

**From:** richard russell <[REDACTED]>

**Sent:** Tuesday, August 3, 2021 8:03 AM

**To:** Fiscal Policy <fiscal.policy@akleg.gov>

**Subject:** Fiscal policy, AK Permanent Fund

Wasn't able to make a phone call last night (although I watched the entire 3 1/2 hrs). From Palmer, speaking for myself and echoing opinions of family and friends. Many AK legislators seem to forget that they were ELECTED to serve the people of our State, and now feel that they were SELECTED by God to run people's lives. We lived in Bethel for 25 years, and the yearly PFD was always a major economic "shot in the arm". People were able to purchase durable items that allowed for their subsistence life style. The original PFD statutory formula needs to be followed and put into the State's Constitution. The PF is growing more than any time in its history, and is not going to be seriously impacted by following AK statutes. To claim that putting any formula into the State's Constitution would limit future legislatures is absurd. If it ever came to that, the State's Constitution could be revisited by a (much overdue) constitutional convention.

[Sent from Yahoo Mail on Android](#)

-----Original Message-----

From: Kaylee Evans <[REDACTED]>  
Sent: Tuesday, August 3, 2021 8:50 AM  
To: Fiscal Policy <fiscal.policy@akleg.gov>  
Subject: PFD

Hello,

I am a (almost) lifetime Alaskan writing with concerns about the handling of the PFD fund. No one could have anticipated the struggles that this pandemic has placed on Alaskan families and our economy. It breaks my heart to see small businesses closing their doors, people having to make decisions about what do to without so they can make ends meet, and see such visible representation of the financial struggle we are all feeling.

In talking to many fellow middle class friends and families just having a full PFD this year could alleviate so much financial burden. I'm not sure if this is even on the table but having the previous year's funds that were withheld would be life changing for many of us in the lower-middle class. That amount of money could pay for supplies for trade school, a certificate program through the UA system, a used car to get to and from work, a couple months of daycare while a family tries to get both parents working again, etc.

For us lower-middle class who are fighting to be able to afford to stay Alaskan please consider offering the best help that you can to our struggling families and businesses. The power to give our economy a much needed boost, help people get back to work and give us a light at the end of the tunnel is in your hands.

Thank you,  
Kaylee Evans

**From:** Mary Burtness <[REDACTED]>

**Sent:** Tuesday, August 3, 2021 8:54 AM

**To:** Fiscal Policy <fiscal.policy@akleg.gov>

**Subject:** Comment on state budget

Dear members of the committee:

First of all, I appreciate your work on this committee. It must be difficult to get this work done in the middle of summer, when there is so much of Alaska to enjoy instead!

Second, I am not going to pretend that I understand the state budget or all the ins and outs of the options. However, I do believe that government's role is to provide for its citizens in education, safety, health, infrastructure, a healthy environment and safe resource development. I am not for privatization for services because it just widens the gap between the haves and have nots.

To pay for these items, I am happy with a cap on the PFD so it will be around in the future. I am also not adverse and would support a state income tax.

Thank you for this opportunity to share my thoughts with you

Sincerely yours,  
Mary C Burtness

**From:** KELLEY <[REDACTED]>  
**Sent:** Tuesday, August 3, 2021 9:56 AM  
**To:** Fiscal Policy <fiscal.policy@akleg.gov>  
**Subject:** PFD

## **Alaskan's Permanent Fund Dividend**

Follow the original statute concerning the payment of the PFD. Even in the future when the PFD grows as it has during the past 36 years. My goodness, even a \$10,000 dividend? YES.

Why?

Because it allows the State to discontinue subsidies, grants, scholarships, hold harmless welfare benefits, and any other program that does not ensure the right to life, liberty and the personal enjoyment of our own work.

End subsidies and begin charging what it costs to operate said subsidized program. For instance, the Marine Highway. Because it is subsidized, no private entity can compete, I end up paying for something that I do not use, and the concept serves Alaskans unequally - I have a home off the road system and my transportation is not subsidized, I pay the entire cost directly out of my pocket.

