

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 5, 2019

3:33 p.m.

MEMBERS PRESENT

Senator Mike Shower, Chair
Senator John Coghill, Vice Chair
Senator Lora Reinbold
Senator Peter Micciche
Senator Scott Kawasaki

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Click Bishop
Senator Donny Olson

COMMITTEE CALENDAR

SENATE BILL NO. 32

"An Act relating to criminal law and procedure; relating to controlled substances; relating to probation; relating to sentencing; relating to reports of involuntary commitment; amending Rule 6, Alaska Rules of Criminal Procedure; and providing for an effective date."

- HEARD & HELD

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 32

SHORT TITLE: CRIMES; SENTENCING; MENT. ILLNESS; EVIDENCE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/23/19 (S) READ THE FIRST TIME - REFERRALS
01/23/19 (S) JUD, FIN
02/06/19 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)
02/06/19 (S) Heard & Held
02/06/19 (S) MINUTE(JUD)
02/08/19 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)
02/08/19 (S) Heard & Held
02/08/19 (S) MINUTE(JUD)
02/09/19 (S) JUD AT 1:00 PM BELTZ 105 (TSBldg)
02/09/19 (S) Heard & Held
02/09/19 (S) MINUTE(JUD)
02/11/19 (S) MOTION TO DISCHARGE FROM JUD COMMITTEE
02/11/19 (S) DISCHARGED FROM JUD COMMITTEE U/C
02/11/19 (S) STA REFERRAL ADDED
02/11/19 (S) STA REPLACES JUD REFERRAL
02/11/19 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)
02/11/19 (S) <Bill Hearing Canceled>
03/05/19 (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
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
02/28/19 (S) Heard & Held
02/28/19 (S) MINUTE(STA)
03/05/19 (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
02/28/19	(S)	Heard & Held
02/28/19	(S)	MINUTE(STA)
03/05/19	(S)	STA AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

ROBERT HENDERSON, Deputy Attorney General
 Criminal Division
 Department of Law
 Anchorage, Alaska

POSITION STATEMENT: Introduced and delivered a sectional analysis for SB 32.

BRUCE TANGEMAN, Commissioner Designee
 Department of Revenue
 Anchorage, Alaska

POSITION STATEMENT: Provided information on SB 23 and SB 24.

WILLIAM MILKS, Assistant Attorney General
 Civil Division
 Department of Law
 Juneau, Alaska

POSITION STATEMENT: Provided information on SB 23 and SB 24.

EDWARD KING, Chief Economist
 Office of Management and Budget
 Juneau, Alaska

POSITION STATEMENT: Provided information related to SB 23 and SB 24.

LORA VESS, representing self
 Juneau, Alaska

POSITION STATEMENT: Opposed both SB 23 and SB 24.

KENLEY JACKSON, representing self
 Sitka, Alaska

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

KATIE BOTZ, representing self
Juneau, Alaska

POSITION STATEMENT: Testified that she is deeply opposed to both SB 23 and SB 24.

LINDA TIMOTHY-WOOD, representing self
Palmer, Alaska

POSITION STATEMENT: Stated support for SB 23 and SB 24.

KATHLEEN SHOOP, representing self
Palmer, Alaska

POSITION STATEMENT: Stated support for SB 23 and SB 24.

DENISE BOGUE, representing self
Anchorage, Alaska

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

MIKE MICKELSON, representing self
Cordova, Alaska

POSITION STATEMENT: Stated that he is completely opposed to SB 23 and SB 24.

RICHARD KULLBERG, representing self
Anchorage, Alaska

POSITION STATEMENT: Stated opposition to SB 23 and SB 24.

PAT HOLMES, representing self
Kodiak, Alaska

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

GARVAN BUCARIA, representing self
Wasilla, Alaska

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

LAURIE WALTON, representing self
Fairbanks, Alaska

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

ELISABETH BRENNAN, representing self and family
Nome, Alaska

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

BRIAN LIEB, representing self
Douglas, Alaska

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

KATHLEEN KREISS, representing self
Sitka, Alaska

POSITION STATEMENT: urged the committee to vote no on both SB 23 and SB 23.

THOMAS SKONIECZKI, representing self
Anchorage, Alaska

POSITION STATEMENT: During the discussion of SB 23 and SB 24, said he supports the permanent fund for the people not the government.

ORTH APRIL representing self
Kenai, Alaska

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

SUMMER KOESTER, representing self
Juneau, Alaska

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

ELEILA PRESTON, representing self
Wasilla, Alaska

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

MICHEAL GOZDOR, representing self
Wasilla, Alaska

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

TANIA HARRISON, representing self
Cordova, Alaska

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

KRISTINE MANN, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified she strongly opposes SB 23 and SB 24.

SALLY SCHLICHTING, representing self
Juneau, Alaska

POSITION STATEMENT: Stated opposition to SB 23 and SB 24.

CAROLYN MACINTYRE, representing self
Sitka, Alaska

POSITION STATEMENT: Stated she strongly opposes SB 23 and SB 24.

RUSSEL SAMPSON, representing self
Wasilla, Alaska

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

PATRICK MAYER, representing self
Yakutat, Alaska

POSITION STATEMENT: Testified that he stands in opposition to SB 23 and SB 24.

JERI MAXWELL, representing self
Fairbanks, Alaska

POSITION STATEMENT: Stated that she greatly opposes SB 23 and SB 24.

TAMMY SCHMIDT, representing self
Wasilla, Alaska

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

JEFF GUARD, representing self
Cordova, Alaska

POSITION STATEMENT: Testified he is strongly opposed to SB 23 and SB 24.

BRYCE MAHN, representing self
Anchorage, Alaska

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

SCOTT ADAMS representing self
Cordova, Alaska

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

CATHERINE REARDON, representing self
Juneau, Alaska

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

DR. CINDY WESTERGAARD
Neurobehavioral Consultants, LLC
Sitka, Alaska

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

ARIEL STARBUCK, representing self
Sitka, Alaska

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

DAVID BRIGHTON, representing self
Kenai, Alaska

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

SETH ROBERTS, representing self
Palmer, Alaska

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

JENNY ROHLER, representing self
Sutton, Alaska

POSITION STATEMENT: Asked the committee to support SB 23 and SB 24.

MICHELLE HAHN, representing self
Cordova, Alaska

POSITION STATEMENT: Stated opposition to SB 23 and SB 24.

MARY FISHER, representing self
Anchorage, Alaska

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

EVE DOWNING, representing self
Sterling, Alaska

POSITION STATEMENT: Testified she is a high school student speaking in opposition to SB 23 and SB 24.

LISA BUSCH, representing self
Sitka, Alaska

POSITION STATEMENT: Testified she is totally opposed to SB 23 and SB 24.

TIM NELSON, representing self
Fairbanks, Alaska

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

LESLIE JACKSON, representing self
Ketchikan, Alaska

POSITION STATEMENT: Testified she strongly opposes SB 23 and SB 24.

ERIC MILLIKEN, representing self
Anchorage, Alaska

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

RONALD HOWARD JR., representing self and his family
Ketchikan, Alaska

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

LOU PONTIOUS, representing self
Kasilof, Alaska

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

MELODY MCCULLOUGH, representing self
Wasilla, Alaska

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

ROBERT WATSON, representing self
Wasilla, Alaska

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

ANDREW SMALLWOOD, representing self
Cordova, Alaska

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

CARMEN GUTIERREZ, representing self
Anchorage, Alaska

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

KEVIN MAIER, representing self

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

CLAIRE SANCHEZ, representing self
Sitka, Alaska

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

GAYLE CHRISTENSON, representing self
Anchorage, Alaska

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

ANGELA DARBOUS, representing self
Anchorage, Alaska

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

BEN STEVENSON, representing self
Talkeetna, Alaska

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

BROTHER TOM PATMOR, representing self
Clam Gulch, Alaska

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

MARC CARREL, representing self
Cordova, Alaska

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

SKYLER QUIN, representing self, Anchorage, Alaska

POSITION STATEMENT: Testified he strongly opposes SB 23 and SB 24.

TANYA KITKA, representing self
Kodiak, Alaska

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

KYLE HASSE, representing self
Wasilla, Alaska

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

CATHERINE RILEY, representing self
Sitka, Alaska

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

JACK JOHNSON, representing self
North Pole, Alaska

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

ANDREW NAVARRO, representing self
Mat-Su Valley, Alaska

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

GEORGE SMALLWOOD, representing self
Homer, Alaska

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

AMY JO MEINERS, representing self
Juneau, Alaska

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

MAURICE STOVALL, representing self
Anchorage, Alaska

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

CHRISTIAN ALMAN, representing self

Anchorage, Alaska

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

JENNA STRINGER, representing self

Barrow, Alaska

POSITION STATEMENT: Stated she is a high school student speaking in opposition to SB 23 and SB 24.

PAT KEHOE PENDELL, representing self

Sitka, Alaska

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

DAMON KNIGHT, representing self

[Clam Gulch], Alaska

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

CRYSTAL HAITE, representing self and three children

Wasilla, Alaska

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

MIKE ALEXANDER, representing self

Big Lake, Alaska

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

CHARLES WEAVER, representing self

Anchorage, Alaska

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

TIM CHIPP, representing self

Ninilchik, Alaska

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

CYNTHIA MOORE, representing self

Funny River, Alaska

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

LYNN KUPA representing self

Eagle River, Alaska

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

MARY GEDDOS, representing self

Anchorage, Alaska

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

CASSIDY AUSTIN-MERLINO, representing self

McCarthy, Alaska

POSITION STATEMENT: Stated she is a 16-year-old who strongly opposes SB 23 and SB 24.

JOLIE TULLEY, representing self

Sitka, Alaska

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

REBECCA CRELLEY, representing self

Anchorage, Alaska

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

DAVID KRUPA, representing self

Eagle River, Alaska

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

CLIFFORD JOHNSEN, representing self

Palmer, Alaska

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

LATISHA PORTERFIELD, representing self

Anchorage, Alaska

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

KEVIN MCCABE, representing self and family

Anchorage, Alaska

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

OLIVIA FELLERS, representing self

Wasilla, Alaska

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

JOSEPH WALKER, representing self

Anchorage, Alaska

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

BARBARA DERR, representing self

Anchorage, Alaska

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

JAMES VUORG
Unalaska City School District
Unalaska, Alaska

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

ANGELA HILL, representing self
Sitka, Alaska

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

JARROD SEEGER, representing self
Eagle River, Alaska

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

JOHN RICE, representing self
Big Lake, Alaska

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

KRISTEN GREEN, representing self
Anchorage, Alaska

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

BRANDEE GERKE, representing self
Juneau, Alaska

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

KASEY MACKNEET, representing self
Juneau, Alaska

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

CINDY EDWARDS, representing self
Sitka, Alaska

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

JOHNNY ROBINSON, representing self
Fairbanks, Alaska

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

TROY SWANSON, representing self
Eagle River, Alaska

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

TIM STATON, representing self
Fairbanks, Alaska

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

PAUL KELLY, representing self
Sitka, Alaska

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

WINTER MARSHALL ALLEN, representing self
Palmer, Alaska

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

HEATHER HEPLER, representing self
Chugiak, Alaska

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

CYNTHIA NEIMEYER, representing self
Fairbanks, Alaska

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

POLLY HESSING, representing self
Anchorage, Alaska

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

RICH CURTHER, representing self
Anchorage, Alaska

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

BETH SHORT RHOADS, representing self
Sitka, Alaska

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

DR. VALERIE EDWARDS, MD, representing self
Sitka Alaska

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

JOSEPH CURRY, representing self, Anchorage, Alaska

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

BEN MUSE, representing self

Juneau, Alaska

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

TULENA HUDDLESTON, representing self

Palmer, Alaska

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

JEFFERY KNAUF, representing self

Anchorage, Alaska

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

AARON HALL, representing self

North Pole, Alaska

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

BILL AIKENS representing self

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

WENDY ALDERSON, representing self

Sitka, Alaska

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

MONICA EASTHAM, representing self

Sitka, Alaska

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

DIANE BUNDY, representing self

Kenai, Alaska

POSITION STATEMENT: Stated she was testifying in high support of SB 23 and SB 24.

