

SENATE FINANCE COMMITTEE

May 8, 2019

1:36 p.m.

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CALL TO ORDER

Co-Chair von Imhof called the Senate Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Lyman Hoffman
Senator Peter Micciche
Senator Donny Olson
Senator Mike Shower
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Bruce Tangeman, Commissioner, Alaska Department of Revenue;
Bill Milks, Assistant Attorney General, Civil Division,
Labor and State Affairs Section, Department of Law.

PRESENT VIA TELECONFERENCE

Kim Hays, Self, Anchorage; James Squyres, Self, Deltana;
Olivia Fellers, Self, Wasilla; Harvey Albright, Self,
Sterling; Bronson Frye, Painters & Allied Trades/ Local
Union 1959, Anchorage; Laura Bonner, Self, Anchorage; Beth
Short-Rhoads, Self, Sitka; Kent Barkhau, Self, Sitka; Linda
Behnken, Self, Sitka; Marilyn Menish-Meucci, Self,
Petersburg; Mike Alexander, Self, Big Lake; Larry Slone,
Self, Homer; Christine Hutchison, Self, Republican Women of
Kenai, Kenai; Barbara Haney, Self, North Pole; Jim Taylor,
Self, North Pole; Patrick Cole, Self, Anchorage; Peter
Mccaslin, Self, Kenai; Howard Weaver, Self, Anchorage;

Matthew Smith, Self, Bethel; Rob Kinney, Self, Willow; Bernard Campbell, Self, Wasilla; Jeff May, Self, Wasilla; Robert Henderson, Self, Houston; Misty Schoendaller, Self, Kenai; Colin Harrington, Self, Wasilla; Michael Widney, Self, Big Lake; John Lisenbee, Self, Anchorage; Kristen Volle, Self, Wasilla; Michael Tavoliero, Self, Eagle River; Coby Brock, Self, Anchorage; Sheryl Smith, Self, Wasilla; Elaina Roberts, Self, Palmer; Jeff Van Rooyen, Self, Anchorage; Gregory Collins, Self, Homer; Charles Grant, Self, Anchorage; Mary-Ellen Butcher, Self, Anchorage; Gary Music, Self, Anchorage; Gary Mulholland, Self, Fairbanks; Jim Swisher, Self, Wasilla; Ron Bernier, Self, Meadow Lakes; Ronald Vadnais, Self, Kasilof; Debra Sellers, Self, Wasilla; Matthew Finch, Self, Girdwood; Pattrice Illguth, Self, North Pole; Alex Wilcox, Self, Anchor Point; Jancy Jones, Self, Chugiak.

SUMMARY

SB 23 APPROP:SUPP. PAYMENTS OF PRIOR YEARS' PFD

SB 23 was HEARD and HELD in committee for further consideration.

SB 24 PFD SUPPLEMENTAL PAYMENTS

SB 24 was HEARD and HELD in committee for further consideration.

#sb23

#sb24

SENATE BILL NO. 23

"An Act making special appropriations from the earnings reserve account for the payment of permanent fund dividends; and providing for an effective date."

SENATE BILL NO. 24

"An Act directing the Department of Revenue to pay dividends to certain eligible individuals; and providing for an effective date."

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Co-Chair von Imhof explained that SB 23 and SB 24 would be heard together because they were closely related. She

detailed that SB 23 was the appropriation vehicle and SB 24 was the accompanying policy vehicle for the Permanent Fund Dividend (PFD) repayment issue. She stated that public testimony would be heard following a brief overview. The committee would hear public testimony from all citizens who were signed up by 2:15 p.m. She reminded the public that written testimony was welcome.

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BRUCE TANGEMAN, COMMISSIONER, ALASKA DEPARTMENT OF REVENUE, spoke about the issue addressed by the bills. He explained that the last three years saw a decreased PFD. The two proposed bills were the governor's attempt to correct the amount that Alaskans did not receive over the last three years. He furthered that many Alaskans believed that the funds were used to fund government, when in reality the amounts that were not distributed sat in the [Permanent Fund] Earnings Reserve Account (ERA).

