

HOUSE FINANCE COMMITTEE
March 12, 2020
1:34 p.m.

1:34:20 PM

CALL TO ORDER

Co-Chair Johnston called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Jennifer Johnston, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Andy Josephson
Representative Gary Knopp
Representative Bart LeBon
Representative Kelly Merrick
Representative Colleen Sullivan-Leonard
Representative Cathy Tilton
Representative Adam Wool

MEMBERS ABSENT

None

ALSO PRESENT

Nils Andreassen, Executive Director, Alaska Municipal League, Juneau; John S. Sonin, Civilized Humanity, Juneau; Mike Hamar, Self, Juneau; Valerie Therrien, Self, Fairbanks; June Rogers, Self, Juneau; Richard Ware, Self, Tok; Representative Laddie Shaw.

PRESENT VIA TELECONFERENCE

Vikki Jo Kennedy, Self, Juneau; Jomo Stewart, Fairbanks Economic Development Corporation, Fairbanks; Sue Sherif, Self, Fairbanks; Jeanine St. John, Vice President, Lynden, Anchorage; Cris Eichenlaub, Self, Eagle River; Rebecca Crelley, Self, Anchorage; Joan Ware, Self, Tok; Carrie Harris, Self, Anchorage; Alan Davis, Self, Anchor Point; Don Gray, Self, Fairbanks; Calvin Casipit, Mayor, City of

Gustavus, Anchor Point; Mike Coons, Self, Palmer; Susan Shuler, Self, Seward; Darrel Smith, Self, Juneau; Lee Leschper, Self, Anchorage; Mary Cornelius, Self, Fairbanks; Bert Houghtalind, Self, Big Lake; Catherine Selt, Self, Kenai; Mike Gillis, Self, Big Lake; Kristen Bush, Self, Eagle River; John Alich, Self, Salcha; Robert Heatherington, Self, Anchorage; Joanie Bernier, Self, Wasilla; LD Howard, Self, Palmer; Javen Ose, Self, Anchorage; Walter Tellman, Self, Wasilla; Dean Kasischke, Self, Seward; Eugene Virden, Self, Eagle River; Ron Johnson, Self, Fairbanks; Vivia Kuzmin, Self, Delta Junction; Bruce Barcus, Self, Palmer; Dave Maxwell, Self, Palmer; Richard Wagner, Self, Fairbanks; Pencia Beaton, Self, Anchorage; Afia Kuzman, Self, Delta Junction; Virginia Kuzmin, Self, Delta Junction; Michelle LeBlanc, Self, Anchorage; Don Stevens, Self, Fairbanks; Yunia Kuzmin, Self, Delta Junction; Frank Bauer, Self, Homer; Karen Perry, Self, Chugiak; Siverian Kuzmin, Self, Delta Junction; Melissa Gudobba, Self, Wasilla; Jonathan Gordaoff, Self, Wasilla; Trish Wagner Mikolajczk, Self, Fairbanks; Barbara Melland, Self, Wasilla; Ron Bernier, Self, Meadow Lakes; Sarahann Jackson, Self, Juneau; David Nees, Self, Anchorage; Greg Weaver, Self, Wasilla; Neil Kuzmin, Self, Deltana; Kurt Schmidt, Self, Delta Junction; Sherry Eichenlaub, Self, Eagle River; Sterling Gallagher, Self, Anchorage; Alexandra Kuzmin, Self, Delta Junction; Jenna Stevens, Self, Stevens Village; Linda Tremback, Self, North Pole.

SUMMARY

HB 300 PERM FUND: APPROPS FR EARNINGS RESERVE

HB 300 was HEARD and HELD in committee for further consideration.

HB 306 PFD/GF APPROPS; EARNINGS RESERVE

HB 306 was HEARD and HELD in committee for further consideration.

Co-Chair Johnston reviewed the meeting agenda.

#hb300

#hb306

HOUSE BILL NO. 300

"An Act relating to deposits into the dividend fund and income of and appropriations from the earnings reserve account; relating to the community assistance program; and providing for an effective date."

HOUSE BILL NO. 306

"An Act relating to deposits into the dividend fund and income of and appropriations from the earnings reserve account; establishing a permanent fund dividend task force; and providing for an effective date."

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Co-Chair Johnston acknowledged Representative Laddie Shaw in the audience. She reviewed the public testimony protocol.

^PUBLIC TESTIMONY

[1:36:45 PM](#)

Co-Chair Johnston OPENED public testimony. She began with in-room testifiers.

[1:37:13 PM](#)

VIKKI JO KENNEDY, SELF, JUNEAU (via teleconference), believed the issue could be solved easily if it was put to a vote of the people as specified by the state constitution. She testified that the law had been broken for four years. She stressed that the statutory [Permanent Fund Dividend (PFD)] amount was not being allotted. She understood the state was in a financial crisis, but she did not believe that warranted breaking the law by not following statute. She supported a full PFD at the statutory amount. She implored the committee to consider putting the issue to a vote of the people. She thanked the committee for its time.

[1:39:08 PM](#)

NILS ANDREASSEN, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE, JUNEAU, discussed there had been tremendous pushback on reductions to the budget in the previous year

in the absence of sufficient and new revenues. He reported that AML had supported fewer cuts and anything that could be done to mitigate negative impacts to local governments, which the legislature had determined would come at the expense of a reduced PFD as the most feasible way to mitigate impacts. The organization had advocated for a broad-based tax since 2015. The organization appreciated the committee's consideration of the bills as the beginning of a conversation about next steps involving a distribution or split within the percent of market value (POMV) [from the Permanent Fund Earnings Reserve Account], including a reduction to the PFD. He recognized the conversation was increasingly necessary, but AML believed the conversation only made sense when combined with a discussion on new revenue sources. He elaborated that the conversation only made sense to AML if it included looking at broad-based taxes and considering the impacts on Alaskans.

Mr. Andreassen shared that the organization understood that a reduction to the PFD was one of the more regressive revenue measures in the nation with impacts to individuals without income or purchasing power. He highlighted that PFD reductions failed to capture revenue from out of state activities and workers even as it allowed for continued contributions from the PFD to the federal government. He clarified that it was not to say that reductions were not necessary or that the conversation was inappropriate. He stressed that the legislature needed to have conversation about broad-based taxes as soon as possible.

Vice-Chair Ortiz noted that the previous year AML had given specific input on its preference for a broad-based tax, with a greater preference on a tax based on income versus sales. He asked if the organization had any perspective on the type of broad-based tax it would support.

Mr. Andreassen replied that in the previous and current years AML members had passed a resolution in support of a broad-based tax with a preference for an income tax. He added that members recognized that any taxes (e.g. a sales tax or something that filled the gap for state revenues) needed to be on the table.