GREG WEAVER, representing self

Mat-Su, Alaska

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

GREGORY WHITE, representing self

Anchorage, Alaska

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

FARLEY DEAN, representing self

Willow, Alaska

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

RANDY GRIFFIN, representing self
Fairbanks, Alaska

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

KRISTEN HOMER, representing self
Sitka, Alaska

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

BRIDGET HITCHCOCK, representing self
Sitka, Alaska

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

SARA BEABER-FUJIOKA, representing self
Sitka, Alaska

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

DAVID NEES, representing self
Anchorage, Alaska

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

SIRI SCHLIES, representing self
Anchorage, Alaska

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

NATASHA LESKO, representing self
Palmer, Alaska

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

DAN POLTA, representing self
Healy, Alaska

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

JEANEAN COREY, representing self
Chugiak, Alaska

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

STEVE MECKEL, representing self
Fairbanks, Alaska

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

MARK HUDELSTON, representing self
Palmer, Alaska

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

CINDY HIMMELBERGER, representing self
Ketchikan, Alaska

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

BERVERLY EDWARDSON HUGO, representing self
Utqiagvik, Alaska

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

JESSE VIZCOCHO, representing self
Anchorage, Alaska

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

ANTHONY BAIOCCHI, representing self
Wasilla, Alaska

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

ACTION NARRATIVE

[3:33:05 PM](#)

CHAIR MIKE SHOWER called the Senate State Affairs Standing Committee meeting to order at 3:33 p.m. Present at the call to order were Senators Coghill, Kawasaki, Reinbold, Micciche, and Chair Shower.

SB 32-CRIMES; SENTENCING;MENT. ILLNESS;EVIDENCE

[3:33:56 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL 32 "An Act relating to criminal law and procedure; relating to controlled substances; relating to probation; relating to sentencing; relating to reports of involuntary commitment; amending Rule 6, Alaska Rules of Criminal Procedure; and providing for an effective date."

He stated his intent to hear the introduction and sectional analysis. He advised that the committee would review the bill from both the state affairs and judiciary perspectives because the judiciary committee chair has declared a conflict of interest based on [an ethics committee ruling] about House Bill 44.

He invited Mr. Henderson to the witness table and noted who was available to answer questions.

[3:35:32 PM](#)

ROBERT HENDERSON, Deputy Attorney General, Criminal Division, Department of Law, Anchorage, explained that at its core, SB 32 is designed to return sentencing classifications to pre-Senate Bill 91 law. It is intended to ensure that prosecutors, law enforcement, and the court have the tools to respond to the general crime trends. The bill focuses on the mandated sentencing criteria that must be assessed including community condemnation, reaffirmation of societal norms, general and specific deterrents, the seriousness of the offense, victim input, restoration of the victim, and rehabilitation. He said rehabilitation and treatment are priorities, but not the only priorities. SB 32 is about balancing those things.

MR. HENDERSON stated that SB 32 returns the statutory scheme for drugs to pre-Senate Bill 91 law. This is done to combat drug trafficking. He summarized that Senate Bill 91 reduced all the sentencing and statutory schemes, which impacted the ability to address drug trafficking. SB 32 also addresses sentencing for both felonies and misdemeanors. He noted that the parts of SB 32 that are not related to Senate Bill 91, are designed to close gaps or loopholes that have been identified. He said he would point these out in the sectional.

[3:38:13 PM](#)

MR. HENDERSON delivered the following sectional analysis for SB 32.

Section 1: Clean up language. Aligns murder in the second degree when a person dies during the course of a drug deal with the changes made to the drug statutes later in the bill.

Section 2: Clean up language. Same change that is made in sec. 1 is made in sec. 2 for murder of an unborn child in the second degree.

He explained that Sections 1 and 2 are conforming amendments to the murder statutes to include the new misconduct involving controlled substances in the second degree into the "felony murder rule."

Section 3 - 10: Removes inflation adjustment from property crime statutes.

He noted that the inflation adjustment, which was created by Senate Bill 91, is repealed from the theft and criminal mischief statutes.

Section 11: Defines "prior convictions" when evaluating the existence of prior convictions in the recidivist theft statutes.

He explained that this is a clarifying amendment to rectify the inadvertent omission of the definition.

Section 12 - 18: Removes inflation adjustment from property crime statutes. [Also referred to as the theft and criminal mischief statutes.]

Section 19: Adds to the crime of escape in the second degree persons who are under the jurisdiction of the Commissioner of Health and Social Services for a felony and restricted to the residence then leave their residence without permission.

MR. HENDERSON clarified that this is about the Division of Juvenile Justice jurisdiction. Escape in the second degree is a class B felony.

[3:39:57 PM](#)

SENATOR MICCICHE asked him to explain, to the public, the automatic inflation adjustment.

CHAIR SHOWER requested members limit their questions to key points during the introduction.

MR. HENDERSON explained that Senate Bill 91 created a mechanism beginning in 2020, that all the property thresholds for theft offenses would automatically increase at the rate of inflation, as determined by the Alaska Judicial Council. SB 32 repeals that in Sections 3-10 and Sections 12-18 for the following reasons:

1) as the Department of Law outlined in its review of Senate Bill 91, there may be a separation of powers problem; and 2) it eliminates the public involvement in determining what the thresholds should be. He noted that when Senate Bill 54 reduced the felony thresholds to \$750, public involvement was very important in determining that amount. He reiterated that SB 32 repeals the inflation adjustment.

He continued the sectional analysis for SB 32.

Section 20: Makes it a class C felony to remove an electronic monitoring device or leave a person's residence while under official detention for a misdemeanor regardless if under the jurisdiction of the Department of Corrections or the Department of Health and Social Services [Division of Juvenile Justice]. Also makes it a class C felony if the person is on conditions of release before trial and ordered to electronic monitoring or house arrest by the court and the person removes the electronic monitoring device or leaves one's residence without permission.

SENATOR REINBOLD asked what happens if a person on electronic monitoring doesn't maintain the battery and the monitor stops working. If that isn't covered in the bill, an amendment is needed, she said.

MR. HENDERSON replied that would be covered under the tampering with physical evidence statute.

SENATOR REINBOLD asked him to follow up with the statute.

SENATOR COGHILL asked for clarification that this is new language, not a repeal.

MR. HENDERSON said that's correct; both Sections 19 and 20 have new language to fill gaps that have been identified.

[3:43:52 PM](#)

Section 21: Clean up [conforming] amendment for change that occurs in section 22, making failure to appear a crime.

Section 22: Removes 30 day grace period for defendants during which it was not a crime to fail to show up for a hearing. Under current law, it is not a crime to fail to appear for a court hearing unless the person goes 30 days or longer without making contact with the court or fails to appear with the intent being to avoid prosecution. This section removes both of those limitations.

He explained that failure to appear refers to a person on bail release who is ordered by the court to appear at their next court hearing and they do not show up. Under Section 22, it is a class C felony offense for somebody on felony bail release to fail to show up for a hearing. It is a class A misdemeanor for

somebody on bail for a misdemeanor to fail to show up for a hearing.

SB 32 repeals the 30-day grace period that Senate Bill 91 created for failing to appear or contact the court or absconding or fleeing the jurisdiction to avoid prosecution.

SENATOR COGHILL said later he will ask how the provisions that are being repealed have worked, both the pros and cons.

MR. HENDERSON continued the sectional analysis for SB 32.

Section 23: Amends the crime of violating conditions of release which relates to conditions imposed by the court on persons on pretrial release. This section makes it a class A misdemeanor for a person to violate their conditions of release if they are on release for a felony and a class B misdemeanor if they violate while on conditions for a misdemeanor.

He noted that later on the bill repeals the provision that a violation of conditions of release (VCR) is five days in jail. Returning the offense to a class A misdemeanor, given the changes later in the bill, if you're convicted of a class A misdemeanor the penalty provision is 0 to 1 year in jail. If it's a class B misdemeanor it would become 0 to 90 days, given the changes later in the bill.

SENATOR MICCICHE questioned the reason that the penalties aren't scaled upward for more serious crimes that a person may commit while on electronic monitoring.

MR. HENDERSON replied it's about striking that balance he described earlier. For the escape statutes, the intent is to ensure that the criminal sanction is adequate to give the Department of Corrections confidence to use electronic monitoring when appropriate.

SENATOR REINBOLD asked why violating conditions of release for a felony conviction isn't a felony offense. "That's one huge flag I have on this bill," she said.

MR. HENDERSON explained that violating conditions of release are not standalone new criminal acts. They're criminal acts because of the conditions set by the court for a person on bail. The idea is to ensure that a criminal sanction is available to

interrupt that behavior, but it should not be so large that it is equivalent to the underlying offense.

SENATOR REINBOLD said she wants further discussion because violating certain conditions of release for a felon is very serious. She cited the example of a felon approaching a victim after they were told to stay away.

[3:50:14 PM](#)

MR. HENDERSON continued the sectional analysis for SB 32.

Section 24: Makes it a class A misdemeanor to refuse to provide a DNA sample when arrested for a qualifying offense. Under current law, those arrested for a qualifying offense must provide a DNA sample for inclusion in a DNA database. However, there is no enforcement mechanism. This section adds that enforcement mechanism.

He explained that under the current law, a person who is arrested for a qualifying offense must immediately submit a DNA sample. Also, a person who is convicted of a qualifying offense must submit a DNA sample upon conviction; failing to do so is a class C felony offense. However, current law does not provide a corresponding enforcement provision for failing to provide a DNA sample upon arrest. Section 24 closes that loophole by creating a class A misdemeanor offense for failing to provide the required DNA sample upon arrest. The conforming amendments are in Sections 25 and 26.

SENATOR MICCICHE asked for clarification that Sections 24-27 are entirely new.

MR. HENDERSON confirmed that these are new sections; they are not related to Senate Bill 91.

SENATOR COGHILL recalled the question about privacy on DNA testing and asked if there had been a court challenge. He said he believes that was the reason the penalty wasn't provided initially.

MR. HENDERSON said the State of Maryland took its statute on the issue to the U.S. Supreme Court and it was found constitutional. It did not violate the Fourth Amendment to seize a DNA sample for introduction into CODIS if the person is charged with what the court characterized as a "serious offense." He explained that it is not a violation of constitutional rights because

technology has made the DNA sample no different than fingerprints or other identifying information.

CHAIR SHOWER said he has a slight disagreement but would discuss it later.

SENATOR REINBOLD said she supports the provision as a way to prevent wrongful convictions.

[3:53:33 PM](#)

MR. HENDERSON continued the sectional analysis for SB 32.

Section 25: Clarifies that refusing to provide a DNA sample after conviction, as a part of a person's sentence, or because the person is required to register as a sex offender or child kidnapper, is a class C felony.

Section 26: Classification section. Classifies the crime of violating an order to submit to DNA testing upon arrest is a class A misdemeanor.

Section 27: Enacts a generalized threat statute to cover when an individual threatens to commit a serious crime which reasonably places another person in fear. Covers real threats of violence and not simply false threats.

MR. HENDERSON clarified that Section 27 is not related to Senate Bill 91.

CHAIR SHOWER commented that this should be carefully vetted because it could be very contentious. He added that for this committee he will focus on protecting citizens' rights. "As you get to the point where we dig deeper, be prepared to answer those constitutional questions, because they're going to come up her," he advised.

MR. HENDERSON opined that this generalized threat statute should hold up to constitutional challenge because similar statutes challenged under the First Amendment have not been successful. There are two reasons: 1) the mental state employed here is a reckless disregard; and 2) the person must be placed in reasonable fear.

CHAIR SHOWER said he was just warning to be prepared because the questions would be hard and deep. He added that he takes the

constitutional obligation to protect citizens' rights "as seriously as anybody you're ever going to see in this building."

