

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

February 28, 2019

3:31 p.m.

**MEMBERS PRESENT**

Senator Mike Shower, Chair  
Senator John Coghill, Vice Chair  
Senator Lora Reinbold  
Senator Peter Micciche  
Senator Scott Kawasaki (via teleconference)

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Senator Click Bishop  
Senator Mia Costello

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S)

Commissioner, Department of Administration  
Kelly Tshibaka - Anchorage

- CONFIRMATION ADVANCED

SENATE BILL NO. 34

"An Act relating to probation; relating to a program allowing probationers to earn credits for complying with the conditions of probation; relating to early termination of probation; relating to parole; relating to a program allowing parolees to earn credits for complying with the conditions of parole; relating to early termination of parole; relating to eligibility for discretionary parole; relating to good time; and providing for an effective date."

- MOVED CSSB 34(STA) OUT OF COMMITTEE

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."

- HEARD & HELD

SENATE BILL NO. 24

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

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 34

SHORT TITLE: PROBATION; PAROLE; SENTENCES; CREDITS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/23/19	(S)	READ THE FIRST TIME - REFERRALS
01/23/19	(S)	STA, FIN
02/07/19	(S)	STA AT 3:30 PM BUTROVICH 205
02/07/19	(S)	Heard & Held
02/07/19	(S)	MINUTE(STA)
02/11/19	(S)	JUD REFERRAL ADDED AFTER STA
02/12/19	(S)	STA AT 3:30 PM BUTROVICH 205
02/12/19	(S)	Heard & Held
02/12/19	(S)	MINUTE(STA)
02/14/19	(S)	STA AT 3:30 PM BUTROVICH 205
02/14/19	(S)	Heard & Held
02/14/19	(S)	MINUTE(STA)
02/19/19	(S)	STA AT 3:30 PM BUTROVICH 205
02/19/19	(S)	Heard & Held
02/19/19	(S)	MINUTE(STA)
02/21/19	(S)	STA AT 3:30 PM BUTROVICH 205
02/21/19	(S)	Heard & Held
02/21/19	(S)	MINUTE(STA)
02/26/19	(S)	STA AT 3:30 PM BUTROVICH 205
02/26/19	(S)	Heard & Held
02/26/19	(S)	MINUTE(STA)
02/28/19	(S)	STA AT 3:30 PM BUTROVICH 205

BILL: SB 23

SHORT TITLE: APPROP:SUPP. PAYMENTS OF PRIOR YEARS' PFD

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/16/19	(S)	READ THE FIRST TIME - REFERRALS
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01/16/19 (S) STA, FIN  
 02/05/19 (S) STA AT 3:30 PM BUTROVICH 205  
 02/05/19 (S) Heard & Held  
 02/05/19 (S) MINUTE(STA)  
 02/26/19 (S) STA AT 3:30 PM BUTROVICH 205  
 02/26/19 (S) Heard & Held  
 02/26/19 (S) MINUTE(STA)  
 02/28/19 (S) STA AT 3:30 PM BUTROVICH 205

BILL: SB 24

SHORT TITLE: PFD SUPPLEMENTAL PAYMENTS  
 SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/16/19 (S) READ THE FIRST TIME - REFERRALS  
 01/16/19 (S) STA, FIN  
 02/05/19 (S) STA AT 3:30 PM BUTROVICH 205  
 02/05/19 (S) Heard & Held  
 02/05/19 (S) MINUTE(STA)  
 02/26/19 (S) STA AT 3:30 PM BUTROVICH 205  
 02/26/19 (S) Heard & Held  
 02/26/19 (S) MINUTE(STA)  
 02/28/19 (S) STA AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

KELLY TSHIBAKA, Commissioner Designee  
 Department of Administration (DOA)  
 Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointee to the position of commissioner of the Department of Administration.

SCOTT DAHL, representing self  
 Inspector General U.S. Department of Labor  
 Washington, DC

**POSITION STATEMENT:** Testified in support of the nomination of Kelly Tshibaka as commissioner of the Department of Administration.

MICHELLE HARTLINE, representing self  
 Nikiski, Alaska

**POSITION STATEMENT:** Testified in support of the nomination of Kelly Tshibaka as commissioner of the Department of Administration.

LYNN HALFFORD, representing self  
 Palmer, Alaska

**POSITION STATEMENT:** Testified in support of the nomination of Kelly Tshibaka as commissioner of the Department of Administration.

SCOTT OGAN, Senior Policy Advisor  
Senator Mike Shower  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided an explanation of the proposed amendments to the CS for SB 34, version M.

JOHN SKIDMORE, Director  
Criminal Division  
Department of Law

**POSITION STATEMENT:** Answered questions about the effect of proposed amendments to the CS for SB 34, version M.

KELLY HOWELL, Special Assistant to the Commissioner  
Department of Public Safety (DPS)  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions related to SB 34.

JEFFREY EDWARDS, Director  
State Board Parole  
Anchorage, Alaska

**POSITION STATEMENT:** Responded to questions related to SB 34.

DAVID OTNESS, representing self  
Cordova, Alaska

**POSITION STATEMENT:** During the hearing on SB 23 and SB 24, testified that he'd like to see residents come together as a state before the dividend money is returned.

CHARLES MCKEE, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on SB 23 and SB 24 and noted he also submitted written information.

MIKE PRAX representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

LARRY CALVIN, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

DAVID NOON, representing self

Juneau, Alaska

**POSITION STATEMENT:** Testified that he doesn't think that passing SB 23 and SB 24 is a wise move for the state.

BRIAN MERRIT, representing self

Wrangell, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

ROBERT HALL, representing self

MatSu, Alaska

**POSITION STATEMENT:** During public testimony on SB 23 and SB 24, predicted the outcome and offered suggestions for a different path forward.

DONALD WESTLAND, representing self

Ketchikan, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

JACK DETZEL, representing self

Delta Junction, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

DR. SOL NEELY, PhD, representing self

Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

JESSE BJORKMAN representing self

Nikiski, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

STEPHANIE CRONIN representing self

Seward, Alaska

**POSITION STATEMENT:** Testified in adamant opposition to SB 23 and SB 24.

PATRICK MAYER, representing self

Yakutat, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

AMY SWEENEY, representing self

Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

SUE LITMAN representing self

Sitka, Alaska

**POSITION STATEMENT:** Testified in vehement opposition to SB 23 and SB 24.

DAVID BRIGHTON, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

GHERET ABBOTT, representing self  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

EARL LACKEY, representing self  
MatSu, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

LUANN MCVEY, representing self  
Douglas, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

RICHARD STEELE representing self  
Douglas, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

JANET MCCABE, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

BONNIE WOLDSTAD, citizens of our great state  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

SCOTT MACMANUS representing self  
Tok, Alaska

**POSITION STATEMENT:** Testified in strong opposition to SB 23 and SB 24.

MIKE ILLG, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in vehement opposition to SB 23 and SB 24.

PATRICK HEUER, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

AMY AINSLIE representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

MARIE MCCONNEL representing self  
Sterling, Alaska  
**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

LAURA STATTS, representing self  
Juneau, Alaska  
**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

DR. VALERY BROOKS, PhD, representing self  
Ketchikan, Alaska  
**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

LOY THURMAN, representing self  
MatSu, Alaska  
**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

BETH FREAD representing self  
Homer, Alaska  
**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

DOUG HERGERT representing self  
Wrangell, Alaska  
**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

JIM CHEYDIEUR, representing self  
Fairbanks, Alaska  
**POSITION STATEMENT:** During the hearing on SB 23 and SB 24, testified in opposition to the budget Governor Dunleavy released.

MIKE COONS, representing self; president  
Alaska Chapter of the Association of Mature American Citizens  
Palmer, Alaska  
**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

HEATHER ASSELIN, representing self  
Wasilla, Alaska  
**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

CRIS EICHENLAUB, representing self  
Eagle River, Alaska  
**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

SIMON GORBATY, representing self  
Sitka, Alaska  
**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

COLLAUNA MARLEY, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

FRED STURMAN, representing self  
Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

KARLA HART, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

DONNA SCHULTZ, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

JANALEE GAGE representing self  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

RAYCE WITTNER, representing self  
MatSu, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

GEORGE PIERCE representing self  
Kasilof, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

VIKKI JO KENNEDY, representing self  
Kodiak, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24  
as currently written.

DAVE AND NOEL MAXWELL, representing self  
Palmer, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

SCOTT HAYDEN, representing self  
Seward, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

WILLIAM QUAYLE, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

RALPH WATKINS, Superintendent  
Hoonah City Schools

Hoonah, Alaska

**POSITION STATEMENT:** Testified in opposition to both SB 23 and SB 24.

JOY LYON, representing self

Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

KYNEDI CLARK, representing self

MatSu, Alaska

**POSITION STATEMENT:** Testified that she is a sixth grade honor roll student who opposes SB 23 and SB 24.

MARY TONY, representing self

Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

MATH TRAFTON, representing self

Sitka, Alaska

**POSITION STATEMENT:** Testified in strong opposition to SB 23 and SB 24.

ZOE TRAFTON, representing self

Seward, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

MARY JANE "MJ" LEGRANDE, representing self

Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

KATIE PITTMAN, representing self

Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

MELODY JORDAN, representing self

Seward, Alaska

**POSITION STATEMENT:** Testified that she is adamantly opposed to SB 23 and SB 24 and the entire budget.

ED MARTIN JR. representing self

Coopers Landing, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

GLENN CRAVEZ, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

KAREN CORBEL, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

KARI SAGEL, representing self  
Seward, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

KATE JOHNSON, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

HARVEY BRANDT, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in vehement opposition to SB 23 and SB 24.

RANDY VIRGIN, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** During the hearing on SB 23 and SB 24, stated that it should not be a choice between a PFD payout and government services.

LILI SANTORO, representing self and her daughter  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

KIM NELSON, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

BETH HACK, representing self  
Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

GLEN BUTTS, representing self  
Big Lake, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

LYNETTE CLARK, representing self  
Fox, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

MARGO O'CONNEL, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24 and the governor's budget.

ANGELA BOWERS, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

STEVE WASHBURN, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

KIM HAYES, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in strong opposition to SB 23 and SB 24.

MICHAEL BOWLES, representing self  
Seward, Palmer

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

JULIE SMYTH, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

MICHAEL MAUSBACK, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

MARK SPRINGER, representing self  
Bethel, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

MERRIE CULP-WASHBURN, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

CHARLIE PIERCE, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

JEANINE BROOKS, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in firm opposition to SB 23 and SB 24.

RICK MOORE, representing self  
Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

CARL CLARK, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

JOE MONTAGNA, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

DEB SCHULTZ, representing self  
Chugiak, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

OLE CHRISTENSON, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

MICHAEL TAVOLIERO, representing self  
Eagle River, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

JOSEPH CAYABYAB, representing self  
Seward, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

DIANE HOLMES, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

JENNIFER REED, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

JANICE CHANDLER, representing self  
Kasilof, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

FORREST KUIPER, representing self  
Seward, Alaska

**POSITION STATEMENT:** Testified in strong opposition to SB 23 and SB 24.

BRENDON HOPKINS, representing self  
Sterling, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

HAROLD BORBRIDGE, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

GRACE BROOKS, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in strong opposition to SB 23 and SB 24.

LINDA SCHANDELMEIER, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in opposition to.

SUZANNE DUTSON, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

MORRIS NASSUK, representing self and his kids  
Koyuk, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

GREG WEIBER, representing self  
MatSu, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

KATHERINE PRUSSIAN, representing self  
Sitka, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 23 and SB 24.

DALTON STOKES, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

CHARLES LESTER, representing self  
Delta Junction, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

BERT HOUGHGALING, representing self  
Big Lake, Alaska

**POSITION STATEMENT:** Testified in support of SB 23 and SB 24.

#### **ACTION NARRATIVE**

[3:31:34 PM](#)

**CHAIR MIKE SHOWER** called the Senate State Affairs Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Coghill, Micciche, Reinbold, and Chair Shower. Senator Kawasaki attended via teleconference.

**CONFIRMATION HEARING(S)**  
**Commissioner, Department of Administration**

3:32:13 PM

CHAIR SHOWER announced that the first order of business would be the confirmation hearing for Kelly Tshibaka as commissioner of the Department of Administration (DOA).

3:32:27 PM

KELLY TSHIBAKA, Commissioner Designee, Department of Administration (DOA), Anchorage, , testified as appointee to the position of commissioner of the Department of Administration. She provided introductory comments reading from the following prepared document:

Thank you for having me today. I'm joined by my husband Niki and son Josiah. We have 4 other wonderful children watching us at home, Denali, Joseph, Justice, and Elora.

