

ALASKA STATE LEGISLATURE
HOUSE JUDICIARY STANDING COMMITTEE

May 24, 2021

1:01 p.m.

MEMBERS PRESENT

Representative Matt Claman, Chair
Representative Liz Snyder, Vice Chair
Representative Harriet Drummond
Representative Jonathan Kreiss-Tomkins
Representative David Eastman
Representative Christopher Kurka
Representative Sarah Vance

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 7

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund, appropriations from the permanent fund, and the permanent fund dividend.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HJR 7

SHORT TITLE: CONST. AM: PERM FUND & PFDS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	STA, JUD, FIN
04/20/21	(H)	STA AT 3:00 PM GRUENBERG 120
04/20/21	(H)	Heard & Held
04/20/21	(H)	MINUTE(STA)
05/04/21	(H)	STA AT 3:00 PM GRUENBERG 120
05/04/21	(H)	Heard & Held
05/04/21	(H)	MINUTE(STA)
05/06/21	(H)	STA AT 3:00 PM GRUENBERG 120
05/06/21	(H)	Moved CSHJR 7(STA) Out of Committee
05/06/21	(H)	MINUTE(STA)
05/10/21	(H)	STA RPT CS(STA) 4DNP 2NR 1AM
05/10/21	(H)	DNP: CLAMAN, EASTMAN, VANCE, TARR

05/10/21 (H) NR: STORY, KREISS-TOMKINS
05/10/21 (H) AM: KAUFMAN
05/14/21 (S) FIRST SPECIAL SESSION BILL
05/20/21 (H) FIRST SPECIAL SESSION BILL
05/24/21 (H) JUD AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

LUCINDA MAHONEY, Commissioner
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Introduced CSHJR 7(STA) via a PowerPoint presentation on behalf of the House Rules Standing Committee, sponsor by request of the governor.

MIKE BARNHILL, Deputy Commissioner
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Co-provided the PowerPoint presentation, titled "HJR 7 Permanent Fund Constitutional Amendment: First Step to a Comprehensive Fiscal Plan for Alaska," with Commissioner Mahoney.

YOLANDA CLARY
(No address provided)

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the governor's proposal to protect the PFD.

DAVID HURN
Wasilla, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the original formula for the permanent fund.

MIKE COONS
Palmer, Alaska

POSITION STATEMENT: During the hearing on HJR 7, expressed a preference for the Senate companion bill.

DANA YORK
Clam Gulch, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in opposition to the governor's proposals.

JENNIFER GRAHAM
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the governor's proposal.

BARBARA TYNDALL

North Pole

POSITION STATEMENT: Testified in support of HJR 7 and the companion bill in the Senate.

ED COLEY

Chatanika, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in favor of the governor's proposal.

MARIANNE MERRILL

Willow, Alaska

POSITION STATEMENT: During the hearing on HJR 7, questioned the proposed 50/50 plan.

DANIEL KRUEGER

Anchorage, Alaska

POSITION STATEMENT: Testified in support of support of HJR 7 and the companion bill in the Senate.

BILLY LIVENGOOD

Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in favor of the governor's proposals.

RHONDA ATKINS

Wasilla, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of keeping the permanent fund at 50/50.

TERI STICKLER

Nikiski, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

KELLY GRIFFIN

Wasilla, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in favor of protecting the permanent fund.

RODNEY KAY

Eagle River, Alaska

POSITION STATEMENT: Testified in support of HJR 7.

BERT HOUGHTALING

Big Lake, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7.

GAIL LIMBAUGH-MOORE
Soldotna, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7.

ANGIE SULZER
Soldotna, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7 and its companion bill in the Senate.

ALMA CABALLERO
Palmer, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

BETH FREAD
Palmer, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

MARIE ENGLISH
Kenai, Alaska

POSITION STATEMENT: Testified in support of HJR 7 and Governor Dunleavy.

TIMOTHY INGRAHAM
North Pole, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7.

SHIRLEY MARTIN
Palmer, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7.

FRANCES REESE
Seward, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

STEVEN OUDEAN
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

ADAM HYKES
Homer, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7.

GARY PARSONS
Wasilla, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

SHARLI ARNTZEN

Ketchikan, Alaska

POSITION STATEMENT: During the hearing on HJR 7, recommended returning to the original PFD formula.

MARK SQUIRE

Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, recommended returning to the original PFD formula.

DANIEL HARRINGTON

Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

MICHELLE WILLIAMS

Soldotna, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

GREG COLLINS

Homer, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

JAN DELAND

Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

SUE CHRISTIANSEN

Palmer, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in opposition to Governor Dunleavy's decision regarding the PFD.

MITCHELL JACOBUS

Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in opposition to Governor Dunleavy's decision regarding the PFD.