[3:56:33 PM](#)

MR. HENDERSON continued the sectional analysis for SB 32.

Section 28: Makes the crime of disorderly conduct a class B misdemeanor punishable by not more than 10 days.

He noted that Senate Bill 91 reduced the penalty for disorderly conduct to 24 hours and SB 32 returns it to [not more than] 10 days.

Section 29: Reenacts class A felony level crime for the distribution of [any amount of] schedule IA controlled substances [opioid derivatives including heroin, Fentanyl, and Carfentanil] and making methamphetamine.

He said Sections 29-37 collectively return the drug laws to the pre-Senate Bill 91 statutory scheme. He said he would try to point out the repealed the provisions as he goes along.

SENATOR REINBOLD shared that she has ridden along with both the Anchorage Police Department and the Alaska State Troopers and this section is important to them. She said later she will ask what rights law enforcement has when they know that [methamphetamine] is being manufactured and likely distributed in a building.

MR. HENDERSON said he made a note of the request. He continued the sectional analysis for SB 32.

Section 30: Renames AS 11.71.030, misconduct involving a controlled substance in the second degree to misconduct involving a controlled substance in the third degree. Amends the statute to include manufacturing or distribution of any amount of a schedule IIA or IIIA controlled substance. Also repeals section of law regarding the delivery of 1g or more of a schedule IA controlled substance or 2.5 grams or more of a schedule IIA or IIIA controlled substance as the amendments in the bill focus on the type of drug being distributed and not necessarily the amount.

He explained that this removes the threshold in the drug statutes that [Senate Bill 91] created and returns it to previous law where the amount of drugs being trafficked becomes a factor (not the factor) in determining the significance of the drug trafficking behavior. He noted that many of the repealers found in Section [51] come from Section 30. These include AS 11.71.030(a)(1) on page 16, (a)(4), (5), and (6) on page 17.

SENATOR REINBOLD mentioned a park in her community where drug dealing occurs and said she would like a discussion about the prohibition for possessing schedule IA and IIA controlled substances within 500 feet of a school [page 17, line 15] because that's fairly close.

CHAIR SHOWER added that he wanted a discussion about whether government has flexibility to react to changes in drug use patterns.

MR. HENDERSON asked if he was referring to response to new drugs that come on the market.

CHAIR SHOWER said yes.

MR. HENDERSON highlighted that House Bill 312 from last session allowed the attorney general to schedule new drugs as they came onto the market.

CHAIR SHOWER said he just wanted to make sure that any loopholes that have come to light receive attention this year. We want to get this right, he said.

MR. HENDERSON continued the sectional analysis for SB 32.

Section 31: Conforming amendment to the changes made in section 30.

Section 32: Makes the possession of any amount of a schedule IA (heroin) or IIA (methamphetamine, cocaine, PCP, etc.) controlled substance and various amounts of IIIA, IVA, and VIA controlled substances a felony.

He said this section returns possession of the most serious drugs to a felony offense. It also returns possession of larger amounts of schedule IIIA, IVA, and VA controlled substances to a class C felony offense.

Section 33: Conforming amendment to the changes made in section 32.

Section 34: Removes possession of most dangerous controlled substances from the crime of misconduct involving a controlled substance in the fifth degree, as those possessory crimes would be a class C felony under the bill.

[4:05:25 PM](#)

SENATOR MICCICHE said he was thinking about inserting an exception for legal cannabis. Because a number of people are concerned, it's worth clarifying that this does not refer to the legal cannabis industry. He said he'd follow up to discuss where that should be inserted.

MR. HENDERSON agreed it would clarify the intent.

MR. HENDERSON continued the sectional analysis for SB 32.

Section 35: Renames AS 11.71.060 "misconduct involving a controlled substance in the sixth degree" to conform with the changes made to the drug offense statutes.

Section 36: Conforming amendment to ["Good Samaritan"] statute prohibiting prosecution of individuals who seek medical or law enforcement assistance for a person who is overdosing.

Section 37: Increases the maximum period of probation for felony sex offenses from 15 years to 25. Also increases the maximum period of probation for any other offense to 10 years.

He noted that Senate Bill 91 limited the time a person could be placed on probation. Section [37] changes that to allow the court to impose probation for the time necessary to conform their behavior and meet their probation conditions.

CHAIR SHOWER said he assumes these provisions align with the changes in other bills but wonders what happens if they don't all pass.

MR. HENDERSON said all the bills act in concert and if they don't all pass, conforming amendments will be needed.

[4:08:26 PM](#)

MR. HENDERSON continued the sectional analysis for SB 32.

Section 38 - 40: Enhanced sentences for making methamphetamine around children or engaging children in the sale of methamphetamine are reenacted. Also increases the presumptive sentencing ranges for class A, B, and C felonies.

Felony Level	Current Law	SB 32
Class A	First Felony: 3-6 (20 max) Second Felony: 8-12 (20 max) Third Felony: 13-20 (20 max)	First Felony: 5-8 (20 max) Second Felony: 10-14 (20 max) Third Felony: 15-20 (20 max)
Class B	First Felony: 0-2 (10 max) Second Felony: 2-5 (10 max) Third Felony: 4-10 (10 max)	First Felony: 1-3 (10 max) Second Felony: 4-7 (10 max) Third Felony: 6-10 (10 max)
Class C	First Felony: 0-2 (5 max) Second Felony: 1-4 (5 max) Third Felony: 2-5 (5 max)	First Felony: 0-2 (5 max) Second Felony: 2-4 (5 max) Third Felony: 3-5 (5 max)

He explained that under felony sentencing rules, the presumptive range is dictated by a person's criminal history and the level of offense for which they're convicted. The range of incarceration the judge may impose for the offender who commits the typical offense appears as a grid. Senate Bill 91 moved all the presumptive ranges down and Sections 38-40 seek to move them back. The sectional has a chart that includes that and a matrix.

Section 38 amends the presumptive ranges for all non-sex class A felony offenses to pre-Senate Bill 91 law. It also reenacts the enhanced penalty provisions for manufacturing methamphetamine around children.

Section 39 increases all presumptive sentences for non-sex class B felony offenses. It's about a two-year shift, he said.

Section 40 increases all presumptive sentences for all non-sex class C felony offenses.

[4:10:26 PM](#)

CHAIR SHOWER asked if it's fair to describe this as the controlling document for all the other crime bill.

MR. HENDERSON agreed it is foundational.

SENATOR REINBOLD said she finds it ridiculous that somebody who commits their first felony potentially has zero jail time. She said she isn't asking for the discussion today, but she's flagging it.

[4:11:29 PM](#)

MR. HENDERSON continued the sectional analysis for SB 32.

Section 41: Prohibits the suspension or reduction of the period of mandatory probation outlined in statute for sex offenders.

He said this is a provision that directly ties to some of the other crime bills the committee has heard.

Section 42: Returns sentencing range for class A misdemeanors to 0-[365 days]. [It also repeals the 30-day cap placed on some misdemeanors found in Senate Bill 91.]

SENATOR REINBOLD said she wanted it on the record that the sentencing range was reduced from 0-365 days down to 0-30 days. She described that as a major pet peeve and the 0-10 range for class B misdemeanors outrageous. She said overall, she loves SB 32.

[4:12:48 PM](#)

MR. HENDERSON pointed out that in Section 42, the aggravating factors that were created for misdemeanors are repealed. The need for and how to apply the aggravators becomes unnecessary with the return to the overall range of one year in jail at the court's discretion.

Section 43: Returns sentencing range for class B misdemeanors to 0-90 days.

Section 44: Reenacts prohibition on jail time for a first marijuana offense if the person is not on probation or parole at the time of the offense.

He noted that this is outside AS 17.38, the regulation of marijuana provision.

Section 45: Repeals requirement that a person serve their sentence for a first DUI on electronic monitoring or house arrest. Returns discretion to the commissioner of corrections to place the person on electronic monitoring at a private residence or at a community residential center.

Section 46: The same changes in section 45 are made in section 46 to the statute governing refusal to submit to a chemical test.

Section 47: Conforming amendment due to the enactment of the class A felony level offense for drug distribution. Adds that conduct to the definition of "illegal activity involving a controlled substance" in the landlord tenant statutes.

Section 48: Conforming amendment. Adds all felony level drug distribution to the list of crimes involving a minor which the Department of Health and Social Services will disclose information to the public.

Section 49: Requires the Alaska Court System to transmit information regarding involuntary commitments that have occurred since October 1, 1981 to the Department of Public Safety.

He clarified that this provision is not related to Senate Bill 91. Current law does not allow transmission of information earlier than 2014 and this allows that sharing to ensure that DPS and the national database has the information necessary regarding involuntary commitments.

4:15:28 PM

SENATOR MICCICHE asked what problem the provision was trying to solve since involuntary commitments don't necessarily have anything to do with criminal activity. He opined that it seems like a disincentive for families to get someone needed help if it ends up in DPS records.

MR. HENDERSON said this tries to close a gap in current law. If somebody has been involuntarily committed, that person is prohibited from possessing firearms under federal law. Sharing the information with DPS authorizes that agency to share the

information with the national instant background check system. This ensures that the prohibited person cannot obtain a firearm.

SENATOR MICCICHE said he needed to understand more details, but it seems that there could be potential for misuse.

SENATOR REINBOLD noted that her perspective was a little different. She mentioned the zookeeper and Orlando murders and emphasized the importance of closing loopholes. She acknowledged that this was beyond the scope of Section 49, but she believes that fixing that loophole is an important part of the discussion of SB 32.

SENATOR COGHILL added that he wants the courts to talk about what they can and can't do regarding involuntary commitments because this will be no small task.

Section 50: Allows a person's rap sheet to be used at grand jury to prove the existence of prior convictions when prior convictions are an element of the offense.

He said Section 50 is not related to Senate Bill 91. It amends Court Rule 6(r) to allow a person's electronic criminal history, which is technically heresy, to be used at grand jury (not trial) to prove a predicate offense. Rule 6(r) currently allows the use of this information at grand jury only in felony DUI cases.

[4:19:53 PM](#)

SENATOR REINBOLD said she understands that it's the law, but she has a hard time accepting that information on a person's rap sheet related to sexual assault is heresy. She advised that she was considering an amendment to allow law enforcement to enter victims' testimony as evidence, not heresy.

MR. HENDERSON continued the sectional analysis for SB 32.

Section 51: Repealer section.

Section 52: Applicability section.

Section 53: Retroactivity section. Makes section 49 retroactive.

Section 54: Conditional effect section for court rule change.

Section 55: Immediate effective date for sections 49 and 55.

Section 56: July 1, 2019 effective date for all other sections.

[4:21:32 PM](#)

CHAIR SHOWER stated he would hold SB 32 in committee for future consideration.

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

[4:22:30 PM](#)

CHAIR SHOWER announced the consideration of 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." and SENATE BILL NO. 24 "An Act directing the Department of Revenue to pay dividends to certain eligible individuals; and providing for an effective date."

CHAIR SHOWER noted that the committee first heard the bills February 1, 2019. He welcomed Mr. Tangeman and Mr. Mr. Milks to the witness table.

[4:23:08 PM](#)

BRUCE TANGEMAN, Commissioner Designee, Department of Revenue, introduced himself.

[4:23:20 PM](#)

WILLIAM MILKS, Assistant Attorney General, Civil Division, Department of Law, introduced himself.

CHAIR SHOWER stated that the intent is to take questions and allow further explanation of SB 23 and SB 24 today, then consider amendments and move the bills in the next couple of meetings.

He asked Mr. Milks to talk about the eligibility requirements.

[4:25:15 PM](#)

MR. MILKS summarized that bills provide three years of one-time payments to make up the difference between the dividend payments in 2016, 2017, and 2018 and the statutorily formulated amounts for those years. He said DOL views this concept as a policy

question without a significant legal issue regarding eligibility. The eligibility requirements are that an individual who is eligible this year and received a dividend in 2016 is eligible to receive the back payment. The same process applies in 2020 and 2021 to receive the back payments for 2017 and 2018.

