consideration should be made to support success for all.

A key goal of our education finance system is to provide a quality public education program that produces a similar opportunity for all students to be academically successful regardless of their specific learning needs or other circumstances, such as where they attend school. Educational finance focuses on determining inputs necessary to achieve educational objectives, assuming that *equitable* access to *adequate* levels of resources is a key lever to student academic success.

I have seen dramatic differences between what schools on the road system take for granted, and what remote rural and smaller schools suffer without. Students in small and rural schools require more focused attention and policy-making because they're generally more vulnerable with fewer social and economic supports.

Policymakers need to continue funding rural schools in ways that are at least sufficient to support basic educational goals. Our children in less populated rural areas deserve quality school opportunities, and to strengthen the educational institutions in rural areas, every school should be staffed adequately to provide a solid educational foundation with counselors, librarians, and elective teachers. The impact of a dollar in Anchorage is different than the impact of a dollar in rural Alaska. As reductions in the budget are sought, differential indicators for rural schools should be reviewed.

Rural schools in Alaska serve children who often require additional resources, special programs, and expert teachers to be successful learners. Across the board funding cuts impact small rural schools in Alaska much greater as we are less likely to have counselors, librarians, and a wide choice of electives. Research has established that certified school librarians have a positive effect of literacy and achievement, particularly for poverty stricken areas. On the road system, most schools have at least one school librarian, while few if any schools in rural Alaska, the areas with the highest poverty rate in the state, have a librarian in their school. This type of deep disparity indicates that the implementation of Alaska's school funding has not resulted in educational equity.

The State of Alaska's educational system remains the most segregated in America by race and income. In 1954, the U.S. Supreme Court ruled that separate is not equal. Educational decision makers may be influenced by personal schooling experiences and the choices they have made for their own children's interests. In Alaska we need an attitude referred to by Lisa Delpit that "they" are all "our children." Fairness, grounded in a strong sense of what is right, requires that we provide, at the very least, equality of learning opportunities for all our children.

The *Moore* adequacy challenge filed in 2004 presented major achievement gaps in test scores in many rural schools demonstrated unconstitutional underfunding by the State of Alaska. In the 2008 hearings in this case, the state claimed that problems in the schools often stemmed from troubles within the communities. Although it was found the state finance system did not violate due process or state constitution's education clause, but students were taking, and failing state assessments because they were not adequately prepared. Judge Sharon Gleason further warned that difficult community conditions do not diminish the State's constitutional duty.

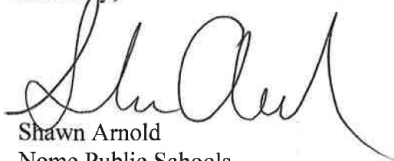
Policymakers need to fund rural schools in ways that are at least sufficient to support basic operations. Establishing this basic level of funding support ensures that every school has sufficient funds to operate a basic program of services. Adjustments for all cost factors should be set to reflect the differential cost of providing an equal opportunity for students to achieve at a given level, regardless of their needs or circumstances.

Many of these challenges of providing equal educational opportunities in rural and small schools in Alaska can be addressed if the principle that all our children deserve the best education we can offer. This principle requires that policymakers create mechanisms to allocate resources and find additional funding not only for public schools, but also use existing resources to more equitably support our small, rural schools, which could have a profound effect on stabilizing remote communities and contribute to a more sustainable Alaska.

However, budget cuts will result in much larger per pupil reductions in High Need/Low Wealth school districts than in Low Need/High Wealth districts. The spending disparities between low wealth and high wealth districts will widen. Projected over the next few years, existing funding disparities will once again become indefensible. I want to emphasize that low wealth rural districts do not want to be "starved" into reorganization due to inequitable funding.

Thank you for your attention to this important issue and your commitment to the education of all Alaskan children.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Shawn Arnold', written over a horizontal line.

Shawn Arnold
Nome Public Schools
Superintendent

#59

Luann McVey

Issue: Education, New revenue

Dear Members of the Alaska House Finance Committee,

A couple of weeks ago, I testified in front of you regarding HB 115 and I would like to reiterate my previous message.