I was born and raised in Anchorage. Most of my family still lives in Alaska. I spent many winter weekends in the Conoco Philips tower as a child. My mom was an auditor and she would have me help her on her projects. She'd hand me those long spools of paper with holes on the sides - her work papers - and ask me to highlight any numbers over a certain amount. That's where I developed values for accountability and fiscal responsibility. My dad, on the other hand, was a proud IBEW electrician with ATU, which became ACS. From him I learned the value that comes when a work team stays united. I also learned to question authority, in a respectful way.

I loved growing up here - I remember hunting with dad and eating moose tongue sandwiches, playing ice hockey, taking classes at UAA, and doing many theater productions. One highlight was getting to be the pitcher of the All Star softball team that won the Alaska state championship and got to play at nationals one year. That was amazing.

After graduating from Steller, I went to Texas A&M. One summer I worked for Senator Ted Stevens on the United States Senate Appropriations Committee. I then

attended Harvard Law School. After law school, I joined the Department of Justice Office of the Inspector General. Nearly every federal agency has an OIG responsible for promoting efficiency and effectiveness, and detecting and deterring waste, fraud, and abuse. They accomplish this primarily through audits, investigations, inspections, and multidisciplinary reviews. It turns out the values my parents instilled in me - accountability, fiscal responsibility, team unity, and questioning authority - were a perfect alignment for an OIG career!

At the Department of Justice OIG, I investigated complex cases like the abuse of Arabs and Muslims detained after the September 11 terrorist attacks - a case that was heard before the US Supreme Court. I also oversaw audits, investigations, and inspections of DOJ programs and operations, and assisted in managing more than 400 employees nationwide.

After the Department of Justice OIG, I was the first hire at the Office of the Director of National Intelligence OIG, which was established after the 9/11 Commission report found the need for a federal agency to oversee all the Intelligence Community agencies, including the Department of Defense, CIA, NSA, FBI, State Department and others. I served as legal counsel in the office and co-lead the creation and establishment of the office. In that role, I investigated misconduct by presidential appointees, participated in projects like improving the process for deciding whose names go on the terrorist watchlist, and evaluated the ODNI agency's culture and effectiveness. I briefed the Director of National Intelligence many times on our projects, and I advocated successfully for legislation that established the Intelligence Community Inspector General in statute by working collaboratively with Inspectors General, General Counsel offices, Congressional oversight committees, and White House staffers over 5 years.

Following the ODNI OIG, I served as a Special Advisor in the ODNI's Civil Liberties and Privacy Office where I participated in developing guidance for the Intelligence Community on civil liberties and privacy issues in collaborative electronic environments, use

of social media information, and the development of research projects.

Afterwards, I joined the Federal Trade Commission where I served as the Chief Investigator and Legal Counsel, and later as the Acting Inspector General. I led our team to complete high-risk, core mission reviews of an agency with a \$300 million dollar budget and 1200 employees. For example, we examined how effective the FTC was at achieving its mission of protecting consumers. We also investigated allegations made by Congressman Darrell Issa, Chairman of the House Oversight and Government Reform Committee, that FTC attorneys conspired to fabricate evidence to increase the FTC's number of successful enforcement actions. In addition, we performed information security audits, financial statement audits, performance inspections, and investigations of misconduct.

Most recently, I founded and established the Office of the Chief Data Officer for the United States Postal Service Office of the Inspector General. As the Chief Data Officer, I served on a 9-person executive team responsible for oversight of the US Postal Service, an agency with more than \$70 Billion in annual revenue, \$13 Billion in contracts, and 620,000 employees. The OIG, in contrast, had just over 1000 people and \$250 Million dollars. We found the most effective way to do oversight was to leverage data analytics to find even greater cost savings and efficiencies, and to know where to look for misconduct and risk. Our data analytics led to more than \$1.9 Billion in financial impact, \$179M in cost avoidances, 225 criminal case outcomes, and enabled our OIG to do more with less. We also led innovative efforts to identify illegal opioids in more than 5 billion parcels delivered annually. This unprecedented use of data analytics substantially advanced multi-agency efforts to prevent drug trafficking.

CDO was successful because it included data scientists, investigators, auditors, and analysts in one interdisciplinary cross-OIG division. It became the largest CDO office in the OIG community, advancing collaboration on critical incident and emergent issues, transforming the OIG into a data-led agency,

and offering resources and assistance to OIGs across the federal government.

My OIG background has shaped how I'll approach being the Commissioner of the Department of Administration: promote efficiency and effectiveness; pursue innovations and cost savings; and achieve results.

I mentioned that summer our team won the state softball championship. That really shaped my view on leadership. I learned that no position on the team was more important than another. We had to work as an integrated, cohesive unit. I might have been the pitcher, but we would have lost the game without first base, or left field. The same is true for any group I lead. I believe we are an integrated team, and I simply play a part on that team.

On a more personal note, I met my husband Niki in law school, and we moved to Washington, DC together. Initially our ambition was to become great lawyers -- leaders of all! But God really changed our hearts. We're Christians, but our faith really took on a different [form] those years - instead of becoming leaders of all, we wanted to be servants of all. We started a church that focuses on developing leaders, healing people from trauma and addiction, and helping orphans, refugees, and women and children who are victims of human trafficking. It's been very rewarding for me to help people along in their spiritual journeys--to help them become the person they've always wanted to be.

Whether it's people or it's organizations, I love helping people become who they've always wanted to be. And organizations are just collections of people with a purpose. I enjoy helping organizations become the best they can be.

As the Commissioner of the Department of Administration, I will help the Department become the best it can be. And in so doing, the agencies of the state of Alaska will be able to better serve Alaskans.

Thank you for having me today.

[3:40:49 PM](#)

CHAIR SHOWER summarized that some people have commented that you are overqualified but in these times your resume brings impressive credentials that are probably needed. He said your experience in the Office of Inspector General (OIG) and independent attitude is also important in how you would look for fraud, waste and abuse in government and trying to make it better. He said that's important, although you obviously work for the governor. He said the final topic to get on the record is whether you would have a problem separating your faith from your duties and following the law as a public servant.

COMMISSIONER DESIGNEE TSHIBAKA replied she is and has always been open and transparent about her faith, but she does not impose it on others. She opined that it is her transparency that builds trust among her workforce and makes them feel comfortable in the diversity. "They feel comfortable about being transparent about who they are, too, so it makes strong teams." She emphasized that she has no problem upholding the law. She said she has been in situations in the past where she didn't agree with the decisions her superiors made and she had to implement.

CHAIR SHOWER asked her to expand on the point that when you work for someone you need to be able to highlight policies or decisions that don't make sense or are headed in a direction that isn't the best.

COMMISSIONER DESIGNEE TSHIBAKA replied there are two types of situations where you need to bring problems to the attention of your superiors. One is when you disagree because the data doesn't support the direction. She said she's been in that situation and if she found herself in that situation now, she would feel comfortable bringing it to the attention of the governor. However, if he didn't agree and went in a different direction, she would go in that direction too, because he's her superior. The other situation is if your superior is doing something that is obviously wrong or illegal. She's also been in the situation and she didn't have a problem reporting it to an independent body. She clarified that she has not had to do either of these with the governor.

CHAIR SHOWER said your answer is encouraging. Those are important character traits and the people need to understand that commissioners are in positions of high authority and are held to a higher standard than citizens.

[3:45:56 PM](#)

SENATOR REINBOLD said she was impressed with Ms. Tshibaka's resume and thankful she was willing to take the job. She opined that Ms. Tshibaka is overqualified and noted that the state is in crisis. She thanked her for helping with trauma and addiction problems and trying to reduce drug trafficking.

SENATOR REINBOLD asked if she was prepared to ensure that the U.S. Supreme Court ruling in Janus v. AFCME is respected as the law of the land.

COMMISSIONER DESIGNEE TSHIBAKA said yes; the department immediately stopped taking deductions from agency fee payers and allowed employees to become nonmembers. She added that they are watching other states and the trends and will implement the law accordingly.

SENATOR REINBOLD opined that union contracts are a major driver in the budget and should be part of the open meetings act. She said she would understand if Ms. Tshibaka didn't want to comment.

COMMISSIONER DESIGNEE TSHIBAKA replied she checked on that after their recent meeting and found that union contract meetings are open to the public.

SENATOR REINBOLD thanked her for the information. She turned to the topic of IRIS and commented that, "under the Division of Finance, it is kind of a disaster." She asked Ms. Tshibaka to commit to help make the IRIS online banking system more transparent.

COMMISSIONER DESIGNEE TSHIBAKA said she has already requested a full report. She added that she knows that there is a contract to update the software, and that there are differences between IRIS and the statewide reporting system, the Alaska Data Enterprise Reporting System (ALDER). "I am concerned about your concerns and I will keep looking into it," she said.

[3:49:38 PM](#)

SENATOR COGHILL thanked her for taking the job. He asked if she had looked at the Alaska Land Mobile Radio System (ALMR) and whether the system's problems could be fixed or if it was advisable to start over.

COMMISSIONER DESIGNEE TSHIBAKA replied she knows that all the ALMR equipment is being changed and she recalls that there is

budgeting and planning to upgrade the entire system in three years. She said she did not recall the name of the upgrade.

SENATOR COGHILL commented that ALMR is a critical link, but it's been something of a "pain in the neck." He encouraged her to engage with the federal government for help on the upgrade.

SENATOR REINBOLD highlighted for the public that the Public Defender [Agency] and the [Office] of Public Advocacy reside within the Department of Administration (DOA). She opined that the public defender has had an odd way of calculating the caseloads in the office and asked Ms. Tshibaka if she was aware of that method of calculation.

COMMISSIONER DESIGNEE TSHIBAKA replied she and the public defender have discussed how cases are calculated and weighted and how the office chooses to conflict out and turn cases over to the Office of Public Advocacy. "We're working together to develop an audit of the office to figure out the best way to do business in his office and to figure out what resources he needs to best address his caseload," she said.

SENATOR REINBOLD encouraged a hard audit and offered her belief that many of the difficult cases are conflicted out and handed to the Office of Public Advocacy despite the Public Defender Agency's considerable funding. She added that she supports starting an office of victim advocacy.

SENATOR MICCICHE commented that Ms. Tshibaka will have a workload that meets her impressive credentials. He said he appreciates her energy and spirit and he looks forward to working with her on the budget.

[3:55:45 PM](#)

CHAIR SHOWER opened public testimony.

[3:56:02 PM](#)

SCOTT DAHL, representing self, Inspector General U.S. Department of Labor, Washington, DC, stated that he appreciates the opportunity to highly recommend Kelly Tshibaka as commissioner of the Department of Administration. He can attest to many of the things that have been said about her background and resume. She's always up to a challenge and brings energy to everything she does. "I heartily endorse her," he said.

[3:57:39 PM](#)

MICHELLE HARTLINE, representing self, Nikiski, testified in support of the nomination of Kelly Tshibaka as commissioner of the Department of Administration. She said she has known Kelly Tshibaka since she was born. She was precocious and driven as a child and selfless in giving her time and talent to the community as she got older. This included serving meals to the homeless at Beans Cafe and comforting the handicapped at an Anchorage nursing facility. She graduated high school at age 15 and confidently went alone to Texas A&M University. She opined that Kelly represents the ideal of Alaskan youth that parents and educators work hard for their children to become. She has always been able to excel in a myriad of subjects and tasks, always employing logic, humor, and common sense. She has the unique ability to see and accept people for who they are without judgement. She will be an asset to the department and the state.

[4:00:17 PM](#)

LYNN HALLFORD, representing self, Palmer, testified in support of the nomination of Kelly Tshibaka as commissioner of the Department of Administration. She related that she is retired and a former oil industry auditor. She has known Ms. Tshibaka since she was a child and she has always been positive, hard-working, filled with integrity and spunk. Her auditing background will help DOA achieve efficiencies and help save the state money.

[4:01:22 PM](#)

CHAIR SHOWER closed public testimony, thanked everyone who took the time to call, and asked Ms. Tshibaka if she had any closing comments.

COMMISSIONER DESIGNEE TSHIBAKA said, "thanks to Scott, Mom, and Lynn."

SENATOR MICCICHE noted that there were several more people from across the state who wanted to testify, but in the interest of time the committee was moving forward.