Commissioner Tangeman declared that healthy returns were seen over the last several years. He elaborated that the Permanent Fund had a 12.5 percent return in 2017 and a 10.7 percent return in 2018. He explained that the funds that had not been distributed sat in the account and earned over \$600 million in additional state revenue. The amount considered for distribution was approximately \$1.9 billion total. He reviewed the presentation "SB 23 and SB 24, Bill Introduction and Overview" (copy on file).

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Commissioner Tangeman addressed slide 2, "What the Bills Do":

- SB 23 authorizes the transfer from the Earning Reserve Account (ERA) of the Permanent Fund to the Dividend Fund in order to pay a dividend to Alaskans that represents the amount that was not paid in 2016, 2017, and 2018 - based on the statutory calculation
 - The bill also authorizes the transfer of the statutorily calculated PFD for the next four years
- Each appropriation was calculated by subtracting the dividend amount that was appropriated in each of the last three fiscal years from the amount estimated to be what would have been calculated by AS 43.23.025(a)

- o Those appropriations are:
 - \$1,061 per person in FY20 (estimated to be \$565 million)
 - \$1,289 per person in FY21 (estimated to be \$683 million)
 - \$1,388 per person in FY22 (estimated to be \$736 million)
- SB 24 directs the Commissioner of Revenue to include these appropriations in addition to the PFD calculation for the distribution made in October of 2019, 2020, and 2021.

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Commissioner Tangeman reviewed slide 3, "What the Bills Do":

- To be eligible for the incremental payment, a person must have received a PFD in the year of the reduced dividend and be eligible in the year of the appropriation
 - o To receive the incremental PFD in October 2019, must have received PFD in 2016 and be eligible in 2019
 - o To receive the incremental PFD in October 2020, must have received PFD in 2017 and be eligible in 2020
 - o To receive the incremental PFD in October 2021, must have received PFD in 2018 and be eligible in 2021

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Commissioner Tangeman discussed the graph on slide 4, "Expected Impact to the ERA." He explained the chart which described the impact of the proposed action on the ERA balance. He pointed to the left-hand chart exemplifying the fund's reduction, which was impacted by the earnings seen over the last three years. He explained that the Department of Revenue (DOR) did not view the proposed change as a loss. He noted the right-hand side of the chart showed a spike due to the proposed pay-out of the dividend to Alaskans.

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Co-Chair von Imhof requested the sectional analysis.

BILL MILKS, ASSISTANT ATTORNEY GENERAL, CIVIL DIVISION,
LABOR AND STATE AFFAIRS SECTION, DEPARTMENT OF LAW,
reviewed the Sectional Analysis for SB 23 (copy on file):

Section 1(a). This section makes an appropriation from the permanent fund earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) of the amount of money necessary for a payment of \$1061 to eligible individuals who received a 2016 dividend and who are eligible to receive a 2019 dividend for fiscal year 2020.

Section 1(b). This section makes an appropriation from the permanent fund earnings reserve account to the dividend fund of the amount of money necessary for a payment of \$1289 to eligible individuals who received a 2017 dividend and who are eligible to receive a 2020 dividend for fiscal year 2021.

Section 1(c). This section makes an appropriation from the permanent fund earnings reserve account to the dividend fund of the amount of money necessary for a payment of \$1388 to eligible individuals who received a 2018 dividend and who are eligible to receive a 2021 dividend for fiscal year 2022.

Section 1(d). This section makes an appropriation from the permanent fund earnings reserve account to the dividend fund of the amount authorized for transfer by the Alaska Permanent Fund Corporation pursuant to AS 37.13.145(b) for the payment of permanent fund dividends for fiscal year 2020.

Section 1(e). This section makes an appropriation from the permanent fund earnings reserve account to the dividend fund of the amount authorized for transfer by the Alaska Permanent Fund Corporation pursuant to AS 37.13.145(b) for the payment of permanent fund dividends for fiscal year 2021.

Section 1(f). This section makes an appropriation from the permanent fund earnings reserve account to the dividend fund of the amount authorized for transfer by the Alaska Permanent Fund Corporation pursuant to AS 37.13.145(b) for the payment of permanent fund dividends for fiscal year 2022.