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Representative Wool referenced Mr. Andreassen's statement that a conversation about a reduced PFD should not happen

without a conversation about revenue. He wondered if it was also true that a conversation about revenue should not occur without a conversation about a reduced PFD.

Mr. Andreassen replied in the affirmative. He elaborated that AML's understanding was that the state's financial position (including a presentation by the Legislative Finance Division the previous day) was at a deficit even with a zero dollar PFD. He agreed that both of the conversations were necessary.

Co-Chair Johnston was concerned by Mr. Andreassen's statement that cutting the PFD equated to the most regressive tax in the nation. She asked for further comment.

Mr. Andreassen replied that it depended on whether a cut was viewed as a tax. He clarified that he had referred to a cut as a revenue measure. He stated that as long as the PFD was reduced and the rest of the POMV was applied to state government, the question of how to pay for state government remained. He elaborated that a reduction to the PFD was essentially a funding of state government, which was a form of broad-based taxation. He recognized the point could be argued. The idea was that a reduction to the PFD was regressive in the sense that it took away from individuals who were not earning or spending.

Co-Chair Johnston remarked on her concern about the statement that a cut to the PFD was the most regressive tax in the nation. She pointed out that Alaska was the only state that gave a dividend.

[1:45:05 PM](#)

JOMO STEWART, FAIRBANKS ECONOMIC DEVELOPMENT CORPORATION, FAIRBANKS (via teleconference), shared that because the bills had been introduced recently, he had not yet had the ability to obtain a position from the corporation. He defaulted to positions the corporation held throughout the process in the past year. He shared that bankrupt or debunked corporations did not pay dividends because they could not. It was the reason the first responsibility of a fiduciary was to the health and wellbeing of the corporation, followed by the maximization or distribution of shares to shareholders.

Mr. Stewart reported that the Fairbanks Economic Development Corporation supported the primary underpinning of both bills - the adherence to the professionally defined and statutorily enacted sustainable draw on the Earnings Reserve Account (ERA) regardless of the proposed use of the funds. He elaborated support for keeping the more like a corporate dividend than an entitlement.

Mr. Stewart spoke to the division of the funds in HB 300 and HB 306 from a personal position. He was concerned about the idea of a rigid distribution or division of funds in light of the increasing challenges facing the state. He believed that circumstances might overwhelm the state and it may be necessary to have more flexibility than the divisions outlined in either of the bills.

Representative Carpenter asked what a logical follow up conversation would be if a corporation's shareholders received a reduced dividend. He asked if a corporation would look to generate revenue by modifying its market stance and/or look at making modifications to its expenses that had led to not having a dividend.

Mr. Stewart agreed. He stated that based on his experience it was a low bar. He spoke to the prudence of keeping downward pressure on the budget. However, he cautioned against making cuts to the extent that harm was done to the corporation's ability to sustain itself and generate future revenues. He spoke to the importance about thinking about the health of a corporation, broadly speaking, in order to maintain the ability of the corporation to pay future dividends over time.

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SUE SHERIF, SELF, FAIRBANKS (via teleconference), shared that she had come to Alaska prior to the implementation of the PFD, before oil funds had filled the state coffers, and when an income tax had existed. She recalled there had been an education head tax, a university offering a full range of classes, an operational ferry system, and a central focus on education. She had not had enough time to read all of the materials and had some questions about projection charts that had been presented to the committee the previous day. She could not speak to the particulars of the bills. She supported the idea of community assistance in HB 300 sponsored by Representative Wool. She believed it

would take ideas like Representative Wool's and Senator Click Bishop fuel tax proposal in order to tackle the problem head on. She hoped the two PFD bills would be debated in the current session. Additionally, she supported debate over other revenue-focused plans to ensure they were not robbing infrastructure and services from future Alaskans. She highlighted lower than forecasted oil prices and the bear market that had started in the stock exchange. She spoke to the importance of adding additional revenue sources. She hoped there would be a full-fledged, open discussion on the topics during the current session.

[1:52:18 PM](#)

JEANINE ST. JOHN, VICE PRESIDENT, LYNDEN, ANCHORAGE (via teleconference), testified in support of HB 306. She shared that Lynden was a multi-modal transportation and logistics company that provided transportation services for all segments of the economy throughout Alaska. She highlighted that the POMV draw had been established under SB 26 in June 2018. She stated that at the time, there had been a recognition the bill lacked a structure for the appropriations from the ERA. She continued that the PFD formula and allocation had created a problem for the state and a fiscal plan had been hijacked by the desire to pay citizens before state services. She noted that the situation typically resulted in a call for more taxes, which created a larger problem for the state, particularly when taxes were targeted at the resource industry.

Ms. St. John believed the statutory formula was outdated and had not been contemplated for the current situation facing the state. She stressed that if businesses did not adjust their plan in 38 years, they would not grow and would likely be out of business. She highlighted that the Alaska Permanent Fund Corporation (APFC) Board of Trustees had expressed concerns about the appropriations and the process for utilizing ERA funds. The bill helped alleviate and set a course for stabilizing the use of the ERA. She stated that HB 306 was structured to mitigate the issues and establish clear rules. She spoke in support of stabilizing the budget process and setting a course correction for the PFD program that had been in flux since 2016. She thanked the committee for the opportunity to testify.

[1:54:49 PM](#)

JOHN S. SONIN, CIVILIZED HUMANITY, JUNEAU, represented civilized humanity. He was mostly compelled by the recent introduction of a Senate bill that gave Alaskan land in lieu of dividends. He reported that it made him want to address the issue. He supported the community grant concept in HB 300. He thought that giving away land a destabilizing supply-side economic policy. He stated that no one could forego their share of the state's profits and trade for property except for those who did not need it. He believed the PFD was more of an economic stimulus than anything else. He spoke to the need to keep the economy vital by providing economic stimulus for individuals able to use the funds.

[1:58:05 PM](#)

Co-Chair Johnston relayed that she was trying to call on individuals based on when they had signed up to speak.

MIKE HAMAR, SELF, JUNEAU, shared information about his background. He shared that he was a fan of the late Jay Hammond. He provided remarks from a prepared statement. He stated that as forecasts for state revenue streams looked grim, he believed the dividend/government ratio should remain the same. He believed Alaska was an owner state (a phrase used by former Governor Wally Hickel). He opined that the dividend was the most equitable way for residents to share in state wealth. He stated that while the government may know better where to spend/invest the funds, it should not assume that was the case. He remarked that the PFD pitted individual greed against collective greed. He highlighted the intended purpose of the Permanent Fund. He believed any tax imposed should be done in the manner that was the least regressive. He quoted former Governor Jay Hammond as saying that a portion of the wealth must go to residents and that if more funds were needed for basic institutions of government, the government must find a way to claw the money back. He thanked the committee for its time.