CHAIR SHOWER agreed and added that Senator Kawasaki had also been online. He encouraged the public to submit written testimony to: [senate.state.affairs@akleg.gov](mailto:senate.state.affairs@akleg.gov) and it will be included in the public record.

[4:02:46 PM](#)

CHAIR SHOWER stated that in accordance with AS 39.05.080, the Senate State Affairs Standing Committee reviewed the following

and recommends the appointment(s) be forwarded to a joint session for consideration:

Commissioner, Department of Administration  
Kelly Tshibaka - Anchorage

Signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees; the nominations are merely forwarded to the full legislature for confirmation or rejection.

[4:03:08 PM](#)  
at ease

**SB 34-PROBATION; PAROLE; SENTENCES; CREDITS**

[4:07:25 PM](#)

CHAIR SHOWER reconvened the meeting and announced the consideration of SENATE BILL 34 "An Act relating to probation; relating to a program allowing probationers to earn credits for complying with the conditions of probation; relating to early termination of probation; relating to parole; relating to a program allowing parolees to earn credits for complying with the conditions of parole; relating to early termination of parole; relating to eligibility for discretionary parole; relating to good time; and providing for an effective date."

He noted that the CS for SB 34, version M, was the working document. He noted who was available to answer questions, and that there were amendments for the committee to consider.

[4:08:00 PM](#)

SENATOR COGHILL moved Amendment 1, work order 31-GS1031\M.5.

31-GS1031\M.5  
Radford  
2/27/19

**AMENDMENT 1**

OFFERED IN THE SENATE BY SENATOR SHOWER  
TO: CSSB 34(STA), Draft Version "M"

Page 4, lines 23 - 31:

Delete "[KEEP RECORDS OF THE PROBATION WORK, INCLUDING ADMINISTRATIVE SANCTIONS AND INCENTIVES THE PROBATION OFFICER IMPOSES UNDER AS 33.05.020(g), KEEP ACCURATE AND COMPLETE ACCOUNTS OF ALL MONEY COLLECTED FROM PERSONS UNDER THE SUPERVISION OF THE OFFICER, GIVE RECEIPTS FOR MONEY COLLECTED AND MAKE AT LEAST MONTHLY RETURNS OF IT, MAKE THE REPORTS TO THE COURT AND THE COMMISSIONER REQUIRED BY THEM, AND PERFORM OTHER DUTIES THE COURT MAY DIRECT;

(5)]"

Insert "keep records of the probation work [, INCLUDING ADMINISTRATIVE SANCTIONS AND INCENTIVES THE PROBATION OFFICER IMPOSES UNDER AS 33.05.020(g)], keep accurate and complete accounts of all money collected from persons under the supervision of the officer, give receipts for money collected and make at least monthly returns of it, make the reports to the court and the commissioner required by them, and perform other duties the court may direct;

(5)"

Page 5, line 2:

Delete "(5) [(6) USE"

Insert "(6) [USE"

Page 5, line 13:

Delete "(6)"

Insert "(7)"

Page 5, line 17:

Delete "(7)"

Insert "(8)"

Page 5, line 20:

Delete "(8)"

Insert "(9)"

Page 5, lines 24 - 29:

Delete all material.

Re-number the following bill sections accordingly.

Page 14, lines 16 - 17:

Delete "; and

(5) AS 33.05.040(b), as amended by sec. 7 of this Act"

Page 14, line 20:  
Delete "sec. 8"  
Insert "sec. 7"

Page 14, line 21:  
Delete "sec. 9"  
Insert "sec. 8"

Page 14, line 22:  
Delete "sec. 10"  
Insert "sec. 9"

Page 14, line 23:  
Delete "sec. 12"  
Insert "sec. 11"

Page 14, line 24:  
Delete "sec. 13"  
Insert "sec. 12"

Page 14, line 25:  
Delete "sec. 14"  
Insert "sec. 13"

Page 14, line 26:  
Delete "sec. 15"  
Insert "sec. 14"

Page 14, line 27:  
Delete "sec. 16"  
Insert "sec. 15"

Page 14, line 28:  
Delete "sec. 17"  
Insert "sec. 16"

Page 14, line 29:  
Delete "sec. 18"  
Insert "sec. 17"

Page 14, line 30:  
Delete "sec. 19"  
Insert "sec. 18"

Page 14, line 31:  
Delete "sec. 20"  
Insert "sec. 19"

Page 15, line 1:  
Delete "sec. 11"  
Insert "sec. 10"

Page 15, line 2:  
Delete "sec. 11"  
Insert "sec. 10"

SENATOR MICCICHE objected for discussion purposes.

[4:08:25 PM](#)

SCOTT OGAN, Senior Policy Advisor, Senator Mike Shower, Alaska State Legislature, explained that Amendment 1 restores bookkeeping functions that were unintentionally omitted from the CS, and it eliminates administrative sanctions. The rest of the amendment reflects conforming changes.

[4:09:04 PM](#)

SENATOR MICCICHE removed his objection.

CHAIR SHOWER asked if there were further objections.

SENATOR COGHILL objected to state that he does object to eliminating administrative sanctions and will speak to that later. Because he supports the reporting mechanism, he won't object to the amendment. He removed his objection.

CHAIR SHOWER found no further objection and Amendment 1 passed.

[4:10:07 PM](#)

SENATOR COGHILL moved Amendment 2, work order 31-GS1031\M.4.

[4:12:03 PM](#)

At ease

[4:12:45 PM](#)

CHAIR SHOWER reconvened the meeting and asked Senator Coghill to restate the motion.

[4:12:52 PM](#)

SENATOR COGHILL restated the motion to adopt Amendment 2, 31-GS1031\M.4.

31-GS1031\M.4  
Radford  
2/27/19

AMENDMENT 2

OFFERED IN THE SENATE BY SENATOR SHOWER  
TO: CSSB 34(STA), Draft Version "M"

Page 2, line 22, following "imprisoned":  
Insert "until the order of the court is satisfied"

SENATOR MICCICHE objected for discussion purposes.

MR. OGAN explained that this technical amendment adds the phrase that the order of the court must be satisfied, which the drafter overlooked.

CHAIR SHOWER clarified that Legislative Legal Services requested this addition.

MR. OGAN agreed adding that the amendment does not make a substantive change.

SENATOR COGHILL clarified for the public that this addition appears on page 2, line 22, of version M.

SENATOR MICCICHE removed his objection.

CHAIR SHOWER found no further objection and stated that Amendment 2 has passed.

[4:14:13 PM](#)

SENATOR COGHILL moved Amendment 3, work order 31-GS1031\M.6.

31-GS1031\M.6  
Radford  
2/27/19

AMENDMENT 3

OFFERED IN THE SENATE BY SENATOR SHOWER  
TO: CSSB 34(STA), Draft Version "M"

Page 3, line 19, following "shall":

Insert ", in consultation with the Department of  
Law and the Department of Public Safety,"

SENATOR MICCICHE objected for discussion purposes.

[4:14:52 PM](#)

MR. OGAN explained that in Section 4, the commissioner establishes by regulation a program allowing probationers to earn credits for complying with the conditions of probation. The amendment adds the requirement that the regulations are established in consultation with the Department of Public Safety (DPS). This provides another set of eyes for the review. He said the consultation, which could be minimal, is intended to keep political appointees accountable.

CHAIR SHOWER added that the intent is to ensure coordination among agencies that enforce the criminal justice system and to provide checks and balances. In this particular case, there will be coordination between the commissioner, DOL, and DPS.

SENATOR COGHILL suggested the committee ask the Department of Law and the Department of Public Safety (DPS) what they think that consultation would look like.

[4:17:03 PM](#)

JOHN SKIDMORE, Director, Criminal Division, Department of Law, advised that a requirement for consultation does not alter the ultimate authority for the Department of Corrections to develop the program. He said the requirement leaves flexibility as to what that consultation will look like, but it does place into law that it will occur. He added that it has not been his experience, but this prevents a situation in which the DOC develops the policy without talking to anyone else.

SENATOR COGHILL asked if the Department of Law was already working with the Department of Corrections on the development of regulations.

MR. SKIDMORE said the Department of Law drafts all the regulations that are developed by departments, but that consultation is about format rather than substance. He related his experience that agencies involved in the criminal justice system frequently consult with the Department of Law about substance when they're developing regulations. This amendment requires consultation on substance to occur.

CHAIR SHOWER asked Ms. Howell to respond to Senator Coghill's question.

[4:19:46 PM](#)

KELLY HOWELL, Special Assistant to the Commissioner, Department of Public Safety (DPS), said DPS would work in collaboration with the Department of Corrections as the amendment requires. She agreed with Mr. Skidmore that the amendment provides flexibility for the consultation to occur through whatever method is most appropriate.

SENATOR COGHILL asked if DPS would have substantive input on not only the regulations but also the calculation of time on probation and recommendations to the court.

MS. HOWELL said she couldn't speak for the commissioner as to how the collaboration would occur, but she believes that the commissioner of public safety would want to provide input on proposed changes. She added that the Department of Law, DOC, and DPS already work closely in these areas and this places the requirement in statute.

SENATOR COGHILL removed his objection.

SENATOR MICCICHE removed his objection to Amendment 3.

CHAIR SHOWER found no further objection and stated that Amendment 3 has passed.

[4:22:41 PM](#)

SENATOR COGHILL moved Amendment 4, work order 31-GS1031\M.13.

[Note: This amendment, which was drafted by Legislative Legal, has paragraphs (1), (2), (3), and (4) inserted under subsection (i). The copy that committee members considered did not include paragraphs (3) and (4).]

31-GS1031\M.13  
Radford  
2/28/19

**AMENDMENT 4**

OFFERED IN THE SENATE BY SENATOR SHOWER  
TO: CSSB 34(STA), Draft Version "M"

Page 4, lines 7 - 8:

Delete all material and insert:

"(i) A probationer may not be enrolled in the program established under (h) of this section if the probationer

(1) is incarcerated for a sex offense as defined in AS 12.63.100;

(2) is incarcerated for a crime against a person under AS 11.41;

(3) has three prior convictions arising from separate criminal episodes; or

(4) has reoffended while on probation in the past."

SENATOR MICCICHE objected for discussion purposes.

SENATOR REINBOLD called a point of order to asked if this was Amendment 4 or an amendment to Amendment 4.

CHAIR SHOWER clarified that it was Amendment 4; the amendment to Amendment 4 would be introduced subsequently.

[4:23:28 PM](#)

At ease

[4:24:14 PM](#)

CHAIR SHOWER reconvened the meeting and asked Mr. Ogan to explain Amendment 4.

[4:24:25 PM](#)

MR. OGAN explained that Amendment 4 fixes a drafting error. The intent is to make probationers convicted of a sex offense or a crime against a person ineligible for the earned credits program.

He asked if the chair wanted an explanation of the amendment to the amendment at this time.

CHAIR SHOWER deferred to more experienced committee members.

[4:25:26 PM](#)

SENATOR COGHILL advised that the proper process would be to adopt Amendment 4 and then consider the amendment to Amendment 4.

[4:25:37 PM](#)

SENATOR MICCICHE removed his objection to Amendment 4.



MR. OGAN deferred to the Department of Law.

[4:30:04 PM](#)

MR. SKIDMORE said he would recommend two things. First, AS 33.05.020(h) talks about the commissioner establishing by regulation a program for probationers, not parolees. Therefore, anything that is done to this statute has to talk about the program for probationers. A separate statute establishes a program for parolees. If the intent is to have the policy apply to both probationers and parolees, anything that is done in the probation statute needs to be replicated in the parole statute.

Second, Amendment 4, 31-GS1031\M.13, should be amended by replacing the term "incarcerated" on lines 5 and 6 of the amendment with "on probation" [because someone on probation is no longer incarcerated.]

Returning to the first point, he advised that the statute for parolees is AS 33.16.270. He noted that the bill also amends that statute, starting in Section 18 on page 11 of the CS. He said this is where any information about how to restrict who can be in the earned compliance credit program under the parolee scenario. He suggested that the likely location for the change would be on page 12 in paragraph (3). The language would be similar to the probationer language he suggested but would refer to a parolee. "If there were different policy objectives than that, then I would need more time to sort out how you would want to address that," he said.

CHAIR SHOWER observed that that explains the policy objective, but the amendment [doesn't achieve that objective.]

SENATOR COGHILL suggested the committee rescind its action to adopt Amendment 4 and start over.

[4:36:13 PM](#)

MR. OGAN said legislative legal suggested articulating the policy call for the record and giving them express authority to work the appropriate amendment into the bill.

