

HB 57
OPERATING BUDGET
SUPPORTING
DOCUMENTS
March 2, 2017

#1

Patrick Wilson

Issue: Use the PFD

House Finance Committee, the current oil slump has greatly affected the Alaska's yearly revenue, and as such has sent the state into a recession. What we as the population need more than anything else is economic stability. Being that Alaska has very limited private industry (healthcare and then grocery stores make up the first 4 of the top private employers in Alaska), the oil companies are also downsizing, which leaves the remaining spending to the government, which has also been heavily cutting. The state department that I work for has been shuttering remote offices, cutting staff and freezing spending and hiring. Frankly we are at the breaking point for being able to provide realistic services to the state to keep it functioning at a reasonable level. Just as importantly, small businesses which service state government agencies are having a proportional impact. I've worked with local vendors who service our offices and they say they will likely start layoffs when the state tightens it budget further, since state departments are starting to forgo all but extremely necessary costs. The extreme boom/bust cycle is dysfunctional to operate under both with government as a service and living day to day as a state resident.

I would like you to seriously consider Gov. Walker's plan to restructure Alaska's budget using the PFD funds. Frankly it's hard to see those around me, including friends and family members lose their jobs with few if any job alternatives in state due to its limited industries, forcing them to move and possibly come back when the bust cycle ends. Creating a consistent and stable yearly government budget is in the best interest of all Alaskans, and the permanent fund among other things is the obvious choice to achieve this. Polling last and this year show it to be well supported as well. Please consider this email during future hearings regarding the state budget.

Thanks

Patrick

#2

Brian Scott
Fairbanks, AK
Issue: UA Funding

Committee members,

I want to thank you for your committed effort to balance the state budget and ease the fiscal burdens here in our great state of Alaska. I appreciate your countless hours of service in our behalf.

I recently read suggestions the committee made regarding UA unrestricted funding. I thank you for supporting the governor in request to provide 325 million dollars in unrestricted funds. I believe support of higher education is critical to our state. Many of those students that attend these great institutions serve and support our Alaskan community for years after they have graduated and finished their degrees. As an donor and supporter of UAF athletics I also believe their is great value that comes from athletic programs in higher education. I also agree with most of the legislative intent language added to the UA budget. I think it is wise for both UAA and UAF to reduce teams to the minimum of 10 teams each. I also agree that funding at both UAA and UAF should be equal, at least regarding unrestricted funds dollars. Any additional raised revenue by each universities athletic department would be solely dependant upon the efforts of that department. I do not agree with any intent language that suggests funding should be capped at the current UAF level. Nor do I think unrestricted funding should reach the current UAA level for both universities. Certainly there is a range of funding where both schools athletics can be equally funded and provide an overall savings.

I understand once the funding leaves the your hands most of these decisions are left to the university. Given the intent language was included in the committees recommendation, I felt my opinion should be voiced here as well as with the university board of regents. Thank you again for your service to our great state.

Brian Scott
Fairbanks, AK

#3

Judy Rae Smith

Fairbanks

Issue: Supports capping the PFD, Provide Adequate Services

Dear legislators,

I totally support budget plans which cap the PFD, preferably at \$1000 or less, develop new revenue such as income tax, and cut operating budgets only such that the state is still provided with adequate services. The PFD is NOT a right; it's a privilege and residence does not equate with earning.

Thank you for your service to Alaska and its residents.

Sincerely yours,
Judy Rae Smith
Fairbanks 99708

#4

Krista Etzwiler

Kenai Peninsula

Issue: Support fully funded BSA

Dear Mr. Seaton,

I am a parent of students enrolled in public schools on the Kenai Peninsula. I am writing to ask you to support funding the Base Student Allocation (BSA) at the same amount as last year. Even with status quo funding, schools will have to make cuts. The state legislature is currently considering reducing the BSA between 1% and 5% for the 2017-2018 school year. In the last three years the Kenai Peninsula Borough School District has made budget cuts totaling \$6,065,829.00. And for the 2017-2018 school year another \$2,484,701.00 is proposed being cut. These cuts are necessary even if the BSA is not reduced. The Kenai Peninsula Borough School District (KPBSD) fund balance has been tapped every year for the last four years and is now nearly gone. Even a 1% cut would require KPBSD to make drastic staffing cuts that would directly impact students learning by significantly raising the pupil to teacher ratio and reducing the staff of much needed intervention programs or eliminating these programs altogether. I implore you to carefully consider any reductions to the BSA and to do your best not to make them. Thank you for your time.

