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May 1, 2017

The Honorable Neal Foster, House Finance Co-Chair
Alaska State Capitol, Room 434
Juneau, Alaska 99801

Dear Chairman and House Finance Committee members,

For the record, my name is Diane Kaplan, President & CEO of Rasmuson Foundation and longtime Alaskan, and resident of Anchorage. I write today to offer my sincere appreciation and support for the efforts of this committee and to all members of the Alaska Legislature on both sides of the aisle, and in both bodies, as well as to the Governor, for the nearly universal recognition that the State's fiscal challenges must be addressed this session.

With our savings balance now below \$5 billion, less than two years' worth of deficits, we have to take meaningful action. Alaskans are expecting a solution that will take the uncertainty out of their future. A comprehensive solution can happen this session and the elements needed are all within your reach.

- A long-overdue restructure of the Permanent Fund into a percent-of-market-value (POMV) model that both preserves the dividend and uses earnings to support the State's general fund; combined with,
- A new broad-based revenue source.
- Sensible budget reductions; and,
- A revision of the state's oil and gas production tax credit system into one that encourages investment and production while also taking into account the necessity of long-term fiscal sustainability.

Each and every one of these elements is realistic. Alaskans know the schools their children attend, the roads they drive and the airports they rely on do not come free. It's time for all of us to participate in making this state economically healthy and successful. We are all in it together and the time is now to make sure our children and grandchildren have the same opportunities we have all had in this great state. I implore you to give Alaskans the budget solutions they are counting on. The decisions will not be easy but Alaskans support you and are relying on you to make the right choices.

Thank you,

Diane Kaplan
President and CEO

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