

Operating
Budget Public
Testimony:
General Budget
Comments and
Suggestions

Doniece Gott

From: Paul Reichardt <paulreichardt@gmail.com>
Sent: Thursday, March 16, 2017 10:20 AM
To: Senate Finance Committee
Cc: Sen. John Coghill; Rep. David Guttenberg
Subject: State Budget

Honorable Senators:

I would like to make two comments related to your budget considerations.

1. I strongly support the Senate's intention to use Alaska Permanent Fund earnings as part of the plan to address the State's budget problems. However, I also strongly support the implementation (this year) of an income tax. I believe that many of our problems related to state government are the result of the "what's in it for me" attitude fostered by PFD checks. While I realize that for some the PFD is an important source of family income, I think there are better ways for the state to assist those in need. For one, I would gladly pay an income tax to help deal with the state's financial challenges.

2. I am adamantly opposed to the \$16M reduction proposed for the UA budget. I joined UAF as a faculty member in 1972, at a point in time when I characterized the institution as a small, somewhat "sleepy" college with a few loosely attached research institutes. Through the years I saw the hard work of many UA employees pay off as UAF grew into a major university that has four or five times as many students as it did in 1972 and has become the world's lead academic institution in arctic research. I know that similar progress has been made at UAA and UAS. I have seen the great contributions that our graduates have made to Alaska in the past half century. I see them within my own family--a daughter who is an excellent teacher at Bartlett High in Anchorage and a son who is a DEC engineer working on drinking water systems. I regularly see them as I talk with former students who are Alaskan doctors, engineers, businessmen and businesswomen, teachers, nurses, and politicians. UA has made great contributions to the State, and it will continue to do so as long as it has adequate support from the State. The budget reductions of the last couple of years have reduced the financial support from the State to a "precarious" level. I can give two examples:

a. A year ago I chaired the search committee for a new Chancellor at UAF. Ultimately the search was cancelled because of budget-related uncertainties, but even if the search had resulted in an offer of employment I am skeptical that any of our candidates would have been willing to take on the challenge because of the budget situation.

b. Last Fall I attended several of the meetings called by President Johnsen to implement the "Strategic Pathways" program. I heard over and over from faculty, students, staff, and community leaders the dire straits of many of our instructional and research programs. They were not talking about losing "perks" or "frosting on the cake" for program enhancement. They were talking about program elimination, reduction in ability to meet student demand, and the loss of our best faculty to other institutions where prospects for the future are brighter. The bottom line is that it takes a long time to build a great university, one which the people of the State can be proud of and one upon which the future of our State depends. However, a great university can be dismantled in a relatively short period of time. Please don't let that happen. Restore the \$16M cut your committee has proposed.

I appreciate the difficult situation facing you, and I appreciate your hard work and good thinking as you deal with the State's financial problems.

Paul Reichardt
2086 Toboggan Lane
Fairbanks, AK 99709

Doniece Gott

From: Bruce Bookman <bbookman70@gmail.com>
Sent: Friday, February 17, 2017 11:20 AM
To: Senate Finance Committee
Subject: Taxation

Income tax as well as a sales tax must be part of the solution to the current financial crisis. Doing nothing is not an option nor are further budget cuts wise

Sent from my iPhone
Bruce Bookman
(907) 350-1792

Doniece Gott

From: carol waters <carolwaters1946@gmail.com>
Sent: Friday, February 17, 2017 12:27 PM
To: Senate Finance Committee
Cc: Alyse Galvin
Subject: Big Solution for Alaska

Dear Members of Finance Committee,

We are registered voters who have voted in every election since 1978. We will continue to support candidates who demonstrate responsible decision-making for Alaskans, not for their own gain. We support decisions that help all Alaskans, including education, the Permanent Fund, the environment, and health and safety.

The compromise proposal for solving our state fiscal crisis, which diversifies our revenue sources, is a good place to start. Using revenue from earnings of the PFD to continue the dividend and pay down our debt, a progressive income tax of 15% of our federal income tax, and a capital gains tax are all acceptable to me as strategies to begin to fix our fiscal crisis.

