

From: [REDACTED]
To: [House Ways and Means](#)
Subject: Oppose hb165 & HJR1
Date: Wednesday, April 14, 2021 8:24:18 AM

Honorable Members of the Ways & Means Committee,

My name is Adam Hykes, and I represent my wife, Kayla Hykes, for the purpose of this email. We are both residents of D31 in Homer, and we oppose both HB 165 & HJR 1.

We have been paying attention to the PFD conversation since the 90's when a census was taken by Alaskans on what to do with the Permanent Fund. It was clear then that Alaskans wanted government to keep their hands off of it, and we don't feel that the over all consensus has changed in the least.

The effort to place the money which has been collecting dust in the ERA back into the principal of the fund is laudable, but the agenda to use it to pay for government is still clear. The State gets 75%, the people get 25%. You already have been taking 50% of that 25%. In that regard, the money in the ERA has been "taxed" once already. To put it back into the principal of the PF would cause it to be "taxed" yet again before it reaches the hands of The People: the rightful owners of the resource wealth.

We hereby oppose both hb165, hjr1, and any other scheme that is short of full repayment for the past 3 years of half-payments (i.e a payout of what is currently in the ERA) and a constitutional amendment to enshrine the original calculation.

Repay what has been stolen, and you will rebuild trust.
Until then, we have no business to agree upon.

Respectfully,
Adam & Kayla Hykes

From: [REDACTED]
To: [House Ways and Means](#)
Subject: Comments on HJR1/HB165
Date: Monday, April 19, 2021 7:24:47 AM
Attachments: [Gmail - Comments on SJR 1 \(CONST AM GUARANTEE PERM FUND DIVIDEND\).pdf](#)

On behalf of the Alaskans for Sustainable Budgets project, this is to offer our comments on HJR1 & HB165.

We oppose the bills in their current form. Our reasons are these:

Background: Some argue that HJR1 & HB165 are needed in order to protect future Alaska generations from being taxed inequitably to the disproportionate benefit of the current generation. That addresses only half of the state's current fiscal problem, however. As we outlined to the Committee in our earlier testimony, we believe by using cuts to the Permanent Fund Dividend (PFD), mid & lower income Alaska families also currently are being taxed inequitably to the disproportionate benefit of upper income and non-residents. While potentially fixing the first problem, we believe HJR1 & HB165 would exacerbate the second. As we explain, we believe that both problems should be addressed at the same time.

HJR 1: We oppose HJR1 in its current form because it impairs the PFD. The amendment would eliminate the Permanent Fund Earnings Reserve Account (ERA) and constitutionally fix the draw rate from the Permanent Fund (PF). As the Committee is aware, Alaska is facing significant budget deficits from current funding sources throughout the remainder of the decade (and likely, beyond). By eliminating the ERA and additional draws from the PF as funding options, the bill effectively would limit the legislature's remaining options to either PFD cuts or substitute revenues. Given the legislature (and Administrations') decisions the past five years, we have no trust that the legislature would be able to muster in such an environment the votes necessary to adopt substitute revenues (or that the Governor would agree to the bill even if the legislature passed it), leaving even deeper PFD cuts as the only way to close the deficit.

The problem with that, as the Committee also is aware, is that PFD cuts have the "largest adverse impact" on Alaska families and the overall Alaska economy. Taking into account the limited funding options the bill creates and past legislative action, we view the bill as literally targeting for adoption the option having the "largest adverse impact" on Alaska families and the overall Alaska economy.

By constitutionally fixing **both** the draw rate **and** the PFD we believe SJR1, Sen. Wielechowski's proposed constitutional amendment, offers a far better approach. While we have proposed some amendments which we believe would improve SJR1 further (attached), even as is, SJR1 fixes the problems we have with HJR1. We would support HJR1 **if amended** to parallel SJR1.

HB 165: Because HJR1 would move all of the ERA into the PF corpus, we understand HB165 to serve effectively as a backup, half measure, in the event HJR1 (or SJR1) is not adopted. We oppose it in that context because, like HJR1, it impairs the PFD.

HB165 would move \$4.3 billion (roughly a third) of the [most recently projected](#) \$11.7 billion realized balance remaining in the ERA at the end of FY21 from the ERA to the PF corpus. The effect would be to reduce the projected end of year FY21 realized

ERA balance to \$7.4 billion, only 17% above projected FY22 UGF + PFD levels, and projected forward, the currently projected end of year FY30 realized balance to less than \$5.5 billion, significantly less than one year's projected UGF + PFD requirement at that time.

Because of the depletion of the SBR and CBR, the ERA currently stands as the state's only remaining fiscal reserve to help handle emergencies. In our view, allowing the reserve balance to drop roughly to and then, below, one year's requirements would be perceived as (and is) fiscally irresponsible, increasing pressure to reduce the PFD - the funding option having the "largest adverse impact" on Alaska families and the overall Alaska economy - even further in response.

We believe the best response to Alaska's fiscal situation is the adoption of SJR1, or something similar, which permanently protects against **both** PF overdraws **and** PFD cuts. We believe the focus should remain on accomplishing that, not some half measures adopted in the interim that would increase pressure to adopt further PFD cuts.

Brad
Brad Keithley
Managing Director, Alaskans for Sustainable Budgets



From: [REDACTED]
To: [House Ways and Means](#)
Subject: please accept my voice on this issue
Date: Tuesday, April 20, 2021 9:29:29 AM

NO" to this PFD Stealing bill HJR1. so once again "No" to HJR1 & to pass SJR1!

From: [REDACTED]
To: [House Ways and Means](#)
Subject: NO to HJR1 and HB 165- Public testimony
Date: Tuesday, April 20, 2021 6:20:12 AM

Committee members,

I strongly oppose HJR1 and HB 165 because these bills will have the largest negative impact on Alaskans and Alaskan Families and they impair our PFD. We will not support these bills!!!!

You must adopt Senator Wielechowski's bill SJR1 because it offers a fair and better approach and a bill that most Alaskans could get behind.

IT'S TIME FOR YOU TO STEP UP **for your constituents AND FOLLOW THE LAW. PUT ALASKANS AND ALASKAN FAMILIES FIRST..it's the right thing to do.....**

**Linda Morrison Goss
66 year resident
Fairbanks, Alaska**