[4:36:56 PM](#)

SENATOR MICCICHE moved to rescind the committee's action on Amendment 4.

CHAIR SHOWER found no objection and the action to adopt Amendment 4 was rescinded.

[4:38:30 PM](#)

CHAIR SHOWER withdrew proposed Amendment 5, work order 31-GS1031\M.8, from consideration.

[4:39:11 PM](#)

SENATOR COGHILL moved Amendment 6, work order 31-GS1031\M.2.

31-GS1031\M.2  
Radford  
2/27/19

**AMENDMENT 6**

OFFERED IN THE SENATE BY SENATOR COGHILL  
TO: CSSB 34(STA), Draft Version "M"

Page 2, line 28, through page 3, line 17:  
Delete all material.

Re-number the following bill sections accordingly.

Page 14, line 13:  
Delete all material.

Re-number the following paragraphs accordingly.

Page 14, line 14:  
Delete "sec. 4"  
Insert "sec. 3"

Page 14, line 15:  
Delete "sec. 5"  
Insert "sec. 4"

Page 14, line 16:  
Delete "sec. 6"  
Insert "sec. 5"

Page 14, line 17:  
Delete "sec. 7"  
Insert "sec. 6"

Page 14, line 20:  
Delete "sec. 8"

Insert "sec. 7"

Page 14, line 21:  
Delete "sec. 9"  
Insert "sec. 8"

Page 14, line 22:  
Delete "sec. 10"  
Insert "sec. 9"

Page 14, line 23:  
Delete "sec. 12"  
Insert "sec. 11"

Page 14, line 24:  
Delete "sec. 13"  
Insert "sec. 12"

Page 14, line 25:  
Delete "sec. 14"  
Insert "sec. 13"

Page 14, line 26:  
Delete "sec. 15"  
Insert "sec. 14"

Page 14, line 27:  
Delete "sec. 16"  
Insert "sec. 15"

Page 14, line 28:  
Delete "sec. 17"  
Insert "sec. 16"

Page 14, line 29:  
Delete "sec. 18"  
Insert "sec. 17"

Page 14, line 30:  
Delete "sec. 19"  
Insert "sec. 18"

Page 14, line 31:  
Delete "sec. 20"  
Insert "sec. 19"

Page 15, line 1:

Delete "sec. 11"  
Insert "sec. 10"

Page 15, line 2:

Delete "sec. 11"  
Insert "sec. 10"

SENATOR MICCICHE objected for discussion purposes.

SENATOR COGHILL explained that the amendment deletes all material in bill Section 3, which amends AS 12.55.090(g) regarding probation. This section makes it permissive rather than directive for a probation officer to recommend that probation be terminated, and the person discharged from probation under certain conditions. And it removes the conditions of having served two years on probation under certain circumstances and having served 18 months on probation if the conviction was for a crime that is not a crime under a certain definition.

SENATOR COGHILL said his intent is to have the probationer's application go before the board for consideration based on certain requirements. He said he feels very strongly about this, but he wasn't sure if this particular amendment was the correct approach. He said he intended to withdraw the amendment but wanted to make his wishes known in the hope that members who have the opportunity to touch the bill two more times will continue to work with him.

[4:41:19 PM](#)

SENATOR COGHILL withdrew Amendment 6, work order 31-GS1031\M.2.

He said he was withdrawing it "with the idea that I think the requirement demands that the bureaucracy work and the 'may' says you may work, and it leaves our probation world under two different people that I struggle with bureaucratically. Not personally, not integrity wise, just bureaucratically and that is the people who handle the probation request at the jail and those who handle it at the board."

[4:42:03 PM](#)

SENATOR REINBOLD called a point of order to say that Amendment 7 replaces the term "shall" with "may."

SENATOR COGHILL pointed out that Amendment 6 addresses the change from "shall" to "may" on page 2, line 29. It's a return to the language [pre-2016].

SENATOR REINBOLD noted that Amendment 7 changes the term "shall" to "may" [in regard to parole officer recommendations to the board].

SENATOR COGHILL continued to say that the data from the probation and parole office indicates that the people who have been eligible for probation and parole under these conditions have been successful and are not reoffending. He reiterated that he was withdrawing Amendment 6 and would like members to keep this in mind as they look at and work on different iterations of the bill.

CHAIR SHOWER stated that Amendment 6, work order 31-GS1031\M.2, is withdrawn.

[4:44:06 PM](#)

SENATOR COGHILL moved Amendment 7, work order 31-GS1031\M.3.

31-GS1031\M.3  
Radford  
2/26/19

#### **AMENDMENT 7**

OFFERED IN THE SENATE BY SENATOR COGHILL  
TO: CSSB 34(STA), Draft Version "M"

Page 10, line 16:  
Delete "**may** [SHALL] "  
Insert "shall"

SENATOR MICCICHE objected for discussion purposes.

SENATOR COGHILL explained that Amendment 7 is basically the same as Amendment 6, but it relates to a parole officer recommending to the board early discharge for a parolee who has met certain conditions. The board is not obligated to discharge the parolee, but it must consider the application.

[4:45:38 PM](#)

SENATOR COGHILL withdrew Amendment 7, work order 31-GS1031\M.3, and asked members to watch this as the bill moves forward.

[4:46:01 PM](#)

SENATOR MICCICHE moved Amendment 8, work order 31-GS1031\M.11.

31-GS1031\M.11  
Radford  
2/28/19

**AMENDMENT 8**

OFFERED IN THE SENATE BY SENATOR MICCICHE  
TO: CSSB 34(STA), Draft Version "M"

Page 7, line 19:  
Delete "one-third"  
Insert "**one-half** [ONE-THIRD]"

Page 8, line 25, following "(5)":  
Insert "**or (8)**"

Page 9, line 2, following "(5)":  
Insert "**or (8)**"

Page 9, lines 5 - 12:  
Delete "[;  
(8) TO A SINGLE SENTENCE UNDER  
AS 12.55.125(i)(3) AND (4), AND HAS NOT BEEN ALLOWED  
BY THE THREE-JUDGE PANEL UNDER AS 12.55.175 TO BE  
CONSIDERED FOR DISCRETIONARY PAROLE RELEASE, MAY NOT  
BE RELEASED ON DISCRETIONARY PAROLE UNTIL THE PRISONER  
HAS SERVED, AFTER A DEDUCTION FOR GOOD TIME EARNED  
UNDER AS 33.20.010, ONE-HALF OF THE ACTIVE TERM OF  
IMPRISONMENT IMPOSED]"

Insert "  
(8) to a single sentence under  
**AS 12.55.125(d) for an offense under**  
**AS 11.71.030(a)(1) or (2)** [AS 12.55.125(i)(3) AND  
(4)], and has not been allowed by the three-judge  
panel under AS 12.55.175 to be considered for  
discretionary parole release, may not be released on  
discretionary parole until the prisoner has served [,  
AFTER A DEDUCTION FOR GOOD TIME EARNED UNDER  
AS 33.20.010,] one-half of the active term of  
imprisonment imposed"

SENATOR REINBOLD objected for discussion purposes.

SENATOR MICCICHE explained that Amendment 8 changes the mandatory minimum term a prisoner must serve to be eligible for discretionary parole. For class B drug trafficking, a prisoner would be eligible for discretionary parole after serving one-half of their sentence rather than one-quarter and for an unclassified drug offense the change is from one-third of their sentence to one-half of their sentence. He said he feels that the state is under a siege of drug-related issues and violent crimes now, and the data shows that in years past when crime has been high these are the crimes that contribute to other lower-level crimes. The message, he said, is that Alaska is not a preferred market for drug trafficking.

[4:47:34 PM](#)

SENATOR REINBOLD removed her objection.

[4:47:44 PM](#)

SENATOR COGHILL objected to hear the Department of Law discuss how this new concept might work.

[4:48:08 PM](#)

MR. SKIDMORE said this isn't his area of expertise and he would suggest the committee ask Mr. Edwards from the Board of Parole to explain. Responding to the chair, he said Senator Micciche did a good job of describing the amendment to Section 10 that proposes to change AS 33.16.090(b)(1). It talks about a prisoner who is eligible under (a)(1) of this section who is sentenced under the sentencing statute for unclassified felony offenses, AS 12.55.125(a) and (b), is not eligible for discretionary parole until they have served the mandatory minimum under this statute and then one-third of the active term of imprisonment imposed. Amendment 8 proposes to change the term that must be served from one-third to one-half. He said he believes that refers to the active time remaining. He requested that Mr. Edwards confirm that interpretation.

[4:50:27 PM](#)

JEFFREY EDWARDS, Director, State Parole Board, Anchorage, said Mr. Skidmore and Senator Micciche did a good job of explaining Amendment 8. The inmate serving the sentence would not be eligible to apply for early release until they had served a certain term of the active term of imprisonment imposed. Currently that is one-third of the active term and the amendment changes that to one-half. The prisoner would have to serve half their sentence or the mandatory minimum, whichever is greater before they could apply to the parole board for release on discretionary parole.

SENATOR COGHILL said he understands the policy call and he believes the fiscal note will change. He asked Mr. Skidmore if mandatory minimums are considered when a prosecutor considers a plea deal.

MR. SKIDMORE confirmed that a prosecutor who was considering a negotiated resolution could look at mandatory minimums to understand when somebody would be eligible for parole, but he didn't think it happens very often. He admitted that in 20 years as a prosecutor, he only focused on the ultimate sentence when he was trying to determine how to make an offer in the case. He never looked at when the person was eligible for parole.

SENATOR COGHILL said he brought it up because early release has become a point of discussion.

[4:53:26 PM](#)

SENATOR MICCICHE reminded the committee that SB 34 removes several categories of crimes from eligibility for discretionary parole. The amendment deals with relatively serious crimes and it increases the minimum time served before a prisoner is eligible, but they are not removed from the list. He said drug trafficking destroys the lives of many Alaskans every year and this is just saying they must serve half their sentence before they're eligible to apply for discretionary parole. He described it as a reasonable approach.

[4:54:17 PM](#)

MR. OGAN suggested the committee ask Mr. Skidmore how this would affect a suspended sentence.

MR. SKIDMORE explained that the time a court imposes as an active term of imprisonment is what impacts when somebody is eligible for discretionary parole. The suspended time is not calculated for parole; it serves as the potential sanction that could be imposed when a person on probation violates their conditions of release.

He continued to say that he talked about the first part of the amendment that deals with unclassified felonies. The second half of the amendment talks about when someone convicted of a class B felony for a drug offense would be eligible for discretionary parole. That is on page 1, line 21-23 through page 2, line 3 of Amendment 8, 31-GS1031\M.11. He suggested the committee watch other bills that have been proposed that may changes AS 12.55.125(d) and AS 11.71.030(a)(1) or (2) to ensure that the

intent of the amendment is preserved. He summarized his understanding of the intent which is to limit discretionary parole for those people that are convicted of a class B felony for a drug offense. He noted that SB 34 already limits discretionary parole for a class A felony. Amendment 8 deals with unclassified felonies, class A felonies are already covered, and this goes to class B felonies for drug distribution. The clear idea is to limit their eligibility for discretionary parole until after they have served half the time.

CHAIR SHOWER said that's a salient point.

[4:57:47 PM](#)

SENATOR REINBOLD removed her objection.

CHAIR SHOWER asked Senator Coghill if he wanted to remove his objection.

SENATOR COGHILL said he didn't mind requiring people to spend the extra time in jail, but he was not interested in making them better criminals. He said he'd remove his objection and probably vote no on the bill.

[4:59:00 PM](#)

CHAIR SHOWER stated that Amendment 8 has passed. He said that is the last amendment and the bill is before the committee for discussion.

SENATOR COGHILL pointed out the bill deletes all the administrative sanctions as well as limiting discretionary parole. He said he agrees with earlier comments that the sanctions were not as swift and certain as everyone hoped, but he continues to believe there is room to improve that. He directed attention to page 34 of the 2018 Criminal Justice Reform Report. He read the following into the record:

**Sanctions and incentives.** Parole and probation officers now use a system of administrative sanctions and incentives to facilitate prompt and effective responses to compliance with or violations of conditions of supervision. The administrative sanctions are used before filing a petition with the court or the parole board to revoke probation or parole. [The sanctions are designed to be swift, certain, and proportionate to the transgression; this is an evidence-based practice that studies show is more effective in encouraging course correction.]