As consistent voters, we encourage both the State Senate and House to come to an agreement for the good of Alaska, for our future and for our children's future.

Carol and Robert Waters

10300 Hillside Dr.
Anchorage, AK 99507

carolwaters1946@gmail.com 2290652
elyriabob@gmail.com 2296771

Doniece Gott

From: Jan Chatto <janchatto@gmail.com>
Sent: Friday, February 17, 2017 1:14 PM
To: Senate Finance Committee
Subject: Alaska's solution

I wish to go on record as supporting the proposed solution for my state's fiscal problems.

Jan Chatto

tchatto@ak.net

Sent from my iPhone

Doniece Gott

From: J David Dorris <jddorris@alaskalife.net>
Sent: Friday, February 17, 2017 1:31 PM
To: Senate Finance Committee
Subject: Budget

Dear Legislators:

Summary: **Do** Impose an income tax, revise oil taxes, revise mining taxes

Do **not** impose sales taxes, head taxes or reduce/eliminate the PFD.

I do not have adequate information to suggest budget cuts. We do need to protect health, education and public safety.

Now how to fund the budget?

The fairest and the simplest way to spread the pain is to **implement a state income tax as a % of federal taxes.**

We are supposedly a capitalist, free market economy. Yet our state funds are being used to subsidize multibillion \$ oil companies.

There is no way we can justify giving subsidies (oil tax credits) that exceed taxes from the oil industry. **Oil taxes need to be revised immediately and retroactively if possible.**

Oil company employees/legislators should not be allowed to vote on this

Sales taxes and head taxes fall hardest on lower income families (when considered as a % of income). **Sales and head taxes should not be imposed.**

I have no information but have been told that the mining industry is not paying its fair share. **Mining needs to pay a fair share.**

And then the Permanent Fund.

The PFDs have helped families in Muldoon, the villages, and those in lower income brackets. Cutting or eliminating the PFD on a family of four with the parent making \$8.00 an hour (Walmart, burger joints, etc.)

Is devastating. [$\$16,200 + \$4,000 = \$20,000$ (Eliminating the \$ 1,000 PFD is a 20% cut). (Eliminating the \$2,000 PFD is a 30% cut)]. Now let's look at the CEO of GCI who is supporting eliminating/reducing the PFD.

He is reported to make \$3,000,000 per year. How does eliminating the PFD affect his family? $\$3,000,000 + 8,000 = \$3,008,000$ for a reduction of 0.002666666%. No wonder he pushes using the PFD.

Elimination of the PFD is head tax on every child and person over one year old! **There is nothing fair about reducing –eliminating the PFD.**

Return the PFD to \$2,000 per person, increase it each year by inflation, and maintain the Permanent fund at levels to support and safeguard this program. Wisely use the surplus to create a fund to help support government services for the long term!

Yes studded tires do create ruts in asphalt roads. But they also help prevent accidents and save lives. Some states prohibit their use. Tennessee is one of those but they do not have Alaska's weather.

When they do have ice and snow it shuts down cities and towns. This is another tax that falls hardest on lower income families. **Tire taxes are just a diversion from the real budget issues and should be tabled.**

David Dorris

Doniece Gott

From: Lisa Paesani <lpaesani@gci.net>
Sent: Monday, February 27, 2017 11:05 AM
To: Senate Finance Committee
Subject: Budget

Dear Finance Committee,

Please pass a budget. Do not kick this can down the road. We Can Not negatively impact our schools anymore.No one will want to move up here or even stay here.

Please use the Dividend, in a way that it can still be maintained. Please start an income tax and sales tax. Act now before our state goes through what it did in the 80's.

We are trusting you to do your job. Please be proactive.