End grants. When Alaskans received a full unadulterated dividend, we were generous. The evidence for this statement is in the Pick-Click-Give program. Before Gov. Walker pulled the rug out from under Alaskans by vetoing a significant portion of the dividend, the PCG program was thriving. Now, not so much. We can then choose to support programs we believe in. Let the lobbyists lobby us directly for our money.

End scholarships. Every person can consider their dividend a scholarship if they so choose.

End the hold harmless program. A significant dividend can be just the boost that someone needs to get off welfare. Ending hold harmless means that someone on welfare would have to be responsible about how they spend their PFD.

End longevity payments. The PFD adds up to more anyway.

Direct, honest, PFDs are absolutely a boon to the economy. How anyone can say that a PFD is only a boost to the economy by being redistributed through the State government is seriously mentally compromised.

A PFD can make the difference on whether someone is dependent on Medicaid.

A PFD can make a difference in the ability to hold a job. How? By being able to purchase a vehicle or a more reliable vehicle.

A PFD can be garnished to pay child support from deadbeat parents - maybe making the difference whether being on public assistance or not.

A PFD can be used to send children to private schools. Which may even force public schools to compete to improve students' education.

A PFD can be garnished to pay significant restitution to victims of crime. Or, how about to pay the thousands of unpaid fines charged to people convicted of crimes. Check CourtView sometime. If all those fines were paid we could quite possibly solve our financial dilemma.....

A PFD can be returned to the State if someone truly believes the State will spend it more wisely.

PFDs can be used for home ownership, for business start-ups, used to hire help to allow elderly to stay in their own homes longer, the possibilities are endless.

And yes, the PFD can buy a monster flat screen TV.

The point is, that we all have unique situations that the State cannot begin to understand or even have any business in trying to understand or to interfere in. The State cannot possibly be everything to everybody and should not even try. That is our job. Yours is to provide law enforcement, and to secure and maintain our rights. I do not have the right to someone else's PFD unless they owe me money, and the court agrees. I maintain that you do not have the right to mine for the same reason. Follow the law.

The PFD is an amazing gift to all of us as equal recipients of the riches of Alaska. Once that money washes through the government, it becomes unequal, subject to the whims of legislation, and downright ugly. Follow the law.

Our PFDs allow the State to cut spending by at least an equal amount because we can provide for our own services.. It allows the State to spend on law enforcement and prosecution, keeping the riffraff to a minimum. Seriously cutting welfare programs makes the PFD less attractive to freeloaders. A PFD can be used for transportation to somewhere with more lucrative welfare benefits.

Return our PFD to the original concept. Because it is based on a portion of the earnings of the Permanent Fund itself, it cannot destroy the constitutionally protected Permanent Fund. The Fund should continue to grow if invested wisely, and that means the portion available to the State should grow as well. Follow the law.

All this fighting over what should be a non-issue is hugely expensive. Just follow the law.

By the way, how does anyone have respect for laws if the people who make laws do not respect laws?

How does anyone respect the process of Representative government if our representatives do not respect it?

**The Legislature has proven time and time again that it cannot be trusted to follow the law concerning the PFD. Therefore it must be removed from it's responsibility and be Constitutionalized.**

Thank you for your consideration,  
Kelley Griffin



## What is the Permanent Fund and Why Does it Matter?

We continue to hear from pro-pfd Legislators and Alaskans that the PFD is "The people's money" and that deviating from the statutory formula every year is an unfair form of taxation.

We hear from Legislators on the other side of the issue that we can't afford a full PFD. They would be right if it is all the governments money, and the PFD is simply another appropriation just like medicaid or public safety that could be increased or decreased based on revenue and the makeup of the legislature each year. Of course, this philosophy is relegating the PFD to simply being an evenly distributed welfare check of what is left over after the rest of the budget is decided.

