

Doniece Gott

From: Sen. Pete Kelly
Sent: Thursday, March 24, 2016 3:14 PM
To: Doniece Gott
Subject: FW: testimony

Probably replace this one with one just sent from Treadwell Historical Society.
gayle

From: Paulette Simpson [mailto:pauletttem@gci.net]
Sent: Thursday, March 24, 2016 1:31 PM
To: Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>
Subject: testimony

Dear Senators MacKinnon and Kelly,

I am unable to attend your Senate Finance Committee meeting this afternoon but I would like to have my comments included in the record.

My husband and I came to Alaska 40 years ago this summer and well remember what was going on here in 1976 with the creation of the Permanent Fund. At the time, it seemed like such a sensible and conservative way to proceed - save some of our new found wealth for future generations when the state would no longer have oil as a source of income. Everyone who was here then fully understood that the purpose of the Fund was to pay for essential state services - no one then envisioned the Permanent Fund as the personal income source it has become.

Forty years of free money coupled with excessive state spending is a tough cycle to break but that is the job our elected leaders have signed up for.

It is critically important that you pass legislation this session - ideally SB 114 in some form - that would reduce the deficit in a significant way. My understanding of SB 114 is that it would protect the Permanent Fund, ensure a dividend (though a smaller one), and cut the deficit in half. I believe this action would best support private sector jobs and private sector investment which will become even more important as government is downsized.

I would also like to go on record as saying that I do not believe Alaska has "right-sized" government yet. Many of the programs that have sprung up over the past 40 years would have been impossible to dream up at that time and are now simply unsustainable.

Thank you for all you do for Alaska.

Sincerely,
Paulette Simpson
Douglas

KENAI LEGISLATIVE INFORMATION OFFICE

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WRITTEN TESTIMONY

NAME:

Sara Crapuchettes (Pozonsky)

REPRESENTING:

Myself

BILL # or SUBJECT:

SB114 / SB128

COMMITTEE:

Senate Finance Comm.

DATE:

3/24/16

Good morning - Without going into the details of either Senator McGuire's bill SB114 or the Governors Bill SB128, which I'm sure all interested parties have copies of those bills available to them and have hopefully read, I would say both approaches get right at the problem, which is smoothing the oil price volatility in our single commodity economy. Both bills are just variations on the same idea, using the earnings reserve to provide long term fiscal stability to our economy.

This is a crucial year for our state of Alaska and its going to take legislators who have very thick skin to make the tough decision to use the permanent fund earnings reserve to help fund the fiscal gap. All the research and accounting point to the same solution - we *must* tap into the earnings reserve to 1) fund the fiscal gap and 2) to protect our future permanent fund dividends.

If our legislature does not act this session, it will be an egregious shirking of their responsibility to protect our Alaskan future and way of life.

I know this is an extremely painful decision for many legislators to make. Our permanent fund is sacred to Alaskans but the only way to save our dividend's future is to pass SB114 or SB128. I am in full support of my Senator, Peter Micciche, to use the earnings reserve to provide long term fiscal stability to our economy.

It is crucial that we all speak up and support our legislators during this difficult time. If we expect them to make these tough decisions, we should be more than willing to help carry the burden and go on record in support. I encourage all the citizens on the Kenai Peninsula to write a letter to their legislators and give them your support to use a portion of the earnings reserve. The permanent fund was created for exactly this kind of situation, because previous lawmakers had the wisdom to know that the oil money wouldn't always be there.

We don't have an alternative at this point. We have to act now. I offer my utmost support and encouragement to the legislature to pass either SB114 or SB128 before the session ends next month.

Sara Crapuchettes

Mike Navarre
Kenai Peninsula Borough Mayor
March 24, 2016

Chairmen Kelly and McKinnon, committee members, I'm Mike Navarre mayor of the KPB, my personal address is Box 169, Kenai, Ak.

Thank you for the opportunity to offer comments today on SB 114 & SB 128.

First, let me say that like many Alaskans and probably most members of the legislature, I wish neither of these options were necessary. I wish oil was selling above \$100 a barrel and I wish oil production in Alaska was north of 1 million barrels per day. Neither is the case and Alaska is faced with some very difficult choices, including when and how to use PF earnings as well as budget reductions and new revenue sources.

We've been fortunate for the last 40 years that our oil resource revenues have allowed us to pay for most of the costs of state government. As members of this committee and the legislature are well aware, that is no longer the case. Changes are needed to position Alaska, and Alaska's economy, for the future.