Thank you

Lisa Paesani
2219 West Marston Drive,
Anchorage AK 99517
(907)771-5925

Doniece Gott

From: Susan McHenry <simchenry@alaska.edu>
Sent: Saturday, March 04, 2017 10:04 AM
To: Senate Finance Committee
Subject: Address our budget problems NOW

As a 52 year resident, I urge you to take immediate steps to

- institute an income tax
- cap the PFDs at \$1000
- reconfigure oil industry taxes and tax credits
- restructure the use of permanent fund earnings to break our dependence on oil
- stop cutting state agencies and education/UA to the detriment of quality of life here

I know these are hard decisions, but this is your job. We need you to take these steps.

Sue McHenry

Doniece Gott

From: Norse Alaska <norsealaska@mtaonline.net>
Sent: Monday, March 06, 2017 1:07 PM
To: Senate Finance Committee
Subject: FW: Alaska's Budget

Please see message below.

From: Norse Alaska [mailto:norsealaska@mtaonline.net]
Sent: Monday, March 06, 2017 11:21 AM
To: 'Finance.Committee@akleg.org'
Subject: Alaska's Budget

Please don't be afraid to make the hard choices. I do not have all the information you have, so I cannot tell you exactly how to come up with needed revenue, but I will accept a sales or income tax, a smaller PFD check. Don't put off making decisions. It is better to do it now. No one wants to pay more, but we must if the State is to survive this crisis.

Melanie Kopperud

Norse Alaska, LLC

P.O. Box 1822

Palmer, AK 99645

(907) 745-0645

norsealaska@mtaonline.net

Doniece Gott

From: Harmony Lanen Roll <taigatrekkers@gmail.com>
Sent: Monday, March 06, 2017 4:22 PM
To: Senate Finance Committee
Subject: Public Testimony

Dear Alaska Legislators,

Please record this as public testimony.

My husband, Ben came to Alaska in high school in the early 90's, when his dad was stationed at Elmendorf. I came to AK in 2001 for graduate school at UAF. We met while he was building barracks on Ft. Wainwright and I was in my 4th year of teaching.

I'd like to take a moment to illustrate how the oil & gas subsidies have indirectly and profoundly affected my life and those of my family members. While oil revenues have surely helped the economy of Alaska over the span of decades, they have also crippled our state. We have placed all our eggs in the petroleum basket and let our ingenuity atrophy. We placed corporations over people, this is not unique to us. It is a national, even global trend, with the hopes of everlasting profit. No decent financial advisor would suggest a dependence on a singular investment.

As a respected, veteran educator, who took time off to be home with my boys while they were little, I look at re-entering a scene that scares me. I may not get the full time job I seek with the major cuts being proposed for education. There simply may not exist an open position. I know what research says about class size. It matters. I've seen amazing teachers burn out. I don't want my children to be crammed in classes with burned out teachers. I don't want to be a burned out teacher. I've walked that line already. When I stepped away from teaching full-time seven years ago, I had between 28 & 33 kids in my 6th grade, Title 1, elementary classroom. I say between 28 & 33 because the number changed from week to week due to the highly transient population of the area the school served. The idea of class sizes going up from there is devastating from every perspective.

My husband is in construction management, a home grown graduate of Colony High School. He was a project manager on the team that completed the Ted Stevens International Airport retrofit project in 2009 - under budget and under time. He was on the SLAM team, built barracks, a fighter jet training facility, and more around the state. With the lack of big capital projects on the horizon his company has pulled out of Alaska and taken many of its talented engineers, project managers and superintendents with it. We left.

We love Alaska deeply. We've served on non-profit and municipal boards as we've lived around the state during our combined 35 years there. I was working on my principal certification. Having seen hard financial times as a child, financial security and a tailor fit education for our kids are priorities. We left AK with my husband's employer in April. We hope to return. We would love to continue to raise our boys at home and maintain our outdoor lifestyle. We do not see that in a future where the state is behind the times and isn't investing in more in cleaner energy already, refuses to diversify its investments and continues to give away what oil it has at its own expense. We do not see a future in a state that salivates at the idea that the government will someday allow it to drill and mine it to death.