I'm a retired teacher and I directly felt the impacts of years of education budget cuts in the classroom. When funds are cut, pupil-teacher ratios rise and that limits a teacher's ability to individualize instruction. The result is teaching to the middle of the class and only a few students actually benefit from that approach. Brain research indicates teaching to the middle results in flat-line gains for students whose brains are ready for higher instruction and the same for students whose brains are not quite there. The results are negative for all, felt by teachers, students, parents, and administrators. How can we expect a brighter future when our investment in children is reduced each year?

We need a steady funding base for our state budget and oil revenues are no longer the way to go. First, we need to get rid of the oil tax credits so oil and gas companies actually pay their way. We have no business subsidizing them when we are this far in the hole!

Also, a state income tax is a reasonable option. That's what most states already do and it makes sense. 15% of federal income tax is fair. Let's do this.

In addition, capping the PFD and using a percentage of that money to augment the budget is a great solution. I would even give up my PFD if that's necessary, but I am not willing to ask people in subsistence communities to do that. A needs-based payment would be the fairest solution.

Our state is not broke. Make the oil companies pay their fair share. Establish a steady funding base for education, health, and public safety through income taxes and appropriate use of the Permanent Fund. Above all, fund the schools appropriately!

Thanks for listening to your constituents.

Sincerely,

Luann McVey

#60

Jean Ellis

Education funding

Dear Rep. Seaton. Thanks for taking on our budget challenges head –on. I don't like the idea of cutting School Bond Debt reimbursement to the Boroughs and Cities however if I must choose between reducing School Funding through the Foundation Formula and reducing School Bond Debt reimbursement I support reducing School Bond Debt reimbursement. This would put the funding problem squarely in the lap of the Cities and Boroughs where I believe it needs to be. If the Foundation Funding Formula is reduced it would be too easy for the Cities and Boroughs to consider school funding to be simply a School Board issue. Thanks, Jean

#61

Sonya King

Issue: Support Education

I am a related service provider, providing special education, physical therapy services to students in the Mat Su Borough, Kake, Iditarod Area School District, Pribilofs, and Prince of Wales Island. Please support public education and do not cut funding to our public schools. The state should resolve it's budget crisis without negatively impacting students' education. We need informed students to become active, voting, constituents who are capable members of society--our districts are already struggling to make ends meet.

Thank you!

Sonya King, PT, DPT

#62

Lynnette Dihle
Issue: Education

Dear House Finance Committee,

I strongly recommend (if I only I could insist) for you to

- Fully funding the Base Student Allocation as the current amount.
- Fully funding the School Bond Debt Reimbursement as city government can not keep up with the difference.
- Fully funding pupil transportation, allowing operating funds to be focused on meeting the learning needs of children.

Please open your mind and heart to fully understanding the importance and support of education as an investment in Alaska today and in the future.

Sincerely,

Lynnette Dihle
Alaskan resident since 1975,
parent and grandparent of Alaskan children

#63

Verne Boerner

Anchorage, AK

Issue: Behavioral Health

> On Mar 4, 2017, at 16:46, Boerner, Verne <VBoerner@anhb.org> wrote:

>

> Dear House Finance Committee Members,

>

> Thank you for giving us the opportunity to provide oral and written testimony. Please find the Alaska Native Health Board's written comments to supplement our oral testimony.

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> We are thankful that no further cuts have been proposed to the behavioral health programs. We strongly advocate for protecting these programs as many tribal programs have suffered loss of funds but do not have access to Medicaid revenues to fill the gaps.

>

> Please don't hesitate to contact me if you have questions or have difficulty opening the attachment.

>

> Thank you kindly.

>

> Sincerely,

>

> Verné Boerner

> President and CEO

> Alaska Native Health Board

> 4000 Ambassador Drive, Suite 101

> Anchorage, Alaska 99508

Medicaid Expansion & Program Services: The Price of Cost Cutting



Alaska Native Health Board

Since 1968, the Alaska Native Health Board (ANHB) has served as the statewide organization for the Alaska Tribal Health System (ATHS), working with state and federal agencies to strengthen the government-to-government relationship through timely communication and meaningful consultation throughout the policy-forming process.

The Alaska Tribal Health System (ATHS) is a truly comprehensive statewide system of health care. It is a voluntary affiliation of over 30 Alaska Tribes and THOs providing health services to over 158,000 AI/AN people. It is a finely-tuned network that provides services through:

- 180 small community primary care centers
- 25 sub regional mid-level care centers
- 4 multi-physician health centers
- 6 regional hospitals
- Alaska Native Medical Center tertiary care
- 7,000 Employees
- Referrals to private medical providers and other states for complex care

Each Tribe and THO is autonomous and serves a specific geographical area; and, many are the only health provider in their respective community. This fact makes the ATHS an integral part of the Alaska Public Health System.