I know how difficult your job is and none of the actions you'll take this year are likely to be politically popular. I think, however, they are necessary and the responsibility lies with you as members of the legislature. I know you take that responsibility seriously.

By all indications, Alaska's economy is in recession and I believe that some economic contraction is unavoidable. The duration and severity of the economic downturn will be determined in large part by how well we manage our current fiscal challenges.

I think either of the two options being heard today will help position Alaska, and Alaska's economy, for the future. I prefer SB 128, the Governor's bill, because it's part of a more comprehensive approach.

I don't believe any responsible plan works without utilizing PF earnings, as proposed in the bills being heard today. Any plan will not be perfect and will require adjustments over time. I urge you to keep an eye on the economic future of Alaska as you decide which tools to utilize this year and make responsible decisions to best position Alaska for the future. Earnings of the PF are a necessary part of any fiscal plan.

Thank you.

Doniece Gott

From: David Bernard <davidbbernard@gmail.com>
Sent: Thursday, March 24, 2016 12:40 PM
To: Senate Finance Committee
Subject: testimony

I am testifying in support of using PFD funds to help balance Alaska's budget. My wife and I have lived here more than five years. We are young professionals, and if the state of Alaska wants to keep young professionals around, the government must look at all options in order to balance the budget. If services around the state are significantly cut, which will likely happen without new taxes and/or the use of the permanent fund, we will leave. Others like us will leave. As it is now, no one is guaranteed a certain PFD payout each year. It all depends on market conditions. Some years are much lower than others. I realize that many families rely on this money to make ends meet, but if state services are cut (social services and libraries, so called "nonessential services" are often the first things to go), it may be even harder for them to get by. We cannot continue to rely almost exclusively on oil money to fund the budget, and for that reason and many others, the state must use PFD funds to close the budget gap.

David Bernard
Homer, AK

Doniece Gott

From: Rod Wheelles <rkwheelles@hotmail.com>
Sent: Thursday, March 24, 2016 12:01 PM
To: Senate Finance Committee
Subject: Testimony on SB128 and SB114

March 24, 2016

Rod Wheelles

2533 W 66th Avenue

Anchorage, Alaska 99502

I live in Senate District K.

I'm speaking on my own behalf with regard to SB128 and SB114.

Thanks for the opportunity to provide input on the proposals under consideration today. I support the Governor's bill (SB128) to restructure the use of Permanent Fund earnings. Now that Permanent Fund income is far exceeding oil revenue, those earnings need to be used in order to stabilize the primary source of sustainable income funding state government. I strongly believe that the Fund was established as a rainy day account and it's a rainy day. I'm also in favor of restructuring the payout of dividends even if that means smaller checks.

I do not favor SB114.

The two objections I've been hearing to the Governor's plan are; that it will reduce dividends going to low income recipients and families, and that it will hurt those in the bush who need it to offset the high cost of living in areas that also have few opportunities for employment. These objections become highly emotional arguments and seem to have merit until you stop to consider two equally valid observations.

First, both of these groups are already on the receiving end of multiple State and Federal assistance programs which either oil revenue or my federal taxes pay for. This in essence means they are double dipping when given the Permanent Fund Dividend. And second, as far as those residing where the cost of living is high and opportunities are few, the proven remedy to this situation has been known for 10,000 years...move to where the grass is greener. Maybe to "A place that's always been".

The only other thing I'd like to see is to get the current budget paid for out of the savings accounts and then deposit any remaining savings into the principal of the Permanent Fund to retain that wealth for the future also.

Thanks

Doniece Gott

From: Brian Malta <backctrybrder@gmail.com>
Sent: Thursday, March 24, 2016 12:07 PM
To: Senate Finance Committee
Subject: SB128

Dear State Finance Committee,

I am writing this email in response to the current financial situation we as Alaskans have found ourselves in due to the mis- management of funds, and I am urging you to break this tradition and to do what is actually best for the state's future and not what is best for individuals re-election. Many of our citizens are short sighted and see the Permanent Fund as untouchable, and it is your job to help clear this short sightedness so that the Permanent Fund can be around for future generations.

If my family was in the financial situation that Alaska is in now, our belts would be tightened. Spending would go down and we would have to suffer for a little while, but Alaska is different then my family; Alaska has money. Cutting budgets to education, police, and other social necessities is only going to hurt us in the long term, and we will feel the repercussions of those types of cuts for decades- we can not afford this. what we CAN afford is a cap on the PFD, or even to have it temporarily go to support the state instead of going directly into the peoples pockets.