Section 1(g). This section makes an appropriation from the permanent fund earnings reserve account to the dividend fund of the amount authorized for transfer by the Alaska Permanent Fund Corporation pursuant to AS 37.13.145(b) for the payment of permanent fund dividends for fiscal year 2023.

Section 2. This section is a contingency provision that makes the appropriations in section 1(a)-(c) contingent on the legislature's passage and enactment into law of a bill directing the commissioner of revenue to include certain payments for the 2016, 2017, and 2018 dividends to eligible individuals with the dividend payments for 2019, 2020, and 2021.

Section 3. This section makes the appropriations in section 1(b) and (e) which relate to dividend payments in 2020 effective July 1, 2020.

Section 4. This section makes the appropriations in section 1(c) and (f) which relate to dividend payments in 2021 effective July 1, 2021.

Section 5. This section makes the appropriation in section 1(g) which relates to dividend payments in 2022 effective July 1, 2022.

Section 6. This section provides that except for sections 3-5, the Act takes effect immediately under AS 01.10.070(c).

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Mr. Milks reviewed the sectional analysis for SB 24 (copy on file):

Section 1(a). This section would amend the uncodified law to provide that notwithstanding AS 43.23.005, the commissioner of revenue shall include with permanent fund dividends in 2019, 2020, and 2021 payments to eligible individuals of \$1,061 in 2019, \$1,289 in 2020, and \$1,388 in 2021.

Section 1(b). This section would provide that an individual eligible in 2019 for a payment of \$1,061 in addition to the permanent fund dividend is an

individual who received a 2016 permanent fund dividend and is eligible to receive a 2019 permanent fund dividend.

Section 1(c). This section would provide that an individual eligible in 2020 for a payment of \$1,289 in addition to the permanent fund dividend is an individual who received a 2017 permanent fund dividend and is eligible to receive a 2020 permanent fund dividend.

Section 1(d). This section would provide that an individual eligible in 2021 for a payment of \$1,388 in addition to the permanent fund dividend is an individual who received a 2018 permanent fund dividend and is eligible to receive a 2021 permanent fund dividend.

Section 1(e). This section would provide than the amount appropriated from the permanent fund earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for the payments in section 1(a) to eligible individuals during 2019-2021 may not contribute to the calculation for the 20192021 dividends under AS 43.23.025.

Section 2. This provides for an immediate effective date.

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Senator Wielechowski asked about SB 23 and forward funding the back payments for the PFD. He recalled that the attorney general had written an opinion on April 9, 2019 specifying that forward funding education was unconstitutional. He wondered how forward funding in the case of the proposed legislation was different.

Commissioner Tangeman referenced past forward funding of education, in which funds were taken from the General Fund or Constitutional Budget Reserve (CBR) and deposited into the Public Education Fund. He considered that the case was different because the money was available in the ERA to be appropriated in future years.

Co-Chair von Imhof added that theoretically funds were available in the CBR to fund education. She asked if a vote

was required each year to obtain the funds. Alternatively, she wondered if there would be an automatic transfer (a "sweep") from the ERA.

Commissioner Tangeman replied that an annual vote would be required to access the funds. He detailed that the governor was not interested in tying the hands of future legislatures and governors. The department knew the funds were available and could have drafted the language to direct \$1.95 billion into the dividend fund immediately, which would have been a true forward funding of the bills. There were many discussions about how much (if any) should be moved from the ERA to the corpus of the Permanent Fund. He noted that the legislation could be changed to reflect that option if the committee chose to do so. He reiterated binding future legislatures was something the governor had elected not to do.

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Co-Chair von Imhof asked Mr. Milks how the situation under discussion differed from the education situation.

Mr. Milks thought Commissioner Tangeman had correctly identified the difference. He explained that the education appropriation had been an effort to appropriate in the future, revenues that did not exist; it had been an appropriation for a forward year based on future revenues. The appropriation bill before the committee sought to appropriate existing revenues, which was similar to appropriations made by the legislature in the past. He explained that the funds were currently in the ERA. He referenced the attorney general's April 9, 2019 letter that made the specific point - that unlike past forward funding appropriations that committed current year revenues to be spent in future years, the education appropriation attempted to commit future year revenues.