People are only partially right when they say that the PFD is the people's money. It is my belief that all the money that comes from the PF, oil/gas, mining or anything else that that come out of the ground belongs to the people. That means that ALL the royalties, lease payments, and production taxes as well as the earnings from the PF belong to the people. Yes, we do have 75/25 ratio in the constitution that splits royalties and lease payments between the government and the PF, and we have the statutory formula for dividing the earnings from the PF between government and dividend:.

Some might say that the money that does not go to dividends belongs to the government. What they are forgetting is that in the United States and in Alaska governments are instituted "Of, by and for the People" and govern by their will only. Therefore, all the money belongs to the people and the permanent fund structure is fundamentally our tax code.

Let me explain.

In FY2019, Alaska brought in \$5,980,600,000 from oil, mining and the earnings from the PF. Divided by the 633,243 Alaskans that received a dividend, that comes out to \$9,444 in resource income per Alaskan. The statutory PFD calculation in 2019 was \$2910, that means that there was a tax rate of 69% on each Alaskans resource income. If you take the PFD that was actually paid out, (\$1606) this means that each Alaskan was taxed at a rate of 83% on their resource income. Of course, this taking the earnings from just one year, not a five-year average.

In FY2020, the numbers are a little different. Alaska brought in \$3,114,100,000 in resource income and PF earnings. Divided by 630,937 Alaskans, comes out to \$4,877. Again, one year of earnings. Not a five-year average. The statutory PFD calculation in 2020 was \$3,064. This means that the tax rate on Alaskan's resource income would have been 37% if the full PFD had been paid out. Instead, it was 80% because the PFD was \$992.

Deviating from the statutory PFD formula is not a tax. It is an unlawful confiscation. It would be the same if the federal government withheld whatever amount they deemed necessary from our paychecks regardless the tax code. Just because the PFD goes through an appropriation in the budget (which it should not), does not mean that the government can take what it "needs" or wants each year. Basically, the PFD is not government revenue, if the state wants it, then pass a bill increasing taxes on our resource income.

Here lies the fundamental disagreement. Who does the money/resource belong to? The people or the government? The statehood compact said the state owns the resource. Gov. Hammond said that the people own the resource, consistent with our "Of, by and for the People" government model. The question is are we going live up to those words, or are we a government "Of, by and for the Government" and those that have the resources and influence to control it?  
All my numbers came from Leg Finance and the Dept. of Revenue.

Andrew Elliott  
District 15



**From:** Peter Hoepfner <[REDACTED]>  
**Sent:** Tuesday, August 3, 2021 10:21 AM  
**To:** Fiscal Policy <fiscal.policy@akleg.gov>  
**Subject:** Thank you for taking time to take testimony

## Thank you for taking time to take testimony

With the Alaska in difficult fiscal shape the budget needs to be addressed. The faulty logic of sweeping the accounts does nothing but hurt Alaskans. New revenues need to be effective

Taking a look at oil tax revenues as well as instituting a state wide income tax is the most logical solution. With many fishermen, miners, oil field workers and others generating income in Alaska and paying their home state income taxes and revenues generated in Alaska shows that money is going through our fingers.

A state wide sales tax will burden communities already burdened by the cost shifting that we have seen the state take already.

The state budget is in such financial woes they are reneging on the state promise of the school bond debt reimbursement, to level of 30% of what was promised. Further cuts to the state budget and flat funding of education does nothing but harm Alaskans. Taking the ferry system does nothing but hurt Alaskans economy

Let's stop the conversation of cutting and start the conversation of revenues (look at oil tax plan..) and income tax is the most equitable. Adding a statewide sales tax increases the already cost shifting burden from the state not meeting its obligations, and you want to add a state sales tax on top of that too???

