

**From:** [Karen Wuestenfeld](#)  
**To:** [Senate Finance Committee](#)  
**Subject:** SB 92 and the State budget in general  
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I urge you to take courageous action in the face of Alaska's fiscal crisis. This is a crisis of our own making – caused by an unwillingness to accept that cost cutting alone cannot balance a budget. I support reasonable taxation on the oil and gas industry as well as a personal income tax.

We are victims of bad decision making in the early 1980's: implementing a dividend distribution from the Permanent Fund and eliminating the state income tax. The PFD has become a bizarre socialist but regressive entitlement that clouds rational decision-making. I hear strange sayings in my district such as "people know how to spend money better than government" in the context of reducing the PFD. This is just a strawman to distract the gullible. The real issue is addressing the government's role which is to provide equitable services to its citizens.

Consider Alaska's Constitution: Article I, Section 1 which provides in part:  
"This constitution is dedicated to the principles that all persons have a natural right to . . . enjoyment of the rewards of their own industry; . . . and that **all persons have corresponding obligations** to the people and to the State."  
(Emphasis provided.)

This obligation should now include helping raise revenue in the form of a graduated income tax. This duty should also be reflected in a reduced PFD – preferably by adopting the 75/25 plan. These are bound to be unpopular with many constituents, but are the only way to resolve our fiscal crisis, which is exacerbated by the inexplicable tariffs recently implemented by President Trump.

The oil industry does has a duty to pay their share – please take into account any real changes in their federal taxation.

A prime place to reduce budget spending is AIDEA – otherwise known as a place where dollars go to die. Study after study yields no results other than revenue for mostly out of state consultants. Actual construction projects have nearly all been economic failures. The State should not be investing capital – let those with market expertise do this

I love Alaska. I have lived here since 1981, raised two children who have decided, for now, to remain in here. They are increasingly unsure of this choice due to the failing school system (they are committed to public schools), deteriorating infrastructure and associated deferred maintenance, a flagging higher education system, poorly maintained parks, and many other indicia of deteriorating quality of life.

As a State, we need to take bold, courageous action on this year's budget to revive our economy, improve our quality of life, and ensure our state is not in a race to the bottom. The actions required to do this will not be easy or popular, but will provide for all in the long run.

With respect,

Karen Wuestenfeld  
Homer