SENATOR COGHILL explained that the idea with the probation and parole reform in 2016 was trying to make sure supervision was on those who needed it and incentives were given for those who were successful and didn't reoffend. This report indicates that is happening; probationers and parolees are held accountable and are able to earn compliance credits. Because the bill deletes a lot of that, he said he probably could not support the bill.

[5:01:27 PM](#)

CHAIR SHOWER said he was looking at that but decided to look at it in the judiciary committee.

SENATOR COGHILL said he appreciates that, but this is his only chance to work on the bill.

SENATOR REINBOLD thanked the chair for working hard and diligently on the bill with all the committee members and the public. She described the amendments as excellent and said she was pleased to support the bill.

CHAIR SHOWER asked Senator Micciche to read the fiscal notes.

[5:02:31 PM](#)

SENATOR MICCICHE warned that the fiscal notes may change as a result of the amendments that passed today.

Fiscal Note Number 1 from the Criminal Division of the Department of Law is zero. The allocation is Criminal Justice Litigation and the OMB Component Number is 2202. It says the Department of Law anticipates an increase in litigation similar to what it saw with the passage of the initial criminal justice reform. However, the department does not anticipate any fiscal impact from the bill.

Fiscal Note Number 2 from the Department of Corrections, Population Management, Institution Director's Office, OMB Component Number 1381 is indeterminant. The reasoning is that offenders will be incarcerated longer. If the additional inmates do not exceed capacity, there is no cost to the department. If the increase exceeds capacity the cost is \$168.74 per day per inmate. The department does not have adequate data to determine the exact number, thus the note is indeterminate.

Fiscal Note Number 3 from the Department of Corrections, Population Management, Probation and Parole Director's Office, OMB Component Number 2684 has an FY20 operating cost of \$57,600.

In FY21 it increases to \$86,400 and from FY22 to FY25 it is \$172,800 per year in general fund dollars.

Section [4] says that with fewer terminations, offenders will spend longer on probation at a cost of \$9.57 per day per probationer.

Section 6 reduces the earned compliance credits for probation to one-third the prior amount.

Section 7 adds the stipulation that probationers who violate conditions of probation forfeit any credits earned which extends the period of probation.

Section 16 changes the tolling calculation to what it was prior to the current law. There is insufficient data to determine that cost.

Section 18 stipulates that a parolee who violates their conditions of parole forfeits any credits earned which extends the period of parole at a cost of \$9.57 per day.

Section 20 repeals mandatory early termination of probation which will probably result in some probationers spending more time on probation at a cost of \$9.57 per day.

Fiscal Note Number 4 from the Alaska Court System is zero. The Allocation is Trial Courts, and the OMB Component Number is 768. It says the changes in the bill will not have a fiscal impact on the Court System.

[5:06:04 PM](#)

CHAIR SHOWER noted that legislative legal would need to make conforming changes. He stated his intent to move the bill and solicited a motion.

[5:06:15 PM](#)

SENATOR COGHILL moved to report CSSB 34(STA), 31-GS1031\M, as amended, from committee with individual recommendations and attached fiscal note(s).

CHAIR SHOWER found no objection and CSSB 34(STA) [amended version M] was reported from the Senate State Affairs Standing Committee.

[5:07:16 PM](#)

CHAIR SHOWER recessed the meeting until 6:00 pm.

SB 23-APPROP:SUPP. PAYMENTS OF PRIOR YEARS' PFD  
SB 24-PFD SUPPLEMENTAL PAYMENTS

[6:02:00 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL 23 "An Act making special appropriations from the earnings reserve account for the payment of permanent fund dividends; and providing for an effective date."

and

SENATE BILL 24 "An Act directing the Department of Revenue to pay dividends to certain eligible individuals; and providing for an effective date."

He opened public testimony and limited testimony to one minute due to the high level of interest. He advised that all written testimony submitted to senate.state.affairs@akleg.gov would be entered into the record. Committee members present were Senator Reinbold, Senator Micciche, and Chair Shower, and Senator Bishop was in the audience. He asked all testifiers to be respectful of the process and in their comments.

[6:04:52 PM](#)

DAVID OTNESS, representing self, Cordova, during the hearing on SB 23 and SB 24, testified that he'd like to see residents come together as a state before the dividend money is returned.

[6:05:42 PM](#)

CHARLES MCKEE, representing self, Anchorage, testified during the hearing on SB 23 and SB 24 and noted he also submitted written information.

[6:07:10 PM](#)

MIKE PRAX, representing self, Fairbanks, urged the committee to pass SB 23 and SB 24 with a "must pass" recommendation. He read AS 43.23.005(a) and said the former administration violated the peoples' trust by appropriating less than the statutory amount from the earnings reserve to the dividend fund that Alaskans were entitled to receive. He opined that Alaskans have a right to demand payment of the amount that was withheld. The legislature should honor this debt before considering any other expenditure, he said.

[6:08:42 PM](#)

LARRY CALVIN, representing self, Sitka, testified in opposition to SB 23 and SB 24. He questioned why the governor wanted to

clean up the swamp of "those swampy things" like education, the ferry system, swimming pools, and towns. He opined that it was because he and his well-off associates do not want a state income tax. He described the PFD payback as a bribe that buys the vote of people who dearly need the dividend. He recommended reading "Dark Money" by Jane Mayer and The Corrosion of Conservationism: Why I Left the Right by Max Boot.

[6:10:10 PM](#)

DAVID NOON, representing self, Juneau, stated that while he just received his 15th PFD as an Alaskan resident, he wanted to add his voice to those urging the committee not to pass SB 23 and SB 24. "I don't think it's a wise move," he said. He shared how his family has put the dividends to good use and that he understands that the PFD is a substantial source of income for many Alaskans. Reduced PFDs would hit those Alaskans the hardest but in the long term, reductions in schools, hospitals, senior care facilities, and ferries will hit the most vulnerable Alaskans even harder. He urged the committee to look for other solutions.

[6:11:35 PM](#)

at ease

[6:11:44 PM](#)

CHAIR SHOWER reconvened the meeting.

[6:11:55 PM](#)

BRIAN MERRIT, representing self, Wrangell, stated that he opposes both SB 23 and SB 24, but appreciates the hard work legislators have done to make Alaska a great state. He related that he has lived in Alaska for 51 years and taught fourth grade for 29 years and he would be happy to donate his PFD to keep education strong and traditional state services alive. He said he has been a commercial fisherman for 40 years and he wants Wrangell to continue to receive fishing revenue through tax so the town can continue to help support community needs. He urged the committee to work on drafting legislation that sets a priority for state services first and the PFD second. He concluded that, "The PFD is a club that is going to mangle Alaska to the point that Alaskans leave, and nobody will want to move here."

[6:12:55 PM](#)

ROBERT HALL, representing self, MatSu, predicted the failed outcome of [SB 23 and SB 24] during the regular session and the likely special session that will follow. He suggested legislators think now about a resolution that could go before

the people this summer with a package of permanent fund, revenue, and constitutional amendments and then go to special session. Responding to a question from the chair, he said he supports the bills as part of a package.

[6:14:20 PM](#)

DONALD WESTLAND, representing self, Ketchikan, stated that he opposes both SB 23 and SB 24 because the state can afford neither. He paraphrased the last part of the Declaration of Rights in art I, sec 1, Constitution of the State of Alaska, "...that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that all persons have corresponding obligations to the people and to the State." He said anybody who is using entitlement programs needs to help pay for them and passing these bills will place the state in a position of economic hardship. He shared that given the opportunity he'd "Pick-Click-Give" his PFD to the ferry system. For those living in Ketchikan, the ferry is their highway.

[6:15:43 PM](#)

JACK DETZEL, representing self, Delta Junction, stated support for SB 23 and SB 24. He said it is imperative that the legislature right the state's financial ship and quit spending money. He opined that the people who created the permanent fund would be aghast at the previous administration's activities. He said Alaskans who elected Governor Dunleavy support these bills and "there's plenty of opportunity for you to consolidate and make state services with individual agencies through important ways to cost-share and things of that nature." He implored the committee to do the foregoing before taking any more dividends from the people and to refund all the dividends that were taken from the people as soon as possible.

[6:16:48 PM](#)

DR. SOL NEELY, PhD, representing self and his 8-year-old daughter, Juneau, said he was speaking in opposition to SB 23 and SB 24. He said he shares Mr. Teal's speculation that the governor's budget was designed to create political, economic, and moral chaos. He opined that a budget is a moral document and this budget promises "moral horror." He described it as dark ideology sourced by dark money that will destroy the state economy just when it needs to diversify. He said his family would happily take thousand dollar dividends or no dividend at all to support building the state infrastructure, its institutions, and economy.

[6:18:09 PM](#)

JESSE BJORKMAN representing self, Nikiski, stated opposition to SB 23 and SB 24. He said the people trust the legislature to govern responsibly and Alaskans need a responsive government more than a Keynesian cash infusion that will super-heat the economy, stress depleted state services, and cost jobs when only half the Alaskans have work. He pointed out that Alaskans rely on government to manage fish and game, natural resources, educate kids, and respond to emergencies. During times of budget shortfall, reserves must be used wisely to deliver constitutionally mandated services that all Alaskans rely on. He said the earnings reserve account is intended to be used to deliver constitutionally mandated services when oil revenue is low and "a child's ability to read and a citizen's safety from crime should not rely on the price of a barrel of oil." He urged the committee not to pass this shortsighted legislation.

[6:19:09 PM](#)

STEPHANIE CRONIN representing self, Seward, stated that she is adamantly opposed to SB 23 and SB 24. She said she and most of the people she's talked to would gladly give up their PFDs if that's what it takes to maintain a viable education system. She described the proposed 25 percent cut to education as "unthinkable" and that doesn't include the cuts to the ferry system, the university, [Medicaid], etc. She said she has two school age children and her family will leave Alaska if the PFD is fully funded at the expense of her children's educational opportunity. She has lived in Alaska for 28 years and been a teacher for 22 years and has received the presidential award for excellence in math and science teaching, the BP Teacher of the Year for KPBSD in 2017, and the Alaska State Teacher of the Year alternate in 2017. She said she has planned to continue teaching and retire in Alaska, but she will rethink that plan if these bills pass. Their negative consequences will far outweigh the benefit, she said.

[6:20:16 PM](#)

PATRICK MAYER, Superintendent, Yakutat School District; and president of both the Alaska Council of School Administrators and the Alaska Superintendent's Association, Yakutat, stated opposition to SB 23 and SB 24. He said the prospect of the state paying full dividends when it isn't meeting its primary financial obligation of funding education is unacceptable. He said the PFD may be important, but it should not be a choice of funding public education or cutting it by 25 percent to pay for the dividend. He is a 25 year resident of Alaska and the father of three voting children who does not see benefit in dismantling

the infrastructure of the state and encouraging citizens to leave the state.

6:21:23 PM

AMY SWEENEY, representing self, Sitka, stated opposition to SB 23 and SB 24. She said the plan will take money that the government needs to pay for essential services such as schools and the state ferry. "I don't want Alaska to become like a third-world country without adequate schools, transportation infrastructure and medical care," she said. She said she was willing to give up her PFD and pay a state income tax to make money available for government services that everyone needs.

6:22:06 PM

SUE LITMAN representing self, Sitka, stated that she was vehemently opposed to both SB 23 and SB 24. She said it's sometimes nice to receive free money, but this isn't one of those times. The dividend payments the Governor is proposing will come at the expense of public schools in Alaska. She pointed out that at the same time that Governor Dunleavy proposes to give Alaskans free money, he proposes to take back money already allocated to school districts for FY19. Also, the FY20 budget has an approximate 25 percent cut to public education, 41 percent cut to the university and a 75 percent cut to the ferry system. She said this is shortsighted and will be an economic disaster for the state.

6:23:54 PM

DAVID BRIGHTON, representing self, Kenai, said he is the father of three school-age children speaking in opposition to SB 23 and SB 24. He said it is a serious mistake to pay large dividends at the expense of state services. He and his wife are talking about leaving Alaska if the education cuts stand and the norm becomes 40 plus students per classroom.

6:24:15 PM

GHERET ABBOTT, representing self, Ketchikan, said he supports progressive and honest taxation, so he's opposed to using the PFD and the permanent fund earnings reserve for revenue until all other alternatives have been exhausted. He opposes using the PFD and the earnings reserve for revenue until all other alternatives have been exhausted. "I therefore urge you to restore the permanent fund dividend to full, repay all the money taken from previous dividends, and instead fund all essential state services through the institution of a progressive income tax together with higher oil prices," he said.