Thumbed in from my iPhone

-----Original Message-----

From: Rainbow Chaser <[REDACTED]>

Sent: Tuesday, August 3, 2021 12:52 PM

To: Fiscal Policy <fiscal.policy@akleg.gov>; Sen. Lyman Hoffman <Sen.Lyman.Hoffman@akleg.gov>; Rep. Jonathan Kreiss-Tomkins <Rep.Jonathan.Kreiss-Tomkins@akleg.gov>; Sen. Shelley Hughes <sen.shelley.hughes@akleg.gov>; Sen. Scott Kawasaki <Sen.Scott.Kawasaki@akleg.gov>; Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>; Rep. Calvin Schrage <Rep.Calvin.Schrage@akleg.gov>; Rep. Ben Carpenter <Rep.Ben.Carpenter@akleg.gov>; Rep. Kevin McCabe <Rep.Kevin.McCabe@akleg.gov>

Cc: Sen. Elvi Gray-Jackson <Sen.Elvi.Gray-Jackson@akleg.gov>; Sen. Mike Shower <sen.mike.shower@akleg.gov>; Rep. Grier Hopkins <Rep.Grier.Hopkins@akleg.gov>; Rep. Mike Prax <Rep.Mike.Prax@akleg.gov>

Subject: Work Group Written Testimony- Please Place in RECORD by James Squyres

Please read, study and then place the testimony contained in the attached PDF file into the public record. If you have ANY issue opening the file please contact me ASAP.

James Squyres, Rural Deltana

Written Testimony- Please Place in RECORD

Comprehensive Work Group

Submitted by James Squyres

August 2, 2021

My name is James Squyres. I am a CPA by profession, not currently in practice. I have had an opportunity to watch, follow and analyze Alaska finances for about a decade. I listened to all the public testimony that took place in Anchorage, Mat-Su and Fairbanks and heard strong support for the original PFD, which I support, as it currently is in statute. This does not seem to have been a proposal brought up in this working group so far.

Though a Constitutional Amendment to solve all of our problems might be nice, there are pragmatic tools in the tool box that are not being used that only require a majority vote or even less. When Alaskans do not see you using these tools, at lower VOTE thresholds, HOW, can we expect you to solve bigger problems?

A Constitutional tool that is your duty to honor and only requires a minority is the continued denial of the "Reverse Sweep". Because we have borrowed from and OWE the CBR, the "Sweep" Art 9 Sec 17(d), IS A CONSTITUTIONAL CHECK ON THE LARGESS OF GOVERNMENT. This has rightfully placed about 2 billion back into the CBR, of which portions can be carefully applied to the problem. The "Carpenter Amendment" that failed on the Floor should be brought back as an immediate solution. Had it passed it would have ensured no interruption in the PCE program payments and other programs going into this winter and would have had no ethical Constitutional Conflicts.

Governor Dunleavy proposed HB57 in the 31st Legislature that, had it passed, would have brought in about 446 million per year. This repatriates O&G Property Tax to the State which sets a 20 mil rate, that is being supplanted by organized areas of the state. The lion's share of these funds are being supplanted by North Slope Borough, 377 million and Valdez, 39 million, who have been building their own Permanent Funds which they are not drawing from. So NO it is not a 1 to 1 trade-off because they could

start drawing revenue from their Permanent Funds to mitigate the legislation and tighten their belts like everyone else. To put this revenue source into perspective Walker's Income Tax Proposal would have brought in about \$200 million so this is more than twice as much.

I heard invited testimony before this Group on taking a closer look at the SOA Retirement Funds and the potential contribution to the fiscal picture based upon assumptions of actuaries, market returns and inflation. With all the public support for the Original PFD calculation and the exceptional returns of the Permanent Fund the "other 1/2" of the statutory calculation should be put back on the table for consideration. One half of Statutory Net Income is MORE than one half of a 5% POMV... about 800 million or so.. SB26 would have to be repealed and should be anyways for numerous reasons. With 4 billion dollar appropriations between the ER and PF in the last couple of years inflation proofing has been prepaid for numerous years, more if the archaic Inflation Proofing Formula were to be updated to a modern calculation involving actuaries. Before you dismiss the use of the INCOME off the PF consider that Article 9, Section 15 specifically refers to the INCOME. A POMV of any nature is not income based at all.