[2:00:40 PM](#)

VALERIE THERRIEN, SELF, FAIRBANKS, supported HB 306 and applauded the committee and Representative Wool for their leadership on ways to fund the government. She was on the Fairbanks City Council, which had not taken a position on

the bill. She shared that the Fairbanks budget at the local level was tight and the council had asked for funds for community assistance, revenue sharing, and various services. She detailed that the community dividend would enable the community to determine the best use for the funds. She did not personally feel entitled to a PFD and supported a reduction. She had been saddened by cuts that had taken place at the university level. She noted the city was always looking for funds to take care of its capital projects and she believed the community dividend program would work well. She thanked the committee for its time.

2:03:00 PM

JUNE ROGERS, SELF, JUNEAU, shared information about herself and her family living in Alaska. She provided her background in working with an opioid taskforce, homeless initiatives, reentry programs, and other social services organizations. The goal for the organizations was to achieve the most results for the smallest expenditure of funds. She noted that she currently served on the Fairbanks City Council that did not have a position on the issue. She was impressed with Representative Wool's attempt for HB 300 to bring focus to a very difficult topic. She spoke to the importance of talking about ideas to develop a solution to the budget situation.

Representative Knopp referenced testimony by Ms. Rogers and Ms. Therrian on the community dividend component of HB 300. He wondered if a community dividend would be a better use of state funds than a PFD to individuals (if the state could not afford both).

Ms. Rogers revisited several other conversations she had recently. She had only just learned about Representative Wool's bill HB 300. She firmly believed working together through the community was a direct line to individual participation in the community. She did not believe the bill would take from individuals in an unreasonable way and would share the load. She believed the bill was a good effort that deserved discussion and support.

2:07:13 PM

CRIS EICHENLAUB, SELF, EAGLE RIVER (via teleconference), opposed the bills. He believed the budget situation had occurred due to the mismanagement of resources and

oversized budgets, not oversized PFDs. He stated that the legislature needed to focus on responsible resource development. He noted that the Constitutional Budget Reserve (CBR) had already been depleted. He suspected the legislature would use the funds in the ERA and move on to the corpus of the Permanent Fund. He supported putting the funding into the private sector and not towards special interest. He supported putting the statutory formula in the constitution in order to prevent using the funds. He stated that oil prices had been at \$9 per barrel in the past and the state had made it through. He reiterated his opposition to the bills.

[2:09:17 PM](#)

REBECCA CRELLEY, SELF, ANCHORAGE (via teleconference), testified against the bills. She shared that she had grown up in poverty in a large family. She highlighted that when poor people did not receive their PFDs it had a big impact on families with children. She provided a scenario where a single mother had problems feeding her children. She elaborated that there were many unmet needs if the mother did not receive the PFD. She detailed that the mother could have problems with a vehicle, paying utilities, or with purchasing sufficient groceries to feed her children. She supported paying out a minimum PFD. She suggested the legislature should figure out a tax system for the rest of Alaskans who could afford to pay an income tax. She wanted to see the poor people in the state get what they needed.

[2:11:38 PM](#)

JOAN WARE, SELF, TOK (via teleconference), opposed the bills. She disagreed with previous testimony that the bills were the most feasible way to balance the budget. She did not support any reduction to the PFD. She believed it was illegal to not give a PFD that Alaskans were entitled to. She was happy the committee was looking at ways to balance the budget. She was in favor of any bill that would freeze raises for any legislators until the budget was balanced. She supported an increase to the gas tax in Alaska. She stressed that the gas tax in Alaska was lower than in any other state. She referenced a gas tax proposal by Senator Bishop that she supported. She had heard it would increase revenue by approximately \$1 billion per year. She believed it took about \$1.5 billion to pay the PFD. She was in favor of any bill that would discontinue any state funding for

abortion. She thought it would increase state funds. She shared that she may be in favor in an increase in education tax. She liked the idea that Governor Dunleavy had come up with regarding land in lieu of funds. She was supportive of anything other than taking the PFD.

Co-Chair Johnston clarified that Senator Bishop's gas tax bill would bring in between \$20 million and \$30 million for road maintenance.

[2:17:19 PM](#)

RICHARD WARE, SELF, TOK, spoke against the bills. He opposed the 80/20 proposal [in HB 306] that would take funds from the PFD. He stated that taking the PFD away from citizens disproportionately impacted poor Alaskans. He spoke about things that PFD funds went to including wood to heat homes. He used his PFD to pay for bills and other things as he saw fit. He believed it was an elitist point of view when the legislature thought it could spend the money better than residents. He referenced a bill containing a proposed tax on oil companies that would bring in \$1 billion. He asked if the bill passed and the legislature started bringing in \$1 billion from oil companies whether Alaskans would get funds back that had been taken in recent years. He reiterated his opposition to the legislation. He shared that when he had owned a business, he had been faced with determining places to cut when things got tight. He thought cutting the PFD was an easy way for the legislature to come up with money and that it was illegal.

Representative Merrick asked if Tok was an incorporated or unincorporated area.

Mr. Ware answered that Tok was unincorporated.

[2:20:07 PM](#)

CARRIE HARRIS, SELF, ANCHORAGE (via teleconference), testified in strong opposition to both bills. She believed immediately paying back the last four years of the PFD would help ensure Alaskans could stay home when they were sick. She detailed it would help slow the spread and lessen the impact of the Coronavirus without fear of financial hardship. She elaborated that there was a rolling financial impact of the virus. She detailed that time off of work

caused expense to employers and individuals. Additionally, the virus would change the way people spend money - unnecessary spending would change. She spoke about the extreme hit the tourist industry was about to take. She stressed that people needed some type of financial security or they would not spend anything in the economy. She spoke to impacts of the virus like limited home construction and other. Impacts would strongly hit municipalities because shops and restaurants would be hard hit. She reiterated her support for paying back past PFDs immediately.

[2:23:11 PM](#)

ALAN DAVIS, SELF, ANCHOR POINT (via teleconference), opposed the bills. He thought any change to the statutory PFD without a vote of the people should be considered embezzlement. He believed meaningful budget cuts were needed in order to realistically determine what additional revenue sources were needed. He thanked the governor and Representative Sarah Vance on their stance on fiscal responsibility.