Co-Chair von Imhof asked how the CBR fit into the picture. She wondered if the CBR was considered future revenues, current revenues, or a savings account.

Mr. Milks replied that the CBR was another state fund that was available for appropriation based on specific rules.

[1:53:50 PM](#)

Senator Wielechowski discussed that SB 23 would appropriate funds for FY 21 through FY 23. He believed the funds could be vetoed in future years or would have to be voted on again in the future.

Mr. Milks replied that that the bill would appropriate current revenues, which could be subject to a veto. In the future years, the governor intended to produce the appropriation, which would be subject to a veto. He explained, the same was not true for the forward funding of future revenues for education. There was a constitutional framework built around an annual budgeting model where all revenues were on the table for the legislature to consider and both the legislature and governor had a role to play in a potential veto. The constitutional model was further developed through the prohibition against dedicated funds, which prohibited the dedication of future revenues to a special purpose. The administration believed the courts had addressed the issue of dedicated funds; the prohibition was broad. The practical effect of the education appropriation was to make a substantial portion of the state's budget off limits; the dollars had essentially been earmarked for one purpose even though they were not in the state's account.

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Senator Wilson highlighted the bill's proposal to withdraw approximately \$11 billion from the ERA in the next three years. He stated that Mr. King [Ed King, Chief Economist, Office of Management and Budget] projected that the ERA would earn about \$12 billion in the next three years, which left wiggle room of about \$1 billion. He wondered what would happen to SB 24 if there was a shortfall to the ERA. He noted there were a couple of proposals underway to do a large transfer from the ERA to the corpus of the Permanent Fund.

Commissioner Tangeman stated that he would not address the dollars being discussed for transfer from the ERA to the corpus of the Permanent Fund. He explained that if the Alaska Permanent Fund Corporation (APFC) did not meet its expected return levels over the next three years, the dividend amount would be impacted. While the ERA may see a hit, the amount of the PFD would be greatly reduced in future years. He informed the committee that the dividend had been \$878 in 2012 and \$900 in 2013 as a result of the 2008 [market] correction. He stated earnings estimates of

\$12 billion and withdrawal of \$11 billion in the next several years showed the big picture but did not factor in the calculation of earnings that fluctuated from year-to-year. He explained that if returns were not realized it would impact the dividend, the amount in the ERA available for transfer to the corpus, and the percent of market value (POMV).

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Senator Wilson asked if transferring \$7 billion to \$12 billion from the ERA to the corpus of the Permanent Fund would impact the current versions of the bills.

Commissioner Tangeman replied that the transfer from the ERA to the corpus represented moving money from the left pocket to the right pocket from the Permanent Fund's perspective; it would still be a \$65 billion fund. He stated it would not necessarily change the calculation amounts, but it would impact available cash and cashflow.

Senator Wilson asked if there would be enough cashflow to pay out supplementals and pay for government services.

Commissioner Tangeman believed it was a staged approach. He stated that the bills before the committee represented the first step to correct the past dividends that were not paid in full. He noted it would reset the bar to \$14 billion or \$15 billion. He believed step two should address what should be left in the ERA and what should be transferred to the corpus. He had heard numerous numbers discussed by legislators including \$5.5 billion, \$14 billion, \$12 billion, and \$8 billion. He believed it was hard to make other decisions until the plan was known (including the specific number and why it had been selected). He summarized that the governor believed repaying past dividends was step one. After that point, there could be debate on what should be done with the balance of the ERA (e.g. if the balance was \$16 billion).

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Co-Chair von Imhof OPENED public testimony. She limited public testimony to one minute.