BRAULION MONTELONGO

Wasilla, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

LAURA BONNER

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7 and the Senate companion legislation.

MELODONNA CODY

Ninilchik, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the governor's proposal.

DR. DIANA CHADWELL
Delta Junction, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified that she wants previous PFDs paid back.

CAROL DREESZEN
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the governor's proposal.

ED MARSHALL
Soldotna, Alaska

POSITION STATEMENT: During the hearing on HJR 7, spoke in support of constitutionalizing the PFD.

DONALD BELL
Fairbanks, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

KIMBERLY HOELSCHER
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified that the permanent fund dividend belongs to Alaskans.

NICK MAZZOLINI
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, spoke in favor enshrining 50/50 draw into the constitution.

CONNI CAREY
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the governor's decision.

ALEX MCDONALD
Fairbanks, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in favor of constitutionalizing PFD protections.

WILLIAM JOHNSON
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

STEVEN CANTOR

Ketchikan, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

EMILY PETTITT

Delta Junction, Alaska

POSITION STATEMENT: During the hearing on HJR 7, recommended returning to the original PFD formula.

MICHELLE MULLINS

Fairbanks, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

CRIS EICHENLAUB

Wasilla, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

JORDAN STEVENSON

Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, recommended returning to the original PFD formula.

NATHAN RANK

North Pole, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

SHIRLEY EMERY

Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

TONYA KITKA

Kodiak, Alaska

POSITION STATEMENT: During the hearing on HJR 7, recommended returning to the original PFD formula.

JERRY FOGG

Seward, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

TABITHA NARDINI

Wasilla, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

THERESA OBERMEYER

Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, expressed opposition to constitutionalizing the PFD.

CHAD CREEGER

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7.

SUSAN HONAN

Unalaska, Alaska

POSITION STATEMENT: During the hearing on HJR 7, expressed support for preserving the PFD's statutory formula.

COLLETTE BURKE

North Pole, Alaska

POSITION STATEMENT: During the hearing on HJR 7, stated support for returning to the statutory formula to calculate the dividend.

EDNA JOHANSON

Fairbanks, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

TERESA SMITH

Fairbanks, Alaska

POSITION STATEMENT: During the hearing on HJR 7, expressed support for preserving the statutory formula of the PFD.

RICHARD EVERETT

Homer, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

SHARLYN COLE

Nikiski, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of Governor Dunleavy's plan.

TARA SPRAGUE

Wasilla, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of Governor Dunleavy's decision regarding the PFD.

KRISTIN CASH

Fairbanks, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of a full dividend.

LARRY WEBB

Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, recommended returning to the original PFD formula.

ELLA COTTER

North Pole

POSITION STATEMENT: During the hearing on HJR 7, expressed her support of Governor Dunleavy and a full PFD, with payback.

PAGE HALL

Wasilla, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

JESSICA COX

Wasilla, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of getting the PFD in the constitution.

CHAD DYER

Palmer, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of a full PFD.

JESSI WALTON

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HJR 7.

WILLY KEPPEL

Quinhagak, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of a full PFD.

KENNEDY SERR

Palmer, Alaska

POSITION STATEMENT: Testified in support of HJR 7.

SAM ALBANESE

Eagle River, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the governor's proposal to protect the PFD.

RENEE WELLINGTON

Palmer, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of paying the full PFD and putting the original formula in the constitution.

VERN NUSUNGINYA

Soldotna, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the governor's proposal on the PFD.

JEAN HOLT
Palmer, Alaska

POSITION STATEMENT: Testified in opposition to HJR 7.

CLAYTON TROTTER
Eagle River, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

CINDY HUDGINS
Palmer, Alaska

POSITION STATEMENT: During the hearing on HJR 7, testified in support of the original PFD formula and reimbursement of that which was taken from Alaskans.

BEAU CORK
Wasilla, Alaska

POSITION STATEMENT: Testified in support of HJR 7 and its companion resolution in the Senate.

NANCY CARTER, JR
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

DEBBIE CUSTIS
Houston, Texas

POSITION STATEMENT: Testified during the hearing on HJR 7.

ROBERT "ROB" GEESEN
Kenai, Alaska

POSITION STATEMENT: During the hearing on HJR 7, expressed support for enshrining the PFD in the constitution.

JAMES GREENE, JR
Pilot Station, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 7.

LINDA LANCE
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, supported putting the PFD back into the constitution.

ADEZE WOKO
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HJR 7, expressed support for the governor's proposal regarding the PFD.

ACTION NARRATIVE

[1:01:19 PM](#)

CHAIR MATT CLAMAN called the House Judiciary Standing Committee meeting to order at 12:16 p.m. Representatives Vance, Drummond, Kreiss-Tomkins (via teleconference), Snyder, and Claman were present at the call to order. Representatives Eastman and Kurka (via teleconference) arrived as the meeting was in progress.