[2:24:14 PM](#)

DON GRAY, SELF, FAIRBANKS (via teleconference), supported HB 300. He stated that the U.S. government had been democratic since the writing of the constitution. He shared personal details about his life. He stated that the bill provided for a smaller annual PFD of about \$900 and did not eliminate it. The additional money would be used for the University of Alaska and to individual communities throughout the state. He provided detail about the bill. He highlighted that each Alaskan community was unique - urban, rural, maritime, and more. He noted there were several buildings in disrepair. He noted that former Governor Bill Sheffield believed the dividend was a two-edged sword because any governor who opposed or advocated taxes would likely not be reelected. He noted that Sheffield thought the state income tax that had been eliminated should probably have been extended. He shared that he had been a teacher and a stockbroker. He thought that all of the items proposed in HB 30 [300] were ways to improve the lives of the state's citizens - there would be a PFD, infrastructure, schools, and services that made the state civilized. He stressed that Alaskans were all in the situation together. He supported the passage of HB 300 or something better was fair to future generations.

[2:29:18 PM](#)

CALVIN CASIPIT, MAYOR, CITY OF GUSTAVUS, ANCHOR POINT (via teleconference), supported the Community Assistance Program and HB 300. He thought bill may help out or replace the current program. He shared that community assistance had been a reliable source of desperately needed funding for small rural communities like Gustavus. He reported that Gustavus relied on the funding to operate city services and provide needed services to residents. The community had limited and typically small revenue streams. He relayed that reducing the community's budget by \$20,000 had a huge impact, especially with the threat of the Coronavirus and the impact it may have on the tourism industry. He detailed that most of the community's sales tax revenue was generated by tourism. He stated that the importance of community assistance was amplified in the current year. Reducing state assistance could not come at a worse time for Gustavus. He supported restoring community assistance to the maximum allowable level. The community had a difficult time providing services to residents without the funds. He shared different ways the community raised revenues including sales and bed taxes and user fees. He stressed that community assistance funding was a vital part of the community's funding structure. He thanked the committee for its time.

[2:32:17 PM](#)

MIKE COONS, SELF, PALMER (via teleconference), spoke against the legislation. He stated that the two bills were nothing but smoke and mirrors. He stressed that the bills would grow government with the peoples' money. He underscored that the bills were taxation without representation. He supported a vote of the people on the issue. He was one of the "unwashed valley trash" the legislature had come to see in the summer when it traveled around the state claiming to listen to the voters. He believed legislators had come with an agenda and preconceived notions about what they wanted. He thought it had been a dog and pony show. He believed the legislature had no intention of listening and acting on what the public had to say. He thought the legislature had intent to spend the money of the people to use towards its socialist goals. He listed House Minority members on the committee that he

believed were the only members standing for the state, its people, and their oath of office.

2:34:30 PM

SUSAN SHULER, SELF, SEWARD (via teleconference), testified in opposition to the bills. She agreed with many of the previous callers. She shared that she was part of a one-income family in Seward. She discussed that the community may see no cruise ships in the summer due to the Coronavirus. She did not support a cut to the PFD. She highlighted items such as food and fuel that were purchased with the PFD. She stressed a reduction to the PFD would have a tremendous hit on smaller economies around the state. She emphasized that the PFD made a difference for many including single parents and retired residents. She asked what the legislature was doing to help. She stressed there was overspending and a lack of picking up funds and more revenue. She suggested that perhaps the deals for oil companies needed to be less sweet. She thought the budget had been overspent for years. She believed the topic should go to the public for debate.

2:37:10 PM

DARREL SMITH, SELF, JUNEAU (via teleconference), was opposed to the bills. He thought the legislature had been overspending for years. He stated that stealing the dividend, which was the biggest economic driver in the state, was crazy. He believed that private industry supplied jobs, not government. He thought the legislature took the money and wasted it on special interest projects. He stated that one-fifth of the budget went to Medicaid. He thought it required \$281 million the previous week. He remarked that if the federal government did not pay 100 percent of the Medicaid program, the state should discontinue its participation. He supported an income tax and a school tax. He was opposed to the state building multimillion dollar schools. He thought communities should pay for their own schools. He thought Anchorage needed to implement a sales tax if it wanted money. He thought legislators should be in jail for not fully funding past statutory PFDs. He stated the legislators' socialist programs would not work.

Representative LeBon asked Mr. Smith if he had a suggestion on how to support the Alaska Marine Highway System (AMHS).

Mr. Smith replied that the legislature could take \$20 billion out of the Permanent Fund to build some new ships.

[2:39:34 PM](#)

LEE LESCHPER, SELF, ANCHORAGE (via teleconference), spoke in support of HB 306. He shared that he is a small business owner and worked with businesses of all types across the state. He heard from most to all of the businesses about the negative impact of the current fiscal uncertainty and the fact that no action had been taken to resolve the situation. He saw HB 306 as a meaningful plan that headed in the direction of solving the fiscal situation. He stated that continuing the status quo would not bring economic stability, adequate state services, or a dividend. He worked in other states that had dramatically higher property taxes, sales taxes of 6 to 8 percent, and no dividends. He would much rather have a small PFD with lower taxes. He remarked he had been involved in many of the groups that had debated the solution to the problem for many years and HB 306 was the first meaningful plan he had seen. He encouraged the legislature to take action.

[2:41:25 PM](#)

MARY CORNELIUS, SELF, FAIRBANKS (via teleconference), shared that she was a 40-year resident of Fairbanks. She strongly opposed the bills. She stated that she was an original resident that signed the contract with the State of Alaska that no federal or state agency would touch her PFD. She felt the contract had been breached. She asked when the PFDs that had been taken would be paid back to residents. She had opted out of receiving a lump sum because she felt an annual dividend would benefit future generations. She asked what the legislature would be giving back to the people if it continued to take dividends to increase the state budget.

Co-Chair Johnston asked what contract she had signed.

Ms. Cornelius replied that she had signed a contract an original PFD contract when it had been up to the people to decide whether they would receive a one-time payout. She stated it had originally started out at \$50,000, but her family believed it was too small. She stated that each of her family members could have taken the \$50,000 and started

a business or invested in a house. She stressed they had agreed to a PFD.

Co-Chair Johnston replied that she had been in Alaska since 1975 and had never seen a contract.

[2:43:48 PM](#)

BERT HOUGHTALIND, SELF, BIG LAKE (via teleconference), spoke against the bills. He stated that the plans were the same as ones presented to a bicameral workgroup in the past fall. He recalled that the workgroup had used a budget PFD tool that had shown if the PFD was eliminated as the tax revenue the legislature was trying to turn it into, it resulted in a \$900 million surplus. He noted that even with the current market declining, there was a surplus of around \$500 million based on current Permanent Fund earnings. He noted the Permanent Fund balance had been \$68 billion, but it was now closer to \$65 billion due to the market drop. He stressed that the bills did not reflect reality for Alaska, which was proven by the legislature's PFD budget tool.