[6:25:22 PM](#)

EARL LACKEY, representing self, MatSu, said he realizes that it is difficult to cut the budget like the governor has, but it still makes sense because paying out the dividends will jump-start the economy and "get things rolling like they should here in the state." He opined that the budget was cut because the school system, which is the worst in the nation, needs to be revamped. "These cuts in the long run will ... make it better and move forward, so I am definitely for SB 23 and 24," he said.

[6:26:28 PM](#)

LUANN MCVEY, representing self, Douglas, said she believes it is wrong to give out [the PFD] when there is such an economic shortage. Rather, the focus should be on revenues. She pointed out that one way to improve the state's economic situation would be to stop paying oil tax credits, and a way of increasing income for the state would be to institute a progressive income tax. She said she believes it is wrong to give out the dividend now unless it is means-based. She said she values the quality of life in Alaska, the schools, and the university.

[6:27:49 PM](#)

RICHARD STEELE representing self, Douglas, said he's lived here for 40 years and collected the first PFD that was \$1,000. He used it for a trip to Belize. Both of his daughters and his wife graduated from the University of Alaska and he received a teaching certificate from that institution. He asked, "Which is better, money in my pocket or investment in education? So I say I oppose both these bills." Instead, use the money for infrastructure and education, he said.

[6:28:43 PM](#)

JANET MCCABE, representing self, Anchorage, stated that she was speaking in opposition to both SB 23 and SB 24. She pointed out that economists have made it clear that extra-large dividends and extreme cuts are destructive to the economic stability and fiscal well-being of Alaska. She asked the legislature to instead pass legislation that will provide a modest dividend based on the percent of market value system and a combination of broad-based taxes to fill the remaining fiscal gap. "The Alaska you create now will be a legacy for our children and our grandchildren," she said.

[6:29:42 PM](#)

BONNIE WOLDSTAD, representing self, Fairbanks, stated opposition to both SB 23 and SB 24. She said when she voted in favor of establishing the permanent fund, she also voted to set up the

savings account. She asked the legislature to consider moving the money that was withheld from the dividend into the corpus of the fund. She pointed out that the PFD was initially capped at \$1,000. She posited that the state structure and state services have been cannibalized and it was time to stop seeking short-term personal gain and start looking for long-term benefits for the state. She thanked the chair for scheduling the hearing when working people could testify.

6:30:35 PM

SCOTT MACMANUS representing self, Tok, said he is a life-long Alaskan who has filed for and received every permanent fund dividend and he is strongly opposed to SB 23 and SB 24. He said he supports the proper funding of government and the original intent of the fund to maintain the state's ability to provide an adequate education and ensure the health and safety of residents. He reminded members that the fund was created to replace the nonrenewable resource of oil with the renewable resource of financial investments. It was not intended to create an entitlement. He described the bills as wedge issues designed to turn Alaskans against each other and their backs on education, senior citizens, those who depend on the PCE [power cost equalization], or who need the ferry system.

6:31:58 PM

MIKE ILLG, representing self, Homer, said he has a 10-year-old daughter and is vehemently opposed to SB 23 and SB 24. He described the promise of a large dividend as a disaster for the state. Instead, the state needs to ensure there is sufficient money for public education. He said it will become a public safety issue if public education is cut 25 percent. "My testimony is against these two bills," he said.

6:33:01 PM

PATRICK HEUER, representing self, Sitka, he said he has a daughter in fifth grade. He opposes both SB 23 and SB 24 and supports funding education and other essential services to avoid crippling local economies. He encouraged the committee to explore all options available to safeguard schools and local communities.

6:33:44 PM

AMY AINSLIE representing self, Sitka, discussed uncertainty versus certainty in her testimony in opposition to both SB 23 and SB 24. She opined that when resources are scarce, the state ought to have a high level of certainty about the effects of its spending. "Anything else is an irresponsible gamble." She said

it is certain that the governor's austere cuts to services will result in job losses, reduction in services, hinder mobility, and cripple Alaskan communities. She said it is certain that everyone will be impacted by the proposed cuts; that sharing in public services and infrastructure is a more equitable way of sharing scarce funding than giving extra dividends to people who do not need it; and that the funds used for the extra PFDs could be used to offset losses and increase certainty and stability in communities. It is uncertain, she said, that the extra PFD dollars would stay in Alaska; would have a significant impact on employment; would stabilize the housing market; or ensure access to quality education. She urged the committee to vote against both bills.

[6:35:02 PM](#)

MARIE MCCONNEL representing self, Sterling, said she has been in Alaska since 1994, has received a dividend since she first qualified for it, and she opposes both SB 23 and SB 24. She said passing these bills is analogous to doing well on a diet and then gaining back all the lost weight plus some. She said these bills will be devastating after working so hard on the budget the last three years. She said she accepts a reduced dividend and having Alaskans share in the cost of services as long as the budget is close to what it has been the last three years.

[6:36:16 PM](#)

LAURA STATTS, representing self, Juneau, said she is a 37 year resident of Alaska who has worked outside the home in emergency medicine at the local hospital. She was speaking on her grandchildren's behalf to urge the committee to vote against SB 23 and SB 24. She said the governor has put Alaskans in an awkward position by proposing to strip the services that government should provide. This will cause chaos and an exodus from Alaska, she said. She closed saying she supports an income tax and was willing to give up her PFD.

[6:37:48 PM](#)

DR. VALERY BROOKS, PhD, representing self, Ketchikan, said she's been a public school teacher for many years and is urging the committee to deny passage of SB 23 and SB 24. Her students are the ones who will be impacted by the budget that cuts 25 percent from the K-12 school district budgets to make good on a promise to pay dividend amounts that are neither rational nor well-advised. She said paying inflated dividends or those supposedly owed from past years means eliminating the ferry system, increasing class sizes, and reducing school programs and positions. "I am not in favor of those permanent fund payments,"

she said. Eliminating the dividend altogether would be a hardship for many in the state, she said, but failing to use some permanent fund earnings to offset the budget crisis would be irresponsible. "It is your duty to provide education funding, reduce oil tax credits, and fund the state," she said.

[6:39:00 PM](#)

LOY THURMAN, representing self, MatSu, stated that he definitely supports SB 23 and SB 24. He remarked that the testimony has been overloaded by teachers worried about cuts. He recalled Jay Hammond saying that the politicians would eventually come after the money that was specifically designed for the people of the state to have. That would hurt the poor, the working class, and the people with kids the most, he said.

[6:40:17 PM](#)

BETH FREAD representing self, Homer, described it as disinformation to say that permanent fund dividends come from the budget. "They don't." She said you know that the earnings reserve is dedicated to the legislature and the permanent fund dividend is dedicated to the people. She said she was "all for" SB 23 and SB 24 and she entirely supports the governor's budget. "I have heard he has a red pen and he will use it. And he won't use it on the permanent fund dividends," she said. She opined that the legislature does not need any more than the \$16 billion in the earnings reserve. She said it was the billion dollar a year past leadership that put the state in the current position.

[6:41:48 PM](#)

DOUG HERGERT representing self, Wrangell, stated that he was against many of the cuts in the governor's budget and he blames it on disappearing federal dollars because of the tax cut that President Trump signed. He pointed out that the money spent on senior benefits goes right back into the economies of individual communities. He expressed frustration about that cut as well as the cuts to ferries and education.

[6:42:53 PM](#)

JIM CHEYDIEUR, representing self, Fairbanks, stated opposition to SB 23 and SB 24. He said it is the wrong time to take money that is needed for the government. He said it's necessary to stabilize the state's income, have broad-based (preferably non-regressive) taxes, adjust oil taxes, and reduce oil tax credits from which the state receives no benefit. He opined that the budget should support children, elders, those who are ill and disabled, and ordinary services to ordinary citizens. He said taking money away from those services to restore dividends won't

benefit people. "I can't take my PFD and buy a teacher do I oppose SB 23 and SB 24," he said.

[6:44:00 PM](#)

MIKE COONS, representing self and as president of the Greater Alaska Chapter of the Association of Mature American Citizens, Palmer, advised that he would discuss his support of SB 23 and SB 24 based on the socialist testimony he's heard opposing the bills and calling for a progressive income tax. He said the solution is simple. When people fill out their dividend application they can Pick.Click.Give. all or part of their dividend back to the state, to education exclusively, or they could write a personal check to the state for what they deem fair as a self-imposed tax. If they are concerned about their fellow Alaskans being in a financial bind, they don't need to apply for a PFD at all, he said. He said he believes Governor Hammond did a great thing for Alaskans so they could get full return on the state resources. He said he'll enjoy that fruit by spending most of it back into the economy.

[6:46:02 PM](#)

HEATHER ASSELIN, representing self, Wasilla, said she appreciates the effort to reimburse the lost dividends, but she opposes using the fund's earnings. Also, money for the PFD should not be paid at the expense or sacrifice of education, health or wellbeing of Alaska children and families. "To accept it would feel dirty." She said she is willing to move past the vetoed funds for the best interest of the state and people.

[6:46:48 PM](#)

CRIS EICHENLAUB, representing self, Eagle River, asked for clarification that money that is appropriated for the dividend would not go to education or other state services if SB 23 and SB 24 did not pass.

CHAIR SHOWER suggested he send his questions to the committee email.

MR. EICHENLAUB recommended people use Click.Pick.Give. and give their dividend to education. He said he supports SB 23 and SB 24.

[6:48:27 PM](#)

SIMON GORBATY, representing self, Sitka, said he was speaking in opposition to SB 23 and SB 24. He came to Alaska in 2008 and is excited about starting a life and raising his kids here. He said that when he looks at these bills and other parts of the budget,

he sees a disaster for communities and the state. He asked the committee to think about people like himself and try to make it easier for young people to make a life in Alaska.

CHAIR SHOWER said anyone like Mr. Eichenlaub who has questions or input should send it to senate.state.affairs@akleg.gov.

[6:49:42 PM](#)

COLLAUNA MARLEY, representing self, Sitka, said she appreciates that it is difficult to listen to and represent the diverse people of Alaska. She called to be heard and to say she is upset that the exceptional education of her two children might be replaced with a fat PFD check. "Quality education in our family is not optional, it is a fundamental need," she said. She noted that cuts to education aren't new. Reading specialists, librarians, counselors, teachers, and programs have already been cut to meet budget demands. She described this budget as a devastating blow that will cripple small town economies and education. "Please don't be shortsighted; fight for our kids' education and our future, not a hefty PFD check," she said.

[6:50:53 PM](#)

FRED STURMAN, representing self, Soldotna, stated that the Governor is doing exactly what he said he was going to do, and a lot of legislators who were running promised people the PFD. The Governor said he was going to balance the budget and he's on the way to do that; he said he was going to close the fishery in Cook Inlet and that's expected. "People, don't cry about it," he said.

[6:52:12 PM](#)

KARLA HART, representing self, Juneau, said she is a lifelong Alaskan. She clarified that to the best of her knowledge she and other testifiers were not working from talking points. "We are working off of our reality," she said. She said she opposes both SB 23 and SB 24. Alaska still needs a solid fiscal plan and that should be a legislative priority. She stated support for an income tax and a modest dividend. She said in addition to the concerns that have been expressed, she is very concerned about cost transfers to local governments. If local governments have to increase property taxes, that will be reflected in the cost of living for housing and people won't be made harmless with the larger dividend. "I think we need to put this money into government," she said.

[6:53:25 PM](#)

DONNA SCHULTZ, representing self, Juneau, said she's received the dividend for each of the 38 years she's been in Juneau and would gladly give them up. She opposes both SB 23 and SB 24 and believes an income tax is needed.

[6:54:03 PM](#)

JANALEE GAGE representing self, Ketchikan, said she was not working from talking points and she opposes both SB 23 and SB 24. She is a sixth generation Alaskan and she remembers the first PFD. She suggested everyone should read the constitution and think about who will suffer from the Governor's cuts. She said it's time as a state to put the income tax question on the ballot and let the people decide. She said she would gladly give up her PFD to make sure that essential services are available now and for future generations.

[6:55:30 PM](#)

RAYCE WITTNER, representing self, MatSu, said she does not support either SB 23 or SB 24. These payments mean possibly moving out of Alaska and taking her college fund with her. She questioned how job losses would help the state. She shared that her mother is in college and works for a nonprofit. They don't have health care now and she questioned whether they would ever have it if her mom is unable to find a job. She said, "I may not be able to vote, but I will be the one providing for your care in the future." Solutions are tough, she said, but we need to balance cuts with revenues.

