

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

March 3, 2016

6:31 p.m.

**MEMBERS PRESENT**

Senator Bill Stoltze, Chair  
Senator John Coghill, Vice Chair  
Senator Charlie Huggins  
Senator Bill Wielechowski

**MEMBERS ABSENT**

Senator Lesil McGuire

**COMMITTEE CALENDAR**

**SENATE JOINT RESOLUTION NO. 1**

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund, establishing the earnings reserve account, relating to the permanent fund dividend, and requiring the permanent fund dividend be at least equal to the amount that would be calculated under current law.

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SJR 1

SHORT TITLE: CONST AM: GUARANTEE PERM FUND DIVIDEND

SPONSOR(S): SENATOR(S) WIELECHOWSKI

01/21/15	(S)	PREFILE RELEASED 1/9/15
01/21/15	(S)	READ THE FIRST TIME - REFERRALS
01/21/15	(S)	STA, JUD, FIN
02/23/16	(S)	STA AT 9:00 AM BUTROVICH 205
02/23/16	(S)	Heard & Held
02/23/16	(S)	MINUTE(STA)
03/03/16	(S)	STA AT 6:30 PM BUTROVICH 205

**WITNESS REGISTER**

DON ETHERIDGE, Lobbyist  
Alaska AFL-CIO

Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition of SJR 1.

JAKE JACOBSEN, representing himself

Kodiak, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

DANIEL LYNCH, representing himself

Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

FRED STURMAN, representing himself

Kenai, Alaska

**POSITION STATEMENT:** Testified on SJR 1.

ED MARTIN, representing himself

Cooper Landing, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

GARY MCDONALD, representing himself

Muldoon, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

GEORGE PIERCE, representing himself

Kasilof, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

BILL LAMBERT, representing himself

North Pole, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

JAVEN OSE, representing himself

Anchorage, Alaska

**POSITION STATEMENT:** Testified on SJR 1.

SHAUNA THORTON, representing herself

Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

LINDSEY WYATT, representing himself

Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

DELICE CALCOTE, representing herself

Sutton, Alaska

**POSITION STATEMENT:** Testified in support of SJR 1.

## **ACTION NARRATIVE**

[6:31:59 PM](#)

**CHAIR BILL STOLTZE** called the Senate State Affairs Standing Committee meeting to order at 6:31 p.m. Present at the call to order were Senators Wielechowski, Coghill, Huggins, and Chair Stoltze.

### **SJR 1-CONST AM: GUARANTEE PERM FUND DIVIDEND**

[6:32:13 PM](#)

CHAIR STOLTZE announced that the committee would hear public testimony on SJR 1. He asked Senator Wielechowski, to provide an overview of SJR 1.

[6:32:46 PM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, sponsor of SJR 1, pointed out that the committee had six hours of public testimony on various plans to use the Permanent Fund's earnings reserve. He set forth that SJR 1 was something that would protect the Permanent Fund Dividend (PFD). He said he knows that the PFD is important to many Alaskans. He disclosed that he had heard from his senior citizen and fixed-income constituents that the PFD was an important aspect of their lives that they relied on. He stated that SJR 1 would protect the PFD in the Constitution while leaving the excess portion of the Permanent Fund's earnings reserve available as was currently done.

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CHAIR STOLTZE noted that discussions regarding the PFD had come during testimony in other bills. He said public testimony on SJR 1 was an opportunity for Alaskans specifically testify on the PFD.

[6:34:45 PM](#)

DON ETHERIDGE, Lobbyist, Alaska AFL-CIO, Juneau, Alaska, testified in opposition of SJR 1. He asserted that everything should be left-on-the-table until the state figures out its budget needs.

[6:35:53 PM](#)

JAKE JACOBSEN, representing himself, Kodiak, Alaska, testified in support of SJR 1. He said he has enjoyed the PFD's benefits as well as seeing the benefits that the PFD has provided to

people as well. He noted that he agreed with the studies by Gunnar Knapp and Scott Goldsmith that the PFD clearly provides a tremendous impact on the wellbeing of people throughout the state.