We would love to see a state that revives its ingenuity and envision a place that is at the forefront of clean energy, well managed renewable resources and invests in education. A place that supports individuals and families alike.

Please consider looking at the progress made in states like Minnesota, where a tax system has been created that supports the state effectively. It has not hindered the economy, but instead spurred its growth.

Thank you for your time and dedication to serving the state. I understand your public service is a complex set of tasks. I wish you well and hope you seek to find balance.

Sincerely,
Harmony Lanen Roll M.Ed.
907.952.6164
Normandy Park, WA

Sent from my iPhone

Doniece Gott

From: Camille Davidson <camille.l.davidson@gmail.com>
Sent: Monday, March 06, 2017 5:45 PM
To: Senate Finance Committee
Subject: Finance

Dear Committee members,

I as a local citizen would like to take moment and state where not tax marijuana like the drinks and smokes but put back into the state colorado has increased their education system by ten fold so why not us. Like the oil use marijuana as plant base of Alaska so all should have a share of the profit or help the state out in fundings.

Respectfully
Camille Miller

Doniece Gott

From: Marylee Bates <maryleebates@gmail.com>
Sent: Monday, March 06, 2017 8:51 PM
To: Senate Finance Committee
Subject: Using PFDs

Yes, by all means! Use a portion - even as much as 50% to help with budget gap.

Consider doing this for a limited period of time - perhaps 4-5years and then revisit as needed.

Sent from my iPhone

Doniece Gott

From: Emily Becker <emilyandzeke@yahoo.com>
Sent: Wednesday, March 08, 2017 8:05 PM
To: Senate Finance Committee
Cc: Sen. Tom Begich
Subject: Fix the Budget

Legislators:

I fully support restructuring the Permanent Fund and a mix of other cuts and revenues to fix the budget deficit.

Please do not avoid the problem for yet another year, and do not cut the state into a deeper recession.

Thank you,

Emily Becker
Anchorage

Doniece Gott

From: Steve Bouta <fbksbouta@gmail.com>
Sent: Friday, March 10, 2017 3:26 PM
To: Senate Finance Committee
Cc: Rep. David Guttenberg; Sen. John Coghill
Subject: Budget

Senators and Representatives,

I write to voice my support for SB26 and HB115.

My opinion - we have cut enough. Further cuts will hurt our economy more than help.

You are in an unenviable position, but someone best have the balls to bring back some revenue enhancements, and yes, that means taxes.

We need action this session to avoid eroding future interest earnings on savings.

Thank You for your time.

Sincerely,

Steve Bouta

1024 Cranberry Ridge Dr.

Fairbanks 99712

907-460-4404

Doniece Gott

From: Sue Linford <suelinford@gmail.com>
Sent: Tuesday, March 14, 2017 5:21 PM
To: Senate Finance Committee
Subject: Budget

Where are the Department and employee cuts in automatic increases????

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Sue Linford
M 907-229-6622
H 907-272-9172
W 907-272-5052

Doniece Gott

From: Mike Stinebaugh <mstinebaugh@stinebaugh.com>
Sent: Wednesday, March 15, 2017 10:06 AM
To: Senate Finance Committee
Cc: Rep. Chris Birch; Sen. Kevin Meyer
Subject: Alaska Fisical Crisis

I am writing to encourage the Alaska Legislature to support HB 115. I feel that a balanced approach is the best solution to our budget problems and must include:

1. A restructuring of the Permanent Fund and dividend.
2. A reduction in oil tax credits.
3. A state personal income tax.