He said DOL considered, but did not find, legal issues related to eligibility. He acknowledged that in the early 1980s the Zobel's challenged the constitutionality of the original eligibility standard. That dividend program had major distinctions between residents. For example, a person who was a resident for one year would receive one-twenty-fifth of the dividend a person who had been a resident for 25 years.

MR. MILKS said the current proposal is to make one-time payments with eligibility reviewed under the rational basis standard, which is the lowest standard of equal protection review under both the state and federal constitutions. This standard looks at whether the legislature has a rational basis to draw a distinction between individuals and DOL's view is that there is a rational basis for the distinction. He said courts are very deferential to legislative bodies when they review distinctions that have a rational basis that do not involve subsequent classifications such as those based on race, sex or religion, which are based on the highest level of scrutiny. An economic interest and a distinction based on being eligible and receiving a dividend in 2016 and being eligible for a dividend in 2019 is, in DOL's view, a valid and legitimate basis for the legislature to draw a distinction. He reiterated that DOL views this as a policy question rather than a legal matter.

CHAIR SHOWER asked how people who have committed crimes would be treated in the payback.

MR. MILKS clarified that an individual would have to be eligible in 2019 and have been eligible and received a dividend in 2016.

CHAIR SHOWER asked the legal precedent for having a one or two year residency requirement to be eligible for the dividend.

[4:31:12 PM](#)

MR. MILKS said there's not a real bright line on eligibility distinctions for various kinds of state benefits. Responding to the chair's question about the Zobel case, he said that was a case that challenged the first dividend program that allowed a significant difference in the amount based on years of residency. The case went to the U.S. Supreme Court in the 1980s

and the program based on years of residency was found unconstitutional. The state did not have a valid interest to make that distinction. That is why the current dividend program establishes a residency requirement and pays the same size dividend to all eligible applicants. It is DOL's view that this circumstance is different than the Zobel case. This is a one-time payment [for three years] to address the specific situation of not paying the dividend according to the statutory formula. In Zobel, the court talked about looking at whether the legislature had a valid interest that could rationally support a distinction between individuals. In this circumstance, DOL's view is that the legislature would have a rational, legal basis to support this distinction. It says that before money is paid out for the dividend, the person has to be a resident right now. Then the specific situation can be addressed, which is a particular year when the dividend was not paid according to formula. DOL's view is the court will look at whether the legislature has a rational basis to draw a distinction between individuals.

[4:34:55 PM](#)

CHAIR SHOWER asked if DOL believes, based on that court decision, that the state has the ability to require two years residency instead of one to qualify for a dividend.

MR. MILKS said they would need to look at how cases have developed since the Zobel case, but DOL does believe that the legislature has the ability to address this situation without violating the constitution.

CHAIR SHOWER asked if he foresees a problem with citizens using something like Pick.Click.Give.org to allocate their dividend to either education specifically or the general fund.

BRUCE TANGEMAN, Commissioner Designee, Department of Revenue, said there are ways such as Pick.Click.Give.org or the education raffle for citizens to give away all or part of their dividend. Some citizens already sign and ask for their checks to be deposited to the general fund. From a technical perspective, there would be programing costs to expand the options to give individual dividends to specific state services, but it could be done.

CHAIR SHOWER said he just wanted to understand whether there would be legal ramifications associated with dedicating dividends to a specific service such as education since there is a prohibition against dedicated funds.

[4:40:20 PM](#)

MR. MILKS said he thinks an individual could say they want their money to go to education because people have always been able to make bequests to the state for a particular purpose. That is not viewed as an overall dedication but rather an individual giving a specific gift for a specific purpose. He clarified that he had not thought it through completely, but this seems to fit in that framework.

SENATOR MICCICHE pointed out the need for each department to have receipt authority if this amounts to a lot of money or be set up in Pick.Click.Give.org. He also opined that it would be designated funds if the funds left the general fund or the earnings reserve and came back to the state as a designated general fund item in the form of a contribution.

He asked Mr. Tangeman to clarify that legislation is required for the appropriation and the payback and that checks won't immediately appear. He said he sees a clear misunderstanding of the process in some blogs, emails and public testimony.

[4:43:54 PM](#)

COMMISSIONER DESIGNEE TANGEMAN explained that the legislature has to appropriate money from the earnings reserve to the dividend fund. Then the dividend is distributed at the instruction of the Department of Revenue in early October. There is definitely a process and the legislature has a role, he said.

SENATOR MICCICHE clarified that the governor can't write 650,000 \$3,000 checks. There is a process and the legislature is going through that process right now.

COMMISSIONER DESIGNEE TANGEMAN said that's correct.

CHAIR SHOWER added that DOR gets to write the checks.

COMMISSIONER DESIGNEE TANGEMAN agreed.

[4:45:09 PM](#)

SENATOR KAWASAKI asked Mr. Milks if DOL was disputing the legal analysis from legislative legal that questioned the constitutionality of SB 24. In part it said:

...a court would likely find SB 24 to be an unconstitutional durational residency requirement by discriminating against some state residents and by

infringing on an individual's fundamental right to travel.

MR. MILKS responded that he has not seen the memorandum but DOL does not view the issue that way. Rather, they believe the court would look at whether there was a rational basis for the distinction between residents. He acknowledged that any legislation can be challenged.

SENATOR KAWASAKI said that legislative legal always issues a memo to highlight potential constitutional issues it sees, and the legislator and the bill drafter try to correct those potential issues. He asked if DOL drafted a memo cautioning that there might be a constitutional issue with SB 24.

[4:47:29 PM](#)

MR. MILKS explained that DOL drafted this legislation with the view that the legislature is not barred from making this distinction.

SENATOR KAWASAKI asked whether or not the Department of Law issued a memo or a statement to the Office of the Governor warning that constitutional challenges could arise should SB 24 pass.

MR. MILKS replied he would not answer specifically because DOL has an attorney-client-relationship with the governor's office, but the question could be presented in writing. He added, "But what I can tell you is our view from the Department of Law is that this would be a constitutional piece of legislation. That it would survive a constitutional challenge."

[4:48:38 PM](#)

SENATOR KAWASAKI replied, "My official request is that we see something from the Department of Law that says Senate Bill 24 would be considered constitutional because I know each of us has a memo that says it probably isn't."

CHAIR SHOWER determined that Senator Kawasaki preferred that the committee make the request and said he would have it formally drafted from the Senate State Affairs Committee.

SENATOR COGHILL asked if this would be subject to appropriation in any given year.

MR. MILKS said yes.

SENATOR COGHILL said he asked because one legislature can't bind another. The way to do it is to have one legislature make a suggestion to another, but there is no obligation.

MR. MILKS said that is DOL's understanding.

CHAIR SHOWER asked Mr. King to continue the explanation that was cut short in the previous meeting about what would happen to the permanent fund if there was a payout and the stock market declined appreciably.

[4:50:39 PM](#)

EDWARD KING, Chief Economist, Office of Management and Budget, said he hoped to have this conversation on Thursday when the committee had received the materials he recently prepared.

CHAIR SHOWER said he'd hold the question. He asked if he was prepared to clarify the analogy from the previous meeting about the intake and outflow of the earnings reserve.

MR. KING explained that the permanent fund corporation projection of earnings is a little more than \$4 billion a year. Those earnings go into the Earnings Reserve Account (ERA). The other side of the transaction log shows all the funds that are flowing out of the account. The only money that is allowed to flow out of the account into the General Fund is under the percent of market value (POMV) law, Senate Bill 26 that passed in 2018. That is in the neighborhood of \$3 billion. The required statutory inflation-proofing of the principal amounts to about \$1 billion. That money flows from the holding account into the principal account which prevents it from being spent by future legislatures.

He summarized that the entire account is growing by about \$1 billion a year from its earnings plus whatever royalty deposits there are, and the outflow is only \$3 billion. However, to think that over the next three years you can withdraw a total of \$9 billion from the \$16 billion account and end up with \$7 billion is faulty math because that doesn't count the inflows of cash.

CHAIR SHOWER said that was the point he was trying to make at the last meeting. That's why he simplified to math to say \$20 thousand in the account, put \$4 thousand in and take \$4 thousand out leaves a balance of \$20 thousand. He said he wanted it to be clear to the public that money is both flowing in and flowing out of the fund. He said this relates directly to SB 23 and how the payback scheme would work.

[4:54:33 PM](#)

SENATOR MICCICHE described that as a very general statement that hinges on the assumption that \$4 billion is flowing into the account and that only \$4 billion is flowing out. He added that the committee will see more modeling on that, including possible overdrafts by the legislature. He said his concern is that if the Constitutional Budget Reserve (CBR) draw does not pass and there aren't sufficient cuts in the budget, there is a strong possibility that the legislature will overdraw the earnings reserve. In that circumstance, more than \$4 billion (with inflation proofing) would be flowing out. He said his real concern is overdrawing the money that is potentially flowing out. He drew an analogy to teens smoking their first cigarette; it's much easier to smoke a second one. He noted that the stress test problem associated with overdrawing the earnings reserve would be discussed during the next meeting.

CHAIR SHOWER confirmed that those issues would be discussed on Thursday. The intent is to answer all the questions and clarify the assumptions that are the basis of DOR's analysis.

[4:57:29 PM](#)

MR. KING responded that the earlier conversation was that both sides of the equation, the draws and the earnings, should be considered.

[4:58:18 PM](#)

CHAIR SHOWER stated that he would hold SB 23 and SB 24 in committee.

SENATOR MICCICHE clarified for the public that the individual members of the committee ask questions about the legislation in order to understand the impacts and protection of the permanent fund as well as the fair distribution of the PFD, not because they support or oppose the legislation.

[4:59:55 PM](#)

CHAIR SHOWER agreed and recessed the meeting until 6:00 pm when public testimony would continue on SB 23 and SB 24.

[6:01:34 PM](#)

CHAIR SHOWER reconvened the meeting at 6:01 and noted that all members were present. He stated that the purpose this evening is to take public testimony on SB 23 and SB 24. He limited testimony to one minute and asked everyone to be respectful and focus their comments on the bills, not the budget.

[6:04:43 PM](#)

LORA VESS, representing self, Juneau, said she opposes both SB 23 and SB 24 and she finds it difficult to talk about the PFD unrelated to what it could supplement that is proposed to be cut from the budget. She said she isn't speaking solely because she works for the university; it's because she believes that government services are vitally important, and she sees that they are connected to the spending of the PFD.

[6:06:45 PM](#)

KENLEY JACKSON, representing self, Sitka, said she opposes SB 23 and SB 24. Her mother-in-law lives in the Pioneer Home and her out-of-pocket payment is going up \$8,000 per month. She acknowledged the difficult fiscal climate and respectfully asked the committee to consider the needs of all Alaskans and to provide funding for services that everyone relies on, rather than authorizing individual checks. She said she doesn't have children, but she would gladly pay an income tax if schools, ferries, and state services received more funding.

[6:07:30 PM](#)

KATIE BOTZ, representing self, Juneau, said she is deeply opposed to both SB 23 and SB 24 because they will drive the state into bankruptcy. She suggested the Governor could do a better job of proving his true intentions for the state. She described the PFD as an entitlement.

[6:09:00 PM](#)

LINDA TIMOTHY-WOOD, representing self, Palmer, stated support for SB 23 and SB 24.

[6:09:38 PM](#)

KATHLEEN SHOOP, representing self, Palmer, stated support for SB 23 and SB 24. The economy needs the PFD, she said.

[6:10:08 PM](#)

DENISE BOGUE, representing self, Anchorage, said she supports continuing to receive the PFD and the payback. Taking the dividend has had a drastic effect on her family budget. She said they use it to buy food, clothing, and other essential needs for their home, family and local businesses. We'll remember you when we vote, she warned.