Krista Etzwiler

Parent of 2 KPBSD students

and

KPBSD employee for 15 years

#5

Helen Gregorio

Southwest Region

Issue: School Funding

I am Helen Gregorio, school board member for Southwest Region School District. I would request that the committee

1. Please fully fund the Base Student Allocation at the statutory amount of \$5,930
2. Fully fund bond re-imbursements to municipalities.
3. Fully fund pupil transportation.
4. Complete the school district budget prior to session adjournment as district budgets will have been passed and teacher contracts will already have been issued.

Thank you for your kind consideration of my request.

Helen Gregorio

#6

Brian Burma

Issue: UA Funding

I am writing to voice my support of UA, and in particular raising the proposed budget allocation to \$341 million for next year. I support this plan in recognition that the Senate will likely cut the budget by 5%, leading to flat funding for FY18.

Just yesterday I was talking to an Alaskan parent whose child, a very strong and gifted student, chose to leave Alaska for university because of uncertainty over funding. They are now headed down south because of the apparent lack of ability or interest to sufficiently fund the UA system. As an educator, I had two students leave the state last year because of a lack of opportunities within the UA system, opportunities which would have been present had budget cuts not removed those programs.

There is a critical mass required to maintain a University system, below which the educators leave and students don't find the program attractive. After several year over year budget cuts, the University is at that point. Flat funding is hardly adequate but it's something - and so please recommend the \$16 million which will offset the planned \$16 million reduction, leaving the University in place.

Best,

Brian Buma

#7

Lisa Renken

Issue: Education Budget

Thank you for taking time and consideration for public statements.

I've been an elementary school teacher in the Kenai Peninsula Borough for over 16 years. Please consider keeping class sizes from getting larger. Students in each class are at a wide range of skill levels, and many include special needs. Small group and one-on-one instruction is crucial in meeting the needs of each student. As teachers, we are charged with differentiating instruction for each student, and we are glad to rise to the challenge. I consider it my calling to do everything in my power to see that each student in my class succeeds. This is a reachable goal when my class size is around 20 students. But some years class sizes have been closer to 30. This is frustrating not only for teachers, but also for students. Besides not having sufficient small group instruction (let alone one-on-one), there is also a lack of materials, space, etc.

I've heard of many districts going to 4 day weeks in order to solve budget concerns. Please keep class sizes small in the public schools. Thank you for your time.

#8

Mitchell Hrachiar

Issue: Alaska Performance Scholarship

Homer, Alaska

RE: Alaska Performance Scholarship Program Student Funding

Dear Representative,

Once again our Alaskan legislature will decide the fate of student education funding. An item of my concern is the Alaska Performance Scholarship Program, a program that provides financial tuition for students wishing continuing education at a college or trade school. Those students who have a higher Grade Point Average (GPA) will receive a higher scholarship funding. It is no secret that students of a higher social and economic status will have higher GPA's. I am not against this program, however all students who may decide to further their education should receive the same and equal financial support regardless of status. These students as young adults should start life on an even keel free adverse social parameters out of their control.

I trust that the Alaskan Legislatures will evaluate this thesis for consideration.

Mitchell Hrachiar

Greater Homer Area

RESOLUTION

Of the Governor's Council on Disabilities and Special Education (Council) and Statewide Independent Living Council (SILC)

WHEREAS the State of Alaska is reliant on taxes and royalties from oil and gas production, with the vast majority of state operations supported by general funds from oil and gas revenues;

WHEREAS declining production and oil prices have resulted in untenable state budget deficits;

WHEREAS the services and programs that the State provides for Alaskans' with disabilities basic needs – food, shelter, heat, housing, healthcare, education, employment – are critical to the health and safety of our neighbors and communities;

WHEREAS the long-range economic health of Alaska is dependent on the health and wellness of Alaska's citizens and communities;

WHEREAS Alaskans and our communities currently contribute through a variety of private mechanisms and have expressed a desire to contribute further through public mechanisms to support critical state operations;

THEREFORE BE IT RESOLVED, this the 1st day of February, 2017 by the Governor's Council on Disabilities and Special Education (COUNCIL), together with the Statewide Independent Living Council (SILC) that:

1. the Alaska Legislature and Executive Branch should work together to create and implement a long-range fiscal plan that is comprehensive, promotes strong rural and urban communities, and protects Alaska's most vulnerable populations, health, education and cultural life; and
2. such a long-range fiscal plan should include a diverse array of possible revenue sources for the State General Fund, while also considering the impact to Alaska's most vulnerable and rural populations.