Alaska Natives and American Indians health care coverage and Medicaid

Alaska Native and American Indian (AN/AI) people have suffered the highest uninsured rates in the nation. Prior to the Affordable Care Act, the national AN/AI uninsured rate was 29.2 percent, nearly double the national rate of 15.1 percent. In Alaska, the AN/AI uninsured rate was 37.5 percent for all ages and 47.38 percent for ages 18-64.¹ While the IHS is the primary institution through which the Federal government provides health services to AN/AI people, the IHS does not itself constitute an insurance program. The IHS has also been notoriously underfunded. In FY 2014, per capita spending for health care in the IHS was only \$3,107, compared to the national average of \$8,097.² It is of note that the 2014 spending still lagged behind the 2009 rate for inmates in the federal prison system.³ Medicaid has served a vital role in augmenting this underfunded system.

¹ United States S2701: Health Insurance Coverage Status Data Set: 2009. American Community Survey 1 Year Estimate. (<https://www.cms.gov/Outreach-and-Education/American-Indian-Alaska-Native/AIAN/Downloads/CMSHealthCareReform5202011.pdf>)

² *NCAI FY 2017 Indian Country Budget Request*. National Congress of American Indians. Washington, D.C.: 2016. (http://www.ncai.org/resources/ncai-publications/08_FY2017_health_care.pdf)

³ Kaiser Health News: 2016. (<http://khn.org/news/091709trahant/>)

Cutting Medicaid services will not save money

During times of recession, it is imperative to not equate cost cutting as cost savings and in fact recognize that there is a price associated with cost cutting. “Historically, states have attempted to contain costs by using policy levers that offer the most quantifiable and immediate savings potential—that is, by lowering reimbursement rates to providers and eliminating optional services and/or eligibility groups. Although these solutions may bring short-term relief from immediate budget pressures, it has been shown time and again that they do not lead to long-term fiscal sustainability.” (Hamblin & Shearer, 2009) Please consider carefully each policy decision as every dollar cut is not necessarily a dollar saved. For example, cutting adult dental services will result in dental decay that will lead to more acute care services and emergency room visits. Likewise, reductions in pharmacy services can result in people with mental health issues resulting in increased law enforcement or jail costs; or result in higher cost treatment over the long run.

Medicaid Expansion is an additional revenue source that protects against the uncompensated care that Alaska’s health care system and indeed the entire Alaska health system had previously had to absorb, shifting those costs to the providers and the insured. In Alaska, Medicaid Expansion resulted in \$300 million in new revenue in FY 2016 and expanded coverage to more than 27,000 Alaskans. In FY 2018 of those newly eligible, the Federal Government will cover 94% of the costs for many in the expansion population, while covering 100% for the AN/Als who are receiving care either inside or outside the Alaska Tribal Health System.

That is, if claims remain level at \$300 million, and if Alaska Natives and American Indians are even just 25% of the Medicaid Expansion population⁴, then the Federal government will cover \$286.5 million. If Medicaid expansion was cut, the State would save the \$13.5 million, but would also lose the \$286.5 million in federal funds. The loss would not end there, as these funds not only support individuals in need (the vast percentage of whom are the working poor or disabled) but these funds shore up our criminal justice system and our child welfare system, as stated by Governor Walker to Congress:

Repeal of ACA Medicaid expansion would have a significant impact on the more than 27,000 Alaskans covered and State of Alaska's ability to maintain criminal justice reform laws aimed at reducing criminal recidivism, homelessness and other healthcare issues. Hospital emergency departments, the criminal justice system, and the child welfare system would be negatively impacted.

Medicaid expansion and optional services go beyond providing a service to an individual, they save the system and the State money by providing access to care at earlier and more affordable stages with better outcomes and paying dividends in the health system, the justice system and

⁴ Prior to Medicaid Expansion in FFY 2012, Alaska Natives and American Indians made up 37.78% of Alaska’s Medicaid Eligible Population but represented 16.86% of the total population that year.

social services. These services provided for the Medicaid Expansion population actually create jobs in the State of Alaska and helps to improve the health and productivity of Alaskans raising our quality of life.

