

**Testimony of Curtis W. Thayer
President and CEO
April 21, 2016**

For the record, my name is Curtis Thayer and I currently serve as the President and CEO of the Alaska Chamber, a statewide trade association with almost 700 members that employs over 100,000 Alaskans.

The Alaska Chamber supports House Bill 379. It is a meaningful step in controlling these automatic pay increases when the state needs to do everything it can to bring every aspect of state spending to a sustainable level. It is not fair to be giving raises to one group, while another group of Alaskans are receiving pink slips.

As a former Commissioner of the Department of Administration I've negotiated state employee contracts across the table with Jake Metcalfe and Jim Duncan. I understand the value of our state employees. They do some of the toughest work that no one else wants to do. And they spend a lot of years doing it. However, with a \$4.1 billion deficit that grew \$600 million since we started this process in January, this is something we can't afford. Let me reiterate, this is not a pay cut, its simply telling people what they received today they will receive tomorrow, and they'll have next year. That's something the private sector doesn't have – job security.

We polled our members and specifically asked what are you doing in these tough economic times? They're response:

- Reducing their work force, laying-off employees
- Freezing employee pay
- Reducing employee pay
- Furloughing employees
- Eliminating overtime pay
- Lowering contributions to 401K retirement plans
- Lowering contributions to health insurance plans
- Eliminating health insurance plans
- Renegotiating vendor contracts
- Decreasing capital investment
- Streamlining operating costs
- Eliminate discretionary spending
- Downsizing their footprint – Moving into smaller space
- Eliminate employee perks
- Selling off equipment



This is what the private sector is being forced to do right now.

I've been in a position responsible for hiring, firing and laying people off. Trust me, it's a lot better to be able to hire people and tell them they can keep their job. HB379 allows people to keep their jobs.

I would like to share with you a comment by a small Alaska Company with an office in Fairbanks and Anchorage:

"Curtis, I am pleased this is finally coming to the forefront of discussion. With private business seeing 20+ percent drops in revenue and employees being laid off, it is criminal that state raises are being considered. Unfortunately, public employees never felt the effect of the last two crashes the private sector felt since their world didn't change. There are also a lot of people that weren't here for the '95 crash, let alone the '85 crash so are not prepared for what is still to happen.

Keep up the conversation and get the word out to everyone."

With HB 379 more state employees will be able to keep their jobs, while providing a piece of the puzzle in bringing state spending to a sustainable level. I urge your support of HB 379 and passing it out of the House Finance Committee.