Mr. Houghtalind stressed that the budget tool showed the money was not tax revenue to be used for the budget. He stated that the plans did not provide inflation proofing or cut from the budget. Everything that had been presented offered a doom and gloom scenario that if the legislature could not gain access to the ERA, it would not be able to pay for the special interest budget. He believed special interests were testifying. He thought the cuts would impose the most regressive tax and would keep the state in the longest recession it had ever seen. He did not support turning the PFD into a giant welfare check by giving the funds to communities. He strongly opposed the bills.

[2:47:42 PM](#)

CATHERINE SELT, SELF, KENAI (via teleconference), opposed the bills. She believed statutory changes to the PFD were pointless because statutory formulas were ignored at will. She supported a permanent solution for the PFD in the form of a constitutional amendment. She thought the 80/20 split was unfair. She stated that children knew it was right to split things 50/50. She heard repeatedly that the state could not afford to pay a PFD; however, the PFD did not get the state into its current budgetary problems. She believed the state could not afford to put off new revenue measures

any longer. She found it ridiculous there was not a plan for broad-based taxes. She also supported additional cuts to government services. She stressed the need for a comprehensive approach. She noted that the state was looking at a potential economic collapse resulting from a decline the price of oil and in tourism in the current year. She did not understand why the legislature would choose to fund the budget with a revenue option that was most harmful to Alaskan families and the economy. She did not understand why the legislature was not looking at what the distributional impacts of what funding the government with the PFD would be. She supported revenue options that included nonresidents.

[2:49:53 PM](#)

MIKE GILLIS, SELF, BIG LAKE (via teleconference), spoke in opposition to both bills. He described himself as a realist. He believed that once the legislature got its hands on the PFD, it would keep taking funding until it was gone. He wanted the legislature to give residents their subsurface mineral rights back.

[2:50:43 PM](#)

KRISTEN BUSH, SELF, EAGLE RIVER (via teleconference), testified against the bills. She found it unfathomable that they were revisiting the topic. She stressed that the legislature needed to do the hard work with the budget and not look to steal the money from the PFD. She believed the PFD formula had worked for a very long time. She noted that many people would say that times had changed. She agreed but highlighted that there had been no serious budget caps or reductions in order to live within the state's means. She reasoned that in a simple family budget it was necessary to have more money coming in than going out. She stressed that the PFD was not the personal piggybank for every dollar and project. She was particularly upset about the idea of taking the PFD from children. She stressed that children had zero input in the matter. She stated it was taxation without representation. She reiterated her desire for a budget cap.

[2:52:45 PM](#)

JOHN ALICH, SELF, SALCHA (via teleconference), testified in opposition to the bills. He was disappointed in the

legislature. He needed his full PFD. He shared that he had been in Alaska since 1977 and had retired from food service for two years. He spoke to the high cost of utilities in Alaska. He supported receiving the full supplemental PFDs from the past couple of years. He believed that any changes to the PFD needed to go to a vote of the people. He stated that his representatives were not representing their constituents. He reiterated the need for full and past PFDs and help with electric bills.

[2:54:13 PM](#)

ROBERT HEATHERINGTON, SELF, ANCHORAGE (via teleconference), was strongly opposed to the bills. He thought the situation was ridiculous. He believed that most legislators only cared about themselves and not individual Alaskans. He spoke to the high heating cost in Fairbanks. He thought legislators wanted Alaska to become a socialist state. He asked why his neighbor had to fret that they could not make it through the winter because they could not pay their bills. He thought the legislature wanted to hoard all of the money to itself to pay special interests. He opposed a fuel tax. He stressed that residents already paid enough in fuel tax. He thought a cut to the PFD and the addition of taxes made no sense. He asked the legislature to listen to the people.

[2:56:52 PM](#)

JOANIE BERNIER, SELF, WASILLA (via teleconference), testified against the bills. She found it disgusting that the legislature was discussing the garnishment of the PFD during a pandemic outbreak. She believed legislators needed to demonstrate they worked for the people by protecting them. She opined that the remainder of the current year's PFD should be deposited immediately into Alaskan's accounts. She thought there were a lot of low income residents who could use the money immediately to prepare their families and help their neighbors during the current health crisis. She stressed that individuals could help each other on a local, personal level more efficiently than bureaucracy could. She thought the legislators were afraid to put the issue to a vote because they knew Alaskans were independent and did not want more government.

[2:58:09 PM](#)

LD HOWARD, SELF, PALMER (via teleconference), testified against the bills. He shared that he was a small business owner in Mat-Su. He stressed that the PFD infused money into all communities around Alaska. He pointed out that money spent on recreational toys also increased the money spent as Alaskans enjoyed the state. He stated that retroactively paying the PFDs back would stabilize Alaska during the current times. He added that many families saved the PFD for their children's college funds. He believed that stealing the PFD from Alaskans was stealing their futures. He spoke to the slow population growth in Alaska and asked why a reconfiguration of the PFD by taking as much as 30 percent more was needed. He did not know why it was an issue. He strongly encouraged the legislature to put the issue to a vote of the people.

[2:59:44 PM](#)

JAVEN OSE, SELF, ANCHORAGE (via teleconference), spoke against the bills. He referenced the prior testimony and believed the people had spoken clearly on the bills. He shared information about his personal experience living in Alaska. He thought the legislature was trying to "Californicate" Alaska. He stressed that Alaskans would get all of their money back even if it took five to ten years and required sweeping the House and Senate clean. He demanded the legislature give residents their money back.

[3:00:54 PM](#)

WALTER TELLMAN, SELF, WASILLA (via teleconference), was in favor of taking another look at how the state was spending. He shared that and his family had lived in the state for over 60 years. He was grateful to live in Alaska and recognized the state was in a tough place. He supported the bills. He thought it was necessary to do something. He was willing to give up a portion of his PFD. He did not envy the job facing legislators.

[3:02:46 PM](#)

DEAN KASISCHKE, SELF, SEWARD (via teleconference), did not support the bills. He resented the way the House was using the binding caucus to steal the PFD and take away from the people's ability to vote on the issue. He wanted a voice in how the PFD was distributed and spent.

[3:03:54 PM](#)

EUGENE VIRDEN, SELF, EAGLE RIVER (via teleconference), opposed the bills. He thought the issue would never be settled without a vote of the people. He thought it was terrible to take the funds away from grandchildren. He remarked that residents used the money for higher education. He was thankful for good representatives in his district.