[6:10:53 PM](#)

MIKE MICKELSON, representing self, Cordova, stated that he is completely opposed to SB 23 and SB 24. He is a lifelong

resident, a teacher, and a fisherman. He said the PFD is financially helpful but not at the expense of the services he'll be forced to give up with Governor Dunleavy's proposed budget. He voiced opposition to cutting education and fish and game. He said the Alaska Marine Highway is his road and comparing its cost per mile to a regular road is unrealistic. He agrees that the state should make cuts but not so the reduced PFDs can be paid back. He opined that that methodology is counter to the original intent of the PFD program and that the state should return to the income tax model.

[6:12:08 PM](#)

RICHARD KULLBERG, representing self, Anchorage, stated opposition to SB 23 and SB 24. He described the bills as an attempt to rewrite the state budget for the last three years. He said it would be okay to retroactively increase the dividend if it was also possible to retroactively increase the price of oil. That's not possible, he said, so we should move on. He said he speaks for many Alaskans who not only want a budget that is balanced but also a budget that is civilized, one that provides health, education, and public safety. These Alaskans are willing to pay for it with a reduced PFD, he said.

[6:13:08 PM](#)

PAT HOLMES, representing self, Kodiak, said he opposes SB 23 and SB 24. He opined that there should be a state income tax and a head tax.

[6:13:52 PM](#)

GARVAN BUCARIA, representing self, Wasilla, stated opposition to SB 23 and SB 24. He said a \$3,000 dividend will provide a short term benefit but will likely result in the imposition of a state income tax, local tax increases, nickel and dime fees and charges to subsidize education and other necessary public benefits. Furthermore, there is a need to retain the earnings reserve fund for investment for the future, he said.

[6:15:27 PM](#)

LAURIE WALTON, representing self, Fairbanks, stated strong opposition to SB 23 and SB 24. She said she would much rather have her portion of the PFD go toward sustaining things like public education and the ferry system that make her community a place to live. If the budget remains as proposed, people will leave their communities and the state, she said.

[6:16:33 PM](#)

ELISABETH BRENNAN, representing self and family, Nome, described SB 23 and SB 24 as poor policy that threatens the state she loves. She doesn't support these bills, and neither should the Senate State Affairs Committee. She opined that it would endanger the financial stability of the Alaska Permanent Fund to cut the budget so drastically in order to pay higher dividends. She pointed out that the budget has already been cut significantly the last several years and she believes other revenue sources should be considered.

[6:17:35 PM](#)

BRIAN LIEB, representing self, Douglas, said he strongly opposes SB 23 and SB 24 because the permanent fund was established to create a predictable, financial situation for the state. He opined the offering "this bribe" and cutting state services at the same time is reprehensible and should not be done.

[6:18:11 PM](#)

KATHLEEN KREISS, representing self, Sitka, said she is a retired physician who is urging the committee to vote no on both SB 23 and SB 23. She offered her belief that government should serve the people by enabling services that benefit everyone collectively. These services include strong schools, a university system that educates informed citizens, transportation such as the Alaska Marine Highway System, support for seniors through the Pioneer Homes, and support for vulnerable people through Medicaid. These collective needs are more important than a large permanent fund dividend check. She stated support for an income tax to develop an economy that is sustainable without sole reliance on resource extraction.

[6:19:04 PM](#)

THOMAS SKONIECZKI, representing self, Anchorage, said he is a lifelong Alaska who has seen that the permanent fund enhance the state economy. He supports the permanent fund for the people not the government, because it enhances small and large businesses in Alaska, social services, and the elderly. "The permanent fund was made for the people, not the government, and it should stay that way for future generations, so I'm for the permanent fund and not balancing the budget," he said.

[6:20:07 PM](#)

ORTH APRIL representing self, Kenai, stated support for SB 23 and SB 24 to restore the PFD. She said she can use the money for her daughter's education, and it helps community stores and the economy. She shared that she recently watched a documentary

where Jay Hammond said the permanent fund was created for the people, not the government.

[6:21:09 PM](#)

SUMMER KOESTER, representing self, Juneau, said she is an educator who supports the PFD but not at the expense of education. Noting that her sixth grade class has 36 students and some colleagues has even more, she said schools need more money, not less. She shared that even with the \$20 million that was forward funded last year for education, her school will lose two fulltime positions next year due to flat funding, which will translate to even larger class sizes. She said the Governor may have proposed this budget to make a compromise seem more satisfactory, but schools can't afford more cuts. Our children and society will pay the price, she said.

[6:22:04 PM](#)

ELEILA PRESTON, representing self, Wasilla, said she is a former professional educator and a homeschool mother. She shared that her homeschooled children are doing better than their peers and the cost is a fraction of what it costs the state. She said her current concern is that her children will not only lose their PFDs, but also pay state income taxes for the rest of their lives. She said she would love for her kids to see politicians follow through on their campaign promises. She urged the committee to vote yes on both SB 23 and SB 24.

[6:22:38 PM](#)

MICHEAL GOZDOR, representing self, Wasilla, stated that as a 25-year Alaskan and a business owner, he supports the PFD payback. It will boost the economy and small businesses like his.

[6:23:25 PM](#)

TANIA HARRISON, representing self, Cordova, said she opposes SB 23 and SB 24 because it is irresponsible to strain the state's resources for an increase in the permanent fund dividend. "An extra thousand dollars in the hands of an individual will not come close to covering the added cost of living for people in communities where the state has cut funding for state services and taken money from local governments." She emphasized that the PFD is not an entitlement and should never be prioritized of the state's duty to its citizens.

[6:24:25 PM](#)

KRISTINE MANN, representing self, Anchorage, said she has been involved in education for the 42 years that she's been a resident. She strongly opposes SB 23 and SB 24 and believes the

PFD payback should be eliminated. She also recommends reducing the dividend this year and following the formula set out in Senate Bill 26 for the benefit of the children and grandchildren living in the state.

[6:25:45 PM](#)

SALLY SCHLICHTING, representing self, Juneau, said she opposes SB 23 and SB 24. She cited Internal Revenue Source data and calculated that \$266 million of the estimated \$2.4 billion dividend payback will go straight back to the federal treasury. She opined that the money should stay in Alaska and that the entire \$2.4 billion should be used to fund essential state services and infrastructure. She'd have to pay federal tax on the payback, and she could not use what is left to pay for a teacher, a state ferry, building a bridge, or maintaining a road. Such services and projects are most effectively delivered by state government, she said. They create and sustain jobs for Alaskans.

[6:26:54 PM](#)

CAROLYN MACINTYRE, representing self, Sitka, said she was calling to voice strong opposition to SB 23 and SB 24. She said the PFD was great when the state was awash in oil "but, pun intended, that well has dried up." The focus should be on solutions for the future and that is our children. She said she would be happy to give up her PFD to ensure that all of Alaska's children receive a good education. They are more important, she said.

[6:27:53 PM](#)

RUSSEL SAMPSON, representing self, Wasilla, stated that she strongly opposes both SB 23 and SB 24.

[6:28:58 PM](#)

PATRICK MAYER, representing self, Yakutat, stated that he is a 35-year resident of Alaska who stands in opposition to SB 23 and SB 24. He suggested that in lieu of the annual PFD and the proposed backfill, the revenue should be directed back into the General Fund to protect existing state services. The idea of the state paying out full dividends while not meeting its financial obligations, particularly the constitutional obligation to fund education, is not acceptable, he said. It should not be a choice between funding education or receiving the PFD and cutting education twenty-five percent. "Let's not dismantle the infrastructure of our great state and encourage those citizens that are not already doing so, to move elsewhere," he said.

[6:29:55 PM](#)

JERI MAXWELL, representing self, Fairbanks, said she is retired from the university system, has lived in Alaska for 34 years, and she greatly opposes SB 23 and SB 24. In the short term the dividend seems like a lot of money but in the long term the money will go further if it is used for the benefit of Alaskans collectively by funding education, health care, the Alaska Marine Highway System, and other essential services. She urged the committee to reject both bills.

[6:30:55 PM](#)

TAMMY SCHMIDT, representing self, Wasilla, described herself as a 68-year-old homestead-raised Alaskan. She supports SB 23 and SB 24 and what the Governor is trying to do because Jay Hammond's original intention was that the money was for the people, not the government. People living in the Bush really need the dividend, she said.

CHAIR SHOWER noted that Senator Bishop was in the audience.

[6:32:01 PM](#)

JEFF GUARD, representing self, Cordova, said he's lived in the state since 1979 and he is strongly opposed to SB 23 and SB 24. He described the bills as a detriment to the state economy. Ultimately, they will cause home prices to fall which will have a greater impact on his pocketbook than the extra money for three years. He sits on the local city council and understands that the state's bond rating will fall with proposals like this, which will make it more expensive to borrow money to build things in his community.

[6:33:00 PM](#)

BRYCE MAHN, representing self, Anchorage, said he opposes SB 23 and SB 24, and he opposes paying a full dividend this year. The statement that Alaskans can spend the money better than the state government does not take into account that individuals will pay federal income tax on the additional dividend and they cannot take advantage of matching programs. The state using these funds will have a greater impact on the overall economy than if the money was distributed to individuals.

CHAIR SHOWER reminded individuals who don't want the dividend to consider not applying for it.

[6:33:38 PM](#)

SCOTT ADAMS representing self, Cordova, said he supports SB 23 and SB 24. He shared that his sons paid for college with their

dividends and his belief is that some low-income families need the money. The dividend was set up so that the government get some and the people get some so the people should be able to decide what they want to do with their portion, he said. "We should still get our fair share."

[6:34:45 PM](#)

CATHERINE REARDON, representing self, Juneau, said she is retired and has received the PFD since 1986. She said she opposes SB 23 and SB 24 and was struck that the transmittal letter said that citizens had not received the full value of their mineral wealth ownership share. She offered her perspective that her share does not need to be an individual distribution. She pointed out that she doesn't receive her individual share of state land and wildlife by getting title to a square mile of state land. She said individuals create the government and government is the way that collective decisions are made. Thus her opposition to both bills.

[6:36:13 PM](#)

DR. CINDY WESTERGAARD, Neurobehavioral Consultants, LLC, Sitka, said she is a small business owner and a small training site for psychology students at the university. She said she opposes SB 23 and SB 24 because she doesn't believe that giving individual residents a larger dividend will improve the quality of life for people in the state. Rather, it will cause suffering because there won't be adequate resources to fund schools, ferry service, the university, hospitals, or the Pioneer Home. She asked the members to consider that their legacies will depend on their ethical decision-making.

[6:37:24 PM](#)

ARIEL STARBUCK, representing self, Sitka, said she is opposed to SB 23 and SB 24. She shared that she is a homeowner, a mother, and the daughter of a logger whose hard work helped her have a good education and better life. She would like the same thing for her own children. She opined that choosing to take the additional PFD while defunding vital state services and the education system will leave the state with nothing. She urged the committee not to pass SB 23 and SB 24.

[6:38:25 PM](#)

DAVID BRIGHTON, representing self, Kenai, state opposition to SB 23 and SB 24. He said he doesn't believe the campaigning was done in the context of making large cuts to fund the PFD. He opined that the majority of Alaskans oppose the large dividend when it's presented in the proper context. He said he also

disagrees with the notion that individuals can decline to take their PFDs and thereby help fund essential services. He pointed out that the money must be allocated.

[6:39:32 PM](#)

SETH ROBERTS, representing self, Palmer, said he is in full support of SB 23 and SB 24. His reasoning is that giving the money to the government would be a temporary solution and would not change the status quo. The solution to the budget deficit is to cut services. "I believe the PFD should go to the people as it was intended and the government needs to do what it needs to do to cut and get smaller," he said.

[6:40:45 PM](#)

JENNY ROHLER, representing self, Sutton, said she was calling to ask the committee to support SB 23 and SB 24, to restore the PFD that was unlawfully taken from Alaskans. She said the Governor based his campaign on restoring and protecting the PFD and Alaskans elected him. The expectation is that he will fulfill his campaign promises. She offered her opinion that the poor were more greatly affected by the reduced PFD. The money should be returned to all Alaskans and those who oppose the bills should have the opportunity to donate their PFD to the state. It should be an individual decision. She thanked the committee for supporting the Governor.