Regards,

Mike Stinebaugh

10230 Carlson Road

Anchorage, AK 99507

H 907-346-2979

M 907-242-8117

Doniece Gott

From: C Steffens <csteffensnow@yahoo.com>
Sent: Thursday, March 16, 2017 8:39 AM
To: Senate Finance Committee
Subject: FY 2017 Operating Budget

Dear Members of the Finance Committee,

After reviewing Sen. Cathy Giesel's email, I respond as follows:

a. Please, please cut the operating budget. Three billion dollars per year is more than we now can handle. If we get another oil boom, expenses can rise again as needed. Right now, we have fewer people and, as shown by the amendments considered before the House Finance Subcommittee, there is at least 235 million dollars in the proposed operating budget that can be cut without major damage to any of the departments.

b. I have personal knowledge that the Office of Appeals and Hearings in the Department of Administration has (all) attorney members who serve at the Governor's pleasure and who earn 6-digit incomes annually, plus benefits. It is unreasonable to pay an attorney who hears routine appeals of benefit denials, which usually are repetitive as to the applicable law, a 6-digit salary. Because these hearing officers, aka administrative law judges, are not employed within a union contract, their salaries can be reduced at will.

Please review these enormous salaries and reduce them, applying the cost savings to the operating budget. All these people do is preside over the presentation of facts concerning welfare and other benefit programs and make a decision whether the agency was mistaken in the application of the law to those facts. The law is "cookbook" and application of the provisions routine and recurring. It is not rocket science. Their high salaries are due mostly to the longevity in their positions: who would want to quit when so much income is provided?

This is only one more way to save: I am sure there are many others.

c. Has anyone crunched the numbers concerning the effect of imposing an income tax on wealthy Alaskan earners? How many will leave the state for non income tax states?

Thank you for listening,
C. Steffens

Doniece Gott

From: Shirley Forquer <forqhoak@xyz.net>
Sent: Wednesday, March 15, 2017 10:53 PM
To: Senate Finance Committee
Subject: Income tax

The permanent fund cut is totally unfair. Please put in an income tax and lower the oil tax credits.

From Shirley Forquer
907 235-8317
Homer

Doniece Gott

From: MaryBeth Printz <printz.mb@gmail.com>
Sent: Monday, March 13, 2017 10:59 AM
To: Senate Finance Committee
Subject: SB70, SB26, and SB21

Dear Members of the Senate Finance Committee:

I am writing in regards to SB70, SB26, and SB21, all of which are proposals to use Permanent Fund earnings to cover Alaska's budget deficit. Since 1985 I have lived in Alaska and have observed the roller coaster ride of good and bad economic times. Our state needs economic stability and it needs it now.

All of these proposals use monies from the Permanent Dividend Fund, which would require a change to the state's constitution. This process will take time and money and will be a fight to the finish, if there is one. The Permanent Dividend Fund should not be touched. The dividends boost our fragile economy and are relied upon by many families to help make ends meet.

It makes more sense to institute a 10% flat income tax and a seasonal sales tax. A flat tax is simple. It is a consistent tax rate applied to all tax brackets and everyone would pay the same tax rate regardless of income. The flat tax would be imposed on wages only, with no tax on capital gains or investments. Due to its simplicity, there would be no deductions, no need for tax preparation services or an army of people to process returns. The seasonal sales tax on lodging should be around 10% and a seasonal sales tax on other items should be around 3%.

Regarding cuts; schools, police, snow removal, and the elderly should be exempt because they have been targeted enough for cuts. There are many other facets of government that need to be cut. No department should be exempt from cuts. State employees have told me that if I want a job where I get paid a lot and do very little, I should work for the state. That says it all. Eliminate employees who do the same job. Everyone should share a secretary. Cut departments that cannot prove their value. Give all state employees Fridays off without pay. All special projects should be eliminated. That means no new roads, no state supported gas line, no bridges, no nothing. The budgetary purse strings must be closed.

Legislators should not get paid if they do not attend sessions. No other business would pay its employees if they did not come to work. Legislators have a job to do. If they fail to do their job, they should not be paid and they should be fired. No other business would retain employees who do not do their jobs. Legislators should not have their lodging, meals, or travel paid for. If it is too expensive to maintain the capital in Juneau, then it should be moved elsewhere. Legislators should not be paid an allowance. They could stay in a local dorm for the 90-day session instead of being overpaid to move belongings for that brief period of time.

