

## Doniece Gott

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**From:** Support <ljbbonner@acsalaska.net>  
**Sent:** Tuesday, April 30, 2019 12:07 PM  
**To:** Senate Finance Committee  
**Cc:** Sen. Chris Birch; Rep. Laddie Shaw; Laura Bonner  
**Subject:** SB103 and SB104

Co-Chair Stedman  
Co-Chair Von Imhof  
Members of the Senate Finance Committee

Dear Senate Finance Committee,

I was unable to testify at the recent public hearings, so please consider my input on both of these bills.

### SB 104

An appropriation limit makes so sense to me. The proposed bill is based on an average of what was spent in the past few years. There are areas the state didn't spend enough to provide needed services. Funding for State Troopers and other Public Safety entities; the court system, especially prosecutors and public defenders; treatment programs; testing for rape kits; API; the Alaska Marine Highway; Early Education, K-12 and the University; deferred maintenance and other capital projects. That list is not all inclusive.

The discussion regarding UGF Short Term budget expectations with the two scenarios is an indication why a spending limit is impractical. Scenario A on paper doesn't take as much money from the CBR where as Scenario B depletes it. Alaska does have a cash-flow problem as pointed out by Senator Von Imhof, but to restrain future Legislatures from spending results in more cuts in services. State pension liability should be included in the debt obligation list and outside the cap. An appropriation for school bond debt should be outside the cap; there are at least 2 schools that were damaged beyond repair in the November 30 earthquake. Where is the line item for oil company credits liability? Is that inside the cap? Surely it is a big enough number to have a line item of its own.

I oppose the proposed spending limit SB 104 even if you raise the cap by a billion dollars. No one has the crystal ball to tell us what the future holds and when or what the next natural disaster might be. The Legislature has cut budgets by more that 40% in last several years. Alaska doesn't have spending problem but we do have a revenue problem. Alaska's revenue is based on two volatile sources. Oil prices could go down again drastically and without warning. The stock market should go up but corrections and downturns should also be expected. Passage of SB 14 would help increase revenue by eliminating the per barrel credit. A progressive income tax would bring stability to our fiscal situation. Increasing revenue has to be part of the discussion and so far it hasn't been.

### SB 103

I appreciate your efforts to consider how deal with payments of the PFD. I think the POMV model of a 50-50 split is not prudent as shown by Scenario B discussion for SB 104. I would have liked to see what 75-25 and 60-40 splits look like with the lower number for PFD distribution. The original method of calculation is not practical either. I cannot support SB 103 as written.

Thank you for considering by comments. You have challenging decisions to make that will be unpopular.

Respectfully,  
Laura Bonner  
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Retired Construction worker  
47 year Alaskan