Eliminating eligibility or services for the newly expanded Medicaid population would reduce the federal funding Alaska receives and would result in more jobs lost. It would not however reduce the need for services. This would shift costs to other state departments and to the providers of services, and to the insured. For example, it would impact the “State of Alaska's ability to maintain criminal justice reform laws aimed at reducing criminal recidivism, homelessness and other healthcare issues. Hospital emergency departments, the criminal justice system, and the child welfare system would be negatively impacted.” (Walker, 2017)

Impact for Alaska's Criminal Justice System

The inmate population in Alaska has significantly higher health care needs than the general population as reported in the Medicaid Expansion and the Alaska Department of Corrections:

- Approximately 30% of the inmate population has Hepatitis C, compared to 1% of Alaska's general population (Department of Health & Social Services, Division of Epidemiology).
- 65% of ADOC inmates have a diagnosable mental health disorder (Trust Beneficiaries in Alaska's Department of Corrections, May 2014).
- As much as 80% of the Alaskan inmate population has struggled with substance abuse disorders (Ibid, 2014).
- 65% of the women at Hiland Mountain Correctional Center report having been sexually victimized (Alaska Department of Corrections survey, 2012).
- For every 100,000 Alaskans, there were 11.1 deaths due to liver disease (Alaska Bureau of Vital statistics, 2013). For every 100,000 individuals booked into ADOC, 15.3 die of liver disease while incarcerated.
- Compared to other Americans of the same age, prisoners are:
 - 31% more likely to have asthma;
 - 55% more likely to have diabetes;
 - 90% more likely to have a heart attack; and
 - 100%-300% more likely to have a serious mental illness (Harvard University, 2009).

The Alaska Department of Corrections (ADOC) has on average over 6,000 inmate-patients a day. The State must bear these costs. However, guidance from the Centers for Medicare & Medicaid coupled with Alaska's Medicaid Reform and expansion has opened new avenues for payment of in-patient hospitalizations. This however is predicated on the state determining of the individual eligible for services, which Medicaid expansion did. The cost of 24+ hours hospitalizations in FY 2014 for inmates was \$8,511,300 (approximately 25% of ADOC's inmate health care budget). For these expenditures, the federal government would provide direct relief to the ADOC health care budget.

The policy, however, offers more supports in that once an inmate leaves the system, they would be eligible for Medicaid and then would have direct access to care and resources that are aimed at reducing recidivism. Keeping released inmate from reentering the system eases the burdens and costs overall. In Michigan for example, a “project linking ex-prisoners to medical

services found, 'The overall recidivism rate for parolees has fallen since the program began, from 46 percent when the program began in 2007 to 21.8 percent in 2012 for 2-year parolees.'" (Alaska Department of Corrections, 2015)

Behavioral Health Programs and Medicaid

"Statewide gaps in the continuum of care combined with gaps in health care coverage perpetuate a cycle of crisis response and create costly inefficiencies and Medicaid offers a revenue opportunity for Alaska." (Agnew::Beck Consulting, LLC and Hornby Zeller Associates, Inc., 2016) However, in the movement from grant funded programs to a combination of grant-funded and Medicaid billed for services, providers and service delivery systems need stable funding while the system adjusts to changes in revenue streams through Medicaid expansion. A gradual reduction in grant funding will help ensure stability in the behavioral health system while providers adjust. Drastic cuts in grant budget lines based on projections in the first year of Medicaid expansion has a great potential to negatively impact service availability for an increasing number of Alaskans in need of mental health and substance use treatment.

The price of cost cutting behavioral health:

- Reduced and limited services for substance abuse, PTSD, veterans, and victims of crime
- Increased dependence on the already overburdened Alaska Psychiatric Institute (API) to stabilize local crises
- Potential for increased suicides and homicides due to reduced or limited services to address substance use and mental health needs
- Increased costs to State due to inability to treat at the local community
- Increased strain on emergency rooms, correctional facilities, first responders and law enforcement
- Increased costs associated with correctional facilities and recidivism
- Increased State cost for transportation to API placements and correctional facilities
- Increased mortality, homeless and jobless rates
- Increased out-of-state placements for treatment of Alaskan's children and family members

In a time of recession and job losses, it is critical to preserve the safety net, particularly when the Federal government is carrying the lion's share of the burden. We need to protect our people in order to best adjust to the challenges of the recession and support the State's recovery. It is during times of recession that we should continue to invest in the health and wellness of our State's population so that we have a healthy working population.