[3:04:55 PM](#)

RON JOHNSON, SELF, FAIRBANKS (via teleconference), spoke in support of HB 306 or any bill that would change the PFD formula to reflect the current realities. He discussed that when the original formula had been developed 35 years back, the government had been funded solely with oil money. He pointed out that all of the Permanent Fund earnings could have been given to the PFD at the time and it would not have impacted the government's ability to function. He stated that the situation was reversed in the current day. He elaborated that most of the unrestricted general funds came from the POMV draw. He stressed the need to have sufficient funds from the draw to pay for the function of government. He suggested that some of the savings from a lower PFD could be used to buoy the Department of Health and Social Services budget, which would help people in need. He believed many people in the state would be fine without a large PFD. He highlighted that for many years the PFD was around \$1,000 and there had been no complaints at the time. He was in favor of a bill like HB 306 that reflected the realities of the present. He reiterated that most government funding was coming out of the Permanent Fund and it was necessary to preserve the fund for the future to enable government to function and to deal with crisis like the Coronavirus.

[3:07:03 PM](#)

VIVIA KUZMIN, SELF, DELTA JUNCTION (via teleconference), spoke against HB 306. She believed it was unfair for the legislature to take away the people's share of the 50/50 allocation of the PFD. She supported a vote of the people on the issue.

Co-Chair Johnston noted there were no additional individuals online to testify. She shared the call-in numbers and email addresses to provide testimony.

[3:08:53 PM](#)

RECESSED

[5:02:29 PM](#)

RECONVENED

Co-Chair Johnston reviewed the public testimony protocol and reviewed the call in numbers.

[5:04:12 PM](#)

BRUCE BARCUS, SELF, PALMER (via teleconference), did not support former Governor Walker's decision to veto a portion of past PFDs. He stated the people of Alaska all had interest in the dividend. He believed special interest groups asking for money took money out of the pockets of Alaskans. He thought the people should be allowed to decide what to do. He supported a petition to get the issue on the ballot. He discussed the dramatic drop in the stock market and the difficult financial times. He shared that he had to quit his job and was looking for work. He stated that the PFD would go a long way helping his pocketbook in the current year. He was hoping the governor would request a vote on the issue by the people and veto all special interest groups.

Representative Merrick referred to the term special interest group. She asked who Mr. Barcus was referring to.

Mr. Barcus thought there were three different groups who had weighed in on using funds from the PFD. He would have to go back to look at the information. He knew the dividend had been used to make up for losses in the budget. He believed the people should decide where the money went. He stated that the reductions to the PFD by former Governor Walker had hurt many people.

Co-Chair Johnston noted that Representative Knopp and Representative LeBon had joined the meeting.

[5:10:05 PM](#)

DAVE MAXWELL, SELF, PALMER (via teleconference), testified against the bills. He stated that the governor had tried the previous year. He stated that there was a recall effort and he asked for what. He stated that the issue was more volatile because oil prices had declined and would not sustain the state. Additionally, the stock market would currently not grow the Permanent Fund. He shared that as responsible people, he and his wife had their children put money away in a savings account to use responsibly. He thought the governor's actions represented responsibility. He emphasized that the governor's actions had not threatened any legislators or agencies the previous year. He viewed it as responsible action. He thought the bills tried to make up for the irresponsibility placed on the governor the previous year.

Co-Chair Johnston redirected the topic to the bills.

[5:13:31 PM](#)

RICHARD WAGNER, SELF, FAIRBANKS (via teleconference), spoke in opposition to the bills. He stated that the legislature and the former governor had been trying to dip into the PFD portion of the budget and to take away the PFD to do so. He did not support efforts to take away the dividend. He recalled that when the Permanent Fund had been established, the portion allotted to the PFD was not supposed to be touched unless the legislature got rid of the dividend with a minimum two-thirds vote. He added that the reserve account was meant for emergencies. He remarked that the passage of SB 21 [oil tax reform legislation passed in 2013] had taken billions of dollars away from the state's budget. He spoke in opposition to the oil tax regime established under SB 21. He stressed that the people's portion of the dividend should not be touched.

[5:16:13 PM](#)

AT EASE

[5:16:39 PM](#)

RECONVENED

PENCIA BEATON, SELF, ANCHORAGE (via teleconference), spoke in opposition to the bills. She believed most legislators were in office by defrauding the people by saying they were something they were not. She stressed that legislators represented the people. She emphasized that the PFD money

belonged to the people. She wanted her mineral rights and the interest on the PFD that was "stolen" by former Governor Walker. She thought special interest groups including unions and nonprofits were taking the money.

[5:18:28 PM](#)

AFIA KUZMAN, SELF, DELTA JUNCTION (via teleconference), spoke against HB 306. She believed it was inappropriate for the legislature to change the 50/50 split to 20/80. She stated that families used the funding to buy food, clothing, fuel, and to help the poor. She wanted the issue to be put to a vote by the citizens of Alaska.

[5:19:41 PM](#)

VIRINIA KUZMIN, SELF, DELTA JUNCTION (via teleconference), she did not support HB 306. She shared that she was 13 years old and saved her PFDs to start her adult life when she turned 18. She felt that lowering the percentage share for the PFD was unfair. She thought the issue should be put to a vote.

[5:20:43 PM](#)

MICHELLE LEBLANC, SELF, ANCHORAGE (via teleconference), opposed the bills. She shared information about her Athabascan and Inupiat background. She believed legislators had been breaking laws by having secret meetings and by stealing the peoples' PFDs. She spoke against the justice system that had upheld the lawmakers' thievery. She believed those involved were elitists who believed regular people were not intelligent enough to handle their money. She elaborated that they believed people like Alaska Natives were wasting their money on drugs and alcohol and other foolish things they did not need, which is why lawmakers thought they had the right to steal the PFD. She stated that legislators were not considering the cost of food, transportation, fuel, and other essential needs. She stated that former Governor Jay Hammond had established the PFD for the people. She concluded that with the exception of a few legislators, they were using the people's money for special interests.

[5:23:35 PM](#)

DON STEVENS, SELF, FAIRBANKS (via teleconference), spoke in opposition to the bills. He remarked that people were always speaking negatively against Native Alaskans who were the minority in the state. He shared that he and his family used the PFD for food and gas. He highlighted the high cost of transportation and heating in rural Alaska. He thought many people did not understand the issue and thought rural residents were using the money for alcohol and drugs. He disputed the claim and shared that he used the funding for food, fuel, and other essential items. He detailed that he was a subsistence user and he used money from the PFD for gas for fishing, food, and airfare. He reiterated his opposition taking the PFD. He noted there was other resources the legislature could tap such as gas. He thanked the committee for its time.

[5:26:25 PM](#)

YUNIA KUZMIN, SELF, DELTA JUNCTION (via teleconference), testified in opposition to HB 306. She shared that she was 15 years old. She felt it was unfair to change the PFD percentage from 50/50 to 20/80. She explained that many people used the funding to support their families. Her family used the funding to purchase food, clothes, and to pay bills. She asked the legislature to let the people vote on the issue. She thanked the committee.