That concludes my testimony  
James Squyres, Rural Deltana

-----Original Message-----

From: Gayle Trivette <[REDACTED]>  
Sent: Monday, August 2, 2021 4:42 PM  
To: Fiscal Policy <fiscal.policy@akleg.gov>  
Subject: COMPREHENSIVE FISCAL PLAN

Thank you for the time and effort you're committing to the welfare of all Alaskans currently living here and future generations.

When discussing a LONG TERM FISCAL PLAN FOR ALASKA we need to also be motivated by a concern for the LONG TERM FISCAL HEALTH OF ALASKA. The legislature and anyone who has been listening to legislative committee hearings has received a great deal of expert testimony from the managers of our permanent fund and your own nonpartisan legislative finance economists. Most Alaskans and most of our elected legislative representatives are not experts in financial management, so good judgement would be to listen to the financial expertise we have hired as both the basis for this year's budget and long term financial decisions. That may mean a smaller PFD this year to ensure having PFDs in the future.

NO MORE BUDGET CUTS - Alaskans have spoken. When Gov. Dunleavy attempted deep cuts through veto, a recall petition attracted many signatures from all corners of the state. One small example of the damage caused by extreme under-funding: The ferry system in the past provided an economic lifeline to the small coastal communities and carried many independent travelers to both those small communities as well as people driving to the interior and other communities on the road system. Now we are completely dependent on the cruise industry and many smaller communities are struggling to survive.

YES REVENUE - GRADUATED INCOME TAX can be designed to hold low income people harmless, capture revenue from out of state workers and allow those of us who benefit from living in Alaska to help pay for the services that keep our economy going. Higher income Alaskans are currently sending part of their PFD to the federal government in federal income taxes. It would be better to keep that money in Alaska.

LOOK AT LINKING PFD TO CURRENT REVENUE FROM ALL NATURAL RESOURCE DEVELOPMENT. The original permanent fund was intended to turn the earnings from our finite oil resource into an infinite source of revenue in perpetuity for All Future Alaskans. Alaska attracts many short term residents who are most concerned about personally getting as much from our resources as possible with no concern for future generations of Alaskans. Dividing Permanent Fund earnings between paying for services that benefit everyone and individual payments to people who may not be concerned about the long term health of our communities will continue this annual battle. Like stockholders in any corporation, all current residents will have a greater interest in revenue from our current sales contracts if their personal dividend is linked.

NO GAMBLING OR STATEWIDE SALES TAX - gambling revenue is not worth the prospective harm to vulnerable people. A statewide sales tax takes money away from local governments who have been using local sales tax to help pay for local infrastructure. Leave sales tax as an option for local communities.

Thank you again for your work on behalf of current and future Alaskans.

Gayle Trivette



Juneau, AK 99801

**From:** Pamela goode <[REDACTED]>  
**Sent:** Tuesday, August 3, 2021 1:36 PM  
**To:** Fiscal Policy <fiscal.policy@akleg.gov>  
**Cc:** Goode Pamela <[REDACTED]>  
**Subject:** Fiscal Plan working group - written testimony

Greetings,

Please submit my written testimony to the fiscal plan working group.

Thank you,  
Pam Goode  
Rural Deltana

August 2, 2021

Members of the Committee and legislature,

The comments, thoughts and ideas in this testimony are my own and mine alone.

The decade and a half of excessive spending and growth of government by the Alaska legislatures and governors has not only assisted and encouraged the creation of unconstitutional dedicated (politically called designated) funds, it has brought Alaska to an unnecessary crossroads. Over \$18 billion dollars of investments, growth and sustainable income was rapidly utilized and depleted in order to continue this fiscally irresponsible process and pattern of overspending. This behavior continues today. This ill management of the people's money has lead legislators and governors to reason one poor decision followed up with the use of another poor decision, year after year, hoping for another financial windfall so that the spending spree does not need to end.