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#64

Elizabeth McKee

Anchorage, AK

Issue: Cut Mega-projects, Priority Spending

My name is Elizabeth McKee and I'm testifying from Anchorage, Alaska. I was unavailable at the call-in times for my area and want to provide testimony on the state operating budget via email.

I'll begin with cuts. I encourage legislators to cut spending in the following areas: mega-projects, refinery tax credits and oil production tax credits. Those are the only areas of the state budget where I would support cuts.

I support spending on the following priorities:

1. The Child Protection Amendment, which would increase the number of case workers in the Office of Children's Services and reduce caseloads. Our most vulnerable citizens deserve our best care and consideration.

2. Increasing the number of prosecutors in the Alaska Department of Law. I understand from Representative Claman that the number of prosecutors working in this office has been cut by 20 since 2013. I understand from local police officers that many crimes are no longer being prosecuted at the felony or even misdemeanor level. Given the current rise in crime levels around the state, this gives me great pause.

3. Increasing funding for the University of Alaska system. A sound university system provides well educated employees for businesses around our state and allows our best and brightest young people to receive a world class education close to home.

4. Inflation adjusted funding for schools. Anchorage School District has recently announced cuts of 100 classroom teachers. This will result in increasing classroom sizes. People around the state support education. A good education system attracts businesses and citizens. It is key to the future of our state.

5. Funding our obligations to pension and retiree health care plans. We must keep the commitments we have made.

6. Increased funding for capital maintenance projects: schools, state offices, university facilities and other infrastructure. When we underfund this area, we simply increase our costs further down the road

7. Increases for state road maintenance. The decreased frequency and quality of snow plowing this winter has made transportation around the state hazardous.

8. Increased support for public safety - particularly in rural areas.

9. Continued support for the Department of Fish and Game - the twin responsibilities of managing populations for harvest and maintaining the health of our environment are key to our long term economic health.

10. Increased funding for drug and alcohol treatment options. These diseases are devastating our communities.

11. Continuation of the Medicaid Expansion begun under the Federal Affordable Care Act.

I support generation of revenues to support these expenditures through a restructuring of oil taxes and credits, the implementation of a progressive income tax and the restructuring of the Permanent Fund Earnings to allow for a 4.75% annual draw after inflation proofing.

Thank you for allowing my testimony. Thank you for your service to the citizens of our state.

Sincerely,
Elizabeth McKee
Anchorage, Alaska

#65

David Scott

Juneau, AK

Issue: Education

House Finance Committee

Public notice for this hearing was too short, March 4 at 1 PM.

Financing our children's education should be Alaska's highest priority.

PTRs are too high in JU, we need more teachers!

If Alaska needs to cut Ed spending, look at the overall picture, Do we really need 55 school districts with 55 different education models? One would think it could be managed in 5 regions with 5 regional models.

We also need teachers that can teach reading to national standards.

I'm out of time.. my two minutes is up!

Sincerely, Dave

David Scott

Auke Bay, AK 99821

AK resident 68 years

#66
Karen Kelly
Homer, AK
Senior Services



Homer Senior Citizens, Inc.

3935 Svedlund Street
Homer, Alaska 99603
(907) 235-7655 Fax: (907) 235-3739

March 4, 2017

House Finance Committee
Alaska Legislature

Dear Honorable Committee Members:

Subject: Thank you for preserving critical funding for senior services, HB57 and HB58 Operating Budget

Please accept Homer Senior Citizens, Inc. written public comment in lieu of telephonic. Due to the nature of our business, we were unable to participate telephonically.

As a community based service provider we offer alternatives to long term care for families and seniors of our community. We provide meals under the Nutrition Grant – This is the first area of defense for reducing costs in health care. Proper nutrition is essential for seniors and people with disabilities. We provide Adult Day Services – keeping seniors residing with their families reduces the cost of care. Our Adult Day Services program provides respite, training and support for the “unpaid” family caregivers as well. We provide Assisted Living Services – this service is a Medicaid Waiver choice made by families and is a huge cost savings to long term care and the reimbursement costs made by the State of Alaska.