[6:56:33 PM](#)

GEORGE PIERCE representing self, Kasilof, urged the committee to pass SB 23 and SB 24. "We want the PFD payback, all of it," he said. He said the people own the resources and Governor Dunleavy was voted into office by the people to give the PFD back. He suggested cutting wasteful spending in Juneau; he believes cuts are needed.

[6:57:41 PM](#)

VIKKI JO KENNEDY, representing self, Kodiak, said she opposes SB 23 and SB 24 as currently written. She is proud to call herself an Alaskan, she agrees with the testimony from Bonnie from Fairbanks, and she loves the Governor. However, she now realizes that he bought the state by promising everyone \$3,600. She opined that what he did was illegal.

[6:59:07 PM](#)

DAVE AND NOEL MAXWELL, representing self, Palmer, said the Governor ran on the platform of cleaning the state up and as a

former state employee he can attest that there is a lot of corruption, even today. Some of this has been corrected but there is more to be done. Before we take money that has been obligated to the people in the permanent fund, we should clean up the state and find efficiencies, he said. Responding to the chair's question, he said he absolutely supports SB 23 and SB 24.

[7:00:32 PM](#)

SCOTT HAYDEN, representing self, Anchorage, said he opposes both SB 23 and SB 24. It's not a good idea to cut schools, the university, health care, ferries, elder care, and public media just to increase the size of the dividend, he said. "You can't buy a teacher or functioning university with a bigger dividend," he said. Please find a way to fund government, even if it means a small dividend and an income tax.

[7:01:16 PM](#)

WILLIAM QUAYLE, representing self, Juneau, said he supports both SB 23 and SB 24. He uses the dividend for his business, and he supports a state lottery instead of an income tax. He opined that the state needs six refineries and \$2 gasoline.

[7:02:36 PM](#)

RALPH WATKINS, Superintendent, Hoonah City Schools, Hoonah, said he opposes both SB 23 and SB 24 for the reasons that other teachers and superintendents have stated. The dividend is important but not at the sacrifice of education, he said. He advised that the proposed budget for the Hoonah schools is \$560,000 which is equivalent to the entire teaching budget. The 25 percent cut means no schools in Hoonah, which is unacceptable, he said.

[7:03:28 PM](#)

JOY LYON, representing self, Juneau, said she likes free money, but she loves Alaska more. It's not worth it if the larger dividend takes books out of the hands of young children, shortchanges K-12 students, shuts the local university, hobbles communities without ferries, and makes the Pioneer Home unaffordable for elders. She said Alaska is a young state and she believes it's time to grow up and get an income tax like most other states.

[7:04:32 PM](#)

KYNEDI CLARK, representing self, MatSu, stated that she is a sixth grade honor roll student who opposes SB 23 and SB 24. She said her younger sister won't be able to go to preschool and

have the same early start she got. She said this matters because she tests above the national average. She emphasized that the claim that Alaska's children are not educated is not true. She questioned how cutting education will help improve the test scores of children who aren't as fortunate as herself. Regarding eligibility, she said sending the backpay out of the state won't improve the local economy. She's thought about possible solutions and realizes that legislators have a difficult job. She asked the committee to, "Please remember that even though kids are 20 percent of our population, they are 100 percent of your future."

[7:05:38 PM](#)

MARY TONY, representing self, Soldotna, said she voted for the Governor based on his promise to pay back the PFD. She said it's the right and responsibility of the government to tax and to invest in the children of Alaska. She does not support making payments to oil companies. She said after the dividend backpay she would be open to stopping the PFD if it's necessary. Listen to the people, she said.

[7:06:52 PM](#)

MATH TRAFTON, representing self, Sitka, said he is strongly opposed to both SB 23 and SB 24. He is gravely concerned about the Governor's proposed budget cuts and scared for the fishing industry, seniors, ferries, hospitals, schools, and the university system. People with the least financial resources will be hurt the most, he said. More money in each citizen's pocket seems like a good idea, he said, but not at the expense proposed. He said regardless of the original plans for the PFD, it's time to adapt. He urged the committee to find a way to put money into critical state funds to avoid the worst financial crisis the state has ever seen. He said he would be willing to sacrifice the PFD and pay income tax if it means getting the state back on track without devastating essential state services.

[7:07:53 PM](#)

ZOE TRAFTON, representing self, Seward, Alaska, stated that she is in 7th grade, enjoys school a lot, and is opposed to additional PFD payouts. She and her friends enjoy their electives, band in particular. She shared that a favorite part of her day is the elective robotics class. She highlighted that with the budget cuts to education, important electives such as art, woodshop, and band may disappear. Because music plays such a vital role in Sitka, cutting band would impact many. She said electives are important and teach students valuable skills. She

said she opposes both SB 23 and SB 24 and would be willing to give her PFD equivalent to schools to help keep them running smoothly.

CHAIR SHOWER advised that individuals have the option to return their dividends to the general fund.

7:09:01 PM

MARY JANE "MJ" LEGRANDE, representing self, Juneau, stated that three of her four children and one grandchild reside in Juneau. She opposes SB 23 and SB 24 because they serve individuals and not community needs or the future of the state. She asked the committee to take care of the state, not individuals.

7:10:01 PM

KATIE PITTMAN, representing self, Juneau, said she has been a teacher in Barrow and the Aleutians and has seen the impact that budget decisions have on communities around the state. She voiced support for looking at other sources of income to make it possible to continue to offer these services.

SENATOR MICCICHE asked if she supports or opposes SB 23 or SB 24.

MS. PITTMAN replied she opposes both bills.

7:11:41 PM

MELODY JORDAN, representing self, Seward, stated that she is adamantly opposed to SB 23 and SB 24 and the entire budget as currently proposed. She said her daughter and nieces and nephews have attended the public school system and she believes that public education should always be a priority. She emphasized that there should not be a PFD payback at the expense of education and other necessary services. The cost is too great, she said. Another cost that is not being considered, she said, is the cost of so many Alaskans who are choosing to leave the state.

7:12:39 PM

ED MARTIN JR. representing self, Coopers Landing, said his family has been in Alaska since before statehood. He and his children have received the dividend and he supports both SB 23 and SB 24. He pointed out that the state is living on a three-legged stool and it is time to build a fourth leg. The only way to do this, he said, is if the people have money in their pockets and land to build on. He reminded the members who had voiced support for the payback to carry through and support the

bills. He highlighted the 83 percent support in 1999 for maintaining the dividend and urged the committee to do the right thing.

[7:14:02 PM](#)

GLENN CRAVEZ, representing self, Anchorage, voiced opposition to SB 23 and SB 24. He said free money is wonderful but not at the expense of public education, public safety, health care, and transportation. These essential public services should not be sacrificed. He reiterated his opposition to both bills.

[7:15:00 PM](#)

KAREN CORBEL, representing self, Homer, stated that PFDs often helped provide the basic needs of her family of seven. She was proud to receive her teaching degree in 2012 from the University of Alaska and she currently teaches fifth grade at Anchor Point. She hopes to continue. She opined that PFDs are important, but it should not be a choice of either public education or PFDs and a 25 percent cut to education. She emphasized that lives are being profoundly affected and real people want realistic solutions, not reactions. She agreed with the sixth grader who pointed out that children today are 100 percent of the future. She asked the committee to place her on record as a 38-year Alaska resident who opposes both SB 23 and SB 24.

[7:16:13 PM](#)

KARI SAGEL, representing self, Sitka, said she is a teacher speaking in opposition to SB 23 and SB 24. She said she would like to apply the money toward her bills but not at the expense of early childhood education. She favors using the PFD to help balance the budget and she supports a progressive income tax. She said she wanted to use the balance of her allotted time to complete Mr. Calvin's testimony. He said there is no place better to live than Sitka. Everyone in Alaska feels that way about their community and state and the proposed legislation will not achieve a better future for our children.

[7:17:31 PM](#)

KATE JOHNSON, representing self, Sitka, stated opposition to SB 23 and SB 24. She reported that she graduated from UAA with a degree in early childhood education and is teaching preschool. Her children benefit greatly from the outstanding Sitka schools where the phenomenal teachers support their academic learning, music, and art. Some of these teachers, health care providers, fishermen, and others are putting their houses on the market and considering leaving the state. She said living in Alaska is expensive and it is beneficial to receive the PFD, but the

payments will bring just short-term benefit. The long-term consequences will drive people out of the state. She voiced support for education, health care, social services, public radio, the Pioneer Home, the Alaska State Highway, and other state services. I want my money to go to these places to help make Alaska the place we want to call home, she said.

[7:18:39 PM](#)

HARVEY BRANDT, representing self, Sitka, stated that his children and grandchildren were raised and educated in Sitka and are all very successful. He said he is vehemently opposed to SB 23 and SB 24 and would like the talk about Alaska being broke to stop because it's a myth. The state has \$65 billion in the permanent fund and that fund was not created to just pay checks to Alaskans. He asked that the resource be reserved for education, the ferry system, hospitals and other essential services.

CHAIR SHOWER noted that Senator Costello joined the committee.

[7:20:15 PM](#)

RANDY VIRGIN, representing self, Anchorage, said he's upset that the Governor has created the false choice between receiving the PFD payback and state services. That should not have to be the choice, he said. He agreed with previous testimony that there is enough money to payback the PFD and balance the budget. He said he didn't want to take a position on the bills because it's in the context of the budget that there is so much opposition to.

[7:21:35 PM](#)

LILI SANTORO, representing self, her husband, and her daughter, Anchorage, stated opposition to SB 23 and SB 24. She described the Governor's campaign promise regarding the PFD as a bribe to buy Alaskans' votes while he planned to gut education, health care, transportation, and ultimately jobs. She said this is a diversion technique that serves the purpose of distracting attention from the big money paid out in oil tax credits and out-of-state no-bid contracts. She said her family would gladly give up their PFD to see the state prosper. She asked the Governor to lead by example.

[7:22:37 PM](#)

KIM NELSON, representing self, Fairbanks, said he is definitely in support of SB 23 and SB 24. He believes in the Governor's budget and taxes. He observed that the testimony appears to be one sided and he hopes that people who support the payback can make their views clear.

[7:23:36 PM](#)

BETH HACK, representing self, Soldotna, said she is a 49 year resident of Alaska who supports SB 23 and SB 24. She said the dividends go right back into the local economy and help people pay their utilities. She maintained that the money is legally the peoples' and they were meant to have it. People who do not support the payback can opt for Pick.Click.Give.

[7:24:43 PM](#)

GLEN BUTTS, representing self, Big Lake, stated support for SB 23 and SB 24. He said the PFD is in exchange for mineral rights that Alaskans do not receive. The money was supposed to be put into a separate fund for the people and it muddies the waters to say it should be used for education, he said. "I'd really like my money back so I'm definitely for the bills."

[7:25:54 PM](#)

LYNETTE CLARK, representing self, Fox, said she has lived in Alaska since 1951 and has followed the permanent fund from the beginning. She said the earnings reserve account has over \$16 [billion] and the government has a \$5.25 [billion] draw on it to pay for government programs. It's restitution time, she said

[7:27:14 PM](#)

MARGO O'CONNEL, representing self, Sitka, said she is speaking today because she opposes the Governor's budget and SB 23 and SB 24. She was born and raise in Sitka and has benefited from the resources available in the community, many of which are supported by the state. She opined that the goal of each generation should be to make sure that the next generation is better off than the last. She posited that if this budget passes, young people won't have money to move to Alaska and locals won't be able to stay. The educational opportunities won't be the same, there will be fewer jobs, the cost of living will be higher, and fishing communities will be devastated. Without the Alaska Marine Highway System, communities will be isolated from the rest of the state. She concluded her comments saying she supports having a balanced budget but cutting services that benefit everyone is not the way to achieve that goal.

[7:28:19 PM](#)

ANGELA BOWERS, representing self, Sitka, said she was speaking as a concerned citizen in opposition to both SB 23 and SB 24. She shared that she is a mother and faculty member at UAS and that her family would benefit from the supplemental PFD.

However, the extra money is not worth the tradeoff of having large class sizes, no more raw fish taxes for the community, less money for Medicaid, and a gutted university system. She opined that the proposed cuts will ultimately cost residents more than the supplemental payments. She said strong schools, great communities, health care, and post-secondary education opportunities will sway people to stay in Alaska, not the extra \$3,000. She asked the committee to instead allocate the supplemental PFD money to essential services that communities need for a strong future.

[7:29:33 PM](#)

STEVE WASHBURN, representing self, Kenai, stated that he is a 63 year resident of Alaska who supports SB 23 and SB 24. "It's something that we all need back," he said.