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KIM HAYS, SELF, ANCHORAGE (via teleconference), testified in strong opposition to the bills. She did not believe paying a super-sized PFD was worth gutting essential services. She had heard from numerous economists testifying to the legislature that it was possible to come up with a solution that paid a reasonable PFD and protected state services. She thought the bills were short-term fixes that would create and exacerbate a long-term problem. She was a strong supporter of education and was willing to take smaller PFDs if it meant funding education. She did not believe a one-time large payout was not worth the cost to society through cuts to seniors, children, and the most vulnerable Alaskans. She asked the legislature to find a solution to protect essential state services and provide a reasonable dividend.

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JAMES SQUYRES, SELF, DELTANA (via teleconference), testified support of the bills. He stated that the statute calculated and required a full PFD. He continued that the legislature had created statutes for Alaskans to follow, but it did not follow the statutes. He emphasized it was time for the legislature to restore trust to Alaskans. He believed the behavior could not be allowed. He stressed that the unpaid PFDs belonged in the hands of Alaskans, not the ERA. He reviewed various errors that amounted to a crime. He reasoned that failing to pay back past PFDs set precedent to what amounted to a crime.

[2:04:12 PM](#)

OLIVIA FELLERS, SELF, WASILLA (via teleconference), testified in support of SB 23 and SB 24. She underscored that when former Governor Jay Hammond instituted the Permanent Fund it was not to be used to run the government; it was to be used for the people of Alaska. She believed the legislature could figure out another way to balance the budget.

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HARVEY ALBRIGHT, SELF, STERLING (via teleconference), testified in support of the legislation. He stated the dividend was one-third of what legislators were paid in per diem and he did not see any legislators donating their per diem back. He wondered why the legislature thought Alaskans

should give when the legislature was not. He elaborated that legislators received \$250 per day, which he estimated to be roughly \$30,000 for 120 days.

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BRONSON FRYE, PAINTERS & ALLIED TRADES/ LOCAL UNION 1959, ANCHORAGE (via teleconference), testified in strong opposition to SB 23 and SB 24. He agreed that a super-sized PFD would be nice, but the cuts to valuable social services and education and the outsourcing of Alaskans' jobs were not worth it. He did not believe it was appropriate to pass the bills. He urged the committee to vote against them.

[2:07:17 PM](#)

LAURA BONNER, SELF, ANCHORAGE (via teleconference), testified in opposition to the bills. She highlighted that PFDs had been reduced in past years to pay for core services including education, senior services and veterans, disabled individuals, road maintenance, ferry service, public safety, court system, corrections, and deferred maintenance. She stated that PFDs were an important part of the state's economy, but not more important than the needed services and the maintenance of state assets. She supported a reasonable PFD and believed the bills would speed the demise of the dividend program.

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BETH SHORT-RHOADS, SELF, SITKA (via teleconference), testified in strong opposition to SB 23 and SB 24. She believed paying out \$1.9 billion in PFDs was incredibly irresponsible during a time of deep budget cuts. She stressed that the dividend was not a constitutional right. She detailed that she would rather see the money used for essential items including schools, infrastructure, and healthcare. She implored the committee to vote against the bills.

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KENT BARKHAU, SELF, SITKA (via teleconference), testified in opposition to SB 23 and SB 24, which he deemed irresponsible. He believed attempting to undue previous responsible decision making would be a large step backwards. He believed that the state required real

leadership leading forward. He encouraged the committee to oppose the legislation.

[2:10:13 PM](#)

LINDA BEHNKEN, SELF, SITKA (via teleconference), spoke against SB 23 and SB 24. She believed the best investment in Alaska's future was investment in services including education, healthcare, ferry, and other critical services. She believed issuing retrospective PFDs would undermine Alaska's ability to take care of its future and present needs. The Permanent Fund was there to assist Alaska through fiscal challenges and to help the state transition to a renewable and sustainable economy. She asked the legislature to use funds rather than deepen the current fiscal crisis. She urged the committee to invest in the state's future.

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MARILYN MENISH-MEUCCI, SELF, PETERSBURG (via teleconference), testified in opposition to SB 23 and SB 24. She did not believe the state needed to pay anyone back but needed the services the money would pay for. She asked for full funding of the Alaska Marine Highway System, public schools, Pioneer Homes, and public broadcasting. She urged the committee to vote against the bills.

