

7/13/2016
SSTA

SB 5001 public testimony packet #2
(7 POMs + 1 Resolution)

Daniel George

From: Nancy Cuddeback <nanalaska@aol.com>
Sent: Wednesday, July 13, 2016 6:17 PM
To: Senate State Affairs
Subject: Permanent Fund

I am glad to hear that the Governor's plan for the Permanent Fund includes eliminating the Permanent Fund Dividend check by 2020, it is long overdue. If the state doesn't have enough money to pay it's bills, shouldn't be handing out free money. No one is owed free money just because they live here. These checks have been nothing but a magnet for losers from the Lower 48.

Nancy Cuddeback
Anchorage

Daniel George

From: Danny Slane <dslane3006@gmail.com>
Sent: Monday, July 11, 2016 10:38 PM
To: Sen. Bill Stoltze
Subject: PFD - Do Not Cap

Categories: Bill in Committee

Do not cap the PFD. Vote to override the Governor's veto.

Government needs to cut waste and inefficiencies before taking money from the people of Alaska.

Can the PFD legally be used to close the budget gap? Or does it have to go into the earnings reserve?

Dan Slane
(House Dist. 4)

Members of the Senate,

I would like to thank you for listening to the concerns voiced by common Alaskans before the House Finance Committee. It gives some hope that the Legislature will remain open to future concerns voiced before the House.

However, I do believe that some of that message was clouded. To only hear from constituents for a couple of minutes at most it is easy to see that a person's full belief and intent cannot always be shared.

I, of course can only speak for myself and the others that I have communicated directly with on the matter. My two minute testimony in summary is a "NO VOTE on SB 5001.

I believe a large part of the original intent of the Permanent Fund was two fold: 1)Save Alaskans' new found wealth so that it would not squandered away by big spenders in the Capital
2)Serve as a conduit for the people of Alaska to measure the health of their State and ensure engagement with their elected representatives.

These main concepts helped to create what the Late Jay Hammond referred to as Alaska Inc. which we should all feel grateful to be a part of.

"The Permanent Fund provides about the only lens through which the public could and would view more realistically the true costs versus expense of development"

-Jay Hammond

Instituting brackets, caps, and other constraints defeats the purpose/intent of the Permanent Fund. I think what people want is a equal share of the earnings as which it is currently calculated. These earnings represent natural resources which are bound to the Constitution to produce the "maximum benefit for the people". The most elegant way to do this is through the Permanent Fund Dividend program.

"Again, our constitution mandates that Alaska "manage its resources for maximum benefit of its people." Asked what's the maximum benefit they've received from oil, no doubt most would say dividends. Certainly, no program better meets that mandate. Couple that with the fact that dividends yield the biggest bang for the buck in stimulating our economy, and that any reduction in dividends would have exactly the same effect as a "head tax" paid by only and all Alaskans"

-Jay Hammond

Our State Fiscal concerns require action of the Governing bodies of Alaska. However, SB 5001 will not alleviate these concerns. I would be remiss if I did not mention that the State Budget was roughly \$2.5B, a Sustainable level, only a short 10 years ago. Spending has over grown our revenue at a pace greater than which population increases and inflation can account. If there were a reasonable spending reduction plan I would support methods to increase revenue. However, not through the methodology outlined in SB 5001, this is the most regressive form of taxation that places the full burden on Alaskans only. Especially those who need it the most and even the future generations that do not have a voice to express themselves.

In summary, I urge you to please "VOTE NO" on SB 5001. Come back to your respective districts and let us discuss these issues, let us get creative and figure out a productive way live up to our motto "North to the Future". Please do not jeopardize this by acting in haste, under the pressure of the moment from the Administration and other Special Interest groups. Thank you for your service and consideration. If you would care to discuss any aspects of this situation please contact me.

Kind Regards,

Brendon "Don" Hopkins
907-252-9304

"All change is not progress, just as All motion is not forward " Ellen Glasgow

Daniel George

From: Dick <seaward99835@yahoo.com>
Sent: Wednesday, July 13, 2016 5:28 PM
To: Senate State Affairs
Subject: PFD

I support using a portion of PFD earnings to pay for basic services such as Education. Do it now! Thank You.
Richard Curran. Sitka , alaska