Thank you,

MaryBeth Printz

Doniece Gott

From: Marcella Cresap <tmcresap@mtaonline.net>
Sent: Monday, March 13, 2017 11:03 AM
To: Senate Finance Committee
Subject: SB26

I encourage passage of SB26 because all Alaskans need to sacrifice a little to help our great state get through this financial crisis.

Marcella Cresap

Sent from my iPad

Doniece Gott

From: Marnie Hartill <marniehartill@gmail.com>
Sent: Thursday, March 16, 2017 12:08 PM
To: Senate Finance Committee
Subject: Fwd: Thank you for Anch Caucus ! + My Leg. Session Priorities

Dear Members of the Senate Finance Committee:

Thank you for accepting this written testimony from me today.

I am an active constituent in 20-J. I am Tech Collaborator, Certified Teacher, at Bartlett High School. I have been a teacher of English, Theater, and technology for the past 12 years. I am also elected Vice President of Programs of Anchorage Education Association. I have seen many cuts since 2011 when the School Social Worker was pulled from Clark Middle School where I worked. It was devastating to lose this resource, a person who I checked-in with about my students' well-being at least twice weekly. When you have disadvantaged youth in your classroom who haven't slept in a real bed for years, who haven't had a meal served at home in weeks, who struggle with the death of their mother and grandmother in the same year, you will understand the moments I've had as a educator at Clark. My students need these resources and they were cut. Then the funding cuts got worse and worse. The cuts to teachers, cuts to counselors, and now cuts to our administrators continue to dismantle our public education system. Bartlett High School no longer has a full time College and Career Counselor anymore. Our students are not given the opportunity to plan for their futures like before. These cuts are taking a toll now; we will continue to see the repercussions.

I wanted to write a quick note to thank many of you for your outstanding advocacy. I was encouraged by your visit at the Anchorage Caucus late last month and I want to thank you all for your reaffirmations about your vision for this legislative session.

I support a plan that includes the following:

- + Yes on Income Tax, (not sales tax--unless on alcohol, tobacco, marijuana),
- + Stop the Oil Tax Subsidies "bleeding" our revenues
- + Stop LNG Pipeline pipe-dreams that are not sustainable
- + Revitalize our economy with a comprehensive renewable energy plan
- + Restore our Education System to stable funding
- + Advocate for Anchorage Port Authority revitalization
- + Restore Public Safety and Health/Human Services funding
- + Collaborate with Mayor Berkowitz regularly about legislation that might address Anchorage Health/Safety and crime prevention.

- + Consider a plan to better suit our immigrant community and ELL community with referrals to services for education/citizenship that are well-supported.

- + Restore Public Education teachers' freedom to provide information about sexuality, sexual reproduction, and sexual health such as referral information or guest speakers from Planned Parenthood to students in school.

- + Legislation for Health Care Transparency Law (HB123)
- + Encourage the Division of Insurance to eliminate AK admin code 3 AAC 26.110 (2)(B) "80th Percentile Rule."

- + Protect women's health rights and freedom of choice
- + Protect LGBT rights and equity

- + Support establishment of Server Farms and other Tech Industry expansion.

- + Support increasing technology in education, such as more instructional technology in the classroom, more chromebooks for kids, and more bandwidth for streaming video such as Khan Academy. I caution against those with alternative motives--we do not want technology plans that intend to replace teachers with privatized corporate take-overs of content/curriculum such as APEX. See bit.ly/sitandclick for more information and a whitepaper I have prepared for my colleagues about OCRPs (Online Credit Recovery Programs). I oppose OCRP's when they quantify 60% as mastery while replacing real classroom teaching.

You have my number below. I always appreciate your call and I am grateful for your time, your research, your advocacy.

Sincerely,

Marnie Hartill
1553 A St #323
Anchorage, AK 99501

iPhone: [907-744-6641](tel:907-744-6641)