Amy Simpson Michael Christian

Chairperson Chairperson
Governor’s Council on Disabilities and Special Education Statewide Independent Living
Council

#10
Mindi Burford
McGrath, AK
Issue: School Funding

Hello,

I am writing this letter to respectfully request that you do not cut the funding for education, if you do anything, please increase the funding going to our schools.

I am a teacher in the Iditarod Area School District. I also wear many other hats as do many people I work with. We put in very long hours and try to provide as many services and experiences for our students as we can with the little funding we currently have. Our sports program has been completely cut out, the travel alone was just not possible on our current budget. We are trying to implement some new programs for vocational training, but there again, we are limited by our budget. We have been looking for outside funding from grants, but you need staff to write the grants, yet, we cannot afford those additional staff due to our current budget. Our district office used to have 7-8 administrators working to bring in additional funding and provide training and support to our staff, but now we have our superintendent as the only administrator at the district office. She is also wearing many hats.

Our district needs the funding to service our students. Our students deserve everything a public education is supposed to provide them. Our students are our future, we must invest in our future. Education is not a fund that should ever be considered for budget cuts. It is the fund we should be adding to every year in order to allow the same quality education to each and every student every year!

Thank you for your time and consideration in reading my letter.

Mindi Burford

Iditarod Area School District

Special Education Itinerant-Kuskokwim

Assessment Coordinator/Migrant Ed.Coordinator

McGrath, Alaska 99627

Success is no accident. It is hard work, perseverance, learning, studying, sacrifice and most of all, love of what you are doing or learning to do.

Pele

#11

Janet Daley

Fairbanks

Issue: Income Tax

I would like to provide my unequivocal support for implementation of a State Income Tax to generate revenue necessary to pay for State services.

I strongly believe that enough cuts to services have been made. As a consumer of various state provided services including social services (adopted child), DOT (roads), education (a former employee of UAF and occasional student and parent of a recent high school graduate), small business administration, Labor and Workforce development (both as CFO of a small business), Public Safety (every day), I do not want to see any further reduction in services. I am therefore willing to pay for these services through implementation of revenue measures.

My preferred method of generating revenue is an income tax. I feel strongly that all people who work in Alaska, whether they are residents or not need to contribute to State coffers. I work for a company who has had projects in Alaska and in the lower 48. Our employees who are Alaska residents but work on the outside projects have to pay taxes in those states. I believe that non-residents should be paying taxes in this state if they are going to work here.

I understand that many are opposed to implementation of an income tax. If you choose to ignore this need, you are burying your head in the sand. Continued cuts will not fill the gap between revenue and expense. All it will do is reduce needed services, particularly to our most vulnerable populations. Further cuts translate directly to job losses which will result in further job losses through the multiplier effect. The small business I work for has been directly affected by cuts to the state capital budget. We are not alone. People are considering leaving the State. If you do not have a job or are concerned about whether your child will get quality education, you must look elsewhere. It is time for everyone to participate in the economy of the State.

Thank you.

Janet Daley

Fairbanks

#12

Bhree Roumagoux

Anchorage, AK

Issue: long-term budget fix & education

Dear Representatives:

We need a long-term plan to fix the budget that will provide adequate and predictable funds in order to preserve the health of our communities. One of the most critical short and long term investments in our future in our state is education.

The state operating budget has been cut by almost 30% over the past two years. Alaska is already in a recession, and our unemployment rate is now the highest in the nation. For the long-term health of our Alaskan economy, we cannot afford further budget cuts. We need to look at real solutions to provide new revenue sources for our state instead of continuing to use our reserves and making cuts that will hurt our State instead of helping it.

School districts around the state have had to reduce teachers, staff and expenses for the past five years due to flat funding of K-12 public education, and it is hurting student learning and outcomes. We need to invest in our students, not cut more! Please support full funding of the BSA (Base Student Allocation) at \$5930 provided by this bill (which, when rising health care and other costs are factored, still means cuts in what that money can provide). Please oppose the amendment to this bill that reverses state reimbursement for bond debt already issued. Almost **\$58 million** that voters were told the state would repay will be shifted to school districts under this amendment! This places a huge financial burden on school districts and will likely lead to many teacher cuts.

Please support the \$6 million in school funding this bill has added back to reverse a Governor veto of school busing funds. That allows school districts to spend more on teachers.

Thank you for your time and consideration.