Sent from my iPad

Daniel George

From: Diane Shellenbaum <dshellenbaum@yahoo.com>
Sent: Wednesday, July 13, 2016 8:29 AM
To: Sen. John Coghill; Sen. Mia Costello; Sen. Mike Dunleavy; Sen. Dennis Egan; Sen. Johnny Ellis; Sen. Berta Gardner; Sen. Cathy Giessel; Sen. Lyman Hoffman; Sen. Charlie Huggins; Sen. Pete Kelly; Sen. Anna MacKinnon; Sen. Lesil McGuire; Sen. Kevin Meyer; Sen. Peter Micciche; Sen. Donny Olson; Sen. Bert Stedman; Sen. Gary Stevens; Sen. Bill Stoltze; Sen. Bill Wielechowski; Rep. Mike Chenault; Rep. Matt Claman; Rep. Jim Colver; Rep. Harriet Drummond; Rep. Bryce Edgmon; Rep. Neal Foster; Rep. Les Gara; Rep. Lynn Gattis; Rep. David Guttenberg; Rep. Mike Hawker; Rep. Bob Herron; Rep. Shelley Hughes; Rep. Craig Johnson; Rep. Andy Josephson; Rep. Scott Kawasaki; Rep. Wes Keller; Rep. Sam Kito; Rep. Jonathan Kreiss-Tomkins; Rep. Gabrielle LeDoux; Rep. Bob Lynn; Rep. Charisse Millett; Rep. Cathy Munoz; Rep. Benjamin Nageak; Rep. Mark Neuman; Rep. Kurt Olson; Rep. Daniel Ortiz; Rep. Lance Pruitt; Rep. Lora Reinbold; Rep. Dan Saddler; Rep. Paul Seaton; Rep. Ivy Spohnholz; Rep. Louise Stutes; Rep. David Talerico; Rep. Geran Tarr; Rep. Steve Thompson; Rep. Cathy Tilton; Rep. Chris Tuck; Rep. Liz Vazquez; Rep. Tammie Wilson; Rep. Adam Wool
Subject: Please act to balance our budget!

Please stop the hemorrhage of our savings and plan for the future stability of our state.

Yes- The restructure of the permanent fund, and more taxes on us, are essential, or we will lose the dividend completely.

Yes, education is worth paying for.

Yes, we should pay our bills, but stop issuing the new tax credits.

We have the ability to balance our budget now. Please don't sacrifice our future. Please please please do it this session.

Thank you,

Diane Shellenbaum

Sent from my iPhone

Daniel George

From: Barbara Hanson <barbhansonak@yahoo.com>
Sent: Wednesday, July 13, 2016 5:37 PM
To: Sen. John Coghill; Sen. Lesil McGuire; Sen. Bill Stoltze; Sen. Charlie Huggins; Sen. Bill Wielechowski
Subject: Please support The Governor's Budget Proposal

To the Members of the State Senate Affairs Committee:

I am writing to strongly urge you and your fellow legislators to put an end to the ongoing budget standoff and support Governor Walker's state budget plan.

I am a 27-year resident of, and voter in Alaska. I am absolutely disgusted by the inaction of this legislature to enact a sound budget that includes not only budget cuts but reasonable revenue generation and oil tax reform. A budget plan that includes modest sales or income taxes, real reform of the shameful SB 21 oil tax giveaways, and a sustainable plan for the Permanent Fund is imperative if we are to survive as a viable state. I am deeply disturbed by the legislature's inaction on the budget, and I am truly concerned for the economic future of our state. To the Majority Legislators who continue to block The Governor's plan, I can only say "shame on you", as you clearly value election outcomes more than you do the state and the citizens whom you were elected to serve.

The time to make the future of Alaska your #1 priority is now, and the voters are watching. Please stop playing games and do your job.

Barbara Hanson
32717 Eagle River Rd.
Eagle River AK 99577

Daniel George

From: Randy Griffin <randygriffin@mosquitonet.com>
Sent: Monday, July 11, 2016 8:59 PM
To: Sen. Bill Stoltze
Subject: Fairbanks Permanent Fund is POMV. Is Alaska the Titanic?

Dear Senator Stoltze:

Please pass the POMV (Percent of Market Value) for the Alaska Permanent fund.

Please do like the City of Fairbanks. The Fairbanks Permanent Fund is about \$120 million and is a POMV style fund. It was created in about 1997 when the City of Fairbanks sold its utilities.

4 ½% of the market value of the total fund (5 year average) is drawn off every year to help fund Fairbanks government services. This POMV method provides a steadier and more predictable sustained income flow as compared to just taking the average earnings over a 5 year period. This latter “earnings” method is what the Alaska Permanent fund uses, and there are more ups and downs.

The Fairbanks Permanent Fund belongs to the people of the City of Fairbanks (population: 32,000). If the earnings of the fund were used strictly to pay dividends to the citizens, then every city resident would get about \$160 per year. But no dividends are paid out. All the earnings go for government functions and this helps keep the taxes lower.

The State of Alaska is like the **Titanic** cruising at night through dangerous waters. Many of the passengers are oblivious to the danger. Many are reveling and sipping Champaign that is “rightfully theirs”. If anyone tried to curtail half of their Champaign, they would probably get mad.