When the reckoning day finally arrived, Alaskan's PFDs were used to continue the overspending along with keeping the unconstitutional dedicated funds and funding alive. This mind set and behavior must not continue nor should it be rewarded with one more year.

**FISCAL SOLUTION:** For your review and consideration. Here are several ideas, in bullet form, offering a sustainable solution in conjunction with the promotion and preservation of individual liberty. This also enhances the overall Alaska economy for now and always.

#1 Mind set. Keep government small and keep it simple. Being the arbiter of funding for all the special interests and the people's priorities, needs and wants is a huge task, is not simple and it can never be fair or just. Micromanaging and controlling everything is costly. The sole purpose of government and the constitution is to secure and protect the rights of the people with a limited government. Privacy is paramount.

#2 No state broad base taxes.

#3 No Reverse-Sweep. This is the most important action the legislature can take today. Pay needed program funds with general funds. This amendment was offered by Rep. Carpenter. It failed to pass. Let all funding compete with each other.

#4 Repay the CBR.

#5 Keep the current statutory PFD calculation.

#6 Create Credit Accounts for each recipient of the PFD. What has been confiscated without consent is to be repaid. Repay the PFD. My compromise: Spending of ones credit account is to be done in Alaska to benefit the Alaskan economy. Implement in pick, click and give purchasing options like licensing, land purchasing, education, etc. Look into a tax free application.

#7 Return future pipeline property tax taken by municipalities to the state (Alaskans) along with all other state imposed resource taxes across the state. A precedence is needed to avoid municipalities reaping huge resource benefits belonging to all Alaskans. Municipalities should keep the permanent funds they created for themselves to assist in local governance and sustainability. Reeling this in alone would return almost half a billion dollars a year to the state.

#8 Repeal SB26 and implement SNI 50/50 for government funding as needed. This is the other half of the current statutory formula. Currently this will bring in more money for state funding and PFDs than a POMV 50/50 which also does not protect the corpus. An SNI 50/50 continues to protect the corpus.

#9 Turn the CBR into the Government's PF. Have the APFC invest for returns. Transfer all CBR investment income and capital gains to the SBR.

#10 Live within the means provided or reduce services to be funded by user fees. If they people will not fund it, remove it. Create a statutory "spending limit target" formula that fluctuates as elements of the equation change.

#11 Stop public funding of abortion

#12 Audit Election results and process for future trust and integrity. Our election process is flawed and therefore not trustworthy. Make elections 100% trustworthy.

#13 In time, scrutinize every government agency for purpose, efficiency and effectiveness. Measurable progress is mandatory.

#14 In time, simplify and update resource taxes. Do not pander to special interests or legislative pet projects. Get it right, get it fair, get it equal.

#15 Free Alaskans from "program" dependency. Not easy, but the right thing to do and should be done soonest, thoughtfully and with precision. There is nothing more dear than liberty and freedom. It's value is priceless. It was purchased with blood, tears, treasure and lives. For most, it is taken for granted more than anything else in life. Do nothing to hold a man down, to deprive him of his property or benefit another with the fruits of his heartbeats (labor). Never create a government, the poorest of man cannot afford to maintain. A smaller government encourages and helps develop bigger and stronger individuals.

The most necessary task of civilization is to teach men how to think. ~ T. Edison A man's greatest individual growth occurs when they are challenged with having to make a choice between two things they want to keep knowing they cannot have both.

Give Alaskans that choice, a PFD choice; PFD or state funded program dependency and continuance. This includes medical, dental, etc. Our government does too much for too many causing one to look towards the government for solutions and not the person within. Alaskans can not afford to fund both nor should they. One's life is their responsibility. They need to reap the benefits of wise choices and the consequences of poor ones.

Individual freedom and independence should be the desire for every Alaskan and every legislator for their constituents. Nothing compares to a life of liberty. Once earned and lived, people will endure and will fight to keep it. Life becomes purposeful no matter where you stand or what you choose to do with it.

This concludes my testimony.

Live free,

Pamela Goode

Rural Delta





