

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: [Brad Keithley](#)
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

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From: [Linda Morrison Goss](#)
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**

From: [Kerri Mullis](#)
To: [House Ways and Means](#)
Subject: HJR1 NOPE and HB165 NOPE
Date: Tuesday, April 20, 2021 6:14:07 PM

I respectfully ask
That you do not vote for HJR1 nor HB165.

Thank you for being willing to stand up for ALL ALASKANS-not just special interests

Kerri Mullis
907 750 9424

From: [Rainbow Chaser](#)
To: [House Ways and Means](#); [Rep. David Eastman](#); [Rep. Mike Prax](#)
Subject: PLEASE PLACE IN RECORD OPPOSITION TO HB165 and distribute to Legislators packet for today's meeting
Date: Tuesday, April 20, 2021 10:52:21 AM

Public Testimony
Written Opposition to HB165
House Judiciary (HW&M)
Tues, 4-20-21

My name is James Squyres from Rural Deltana. I am an Article 1, Section 2 Alaskan as well as a CPA, not currently in practice. This written testimony is in opposition to HB165. It is an obvious NAY for all members in this committee. Consider the following negative components of this Bill...

- 1) The 4.35 Billion is ad hoc and arbitrary.
- 2) The Earnings Reserve still contains amounts that, under statute, should have been paid to Alaskans prior to SB26. Diminishing the ER represents a "take" on these funds and the current generation as legislators attempt to sweep former statute violations "under the bridge".
- 3) The legislature has also recently ALREADY made ad hoc and arbitrary transfers from the ER to the PF with one argument that it was for inflation proofing. These amounts have in essence prepaid this argument for some time so an additional amount is unwarranted.
- 4) Other amounts currently in the ER outside point (2) above consist of amounts retained in the ER after paying the statutory PFD in the earlier years. While, in a manner of speaking, it represents the "other half" it is indeed available for government. The argument is which generation? By transferring ad hoc funds to the PF from the ER the legislature is choosing future generations and denying a potential tool in the tool box to mitigate a glide path to a lower sustainable size, scope and footprint of government. This drives Alaskans into unnecessary broad based taxation sooner while denying the tools that have been put in place by past generations to be used wisely and judiciously by the current generation.
- 5) Legislators under Article 12, Section 5 have a duty to acknowledge the intent behind Article 9, Section 17. While the ER itself is not subject to Article 9, Section 17(d) the concept of a contingent liability to re-achieve the "high water mark" of the CBR exists. I would have more respect for this committee if they had proposed moving the 4.35B to the CBR. Some of the folks in this committee were a part of drawing down the CBR and should lead the charge in refilling it to its high water mark. That is the fiscal discipline Alaskans want to see.
- 6) Proposing to transfer 4.35B from the ER to the PF while also traditionally voting for the Reverse Sweep to dodge the constitutional intent of Article 9, Section 17(d) to set up what in essence are dedicated funds smack the intent of Article 9, Section 7 right in the face. The adventurism in these funds might be fine if these were times of plenty but they are not and scare resources are subject to triage.
- 7) Transferring these funds under this Bill only serves as one component of a diabolical plan to try and sustain government that is outside it's bounds and will drive Alaskans into broad based taxation sooner than later to shore up an unsustainable level that we will quickly out grow and beget the problem all over again.

That concludes my testimony,
James Squyres
Rural Deltana