Perhaps the Titanic should have slowed way down on that night in 1912, and waited for daylight to make it easier to spot the giant icebergs. But some of the passengers might have gotten mad because they expect to get to their destination on time.

The legislators are like the crew of the Titanic. The Captain and helmsman can't run the ship alone. The crew can't just spend their time partying with the passengers so as to stay on their good side. The crew personnel need to be out on the railing, straining their eyes to be on the lookout for icebergs. They need to be ready to call out for a change of course or to slow the engines.

The State of Alaska is on a collision course with financial disaster. Our credit rating is under attack. This could sink our chances of ever getting a big natural gas pipeline. The state budget is out of balance by over \$3 billion. This is the same as a ship starting to list to one side. Every legislator needs to help operate the bilge pumps and try to balance the ship!

I recognized the danger in 2015 and donated my entire Permanent Fund dividend check to the government in an effort to help balance the budget.

I explain about this on my website at www.AlaskaGold76.com .

Sincerely,

Randy S. Griffin,

PO Box 73653

Fairbanks, Alaska, 99707

July 10, 2016

CITY OF KOYUK

Resolution #17-01

A RESOLUTION OF CITY OF KOYUK, EXPRESSING A DEEP SENSE OF URGENCY FOR THE ALASKA STATE LEGISLATURE TO TAKE IMMEDIATE ACTION DURING THE FIFTH SPECIAL SESSION OF THE 29TH LEGISLATURE TO PASS ALL NECESSARY FISCAL LEGISLATION REQUIRED TO PROVIDE FOR A FAIR, BALANCED, AND SUSTAINABLE STATE BUDGET

WHEREAS, Alaska has relied predominantly on the development of its vast oil reserves to fund the majority of state government expenditures over the past 35 years, yet production of Alaskan North Slope crude oil has steadily decreased over the past 25 years; and

WHEREAS, global oil prices have dropped significantly over the past two years and are projected to remain relatively low for the foreseeable future; and

WHEREAS, the combination of reduced oil production, reduced oil prices, and an overreliance on oil revenue as state government's primary source of funding has resulted in a massive state fiscal deficit; and

WHEREAS, the State of Alaska's credit rating has dropped due to the current fiscal imbalance, and will continue to be downgraded, if the Legislature fails to take appropriate action in 2016; and

WHEREAS, major business leaders in the state have warned they would be unlikely to continue making significant commercial investments in Alaska if the Legislature fails to address the fiscal deficit in 2016; and

WHEREAS, Governor Walker has introduced a complete fiscal plan to provide for a sustainable and predictable balanced budget, using the strength of our existing financial assets, a balanced blend of spending reductions, and additional new revenues; and

WHEREAS, following adjournment of the 2016 regular session and fourth special session of the 29th Legislature failed to enact any component of any fiscal plan, and instead continued past practice of funding the FY2017 budget from dwindling cash reserves; and

WHEREAS, cash reserves typically used to cover budget deficits are now depleted such that they are insufficient to cover next year's budget, threatening the state's annual dividend program and potentially the state's Permanent Fund itself; and

WHEREAS, every dollar of cash reserves spent on one-time budget shortfalls, is then unavailable to continue working for the state as an ongoing income-producing asset in the future; and

WHEREAS, since spending down cash reserves reduces the amount of sustainable revenue we can generate from our financial assets in the future, increases in other sources of revenue (taxes) will become necessary to compensate; and

WHEREAS, without immediate enactment of a balanced fiscal plan, the Permanent Fund Dividend program will end in approximately four years, and the inevitable dramatic state cost shifts to municipalities will require significant local tax increases, endangering the viability of many Alaskan communities.

WHEREAS, now more than ever is the time for statesmanship, not provincial politics or electioneering rhetoric. Politically difficult, but financially sound decisions are required immediately.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF KOYUK, that:

Section 1. The City Council of the City of Koyuk calls upon the Alaska State Legislature to take affirmative and immediate action during the fifth special session of the 29th Legislature to enact a comprehensive package of initiatives that will provide for a sustainable, balanced state budget for the foreseeable future.

Section 2. The City Council of the City of Koyuk appreciates the difficult work of the Administration to put forth one possible comprehensive fiscal solution; and while the City of Koyuk may not support every aspect of this plan, does recognize it as the appropriate foundation for legislative deliberation.

Section 3. The City Council of the City of Koyuk insists that the Alaska State Legislature engage in meaningful discussions of all fiscal options without regard to perceived negative political fallout.

Section 4. The City of Koyuk Clerk is instructed to transmit a copy of this resolution to every member of the Alaska State Legislature, the Governor, and all local media outlets.

PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY OF KOYUK, COUNCIL this 11th day of July, 2016.



Darin Douglas, Mayor



ATTEST: City Clerk