[6:42:01 PM](#)

MICHELLE HAHN, representing self, Cordova, said she opposes SB 23 and SB 24, but she finds it distasteful to do so because taking the PFD is a draconian tax that impacts the poor and rural areas the most. She recalled pleading with then Governor Hammond to keep the income tax in place. She said she was worried that once it was abolished, the wealthy and powerful would prevent the reinstatement of such a fair tax when it was justly needed. She concluded her comments saying, "I want an income tax that fully taxes myself, the affluent, the corporations, and instead of just the poorer Alaskans as taking the PFD does."

[6:43:22 PM](#)

MARY FISHER, representing self, Anchorage, stated opposition to SB 23 and SB 24 and pointed out that Governor Hammond said abolishing the state income tax was the worst thing that happened during his administration. She said she fully supports reinstating that tax.

[6:44:18 PM](#)

EVE DOWNING, representing self, Sterling, said she is a high school student speaking in opposition to SB 23 and SB 24. An equitable budget is not possible with a full PFD and the payback, she said. It will not allow her to get a quality education and it won't make up for the increase in tuition at UAA. She said she knows many students who won't be able to afford to attend UAA as they had planned. As proposed, the PFD will damage the economy and drive citizens away. She reported that the proposed \$1.6 billion cut will result in the loss of more than 13,000 jobs, which will not be good for the economy.

[6:45:39 PM](#)

LISA BUSCH, representing self, Sitka, said that as an Alaskan, a mother, someone who works in science, and woman of reason, she sees SB 23 and SB 24 as the saddest bills she's seen in a long time. She said the Alaskans she knows are can-do, hard-working, community-minded, independent, and creative, and they do not need a "handout retro check" from a program that has created an unseemly sense of entitlement. Rather, they need legislators to invest permanent fund money in K-12 education, the university, health care, and the management of resources that make Alaska a special place to live.

[6:46:28 PM](#)

TIM NELSON, representing self, Fairbanks, said he has lived here since 1976 and he supports SB 23 and SB 24. He's a grandfather living on a fixed income and he needs the money for birthdays, fuel oil, and many other things.

[6:47:25 PM](#)

LESLIE JACKSON, representing self, Ketchikan, said she strongly opposes SB 23 and SB 24. She opined that the claim that the payback will stimulate the economy is a short-term solution. She asked the legislature to use the money to balance the budget and keep state services and assets open for business and providing benefits for communities.

[6:47:59 PM](#)

ERIC MILLIKEN, representing self, Anchorage, said he is testifying in opposition to SB 23 and SB 24. Although he and his family would benefit from the large PFD in the short term, in 20 years his child would see an economy that is much weaker than it is today. He urged the committee to consider a different path forward.

[6:48:50 PM](#)

RONALD HOWARD JR., representing self and his family, Ketchikan, said he strongly supports SB 23 and SB 24. He described the economic benefit of the PFD to his family as astronomical. His is a single-income family and the extra funds go towards homeschool education and college savings. He also pointed out that when the PFD is paid in October it helps businesses stay open for the winter.

[6:50:03 PM](#)

LOU PONTIOUS, representing self, Kasilof, stated support for SB 23 and SB 24.

[6:50:33 PM](#)

MELODY MCCULLOUGH, representing self, Wasilla, said she strongly supports SB 23 and SB 24. She and her husband are raising two grandchildren and their PFDs help pay for winter gear, heating expenses, and groceries. This helps stimulate the economy. She said she supports a state income tax.

[6:51:45 PM](#)

ROBERT WATSON, representing self, Wasilla, said he strongly supports SB 23 and SB 24. It is intended to help the people. He said the people who don't want their dividend don't need to apply. He maintained that the state will never cut the amount of money it spends, and the people shouldn't have to pay for that.

[6:52:11 PM](#)

ANDREW SMALLWOOD, representing self, Cordova, said he is a commercial fisherman. He offered his opinion that rather than find alternative sources of revenue, the state has depleted its reserves. Now the proposed budget cuts are so sudden and drastic that they risk triggering a statewide recession and the destruction of rural communities. Thus he opposes SB 23 and SB 24.

[6:52:50 PM](#)

CARMEN GUTIERREZ, representing self, Anchorage, said she is a second generation Alaskan who has lived here her entire life. She said she strongly opposes SB 23 and SB 24 as a short-term infusion of money into the economy that will have a very long-term negative economic impact that will affect generations to come. She said the reason Alaska doesn't have an educated workforce is because the education system in the state is being decimated. She urged all legislators to oppose SB 23 and SB 24.

[6:53:40 PM](#)

KEVIN MAIER, representing self, said he's lived in Juneau since 2014 and is raising two children. He works as a fishing guide and educator. He said he understands that the PFD is very important to many Alaskans, but he strongly opposes SB 23 and SB 24. "We should not be forced to choose between funding PFDs on the one hand, and on the other funding K-12, higher education, state ferries, homeless shelters, and the countless public services we count on to live in this great state." He said the Governor believes his budget is sustainable, predictable, and affordable but evidence suggests that relying on oil means it is neither sustainable nor predictable. He urged the committee to instead consider a diverse array of revenue, including a progressive, broad-based income tax and using the earnings reserve as necessary to fund essential services.

CHAIR SHOWER clarified that the previous speaker was not the lieutenant governor.

[6:55:09 PM](#)

CLAIRE SANCHEZ, representing self, Sitka, stated that she works for the University of Alaska Cooperative Extension. She said she opposes SB 23 and SB 24, and supports investing in education, the university, senior services, Medicaid, and the Alaska Marine Highway System. She voiced a preference for state services that support the wellbeing of the state's future as opposed to receiving money individually through the PFD.

[6:55:51 PM](#)

GAYLE CHRISTENSON, representing self, Anchorage, offered her opinion that the Governor was elected on the promise to pay back the PFD, and that the dividend payments are poured back into the economy. She suggested that people who want to donate their dividends to the state and specifically earmark the funds should be allowed to do so just as the people who need the money should be able to receive it to use for things like heating fuel.

[6:57:31 PM](#)

ANGELA DARBOUS, representing self, Anchorage, said she is in full support of SB 23 and SB 24. She pointed out that the Governor ran and won on the promise to restore the PFD, and that it helps the economy when people have more money. She highlighted that Alaska spends more money on education per capita than any other state and it doesn't make the kids any smarter. She voiced support for the latitude to choose how and where to educate her child and to receive the PFD to help with college.

[6:58:35 PM](#)

BEN STEVENSON, representing self, Talkeetna, stated support for SB 23 and SB 24. He said he believes the PFD helps support local communities and families. People who want to donate their PFD have the option to do so.

[6:59:21 PM](#)

BROTHER TOM PATMOR, representing self, Clam Gulch, stated opposition to SB 23 and SB 24. He said there is no need to continue to take money from the permanent fund when it results in lower checks and less money to invest. He highlighted that the Dalton Highway currently costs \$20 million per year for maintenance and in today's dollars it would probably cost \$1 billion to build. He suggested selling it to the permanent fund for that amount. He further suggested that the ferry system and the railroad could be traded to the fund, depending on their values. This would do away with the need for annual appropriations for maintenance of these assets.

[7:00:35 PM](#)

MARC CARREL, representing self, Cordova, said he is a commercial fisherman and teacher and he strongly opposes SB 23 and SB 24. He said his community relies heavily on state services such as the ferry system, state schools, and a well-funded Department of Fish and Game. He opined that all Alaskans are better served if resources are pooled to pay for state services as opposed to issuing individual checks. This is particularly important in rural Alaska. Without valuable state services, the quality of life will suffer dramatically, he said.

[7:01:29 PM](#)

SKYLER QUIN, representing self, Anchorage, said he strongly opposes SB 23 and SB 24. He reminded the committee of the Alaska Supreme Court ruling last year that said the previous governor's veto of the permanent fund was legal because it is an appropriation, not a transfer. It is irresponsible to voluntarily pay out billions of dollars, and it is not in the best interest of the future of the state, he said.

[7:02:01 PM](#)

TANYA KITKA, representing self, Kodiak, said she fully supports funding the PFD, but doesn't believe that the debate should be either fund the PFD or support state services. She pointed out that in previous years people received their PFD and the state provided services. She doesn't believe that the children should be asked to pay what amounts to a tax for their education, but

their parents should. She said she supports an income tax in that respect, but it should not be by taking the PFD.

[7:02:55 PM](#)

KYLE HASSE, representing self, Wasilla, said he is a student who believes in a prosperous and sustainable Alaska and is therefore adamantly opposed to SB 23 and SB 24. He described the legislation as a puzzle piece in a series of proposals that will undermine essential services that contribute to a prosperous and sustainable Alaska.

[7:03:35 PM](#)

CATHERINE RILEY, representing self, Sitka, said she strongly opposes SB 23 and SB 24 and the premise that Alaskans need a PFD more than services such as public education, public safety, the Marine Highway System, Pioneer Homes, affordable health care. She is part of the rural community that will be most devastated by the Governor's policies. She is fortunate to have received an excellent education from dedicated teachers who had the resources and time to deliver that excellent education. She urged the committee to reject both bills saying the future of the state and Alaska's youth depend on it.

[7:05:06 PM](#)

JACK JOHNSON, representing self, North Pole, said he strongly favors SB 23 and SB 24 and once again receiving the full PFD and the backpay.

[7:05:27 PM](#)

ANDREW NAVARRO, representing self, Mat-Su Valley, said he's a contractor, he finds the PFD very important, he supports SB 23 and SB 24, and he believes the government spends too much money. He said it doesn't matter that 90 percent of the people calling oppose the bills because the people overwhelmingly voted for the Governor who promised to restore the PFD and the backpay.

[7:06:23 PM](#)

GEORGE SMALLWOOD, representing self, Homer, said he's lived in Alaska for 46 years and he opposes SB 23 and SB 24. He clarified that he is not connected to education or government employment. He believes it is best to put the money into public safety and services such as the Marine Highway System.

[7:08:19 PM](#)

AMY JO MEINERS, representing self, Juneau, said she is a fourth generation Alaskan who strongly opposes SB 23 and SB 24. She said it's time for Alaskans to put in a little money to pay for

existing services, whether it's the Alaska Marine Highway, Pioneer Homes, education, or public safety. It's time to have a balanced budget that relies on a stable revenue source. Thus she strongly opposes this legislation.

[7:09:07 PM](#)

MAURICE STOVALL, representing self, Anchorage, Alaska, said he supports SB 23 and SB 24 and wants to remind the committee that it would be a felony offense to steal \$500 from everyone in your family. That's how he views the taking of the PFD by the previous administration. He maintained that the money was intended for the people, not the budget.

[7:10:48 PM](#)

SENATOR MICCICHE asked all testifiers to talk about the bills and not impugn the intentions of others.

CHAIR SHOWER said it's a good reminder for everyone.

[7:11:29 PM](#)

CHRISTIAN ALMAN, representing self, Anchorage, said he's a 36-year resident and he opposes SB 23 and SB 24. It is not the time to give this sort of handout when the state has a \$1.6 billion deficit, he said. The Governor has submitted a budget that is devastating to transportation, education, homeowners, seniors, and priority services. He also expressed hope that there would be a discussion about oil company tax credits.

[7:12:35 PM](#)

JENNA STRINGER, representing self, Barrow, said she is a high school student speaking in opposition to SB 23 and SB 24. She said the families that depend on the PFD for necessary items are in this position because there aren't enough jobs that pay a decent wage. She suggested that instead of giving individuals a larger PFD in the hope of bandaging problems with the economy, the money should be reinvested to create jobs, build infrastructure, and support Alaskans who stay in the state. This will reduce the number of Alaskans who are leaving the state in search of decent-paying jobs., she said.