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MIKE ALEXANDER, SELF, BIG LAKE (via teleconference), testified in support of SB 23 and SB 24. He stated the ferry system was "out done" and fully funding education had resulted in kids reading last in the nation. He thought there had to be another answer. He estimated the state had taken approximately \$12,000 from him and his wife. He stated that the money belonged to the people to help with things like car payments and getting through winter. He wanted his money back. He thought the legislature should be cutting waste. He supported the passage of the bills. He was amenable to the legislature putting money into the corpus of the Permanent Fund after paying out the PFDs.

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LARRY SLONE, SELF, HOMER (via teleconference), supported backpay of the PFDs, but believed both bills were

procedurally flawed. He asked why the bills qualified the future distribution by stretching it out over the next three years if the purpose was to remedy the past failure to comply with statutory law and distribute the full PFD for 2016 to 2018. He stated the money was available in the ERA. He reminded the committee that the full PFDs had already been vetoed once before. He believed the bills would subject the full payment to future risk. He noted it had been clearly stated that the payments would be endangered by a potential transfer from the ERA to the fund corpus.

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CHRISTINE HUTCHISON, SELF, REPUBLICAN WOMEN OF KENAI, KENAI (via teleconference), testified in support of the bills if they conformed to statute. He believed that the PFD checks were distributed based on statute. She stressed that the statutes had been violated in an effort to fund the budget. She emphasized that expenses must be cut. She did not support subsidizing the ferries. She thought there were several other things that needed to be cut. She did not believe the PFD check should be used for that purpose. She believed the Permanent Fund had been designed for a specific purpose under statute. She reiterated that the statutes had not been followed. She underscored the importance of following statute.

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BARBARA HANEY, SELF, NORTH POLE (via teleconference), testified in support of SB 23 and SB 24. She believed funding the PFD would bring back diversity to the private sector. She was not opposed to the ferry system, but she thought the state was spending a substantial amount on something that only benefited a small portion of the state. She did not want Alaska to become like Venezuela.

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JIM TAYLOR, SELF, NORTH POLE (via teleconference), spoke in favor of the bills. He believed many had lost sight of the fact that PFDs were Alaskans' share of the state oil resources. He believed that the statute had been set out to divide the resource money between the state and the people. He saw the state getting a larger and larger share. He asked the committee to vote in favor of the bills.

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PATRICK COLE, SELF, ANCHORAGE (via teleconference), testified in support of SB 23 and SB 24. He believed the state would benefit more from the bills than if the legislature spent the money on other things. He had worked hard as a construction worker for 35 years and he believed it was a shame the money had been taken. He stressed that his grandkids could benefit from the money.

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PETER MCCASLIN, SELF, KENAI (via teleconference), testified in support of SB 23 and SB 24. He stated that over the years the legislature had repeatedly attacked the fund. He had watched government end its obligations to fund the state retirement plan - he believed it was out of control. He thought school programs had steadily declined as funding had increased. He had seen government expand beyond the state's means. He stressed it was time to reel spending in and straighten things out. He fully supported the bills and the governor.

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HOWARD WEAVER, SELF, ANCHORAGE (via teleconference), testified in support of SB 23 and SB 24. He believed the purpose of the Permanent Fund was to give people access to minerals. He supported the bills and governor.

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MATTHEW SMITH, SELF, BETHEL (via teleconference), testified in support of SB 23 and SB 24. He detailed that residents in Bethel needed the funds due to the expense of living in the region. He shared that the funds taken in the past several years had been at least a quarter of his income and half his wife's income. He thought the legislature should live within its own budget and not steal the people's PFDs.

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ROB KINNEY, SELF, WILLOW (via teleconference), spoke in favor of SB 23 and SB 24. He thought the PFD had been "nickeled and dimed to death" in recent years. He was retired and on a fixed income. He depended on the PFD to help with land taxes and other costs.

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BERNARD CAMPBELL, SELF, WASILLA (via teleconference), testified in support of SB 23. He stressed that the money belonged to the citizens, not the legislature. He detailed that the fund had been established in a way that prevented the state government from robbing the money. He thought there were plenty of places the legislature could cut wasteful spending. He stressed that millions of dollars had been spent on a ferry that no one wanted. He directed the legislature to leave the Permanent Fund alone.