- Bhree

Bhree Roumagoux

Anchorage, AK 99502

#13

Melissa Carlin

Kenai Peninsula

Issue: Education and the BSA

Dear Representative Seaton,

I am a parent of a student enrolled in public schools on the Kenai Peninsula. My daughter has also been provided the much valued special education services since 1st grade. I am writing to ask you to support funding the Base Student Allocation (BSA) at the same amount as last year.

Even with status quo funding, schools will have to make cuts. The state legislature is currently considering reducing the BSA between 1% and 5% for the 2017-2018 school year.

In the last three years the Kenai Peninsula Borough School District has made budget cuts totaling \$6,065,829.00. And for the 2017-2018 school year another \$2,484,701.00 is proposed being cut. These cuts are necessary even if the BSA is not reduced.

The Kenai Peninsula Borough School District (KPBSD) fund balance has been tapped every year for the last four years and is now nearly gone. Even a 1% cut would require KPBSD to make drastic staffing cuts that would directly impact students learning by significantly raising the pupil to teacher ratio and reducing the staff of much needed intervention programs or eliminating these programs altogether.

I implore you to carefully consider any reductions to the BSA and to do your best not to make them. Please continue to always keep the impact on the children's education as the priority. Thank you for your time.

Sincerely,

Melissa Carlin

#14

Jim Akers

South Anchorage

Issue: Use the PFD and Additional revenues

Please know that at a constituent, I want to register feelings that to come to a comprehensive solution ADDITIONAL REVENUES need be sought as the budget has already been cut quite alot in my opinion.

We need to utilize the permanent fund as well as new taxes to help us pay for state services....

Sincerely,

Jim Akers

South Anchorage super voter

#15

Ms. Atkinson

Issue: Alternative Energy, fully fund education

Dear Committee,

I am sorry I am not able to join you in person.

I know you have a challenging and daunting task ahead. Please look at alternative energy as a avenue to generate revenue. There is great potential in this area. I also write to urge you to fully fund education. Our students are our best return investment for the state of Alaska, as they build lives and earn a living once they finish school, they reinvest in our state and communities.

Sincerely,

Ms. Atkinson

#16

Heidi Collins

Issue: Fully fund education

Dear Finance committee,

Please consider fully funding education. Our children are our best investment for the State of Alaska.

We will have gains in the future if we invest in their education now. It is critical to give the students the resources necessary to compete in the world and workforce. As students grow and become and spenders in our state and help it thrive. We need to be an education state, we have great communities built around colleges. We have highly educated teachers living and working as our neighbors. If we continue to cut education these communities suffer, these neighbors move . . . our state loses on many levels.

Sincerely,

Heidi Collins

#17

Valerie Brooks, M.Ed., Ed. Doc

Ketchikan

Issue: Education and address fiscal woes

Committee members,

Thank you for taking public testimony on this issue.

I am a public school Reading and Instructional Specialist in Ketchikan. I have worked in education for more than 20 years.

The budget crisis in Alaska cannot be solved by cutting essential programs and services. Most importantly, I urge you to refrain from trying to balance the budget to the detriment of my students.

Public schools have already seen programs and positions cut to adjust to our reduced budgets over the past several years. At my Title I school, more than 40% of our students qualify for free / reduced lunches, we often struggle to provide materials and instruction due to the lack of personnel in place to tutor and instruct students who are striving to master math and reading skills. In this building with 408 students, we have two grade 1 classrooms with 28 students in each. Our Kindergarten classes are consistently over the 18-20 students that research demonstrates makes for the best learning environment.

Additional cuts to education will irreparably harm Alaska's public schools and students.

I urge you to address the state's fiscal woes while maintaining full funding for our public education system.

Thank you.

Valerie Brooks, M.Ed., Ed.Doc.

Education is freedom - Paulo Freire

#18

Kate LaSota

Fairbanks

Issue: Prioritize children and families

Dear Legislators,

I am a School Counselor in Fairbanks where I hear from students and teachers daily about the challenges of life in Alaska: Poverty, Substance Abuse, Mental Health Challenges, Suicide, Need for Transportation, Need for Health Care, and the Need for Learning.

It is not Rocket Science. Prioritize children and families, not the wealthy few and oil corporations.

Are you weighing need using humanitarian criteria? Or, are you weighing need without putting people ahead of corporations and lobbyists and your own political careers?

Are you truly doing what you think is best with these fleeting session days?

Are you heroic, courageous, and do you exemplify integrity?

I hope to watch all of you move in these directions. Many people are riding on this ship that you steer. This is your moment to lead and to find a sustainable path out of this fiscal crisis.