[7:13:38 PM](#)

PAT KEHOE PENDELL, representing self, Sitka, said ditto to the last testimony. She said she is a 38 year resident, a fisherman, a nurse, and a former homeschooling mother. She supports great education for all children, health, the Alaska Marine Highway, the Department of Fish and Game, and the other essential services the state provides. She is in favor of reinstating the state income tax and a small, consistent PFD. She said the PFD

payback cannot be justified and she strongly opposes SB 23 and SB 24.

[7:15:34 PM](#)

DAMON KNIGHT, representing self, [Clam Gulch], stated that just like most Alaskans who voted for the Governor, he robustly supports SB 23 and SB 24. He opined that most Alaskans who voted for the Dunleavy Administration want their PFD restored and paid back.

[7:16:28 PM](#)

CRYSTAL HAITE, representing self and three children, Wasilla, stated strong support for SB 23 and SB 24. She said she didn't believe that taking money from the people was a way to strengthen the economy. She doesn't believe it should be a choice between receiving the PFD or giving kids a well-rounded education. She suggested that the solution lies in education reform.

[7:16:47 PM](#)

MIKE ALEXANDER, representing self, Big Lake, said he strongly supports SB 23 and SB 24. He offered his belief that too much is already spent on education. He would like to see a solution for the Marine Highway System, but he believes everyone in his area needs their dividend. Giving the PFD to individuals will help the economy more than if the state spent the money.

[7:17:41 PM](#)

CHARLES WEAVER, representing self, Anchorage, said he absolutely supports SB 23 and SB 24. The PFD was never intended for the government to spend and it should be restored to the people. He said citizens that don't want the PDF have the option of donating it to the government.

[7:18:06 PM](#)

TIM CHIPP, representing self, Ninilchik, said the Governor knows that the PFD was established as a fund for the future generations of Alaskans. He said about one percent of the population left the state last year and the last administration is largely responsible for that. "Give the people their money and I will promise you it will be spent wisely within our local communities, providing a much-needed boost to our economy," he said.

[7:19:30 PM](#)

CYNTHIA MOORE, representing self, Funny River, said she strongly supports SB 23 and SB 24 and Governor Dunleavy's efforts to cut

the Alaska budget. She opined that the education system needs to be rebuilt from the bottom up because it costs among the highest in the nation and yields the poorest results.

[7:19:56 PM](#)

LYNN KUPA representing self, Eagle River, said she fully supports SB 23 and SB 24. The PFD was made for the people and it should be restored to the people, not to teachers. She said the people spoke by voting Governor Dunleavy into office. She concluded saying, "We need the PFD back."

[7:21:05 PM](#)

MARY GEDDOS, representing self, Anchorage, said she is a 35-year resident, a mother, and grandmother of children who also live in Alaska. She is a senior and a property owner and she strongly opposes 23 and SB 24. She said these bills will cost \$1.95 billion and future investment returns will be lower because there will be less to invest. Essential state services will be devastated, and the quality of life will be radically altered. She urged the committee to reject these extreme and ill-considered measures.

[7:22:02 PM](#)

CASSIDY AUSTIN-MERLINO, representing self, McCarthy, stated she is a 16-year-old who strongly opposes SB 23 and SB 24. She believes that removing this money from the public fund will not only impact essential public services, it will also take much needed money out of education. She said that as a member of the youth community, she feels it is her job to protect her education and the education of youths for years to come. "Giving this money towards PFDs will not allow students in our state to receive the education that they deserve," she said.

[7:23:16 PM](#)

JOLIE TULLEY, representing self, Sitka, stated strong opposition to SB 23 and SB 24. She said she wants a functioning Alaska, not a larger PFD. She said education is fundamental to freedom in this society, and cuts to education, Medicaid, and the ferry system will further dispossess the most vulnerable families and propel communities into destitution. She said we rely on state government for far-seeing policies, not short-term gains. Each individual's purchasing power does not make up for the services that only the state can provide. Should these bills pass, they will send a clear message that our purchasing power is more important than time-tested investment in the people, she said.

[7:24:20 PM](#)

REBECCA CRELLEY, representing self, Anchorage, said she supports SB 23 and SB 24. She voiced support for homeschooling because it costs less per capita than public schools. She asked the committee to realize how many people can't afford their rent and how many really need the PFD. She listed the elderly, students with debt, and families that rely on the foodbank.

[7:25:38 PM](#)

DAVID KRUPA, representing self, Eagle River, said he strongly supports SB 23 and SB 24 and the Governor's budget. He opined that the PFD will give the children a future and to take it away would be wrong.

[7:26:38 PM](#)

CLIFFORD JOHNSEN, representing self, Palmer, stated strong support for SB 23 and SB 24. He said the PFD boosts the economy and is an example to the rest of the world. Giving the money to the government would destroy what Governor Hammond started, he said.

[7:27:34 PM](#)

LATISHA PORTERFIELD, representing self, Anchorage, stated strong support for SB 23 and SB 24. She said she believes the PFD is for the people, not the budget.

[7:28:07 PM](#)

KEVIN MCCABE, representing self and family, Anchorage, stated support for SB 23 and SB 24. He reminded everyone that the dividend was designed to give Alaskans, as the owners of the oil and the permanent fund, an indication of how well the government was managing the people's money. He said the PFD should not be connected to the budget and should be discussed separately. He recounted that Governor Hammond vetoed the original permanent fund statute because he believed that the permanent fund belonged to the constitution and a change to it was subject to a vote of the people. He described it as problematic that the previous legislature thought they could modify the dividend payout without a vote of the people. This legislature needs to right the wrongs from the previous administration and legislature. Then we can talk about the budget, constitution, and taxes, he said.

[7:29:15 PM](#)

OLIVIA FELLERS, representing self, Wasilla, stated support for SB 23 and SB 24. She said the permanent fund was not intended to be part of the budget; it was a separate entity. She believes the money should be returned to the people and it will be paid

back into the economy. She urged the committee to vote for the legislation.

[7:30:00 PM](#)

CHAIR SHOWER recognized that Senator Olson was in the audience.

[7:30:10 PM](#)

JOSEPH WALKER, representing self, Anchorage, stated support for SB 23 and SB 24. He said the PFD helps many Alaskans. Taking it for the government use would yield a short-term benefit and ultimately result in the imposition of a sales tax or income tax. The people need to hold the State of Alaska accountable for the way it spends money.

[7:30:51 PM](#)

BARBARA DERR, representing self, Anchorage, said she's lived and worked in Alaska for 40 years and her kids have received a great education in Alaska. She said she opposes SB 23 and SB 24. The people aren't legally owed the PFD amounts they didn't receive the last three years and the cost of the payback would place a tremendous burden on Alaskans. It will cost more than individuals will receive in cash and will prolong the current recession. She said she supports using part of the PFD earnings to fund government services and she recognizes the need for new sources of revenue, but not those currently shared with municipalities and villages. She voiced her preference for reinstating the state income tax as a new source of revenue.

[7:31:53 PM](#)

JAMES VUORG, Unalaska City School District, Unalaska, stated strong opposition to SB 23 and SB 24. He said a couple thousand dollars more in the bank is not worth the deprivation it would cause. "The students, the youth, the future leaders in education are more important and more essential to the State of Alaska than a full PFD," he said. He expressed hope that the committee would not support the legislation.

[7:32:58 PM](#)

ANGELA HILL, representing self, Sitka, said she opposes SB 23 and SB 24 and does not want the PFD payback to happen because it takes away from education funds. She has lived in Alaska for 15 years, is a special ed teacher, a parent, and a therapeutic foster parent. We need to do everything possible to keep from cutting money to education, she said. The large check sounds appealing but not if you look at the whole picture. It will be detrimental to communities and the state in many areas in

addition to education. Think about how this will affect the children and their futures, she said.

[7:34:06 PM](#)

JARROD SEEGER, representing self, Eagle River, stated support for SB 23 and SB 24 and the budget. He said the PFD is not part of the budget and he views taking it away the same as removing money from his neighbor's account. He'd go to jail for stealing.

[7:34:46 PM](#)

JOHN RICE, representing self, Big Lake, stated full support for SB 23 and SB 24 and the Governor's budget. He is a 50 year resident, a business owner and employer. He reminded everyone that state politicians and individuals have a duty to spend within their means. Giving more money to state government is clearly nothing more than a temporary fix, he said. He maintained that if the state could spend within its means, it could pay for things such as Pioneer Homes.

[7:36:08 PM](#)

KRISTEN GREEN, representing self, Anchorage, said she was speaking in opposition to SB 23 and SB 24. She clarified that she does not work in education, public health, or the ferry system but she still opposes the use of the supplemental PFD for state services. She sees reinstating the state income tax as a more wholistic approach to the budget.

[7:36:59 PM](#)

BRANDEE GERKE, representing self, Juneau, asked the committee to oppose SB 23 and SB 24 and pursue a framework to use the withheld dividend funds to pay for vital state services, education, health care, and ferries. She said paying a full dividend is no longer in the best interest of the state. It is time to update the proportion of the fund paid in dividends and to develop a plan that ensures the sustainability of the fund for dividends and state services. Update the formula and reject the proposal to pay back the dividends withheld the last three years, she said.

[7:38:05 PM](#)

KASEY MACKNEET, representing self, Juneau, stated opposition to SB 23 and SB 24. She talked about the escalating cost of higher education and growing class sizes. She said she has an average of 46 kids in each of her classes and questioned how kids can get the education they need for college when they can't even form a relationship with their teachers. She suggested changing

a generation by letting them know they do not need a payout to support themselves.

[7:39:09 PM](#)

CINDY EDWARDS, representing self, Sitka, said she's a 25 year resident and she strongly opposes SB 23 and SB 24. She and her husband chose not to have children, they are not educators, and they are committed to the health of Alaska. People in her community work very hard to create a thriving environment for all Alaskans, not an extra dividend that just benefits the individual.

[7:40:15 PM](#)

JOHNNY ROBINSON, representing self, Fairbanks, stated that he supports the restoration of the PFD now and in the future. He opined that no government should be able to dip into a program that was made for the people. "The government needs to learn how to balance the budget, or step down." He suggested that parents should educate their kids, not the government. He further said that people who don't need or want the dividend should be able to donate it. Those who want the dividend should be allowed to keep it.

[7:41:12 PM](#)

TROY SWANSON, representing self, Eagle River, stated strong support for SB 23 and SB 24 because the dividend supports low income and poor families. He asked legislators to look for ways to live within the existing revenue stream and not use savings.

[7:41:49 PM](#)

TIM STATON, representing self, Fairbanks, stated that he is in full support of SB 23 and SB 24. He said he voted for the Governor based on his promise to cut the budget and increase the PFD. He agreed with earlier testimony that the PFD has generated money for the economy and removing it caused a recession that is ongoing.

[7:43:25 PM](#)

PAUL KELLY, representing self, Sitka, stated full support for SB 23 and SB 24 and a smaller government. "I think that's a better way for Alaska," he said.

[7:43:49 PM](#)

WINTER MARSHALL ALLEN, representing self, Palmer, said she's an educator, a mom, and a property owner. Her family could definitely benefit from the extra PFD money, she said, but not at the risk of losing her job. She's nontenured and could be one

of the teacher who does not get a contract next year. The PFD won't cover my bills if I don't have a job, she said. She stated support for an income tax and urged the committee not to support SB 23 or SB 24 in the interest of the longevity and health of communities and Alaskans' livelihood overall.

[7:44:58 PM](#)

HEATHER HEPLER, representing self, Chugiak, said she and her family fully support SB 23 and SB 24. It is not government money and the budget needs to be cut. She suggested a flat tax, cutting school administrative costs, and allowing people to donate their PFDs as they wish. She predicted that if the government takes the PFD it will impose a tax later.

[7:45:37 PM](#)

CYNTHIA NEIMEYER, representing self, Fairbanks, said she agrees that the government should repay the PFD. She maintained that government should be able to solve its budget issues with the revenue it receives from legal marijuana, property tax, pull tabs, bingo, and gambling.