If we do not take action now; if we do not restructure the way that we support our state and the PFD program, we will all suffer. If we do not take drastic action now because to many senators and state officials fear that it is political suicide, then we are going to go bankrupt in several years. I plead that those people we only care about the vote leave office or stand up and do the job they have been elected to do which is to protect the people of this great state. If we do not take action and we go bankrupt the thousands of people that rely and are planning on relying on their state retirement will be at a loss, schools will shut down, police will not protect our streets, house will burn to ash without firemen to put them out. We can not afford this.

Currently we are a welfare state; we are looking at an opportunity to change this. You, the State Finance Committee, and us, the people, have to put our immediate wants aside and do what is right for the state. Please support SB 128/ AFPFA; if you do, you will be remember for doing something meaningful and lasting, if not, you will be remembered as being part of the team that could have saved a state that had more money then any other but instead pushed it to bankruptcy. Please do something meaningful.

Brian Malta

Charles Bettisworth, FAIA
Architect
204 Front Street
Fairbanks, Alaska, 99701

March 24, 2016

Re: State of Alaska Budget

Honorable Senator Pete Kelley: Co Chair Senate Finance Committee
Honorable Senator Anna Mackinnon: Co Chair Senate Finance Committee
Honorable John Coghill: Senate Majority Leader

Senators,

Yesterday I attended a Town Hall Meeting here in Fairbanks regarding the State of Alaska Budget sponsored by the Rasmuson Foundation, which has inspired me to offer my thoughts on the subject as follows:

1. In public Statements reported in the press, you have all made it clear that you don't believe that there is any appetite amongst the citizens of Alaska for the institution of any new taxes, and that you were not considering any these in this Legislative Session, and that you needed to cut the "fat" out of a "bloated" State Government Budget.
2. Historical review of this perceived "bloated" State reveals the following:
 - a. The primary increase in the State Budget over the last 10 years, were significant increases to the Capital budget and Tax Credits to the Oil Industry. You folks went on a huge spending spree!
 - b. Further as you review this data, the rate of increase in normal agency operations has approximately tracked the rate of population growth, which is reasonable, and DOES NOT represent "fat" in the Budget.
3. Frankly, if you do nothing this session to balance the budget with
 - a. new revenue,
 - b. changes to Permanent Fund to allow for utilization of the earnings to support the State Budget,
 - c. and very modest budget cuts,

the citizens of Alaska did not elect you to a job, we elected you to lead, and absent leadership, again according to the Rasmuson Foundation Polling, you all will be looking for new jobs.

Charles Bettisworth, FAIA
Architect
204 Front Street
Fairbanks, Alaska, 99701

March 24, 2016

Re: State of Alaska Budget

To continue:

4. It is my observation that in reviewing the Rasmuson Foundation Polling , "no taxes" is not the opinion of a majority of Alaskans.
5. With respect an Income Tax,
 - a. Note that my father, Bob Bettisworth was Co-Chair of House Finance and in 1980 and supported the elimination of the State income tax in 1980. At the time he offered that it was likely that they had made a very big mistake.
 - b. I agree with him: in my opinion it is important that the citizens of Alaska have "skin in the game", and hopefully will become more active in offering to you all, opinions on how their money is spent.
6. With respect to other taxes, I think that if you are going to ask the People of the State of Alaska to pony up, you should ask the Oil Industry to do likewise.

It is apparent that in your attempt to balance the budget by cutting the budget, you have already had a significant negative impact on Alaska's economy. Realtors in Fairbanks are already reporting significant drops in property appraisals. In considering budget cuts, your goal should be to do no harm to the State Economy, which leads me to my final comment.

To **AGAIN** be considering major cuts the University of Alaska system will be a major hit to the economy of Fairbanks, particularly in the area of Research, where for every \$1 spent, there is an \$8 return. As a businessman (Ak State Chamber of Commerce 2015 Businessman of the Year), this is a great investment. You as republican capitalists should realize this, and be investing, not cutting. It also seems like a much better investment than the Tax Credits you have provided to the Oil Industry.

To end; do your job; lead; balance the budget NOW; using a combination of cuts, new revenue and modifications to the Permanent Fund so that its revenue can be used to support a sustainable State Budget.

Very Sincerely, and with appreciation for this hard job,



CB Bettisworth