[5:27:11 PM](#)

FRANK BAUER, SELF, HOMER (via teleconference), spoke against the bills. He spoke against increasing the amount the state could spend from the Permanent Fund. He was also opposed to income or sales taxes because he did not believe the changes would solve the state's budget problem. He stated that the taxes had not solved the federal government's or other states' budget problems. He stressed that it was not possible to solve a problem without knowing what the problem was. He thought the state was in denial about its spending problem; therefore, the problem remained from year to year. He stated that except in the case of a catastrophic event, there was no such thing as a revenue problem because everyone, including government, received their income from the same economic source. He opined that whenever government tried to solve problems by increasing revenue, the problems were pushed onto the people, which meant residents had to cut spending. He stated the situation had a negative impact on business, which reduced

government revenue in the next fiscal year. He explained that the problem was cyclical.

5:29:39 PM

KAREN PERRY, SELF, CHUGIAK (via teleconference), testified against the bills. She thanked Representative Tilton for standing strong on PFD issues. She provided detail on her history in Alaska. She was vehemently opposed to changing the statutory PFD from a 50/50 split to 80/20 with 80 percent going to increase the size and scope of government. She believed any change to the formula should go to a vote of the people as per the state's constitution. She stressed that all government originated with the people. She thought some legislators chose to grow government on the backs of people. She underscored that taking the PFD was stealing from children. She believed taking the PFD was ruining small businesses and breaking the law.

5:32:15 PM

SIVERIAN KUZMIN, SELF, DELTA JUNCTION (via teleconference), testified against HB 306. He did not support the change to the PFD formula and believed it was the peoples' money. He thanked the committee. He thought the issue should go to a vote.

5:33:09 PM

MELISSA GUDOBBA, SELF, WASILLA (via teleconference), spoke in opposition to the bills. She thought the legislature was breaking the law and constitution. She stressed that the people needed the money now more than ever. She stated that the people did not need legislators to dip into their pockets and say they could budget better. She thought it was socialism. She did not believe the state's children should experience the hardships the legislature was bringing. She supported budget cuts. She shared that when her family budget was tight, she cut spending. She believed the government needed to do the same thing.

Co-Chair Johnston noted the meeting would reconvene at 6:00 p.m.

5:34:59 PM

AT EASE

6:02:19 PM

RECONVENED

JONATHAN GORDAOFF, SELF, WASILLA (via teleconference), opposed the bills. He thought the legislators were crooks and were stealing from his family. He thought they were trying very hard to steal the money. He challenged the legislature to put the issue to a vote of the people. He stressed that the money belonged to Alaskans. He believed the overspending was ridiculous. He stated that legislators would be fired if they worked for a private company.

6:04:12 PM

TRISH WAGNER MIKOLAJCZK, SELF, FAIRBANKS (via teleconference), testified in opposition to the bills. She shared information about her personal background. She asked what the bills were funding. She asked if the bills would take 80 percent of the Permanent Fund.

Co-Chair Johnston clarified that the bills pertained to the structured draw from the Permanent Fund that went to funding the dividend and state services.

Ms. Mikolajczk did not know who in office kept destroying the people's money from the state's natural resources. She shared that she had reviewed the Alaska's Clear and Equitable Share (ACES) regime enacted under the Palin administration. She stated that unfortunately legislators did not stick with ACES and wanted to be bought and paid by big oil. She remarked that the state had given oil companies over \$2 billion per year under SB 21. She did not want to give anymore of the PFD away for unethical things. She stated the PFD was established for the people. She thought fixing SB 21 would solve the problem. She believed using the Permanent Fund was never supposed to go towards funding government. She stated that funds should go to Alaskans for the next generation. She reiterated her opposition to the bills.

Co-Chair Johnston recessed the meeting until 6:30 p.m.

6:08:01 PM

AT EASE

6:29:03 PM

RECONVENED

BARBARA MELLAND, SELF, WASILLA (via teleconference), opposed the bills. She shared history about her personal background in Alaska. She relayed that she had filled out her PFD application the previous evening and almost 500,000 people had applied. She wondered if the committee was considering the vast number of people who were counting on the PFD. She stressed that everyone she knew was unhappy about the 80/20 split proposal. She believed legislators did not care what the people thought. She was unhappy about the situation.

6:30:28 PM

RON BERNIER, SELF, MEADOW LAKES (via teleconference), testified against the bills. He shared that he and his wife had nine children and his family relied on the PFD for college savings, to start businesses for their children, and other. He stated that if they would have received \$62,194 in the last few years if the PFD had not been taken from his family. He stated that all Alaskans relied on the PFD. He reiterated his opposition to the bills.

6:31:50 PM

SARAHANN JACKSON, SELF, JUNEAU (via teleconference), strongly opposed the bills. She was appalled that the issue kept coming up. She underscored that the public had repeatedly called in to testify against taking the PFD. She stressed that the PFD was not the legislature's money. She stated it was a clown show. She emphasized that the legislators would not wear the people down. She was finished with the crazy thing legislators called a government. She chided the legislature for its actions.

6:34:06 PM

DAVID NEES, SELF, ANCHORAGE (via teleconference), thanked the committee for putting the bills out for public testimony. He observed that the majority of testifiers were not in favor of the bills. He hoped the committee would consider that information. He remarked that if the legislature passed the two bills it would have the option of ignoring them like it had ignored the current laws. He thought the proposals were interesting and should be debated. He highlighted that testimony indicated that the bills should not make it further than the current

committee. He pointed out that for the purpose of meeting decorum it was disrespectful to the public testifiers when committee members were looking at their phones during the meeting.

Representative Merrick asked what Mr. Nees's ideal scenario would be for the Permanent Fund.

Mr. Nees believed the state should probably go back to a 50/50 model as under former Governor Jay Hammond. He supported putting the issue to a vote of the people. He stated that the people had spoken once before on the issue and it had been clear the people believed the private sector was the best use of the fund. He noted that the private sector was suffering because it had done without for a while. He suggested concentrating on the core mission. He explained that if the mission could not be delivered "for what we have," the state would be in a great deal of trouble if the price of oil continued to drop. He highlighted that when the stock market dropped, the Permanent Fund corpus did not earn as much. He preferred the 50/50 split. He suggested defining the core mission for services - there were many state services that had not been provided 50 years earlier.

Representative Merrick asked if it would be possible to get to a 50/50 split through cuts in the budget. Alternatively, she wondered if Mr. Nees thought it would require raising revenue through taxes or another source.