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JEFF MAY, SELF, WASILLA (via teleconference), testified in support of SB 23 and SB 24.

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ROBERT HENDERSON, SELF, HOUSTON (via teleconference), testified in support of SB 23 and SB 24. He depended on the PFD for his property taxes and living. He thought taking the money was theft. He stated that his children were both fighting in the military for their country and they depended on the PFD. He had watched the legislature run on the PFD repeatedly. He supported the governor and wanted a budget the legislature could live within.

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MISTY SCHOENDALLER, SELF, KENAI (via teleconference), testified in support of SB 23 and SB 24. She believed the governor was trying to do the right thing. She stated that the legislature did not have the right to take the PFD. She thought the legislature was spending money the state did not have. She believed there were many places the budget could be cut. She was working all of the time and was still having trouble paying her bills. She counted on the PFD.

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COLIN HARRINGTON, SELF, WASILLA (via teleconference), testified in support of the legislation. He thought the government needed to keep its portion of the money and the residents should get their portion. He stated that he wanted the government to allow residents to have their

money. He thought the legislature needed to stop amending and changing the PFD and needed to start amending and changing the way they spent money.

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MICHAEL WIDNEY, SELF, BIG LAKE (via teleconference), testified in support of SB 23 and SB 24. He stated that the money for the PFD was the people's and the people should get to decide how to spend it. He stated that over the past decade or so extra spending had taken place when oil prices had been high. He observed it was hard to cut spending, but residents had elected the governor to do the hard job. He supported the governor in his efforts defend the people's wealth. He thought the people should be able to vote on the issue.

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JOHN LISENBEE, SELF, ANCHORAGE (via teleconference), testified in support of SB 23 and SB 24. He remarked there were less than 1 million residents in Alaska, and he thought it was pretty bad when the government had to cut into the people's dividend in order to pay for services. He thought there were many places the budget could be cut. He supported the governor.

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KRISTEN VOLLE, SELF, WASILLA (via teleconference), testified in support of SB 23 and SB 24. She did not believe it was right for the government to steal money from the Alaskan people because of its poor choices.

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MICHAEL TAVOLIERO, SELF, EAGLE RIVER (via teleconference), testified in support of SB 23 and SB 24.

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COBY BROCK, SELF, ANCHORAGE (via teleconference), believed people needed to leverage their money better with the PFD. He suggested cornering the silver market and no one in the state would ever worry about money again.

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SHERYL SMITH, SELF, WASILLA (via teleconference), testified in support of SB 23 and SB 24. She stated that the families in the Mat-Su Valley needed the money to raise their children and foster children. She remarked that the state did not pay foster parents enough to meet the children's needs. She wanted her children to receive their dividends. She stressed that the constitution specified it was the people's money and the legislature did not have the right to take it. She supported the governor.

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ELAINA ROBERTS, SELF, PALMER (via teleconference), testified in support of SB 23 and SB 24. She wanted to see the full PFD returned to the people of Alaska. She thought the government had taxed residents already to run government. She thought it was ludicrous that more of the money meant for Alaskans had been used to bail out government's irresponsible spending. She wondered about the incentive for the government to live within its means. She believed the legislature needed to find a way to live within its means as residents were required to do in their own homes.

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AT EASE

[2:35:10 PM](#)

RECONVENED

JEFF VAN ROOYEN, SELF, ANCHORAGE (via teleconference), testified in support of SB 23 and SB 24. He compared raiding the PFD to the raiding of Social Security by Congress. He stated politicians had taken people's money. He cautioned that politicians could be voted out. He stressed that the PFD was not meant to be spent on whatever the legislature chose. He underscored the PFD was meant for the people. He stated it was wrong for the previous governor to take the funds. He was upset about what the legislature and the former governor had done.

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AT EASE

[2:38:29 PM](#)

RECONVENED

GREGORY COLLINS, SELF, HOMER (via teleconference), testified in support of SB 23 and SB 24. He thought giving out the PFD would do much more good than spending the money on the state government. He stressed the need people had for the PFD.