Without these options, seniors and families may require long term care services. Our community access hospital does a wonderful job; however, the institution is rather expensive for both the State reimbursements and citizens alike. Reducing the reimbursement rates for community based services may seem like a direct cost savings; however, it shifts the burden to the more expensive service—Long Term Care.

As a non-profit agency we understand the need to balance the budget. We have cut in every area of service we are able. We do understand that to maintain a balance we must seek additional revenue sources. We also understand that duplication of services is very costly to a community. Therefore, we collaborate with all local providers to ensure we work together, which saves money.

We encourage the State of Alaska to consider focusing on additional revenue as opposed to further budget cuts. We also encourage the State of Alaska to review privatizing services.

We understand your decisions are difficult. We appreciate all your hard work and dedication to the State of Alaska.

Respectfully,


Keren L. Kelley, MPA, LNHA
Executive Director

40 Years of Great Service Helping Seniors "Live Life to Its Fullest!"

www.homerseniors.com



#67

Linda Rabideau

Anchorage, AK

Issue: Education, PFD, Income tax

I am writing to encourage the state legislature to put forth sustainable revenue sources to set the states budget on a path to a realistic foundation that will support the values, needs and contributions of the citizens. Continuing to cut the labor force really just reduces the population base from which taxes may be garnered and a budget maintained. Reduction in human capital also reduces the generous donations and contributions that many people have provided to keep our towns and cities vibrant. I think the state has eliminated enough positions at the moment and should look for other methods of decreasing the deficit.

Our educational systems probably need trimming in a variety of ways. I also believe they need to pivot instruction towards all areas of knowledge, not just the school of this or the school of that. A liberal arts degree is as admirable and progressive a goal as an engineering degree.

With a properly educated population folks may be more ready to take up the formidable and beneficial task of governing, as you legislators have.

In the realm of revenues, I highly support Robin Brena's proposals on the oil production tax. Change the formula to a percentage of gross income instead of this ethereal net production tax. We have gotten less exploration from major oil companies and a pittance in revenue from them because of this net tax plan. In three years, from 2012 to 2015 the state went from \$7 billion to \$1 billion in Net petroleum revenues. This needs to end. The oil companies do not need Alaska as much as Alaskans need our fair share. These are international firms that can go anywhere and get what they want and need, whereas we are highly limited. It is unconscionable to continue with this current oil tax revenue plan.

I support a Percent of Market Value draw from the Earnings Reserve Account within the Alaska Permanent Fund. Limiting withdrawals by a reasonable set percentage of market value is a wise decision. SB 70 appears to be sensible at this juncture of the budgeting process. I have enormous faith in the management of the Permanent Fund and advocate allowing them to continue with their predominately good investment tactics. We need to always have substantial money to reinvest and not draw down the bank account to cataclysmic levels.

I am also in support of a state income tax and an increase in the fuel tax. I do not support a state sales tax. People need to contribute tax dollars while our government works to provide all constituents with means to achieve a reasonable quality of life in Alaska.

Finally, I would like to see our government pursue renewable resource development in areas that would support our continued robust fisheries. There are companies advancing new, sustainable, enhanced and progressive measures in all areas of the economy. We should foster their entry into our state economy. Over time, global warming puts us, animals, plants and bio-systems all at risk of uncertain survival. We should be at the front door assisting business and ourselves in bettering sustainable practices for all our futures.

Thank you for your time and efforts at producing a workable budget.

Linda Rabideau/Anchorage, AK

#68

Fred Torrisi

Anchorage, AK

Issue: Courts, PFD

Dear Legislators, Thank you for putting forth and hearing a real budget proposal.

I used to live and work in Bristol Bay. When I was there, we had full time magistrate-judges in Naknek, Unalaska and Dillingham. My understanding is that we now have one half-time position in Dillingham. I guess they will do arraignments and such mostly on the telephone. It is extremely difficult to provide justice in all cases under these circumstances, and of course these communities each lost an important local job. Cutting the budget is now worse for the economy than imposing reasonable taxes.

Please take only a realistic amount (maybe 4.5%) of the Permanent Fund each year and keep the PFDs as high as possible. Triple the fuel tax to aid the climate, tax income to spread the cost of government to non-residents who work in Alaska, and curtail the credits now being given to the petroleum industry. Send the Senate a bill of which we can all be proud.

Thank you.

Fred Torrisi

Anchorage