[6:37:44 PM](#)

DANIEL LYNCH, representing himself, Soldotna, Alaska, testified in support of SJR 1. He said the resolution was well thought out and protected the PFD's original purpose. He stated that the PFD did not make-or-break him, but the dividend made him part of the involved citizenry. He set forth that changing the PFD program would hurt Alaska's overall economy. He opined that children cannot vote and were unrepresented, but their futures would be effected by the change in the PFD program.

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FRED STURMAN, representing himself, Kenai, Alaska, did not provide a position on SJR 1. He said he was in favor of additional cuts to the state's budget.

[6:40:53 PM](#)

ED MARTIN, representing himself, Cooper Landing, Alaska, testified in support of SJR 1. He noted that his father petitioned the Legislature with 40,000 signatures to protect the PFD the last time the state had a budget situation. He set forth that enshrining the PFD in the state's constitution was more important than ever. He asserted that the state should cut spending, not institute a personal income tax, and the other half of the Permanent Fund Earnings should be distributed to Alaskans to purchase land in order to create a private economy that is not based on government spending.

[6:45:13 PM](#)

GARY MCDONALD, representing himself, Muldoon, Alaska, testified in support of SJR 1 and commended Senator Wielechowski for presenting the resolution.

[6:46:32 PM](#)

GEORGE PIERCE, representing himself, Kasilof, Alaska, testified in support of SJR 1. He stated that the Permanent Fund was set up for Alaskans and should be protected. He asserted that additional spending cuts be made in addition to taxes on fishing, hunting, and guiding.

[6:48:39 PM](#)

BILL LAMBERT, representing himself, North Pole, Alaska, testified in support of SJR 1. He suggested that the state's costs be reduced prior to considering changes to the PFD.

[6:50:51 PM](#)

JAVEN OSE, representing himself, Anchorage, Alaska, did not provide a position on SJR 1. He stated that he was concerned that the PFD would be terminated or capped. He said Alaskans would lose \$4,000 over the next 4 years if the PFD was capped at \$1,000. He suggested that Alaskans receive credit for the money they did not receive for land purchases.

CHAIR STOLTZE noted written testimony from citizens and shared that Mike Miller for Anchorage opposed SJR 1; Jenny Mahlen, Vice President, Golden Valley Branch, First National Alaska, opposed SJR 1 as well.

[6:53:22 PM](#)

SHAUNA THORTON, representing herself, Kenai, Alaska, testified in support of SJR 1. He added that the Legislature should look at all aspects and long-term effects instead of just going for the easy low-hanging-fruit.

[6:54:46 PM](#)

At ease.

[6:56:51 PM](#)

CHAIR STOLTZE called the committee back to order.

[6:57:13 PM](#)

LINDSEY WYATT, representing himself, Fairbanks, Alaska, testified in support of SJR 1. He thanked the committee members for thinking outside the box regarding the Permanent Fund.

CHAIR STOLTZE remarked that Alaskans were the owners of the Permanent Fund and hearing comments on all of the PFD's aspects was appropriate.

MR. WYATT said everybody has to cut, including the state's school systems. He opined that the state has been through hard times before and low oil prices were cyclical.

[6:59:26 PM](#)

DELICE CALCOTE, representing herself, Sutton, Alaska, testified in support of SJR 1. She remarked that major changes in the Permanent Fund's policies should be made to achieve higher returns with greater social responsibility.

7:01:51 PM

At ease.

7:05:07 PM

CHAIR STOLTZE called the committee back to order.

7:06:00 PM

CHAIR STOLTZE closed public testimony on SJR 1.

[SJR 1 was held in committee.]

7:07:03 PM

There being no further business to come before the committee, Chair Stoltze adjourned the Senate State Affairs Committee at 7:07 p.m.