[2:39:08 PM](#)

CHARLES GRANT, SELF, ANCHORAGE (via teleconference), testified in support of SB 23 and SB 24. He stated that the legislature had torn the PFD apart. He told the committee the PFD needed to be put back together and given to the people. He stressed that the people deserved and needed the PFD.

[2:39:53 PM](#)

MARY-ELLEN BUTCHER, SELF, ANCHORAGE (via teleconference), testified in support of SB 23 and SB 24. She noted that the money she received through Social Security was not sufficient. She stated Alaska was a hard state to live in. She asked the legislature to give the people something to help them survive.

[2:40:46 PM](#)

GARY MUSIC, SELF, ANCHORAGE (via teleconference), testified in support of SB 23 and SB 24. He noted that the government took and took and took. He stressed that people needed the PFD. He thought the legislature should keep its hands off the money.

[2:41:43 PM](#)

GARY MULHOLLAND, SELF, FAIRBANKS (via teleconference), testified in support of SB 23 and SB 24. He believed the legislature should never have touched the money to begin with. He thought the issue deserved a vote of the people. He directed the legislature to quit telling the people they did not know what they wanted. He wanted the legislature to prove that the money did not stay in Alaska. He stressed that the PFD money stayed in Alaska in the form of tax payments, heating bills, and jobs.

[2:42:26 PM](#)

JIM SWISHER, SELF, WASILLA (via teleconference), testified in support of SB 23 and Governor Dunleavy. He stated that the PFD meant a lot to seniors and likened it to Christmas. He asked the legislature to keep its hands out of the piggy bank.

[2:43:22 PM](#)

RON BERNIER, SELF, MEADOW LAKES (via teleconference), testified in support of SB 23 and SB 24. He shared that he used the money to educate his children because the state had done a poor job with education. His family was saving the money to help pay for his children's college expenses or to purchase a piece of property. He implored the committee to support the bills. He asked the legislature to keep its hands off the PFD.

[2:44:05 PM](#)

RONALD VADNAIS, SELF, KASILOF (via teleconference), testified in support of the bills and the governor. He asked the legislature to balance the budget and cut spending. He believed putting the funds in the hands of the people to decide how to spend the money was the best option. He was concerned people would start leaving Alaska. He was concerned about freezing to death if his heat was cut off; he did not have money to spend on firewood or fuel.

[2:45:11 PM](#)

DEBRA SELLERS, SELF, WASILLA (via teleconference), testified in support of SB 23 and SB 24. She was on a fixed income and relied on the PFD. She shared that the PFD helped pay the bills. She supported the governor.

[2:45:53 PM](#)

MATTHEW FINCH, SELF, GIRWOOD (via teleconference), spoke in favor of the bills and the governor. He used the PFD for firewood to keep warm in the winter. He elaborated that others used the funds to dress their children and to eat. He stated the legislature needed to balance its budget and live within its means.

[2:46:43 PM](#)

PATTRICE ILLGUTH, SELF, NORTH POLE (via teleconference), testified in support of the bills. She was a home schooling mom of five children. She spoke to the high cost of goods in the region. She stressed that when the former governor had cut the PFD it had hurt her family. She asked the legislature to listen to the people and support the bills.

[2:47:14 PM](#)

ALEX WILCOX, SELF, ANCHOR POINT (via teleconference), spoke in favor of the bills. He recalled when former Governor Hammond had established the Permanent Fund program for Alaskan citizens.

JANCY JONES, SELF, CHUGIAK (via teleconference), testified in support of legislation and the governor. She asked the legislature to restore the PFDs.

[2:48:16 PM](#)

Senator Bishop provided the email address for any additional public testimony.

Senator Bishop CLOSED public testimony.

SB 23 was HEARD and HELD in committee for further consideration.

SB 24 was HEARD and HELD in committee for further consideration.

Senator Bishop reviewed the schedule for the following day.

#

ADJOURNMENT

[2:49:19 PM](#)

The meeting was adjourned at 2:49 p.m.