[7:30:27 PM](#)

KIM HAYES, representing self, Anchorage, stated strong opposition to SB 23 and SB 24. She is a lifelong Alaskan with kids in the public school system. She shared that she was calling while attending her daughters public school science fair, which demonstrates how important she and her family see this issue. She said that the bills create the false notion that the only options are supersized PFDs or gutted essential state services. Instead, she supports a reasonable dividend and a real plan that keeps Alaska open for business.

[7:31:20 PM](#)

MICHAEL BOWLES, representing self, Palmer, stated that he supports both SB 23 and SB 24. He offered his understanding that the PFD replaces the peoples' landowner mineral rights. He suggested that if these bills fail, legislation should be passed giving the PFD to only those that own land in Alaska and a payout system based on the number of years the land has been owned. The PFD is money owed to Alaska landowners for giving up their mineral rights, not to fund government, he said. He suggested that people who want the PFD to go toward education should earmark their dividend checks for their children's education.

[7:32:37 PM](#)

JULIE SMYTH, representing self, Fairbanks, said she is an Alaska Native and single mother who opposes both SB 23 and SB 24. She depends on many of the state social programs, education in particular, for her children and herself. As a UAF student, she is trying to better her life and ultimately pay back into the system and help future single mothers.

[7:33:31 PM](#)

MICHAEL MAUSBACK, representing self, Sitka, said he opposes SB 23 and SB 24. He shared that he is an educational professional who is neither a socialist nor talking point scripted. He is concerned that the plan the Governor has proposed will eliminate jobs, increase the cost of living, and put the state at risk of a brain drain. He opined that many Alaskans will vote with their feet if vital services are cut. He expressed hope that the legislature would reject the PFD payout and instead reallocate the money towards pre-K and K-12 education, the university system, public broadcasting, the Alaska Marine Highway, pioneer homes, and other state-supported community services. "The Governor's plan will devastate the economy and this apocalyptic budget is a threat to our children, businesses, schools, elders, and environment," he said. He said he supports a balanced budget, but the proposed plan is unsustainable. He added that he supports either a reduced or an eliminated PFD.

[7:34:44 PM](#)

MARK SPRINGER, representing self, Bethel, said he has been an Alaska resident since 1976 and received the first dividend. He described SB 23 and SB 24 as an attempt by the Governor to coerce Alaskans into forgoing vital state services. He said we're smarter than that and listed the services he supports including, WWAMI where Alaska gets its doctors, public media because the Internet doesn't carry basketball games called in Yupik, Mount Edgecombe High School and its pool, and power cost equalization. He said he also supports a state income tax.

[7:35:28 PM](#)

MERRIE CULP-WASHBURN, representing self, Kenai, stated support for SB 23 and SB 24. She said this is fair; "We're happy to give our dividends away, but we want to do it ourselves."

[7:36:25 PM](#)

CHARLIE PIERCE, representing self, Kenai, reminded elected officials that the Governor was elected on the platform of getting expenditures in line with revenues and supporting the statutory requirements for the permanent fund. He said he supports SB 23 and SB 24 and hopes that legislators will keep the voice of the people in the last election in mind as they vote.

[7:37:29 PM](#)

JEANINE BROOKS, representing self, Sitka, said she is a school social worker speaking in firm opposition to SB 23 and SB 24.

She encouraged the committee to think about the long-term effect that cutting essential services will have on the health of the state. She said the dividend isn't always good for the young people in the state who are too young to vote. Her office is often filled with traumatized kids when the dividend comes out in October because people are using their dividends on alcohol and drugs, not groceries or fuel. This is hurting families and kids. She reiterated her opposition to the bills.

[7:38:31 PM](#)

RICK MOORE, representing self, Soldotna, stated support for SB 23 and SB 24. He said the government needs to stop spending more money than it has. He supports the Governor and the proposed budget and believes that the spending on education is yielding little to nothing. He pointed out that the university is losing accreditation yet is asking for more money. He said it's okay with him to cut the PFD, but mineral rights should be returned to the people. He acknowledged that the PFD helps local economies. He maintained that teachers who oppose the bills are simply trying to protect their jobs.

[7:40:21 PM](#)

CARL CLARK, representing self and his wife, Homer, stated support for SB 23 and SB 24. He said Alaskans receive the PFD because Alaska property owners do not have mineral rights. He advised that education is funded through a separate fund, and having home schooled their children he knows that it does not take \$18,000 per child per year. "It's what you do in school, not where you do it," he said. He reiterated support for the bills.

[7:41:50 PM](#)

JOE MONTAGNA, representing self, Sitka, stated that he is a proud parent, teacher, and resident of Sitka who is speaking in opposition to SB 23 and SB 24 and thus in support of his students who are the future of the state. He doesn't count on the dividend and will get a second job before he counts on that extra money. However, he will work extra hours to provide for his students and ensure that classes are not overcrowded, and kids don't fall through the cracks. These students are the future and need to be served well by keeping money in education.

[7:43:00 PM](#)

DEB SCHULTZ, representing self, Chugiak, stated that she is opposed to SB 23 and SB 24. She has received every dividend since the beginning, but she does not support un-sustained draws from the permanent fund. Quality schools are much more important

than a dividend. "Please protect the fund and the dividend for our grandchildren and their grandchildren," she said.

[7:43:54 PM](#)

OLE CHRISTENSON, representing self, Fairbanks, stated support for SB 23 and SB 24. He suggested everyone keep in mind that legalizing marijuana amounted to a modern day gold rush. It is generating enough money to support anything the government wants to do. Thus the state should return his and his neighbors' money and "get away from the three [men] on a shovel syndrome."

[7:44:44 PM](#)

MICHAEL TAVOLIERO, representing self, Eagle River, stated support for SB 23 and SB 24. He opined that the people's money should be returned.

[7:45:18 PM](#)

JOSEPH CAYABYAB, representing self, Seward, stated support for SB 23 and SB 24. He said it is the people's money and he supports the Governor's initiative.

[7:45:53 PM](#)

DIANE HOLMES, representing self, Anchorage, shared that Jay Hammond told her that he never expected to give with one hand and take with the other. She said legislators don't need to be reminded that it is the government's job to provide adequate services. She pointed out that the people who need the PFD may also need Medicaid, education, ferry service, and public radio and TV. She said the PFD should not be constitutionalized unless the legislature's crystal ball tells how many prisoners will need to be fed and students will need to be educated. "You know that we cannot cut our way out of this crisis so don't kick the can down the road anymore." She suggested legislators initiate an income tax and perhaps a one-half percent statewide sales tax on purchases up to \$1,000.

[7:47:16 PM](#)

JENNIFER REED, representing self, Sitka, asked the committee to reject SB 23 and SB 24. She shared that she is a third-generation Alaskan, a public school teacher, and a member of the working middle class who does not support the Governor's proposed budget. She said she and her family have benefited from the PFD, but she does not support taking money from reserves to put money in people's pockets. She requested the PFD money be used to fund education and essential services.

[7:48:15 PM](#)

JANICE CHANDLER, representing self, Kasilof, said she is a senior citizen who depends on the PFD to pay her land taxes, maintenance on her car, and heat in the winter. Thus she supports SB 23 and SB 24.

[7:48:54 PM](#)

FORREST KUIPER, representing self, Seward, stated strong opposition to SB 23 and SB 24. He said he is a lifelong Alaskan who wants to spend the rest of his life here, but the budget cuts are causing he and his wife to rethink those plans. Their daughter is in kindergarten and the cuts to education are unacceptable. Paying a supersized PFD and then cutting K-12 25 percent, the University of Alaska 41 percent, and the Alaska Marine Highway 75 percent does not provide a sustainable future. He urged the committee to make the right decision and oppose the bill.

[7:50:12 PM](#)

BRENDON HOPKINS, representing self, Sterling, stated support for SB 23 and SB 24. Acknowledging that the budget is a separate issue, he pointed out that state spending over the last two decades has outpaced inflation and population growth. The proposed cuts should be viewed in that light, he said.

[7:51:49 PM](#)

HAROLD BORBRIDGE, representing self, Anchorage, testified in support of SB 23 and SB 24. He cited an ISER report and extrapolated that taking the PFD is equivalent to the loss of 18,000 to 20,000 private sector jobs. He also pointed out that the most vulnerable Alaskans would be most affected by the loss of the PFD.

[7:53:49 PM](#)

GRACE BROOKS, representing self, Sitka, stated strong opposition to SB 23 and SB 24. She said everyone benefits more from state services than a big PFD. The Governor's proposed budget will destroy education, public media, the ferry system, and health care, among others. This is short sighted and will not maintain viable communities. She stated support for an income tax to maintain essential services. She clarified that she is not an educator and has no children in the school system, but she knows that children are the future. She urged the committee to vote against the bills.

[7:54:42 PM](#)

LINDA SCHANDELMEIER, representing self, Fairbanks, said she is a lifelong Alaskan who paid a state income tax in the past and she

opposes both SB 23 and SB 24 and the Governor's proposed budget. The PFD should not be paid at the expense of essential services such as education. She said she is particularly worried about the 41 percent cut to the university system. This is not the right approach, she said.

[7:55:42 PM](#)

SUZANNE DUTSON, representing self, Juneau, stated that she opposes SB 23 and SB 24 and the Governor's defense of the "high speed dive to the bottom of the oil barrel budget proposal." She is the mother of two adult children who were educated in Alaska. One daughter is a preschool teacher and the existing funding deficiencies have resulted in a two-year waitlist at that preschool. She said kids need school more than PFDs and her grandson's mother is considering leaving the state because the educational opportunities are becoming more limited. She too will leave and take her considerable retirement with her. "We cannot keep using the PFD as a political bargaining chip," she said.

[7:57:06 PM](#)

MORRIS NASSUK, representing self and his kids, Koyuk, said he's a Native who has lived in Koyuk his entire life and he supports both SB 23 and SB 24. The economy in his area isn't very good and his family has depended on the dividend from the start. He talked about the relatively small tax that oil companies pay. He offered his perspective that education and teachers have done little to help people in rural Alaska.

[7:58:45 PM](#)

GREG WEIBER, representing self, MatSu, reminded everyone that the Governor was overwhelmingly elected just like Donald Trump. He looks forward to seeing Mr. Dunleavy turn Alaska on its ear just as Mr. Trump has done in Washington, DC. His preference is to have a constant amount in the dividend and is very happy with the proposed budget. He supports getting rid of dead weight and unnecessary jobs and holding oil companies responsible.

[8:00:01 PM](#)

KATHERINE PRUSSIAN, representing self, Sitka, said she is the parent of two future voters, and she works in natural resources, not education. She opposes SB 23 and SB 24 and has received the dividend from the start. She has loved receiving the dividend and would love receiving many more, but not at the expense of state services. She emphasized that no one deserves the dividend, but everyone deserves safe places to live, access between communities, and quality public education. She supports

using permanent fund earnings to support state services, but not the PFD payback. She encouraged the committee to think outside of the box and consider income taxes and increased education funding.

[8:01:20 PM](#)

DALTON STOKES, representing self, Anchorage, spoke in support of SB 23 and SB 24. He maintained that teachers don't understand that wealth has to be produced, he called people who read their testimony fake, and he emphasized that the dividend is not welfare. He said there are a lot of things he can't say over the teleconference, but he will say them on the Eddie Burke Show tomorrow.

[8:02:42 PM](#)

CHARLES LESTER, representing self, Delta Junction, said he definitely supports SB 23 and SB 24 and is behind the Governor and his budget proposal. He has lived in Alaska since 1973 and plans to spend the rest of his life in the state. He and his very large family are doing well in the Delta area and they support the budget cuts. It's time to stop kicking the can down the road, he said.

[8:04:00 PM](#)

BERT HOUGHGALING, representing self, Big Lake, pointed out that the university was designed to fund itself and the K-12 system has a budget that is three times higher than states with the equivalent population. Rethink how schools are done and start doing more online. "Lets eliminate these overhead and high costs in areas that are doing nothing but surviving off of government's money." He said he supports SB 23 and SB 24 100 percent and returning the POMV to the constitutional formula.

[8:05:18 PM](#)

CHAIR SHOWER apologized to the people that were not able to testify tonight and advised that there would be an opportunity to testify next Tuesday and Thursday evenings from 6:00 to 8:00 pm. There is also the option to send in written testimony.

[SB 23 and SB 24 were held in committee.]

[8:06:28 PM](#)

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 8:06 pm.