Mr. Nees believed it was likely a combination of both. He believed the biggest problem was there were not enough people in the state generating enough income to pay the state's bills being produced. He explained it would be necessary to tax each resident \$17,000 to keep up with the spending. He thought that even if spending were cut there would continue to be a big load to carry. He recommended refocusing on the state's core mission in terms of delivering services.

[6:37:55 PM](#)

GREG WEAVER, SELF, WASILLA (via teleconference), opposed the bills. He shared that he was disabled, and his workers' compensation case had taken 6.5 years to get to the supreme court. He appreciated Governor Dunleavy. He was frustrated watching lawmakers in Juneau arguing matters that were not

of concern to anyone. He seriously objected to the bills. He wished most of the committees were headed by people who were on the road system. He wanted to see the capital move to the road system.

[6:40:57 PM](#)

NEIL KUZMIN, SELF, DELTANA (via teleconference), testified against HB 306. He shared that he is 15 years old. He relayed that his parents had not been able to afford to pay bills based on the PFD amount provided the previous year. He detailed that his family was in the fishing industry. He was faced with missing school to go fishing.

[6:41:58 PM](#)

KURT SCHMIDT, SELF, DELTA JUNCTION (via teleconference), opposed HB 306. He remarked that the representative government was supposed to take care of the people of the state. He shared that his representative had his staff taken away and he had a difficult time reaching him. He reported that HB 306 would take away resources that many Alaskans had understood to be a part of. He highlighted that the PFD was a substantial contributor to the state economy. He thought continued spending by the legislature was irresponsible. He stated that withholding resources from the state economy was crippling to rural villages, small businesses on the road system, and many families. He thought state spending should be cut back. He thought any change to the percentage allocated to the PFD should go to a vote of the people. He remarked that the proposed change to the PFD did not reflect representative government. He spoke to the silencing of various legislators by the Majority. He did not trust the legislature to make good decisions.

Representative Wool asked who Mr. Schmidt's representative was.

Mr. Schmidt replied Mike Shower.

Representative Wool asked if Mr. Schmidt lived in Delta, Alaska.

Mr. Schmidt replied affirmatively. He detailed that when he contacted Senator Shower he did not get an immediate

response as he had in the past. He had been told by Senator Shower that his number of staff had been cut.

Representative Wool noted that there was also a state representative for the district.

Co-Chair Johnston relayed the representative was Representative George Raucher.

[6:45:46 PM](#)

SHERRY EICHENLAUB, SELF, EAGLE RIVER (via teleconference), spoke against the bills. She was very unhappy with what she was seeing going on in Juneau. She echoed comments by previous testifiers.

[6:46:28 PM](#)

STERLING GALLAGHAR, SELF, ANCHORAGE (via teleconference), shared that he had been the commissioner of the Department of Revenue under the former Governor Jay Hammond. He stated that he had drafted the Permanent Fund and developed the Alaska Permanent Fund Corporation. He stated that the idea that the state did not have enough money was "poppycock." He remarked that the state's current spending was lower than when there had been oil. He believed it was because the state did not have any income tax or other similar things. He shared that there had been an income tax and severance tax in the past that yielded about \$1.3 billion per year. He elaborated that there were pots of money totaling \$3 billion to \$4 billion that would enable the Permanent Fund to be sustained. For example, the Power Cost Equalization (PCE) Fund contained \$1.495 billion.

Mr. Gallagher suggested having the Permanent Fund write an annuity contract to deliver the \$29 million in PCE funds needed per year; it would leave almost \$900 million left over. He thought it would go a long way towards solving the revenue problem. He stated that Alaska Housing Finance Corporation (AHFC) earned 2.2 percent and Alaska Industrial Development and Export Authority (AIDEA) earned 0.3 percent. He asked the committee to make the state work like the financial institution it was designed to be. He believed AHFC and AIDEA could earn 8 to 10 percent. He stated that the funds could increase earnings. He stressed the need for legislative follow up. He discussed the need to institute more fixed income. He was frustrated at the

legislature not using the tools it had in place. He supported a full PFD.

6:49:12 PM

ALEXANDRA KUZMIN, SELF, DELTA JUNCTION (via teleconference), testified against the bills. Her family depended on fishing for their livelihood and there had been fewer fish to catch. Her family worked very hard to earn a living. She shared that the oil industry had impacted fishing. Her family counted on the PFD because fishing was no longer as good. She remarked that her family paid high taxes and she did not support a cut to the PFD. She was against the 80/20 split in HB 306.

Representative Wool asked where the family fished.

Ms. Kuzmin replied "Homer."

Co-Chair Johnston noted there were no additional people online. She took an "at ease" until 7:00 p.m.

6:50:46 PM

AT EASE

7:00:46 PM

RECONVENED

JENNA STEVENS, SELF, STEVENS VILLAGE (via teleconference), testified against the bills. She did not support the legislature using the PFD. She shared that she lived a subsistence lifestyle in rural Alaska and relied on a PFD to survive. She discussed that the economy was harsh, and the PFD was needed. She spoke to the need to look out for future generations. She asked what they would teach their children about holding on to their cultural values as Alaska Native indigenous people. She shared that the funds were put back into the state's economy. Many of the state's villages were diminishing and people were having to leave to go to school, which meant that cultural values were being lost. She thanked the committee for listening.

7:03:19 PM

LINDA TREMBACK, SELF, NORTH POLE (via teleconference), testified on HB 306. She thought the issue should be brought to voters for approval. She shared that she was a

single mom with an adult handicapped child who lived with her and two other children. She stressed that life in Alaska was expensive. She used her PFDs for fuel in the winter. She provided 24-hour care for her son. She counted on the funds and shared that she was not on any other assistance. She reiterated that the issue should go to the people for a vote. She believed there was wasteful government spending that could be improved.

Representative Carpenter referenced Ms. Tremback's testimony that she had a handicapped child. She asked if she was happy with state services she had received.

Ms. Tremback replied in the affirmative; it was the reason she had stayed in Alaska. She shared that her son had many different opportunities. She detailed that he had been born with Down's syndrome. He was 28 years old and had a severe seizure disorder. She elaborated that he needed 24-hour care - he was in diapers and could not speak. She explained that it was a tough life for him. She shared that she had received recent approval from the state to put her son on CBD oil and he now went days without seizures.

Representative Carpenter stated she was a true saint.

Co-Chair Johnston CLOSED public testimony.

HB 300 was HEARD and HELD in committee for further consideration.

HB 306 was HEARD and HELD in committee for further consideration.

Co-Chair Johnston provided the schedule for the following day.

ADJOURNMENT

[7:07:35 PM](#)

The meeting was adjourned at 7:07 p.m.