Thank you for your efforts,

Kate LaSota

Fairbanks, 99712

#19

Denise Roselle

Anchorage, AK

Issue: Education funding

Good morning - this is our fifth year of cuts in a row for the Anchorage School District - we have been "giving at the office" far longer and much deeper than most other forms of cuts across our state. At my school, you only need look to the parking lot to see the cuts - there was a time when you could not find a spot and now there are plenty from which to choose. Looking at the staff room cubbies is another indicator - 30 % are empty where they were once full. ASD wants 90% graduation by 202 yet they fired all of our graduation coaches and specialists, years ago. I cannot imagine where else we have to cut. Our supply budget has been cut repeatedly and substantially, and we no longer take field trips.

To continue to cut Public Education when Alaska is the only state in the union with neither a sales nor income tax, you are putting this budget deficit fix on the backs of students and the poor - not acceptable. Our legislature had about two decades to do something about this and nothing has been done, so we now find ourselves in a crisis!

Schools have nothing left to give - our class sizes are growing each year (even elementary school class sizes are outrageous) and we are able to offer less to our students. Please do the right thing - ASD has been cut to death already. Thank you.

Denise Roselle

Anchorage, Alaska

Denise Roselle

Dimond High School

#20

Nancy Hillstrand

Issue: ADFG

From: Nancy Hillstrand

Subject: ADFG

Message Body:

Thank-you for your hard work on the budget! What a job

In the operating budget the ADFG Habitat Division needs to be a more prominent player in upholding sustainable fish and wildlife. The ADFG has gotten off track and there is still waste within ADFG that can be transferred to Habitat Division to instead prevent damage through food web and habitat interactions and natural infrastructure. The direction just "add more fish" is coming from the Hatchery Section made up of employees who worked the hatcheries of PWS It is located within Comm fish but they are infiltrating subsistence. This mindset is costly deleterious to our wild fish stocks and leads to recurrent annual operations and capital price tags. Management must divert its attention focused back on the free ecological services of food webs and habitat, a balanced and sustainable approach using a more ecologically educated BOF and BOG to prevent over harvest or costly restoration projects.

Please, in the budget, tally these free ecological services as revenue in our budgets. We are blessed with a bounty of these services from water quality filters, carbon sequestering, soil bank and beach erosion control all for free if we care for the natural world using habitat division to educate DOT the schools etc how to prevent needs for costly repair and maintenance when we remove these free ecological services.

Thanks Paul and crew

#21

Sharon Whytal

Homer, AK

Issue: Education and fiscal plan

Dear Finance Committee members,

Thank you for this opportunity to comment on your hard work to ensure a sustainable future for AK. I am a Homer resident, currently traveling so I am sending some specific comments by email.

-I appreciate your work on the school bond debt reimbursement, and that it is a complicated thing.

Based on the information made available to the public regarding your considerations, it makes sense to me that reducing the level of bond debt reimbursement will be less harmful than reducing the BSA.

Also, I applaud your consideration of funding the Public Education Fund with a deposit from the Earnings Reserve Account, thereby restoring the \$6.4 million cut to pupil transportation proposed by the Governor. These are difficult decisions to make, but education's needs to remain a high priority for a successful future.

In general, I think that a comprehensive fiscal plan is essential for AK, and whatever made your hard work and public presentations fail to create that last year, I hope we can be successful in creating one this year. In my opinion, that plan MUST include multiple new revenue sources, so I am in favor of your current planning regarding both PFD revenue and oil and gas revenue changes. Thank you for sharing the details in such easy to read format, so that people can understand the difficult decisions at hand. We need to decrease vulnerability from any one source over time, and the planning in progress appears to address these issues well. I applaud your courage and hard work, as well as your ongoing seeking of public testimony. I hope that media can get the word out so that all Alaskans feel they have their say and understand to whatever degree each wants to, the difficult work you are doing on our behalf. There must be a point where Alaskans come together with a vision and concrete steps to ensure a thriving for generations to come and for the land we all love.

Sincerely,

Sharon Whytal

#22

Lili Misel

Fairbanks, AK

Issue: Education

Greetings,

I am writing to ask that there be strong financial support for K-12 education in Alaska. I understand the need for budget cuts, but cutting the K-12 education system is short sighted. The money invested in Alaska's children now will benefit the state later by having a solidly educated workforce and young leaders for Alaska. To cut the budget to K-12, which has happened over the past few years, is only undermining our future. I encourage you to support Alaska's children by supporting our schools.

Thank you,

Lili Misel

Fairbanks

#23