[7:46:49 PM](#)

POLLY HESSING, representing self, Anchorage, said she strongly opposes SB 23 and SB 24. She shared that she's lived in Alaska more than 40 years, is retired, and lives on a limited income, just as the state does right now. She said the PFD is important and helpful, but it should not be an incentive to move to the state. She cautioned against using the principal and mortgaging the future. She urged working towards a diverse and sustainable budget. She agreed with Andrew Smallwood's eloquent testimony.

[7:47:45 PM](#)

RICH CURTHER, representing self, Anchorage, reported that he moved to Alaska 30 years ago, largely because of the strong school system. He said he strongly opposes SB 23 and SB 24. His sons went through the local school system and they have chosen to stay as adults. He said he believes that education is critical to the youth of Alaska and the future of the state.

[7:48:27 PM](#)

BETH SHORT RHOADS, representing self, Sitka, said she strongly opposes SB 23 and SB 24. She agreed with Senator von Imhof who said, "We don't have a fiscal crisis, we have a priority crisis." She described the bills as prioritizing large handouts over education, transportation, jobs, and elder care. She pointed out that these are all things that keep the economy strong and Alaska a great place to live. She suggested that if

the Governor wants to hand out retroactive PFD payments, he should retrieve the oil tax credit revenue that's gone to Texas. Alternatively, she said, bring back the state income tax.

[7:49:23 PM](#)

DR. VALERIE EDWARDS, MD, representing self, Sitka said she is speaking in opposition to SB 23 and SB 24. She maintained that there was no reason to increase the PFD given the current fiscal situation. She shared that she was raised with the values that tough times require personal sacrifice for the greater good. She pointed out that the greater good includes funding priorities of core government services such as education, infrastructure, health care, public safety, and care for natural resources and vulnerable citizens. She said many people depend on the PFD to cover expenses for college, fuel, health care and groceries, but if the state has to cut core services to pay for the dividend these people are not better off.

[7:50:29 PM](#)

JOSEPH CURRY, representing self, Anchorage, said he's lived here for more than 25 years and he strongly supports SB 23 and SB 24. He agreed with previous testimony that Jay Hammond created the dividend for the people, not the government. He said that governor advocated for fiscal responsibility, which is something the state doesn't seem to understand. He suggested that rather than throwing more money at education, "it should be looked at in a way that would make it better."

[7:51:28 PM](#)

BEN MUSE, representing self, Juneau, said he opposes SB 23 and SB 24, but he believes the upcoming dividend payments should be made according to existing state law. He noted that many people have been testifying about the tough tradeoffs between dividend payments and other programs such as education and the ferry system. He suggested that a lot of the problems stem from the refusal to consider new revenue sources. He concluded saying, "I think that is crippling our ability to deal with the budget crisis that we're facing."

[7:52:21 PM](#)

TULENA HUDDLESTON, representing self, Palmer, said she is a retired accountant, a mother, and grandmother of Alaskans. She said she supports SB 23 and SB 24 because the poor, our children, and our grandchildren need it to pay for their education. She believes the government should control its spending and that an income tax is a better approach for the state.

[7:53:18 PM](#)

JEFFERY KNAUF, representing self, Anchorage, said he stands in full support of SB 23 and SB 24. He called a point of order to say that Alaska is the 49th state and it ranks 49th to 50th in every category. He said this is nothing more than Einstein's definition of insanity. You can't expect a different outcome when you continue to overfund what doesn't work. It's time to start over, he said.

[7:54:26 PM](#)

AARON HALL, representing self, North Pole, said he strongly supports SB 23 and SB 24. He said it's the government's job to protect people, not to educate the people; that is the parents' job. He said the Governor was elected on the promise to pay back the PFD and legislators should remember that. This debate should not be about which service is more important. It should be about balancing the budget and getting back to reality, he said.

[7:55:21 PM](#)

BILL AIKENS representing self, said he strongly supports SB 23 and SB 24 and Governor Dunleavy's wise approach to balancing the budget. He said Alaska has a moral problem with a spiritual root. People who have spent years spending other peoples' money expect that to continue. The Governor doesn't support that. He maintained that the solution to the education problem lies in the difference between Christian and home schools versus Anchorage schools.

[7:56:25 PM](#)

WENDY ALDERSON, representing self, Sitka, said she and her husband are commercial fishermen and 30 year residents. They live in the community year round and shop in local stores. She stated strong opposition to SB 23 and SB 24. She said it would be easy to move somewhere warmer in the off season, but they choose to live in Sitka because of the quality of life. This includes the excellent public school education her child has received. She said there is no way a padded dividend will make up for slashing the education budget. An extra \$1,500 won't make her commit to stay in a state that prioritizes a quick buyoff over a long term investment in the children of Alaska. She voiced support for a reasonable dividend and an income tax.

[7:57:32 PM](#)

MONICA EASTHAM, representing self, Sitka, said she's a lifelong Alaskan who opposes SB 23 and SB 24. She maintained that the money should go to sustain important services like education,

the Pioneer Home, and the Alaska Marine Highway. She predicted that many jobs would be lost if this legislation passes.

[7:58:16 PM](#)

DIANE BUNDY, representing self, Kenai, spoke in high support of SB 23 and SB 24, restoring the peoples' money, and the Governor. She offered her view that the government needs to be cut, and that the education system is broken. More money is not the solution, she said.

[7:59:25 PM](#)

GREG WEAVER, representing self, Mat-Su, said he'd like the state to get back to basics and take care of the people who've lived here for decades. He voiced support for more politicians like Dick Proenneke, Jay Hammond, and Sarah Palin. He described Anchorage and the Valley as the heartland of the state and maintained that they support coastal villages.

CHAIR SHOWER asked if he supported or opposed SB 23 and SB 24.

MR. WEAVER replied, "Kill um."

[8:00:37 PM](#)

GREGORY WHITE, representing self, Anchorage, said he supports SB 23 and SB 24. He's received the PFD since 1986. The dividend fund was set up for the people and was never intended to fund government programs or services.

[8:01:02 PM](#)

FARLEY DEAN, representing self, Willow, said he's a father of four and grandfather of nine. He strongly supports SB 23 and SB 24 and the Governor's budget. More than enough money has gone toward education, he said.

[8:01:47 PM](#)

RANDY GRIFFIN, representing self, Fairbanks, said he opposes SB 23 and SB 24 and he hopes there is a way to opt out of receiving the back payments should the bills pass. He said he plans to apply for the 2019 PFD and, just as he's done for the last four years, he'll sign the check over to the General Fund to help with the deficit. He said he doesn't mind paying tax on the PFD but does not want to be saddled with the extra tax on the payback.

[8:02:49 PM](#)

KRISTEN HOMER, representing self, Sitka, stated strong opposition to SB 23 and SB 24. She believes the supplemental

PFDs the Governor proposed will be harmful to the state. The money should instead be spent on education, ferries, Medicaid, and other essential services. She has two children in the school district, and she works as a nurse practitioner in a school-based health clinic. She said that every day she sees the benefit that quality education and the access to health care have on Alaskan youth. Because they are the future leaders of the state, continuing to invest in the educational system is the best investment for the future of Alaska. Giving individuals a few extra dollars is short sighted and will ultimately cripple the state, she said.

[8:03:55 PM](#)

BRIDGET HITCHCOCK, representing self, Sitka, said she is a mother and a physical therapist at the local hospital, and she strongly opposes SB 23 and SB 24. She said the legislation proposes a short term infusion of cash for individuals, but it will take away from essential state services like education, ferries, Pioneer Homes, and health care that benefit all Alaskans. She expressed concern about the effect of the legislation on the viability of her community.

[8:04:46 PM](#)

SARA BEABER-FUJIOKA, representing self, Sitka, said she strongly opposes the supplemental PFDs. Without supplemental revenues these payments will gut state and local budgets leading to the loss of public services that are core to a civil society. She said government is how the people come together to meet public needs and provide services that individuals cannot organize or pay for. This includes public schools, the university, Medicaid, Pioneer Homes, and the ferry system. She said earlier generations of Alaskans wisely invested oil revenues to help pay for services when oil revenues waned. She said now is the time to use the allowable portion of the permanent fund in a sustainable way to support essential services.

[8:05:41 PM](#)

DAVID NEES, representing self, Anchorage, Alaska, said he and his family voted for Governor Dunleavy and they fully support SB 23 and SB 24. He reminded everyone that the dividend was set aside as the peoples' money as their portion of the oil royalties. "It is part of the private economy and that is exactly where it belongs," he said.

[8:06:56 PM](#)

SIRI SCHLIES, representing self, Anchorage, said she called to say, "I'm for the permanent fund." She agreed with the previous

testimony that this is the peoples' money as their portion of the oil royalties because the oil on private property belongs to the state.

[8:07:54 PM](#)

NATASHA LESKO, representing self, Palmer, Alaska, said she is a small business owner and a large portion of her clientele depends on the PFD. She firmly believes in the dividend and she sees that it is good for the economy, small businesses in particular.

[8:09:13 PM](#)

DAN POLTA, superintendent, Denali Borough School District, Healy, Alaska, stated opposition to SB 23 and SB 24. Should the bills pass, they would remove important tools needed to solve Alaska's fiscal morass. He drew analogies and asked the committee not to lock away such important tools when the state has so much work to complete. He pointed out that teachers will recover if they're laid off, but the students that are left behind will have less support in learning to read, write and problem solve. He worries about their ability to gain the skills demanded of workers in a modern economy and secure good jobs and help build Alaska into a great state for everyone.

JEANEAN COREY, representing self, Chugiak, stated support for SB 23 and SB 24. She said government should manage its finances responsibly; more money doesn't necessarily solve a problem. She offered her belief that home schools are more effective and cost less than public schools.

[8:11:21 PM](#)

STEVE MECKEL, representing self, Fairbanks, stated strong opposition to SB 23 and SB 24. He said he believes it is shortsighted and irresponsible to pay large dividends, particularly when the tradeoff is cuts to education, health care, and critical infrastructure.

[8:12:00 PM](#)

MARK HUDDDELSTON, representing self, Palmer, stated support for reinstating the PFD, the new Governor, and getting the budget under control. He pointed out that Governor Hammond developed the PFD as part of the state royalty system and not to supply money to the school system. That is a separate issue, he said.

[8:13:02 PM](#)

CINDY HIMMELBERGER, representing self, Ketchikan, stated full support for SB 23 and SB 24. She said those who opposes this

legislation should have the option to donate their share. People also have the right to vote on this matter. She believes that the education system needs to be reformed. This includes requiring everyone to contribute and halting free services.

8:14:05 PM

BERVERLY EDWARDSON HUGO, representing self, Utqiagvik, stated opposition to SB 23 and SB 24. She argued against the administration's budget proposal to redirect oil property taxes from local governments to the state. "Don't take from the North Slope, Arctic slope. This is ours; this is from our land," she said.

8:15:29 PM

JESSE VIZCOCHO, representing self, Anchorage, urged the committee to pass SB 23 and SB 24 because the \$2.3 billion in unpaid dividends sitting in the earnings reserve is owed to Alaskans.

8:16:20 PM

ANTHONY BAIOCCHI, representing self, Wasilla, said he stands tall with Governor Dunleavy and he supports SB 23 and SB 24. He told the committee to remember the constituents that elected them to support right-sizing the government and restoring the unpaid PFD money. He said he does not support socialism, Communism, or the redistribution of wealth but recognizes the need to streamline a failed education system.

8:17:19 PM

CHAIR SHOWER thanked the testifiers and noted that his office had received more than 1,000 comments between written and oral testimony. He said everyone who signed up to testify this evening has been heard and anyone who had not had a chance to call in could submit written testimony to senate.state.affairs@akleg.gov.

8:18:14 PM

CHAIR SHOWER closed public testimony on SB 23 and SB 24 and held the bills in committee.

8:18:54 PM

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 8:18 pm.