HJR 7-CONST. AM: PERM FUND & PFDS

[Contains discussion of SJR 6.]

[1:02:09 PM](#)

CHAIR CLAMAN announced that the only order of business would be HOUSE JOINT RESOLUTION NO. 7, Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund, appropriations from the permanent fund, and the permanent fund dividend. [Before the committee was CSHJR 7(STA).]

[1:03:37 PM](#)

LUCINDA MAHONEY, Commissioner, Department of Revenue, on behalf of the House Rules Standing Committee, sponsor by request of the governor, introduced CSHJR 7(STA) via a PowerPoint presentation, titled "HJR 7 Permanent Fund Constitutional Amendment: First Step to a Comprehensive Fiscal Plan for Alaska" [hardcopy included in the committee packet]. She noted that some slides would refer also to SJR 6, a companion joint resolution in the Senate. She named the goals of [CSHJR 7(STA)], as listed on slide 2, which read as follows [original punctuation provided]:

1. Protect the Permanent Fund and Permanent Fund Dividend (PFD)
2. Determine Consistent PFD for Alaskans
3. Establish Strong Reserves
4. Achieve a Sustainable Balanced Budget

COMMISSIONER MAHONEY discussed the next steps to be taken, as shown on slide 3, which read as follows [original punctuation provided]:

Step One - First Special Session

- Permanent Fund Structural Fix - Permanent Fund & ERA
- Establish Strong Reserves w/Bridge Appropriation
- Consensus on Deficit Size - Required Spending/Revenue Targets

Step Two - Second Special Session

- Revenue/Reduction Initiatives to Achieve Balanced Budget

COMMISSIONER MAHONEY said in addition to structurally fixing the permanent fund, the goal of the first special session would be to collapse the earnings reserve account (ERA) into the permanent fund. She added that the bridge appropriation would be \$3 billion, noting that further explanation would be forthcoming. She said these two special sessions are viewed "as working together to establish a structured and disciplined fiscal plan."

[1:07:38 PM](#)

MIKE BARNHILL, Deputy Commissioner, Department of Revenue, reviewed slides 4 and 5, titled "Permanent Fund Endowment Structure," which read as follows [original punctuation provided]:

[slide 4]

- It's time for a true Permanent Fund endowment.
- Endowment approach is an internationally accepted best practice.
- Limits annual government draw to fixed Percent of Market Value (POMV).
- Stabilizes revenues with a smoothed five-year average.

[slide 5]

- POMV set at 5% of the lagging 5-Yr average market value
- Current statutory POMV is also 5%
- Limits spending while allowing the fund to grow to keep up with inflation
- Spend only the real return over time.
- Example:
- Average Return since Inception: 7%
- Inflation: 2%
- Real return: 5%

- Limiting spending to 5% inflation-proofs the Permanent Fund

MR. BARNHILL related that most institutional funds are structured as an endowment, which is a one-account structure from which a fixed percentage is taken annually. He noted that the fixed percentage is designed to automatically inflation proof the endowment. He expounded that under the permanent fund's current structure, inflation proofing the principal requires making an appropriation back to the principal account, whereas an endowment would leave money in so that the fund automatically inflation proofs over time. Regarding slide 5, he added that the benefit of a lagged percentage is the certainty that the formula will produce at the start of the budget cycle.

[1:13:13 PM](#)

MR. BARNHILL discussed the mechanics of CSHJR 7(STA), shown on slide 6, which read as follows [original punctuation provided]:

- Permanent Fund transitions into one, constitutionally protected account (FY24)
- Percent of Market Value (POMV) distribution method put into the constitution
- Permanent Fund Dividend (PFD) established in the constitution
- POMV set at 5%
- Governor is proposing an equitable 50/50 distribution
- 50% Dividends
- 50% Government Services
- Any change to PFD must be approved by a vote of the people

MR. BARNHILL explained that under CSHJR 7(STA), the permanent fund would transition from a two-account structure - the principal and ERA - to one endowment account structure. Additionally, this proposal would establish into statute the percentage of allocation between the dividend [50 percent] and government expenses [50 percent]. He noted that under CSSJR 6(JUD), the 50/50 allocation is constitutionalized, which is one of the differing factors from CSHJR 7(STA).

MR. BARNHILL directed attention slide 7, "Permanent Fund Dividend: Consistency," which read as follows [original punctuation provided]:

Current Challenge:

- Public Mistrust: Too much Government spending
- Political Impasse: Results in a PFD Based on Politics - Not Laws

Solution:

- Restore Public Trust: Consistent PFDs and Spending Limits
- Establish a Fair Resolution: 50/50 Split
- Constitutionalize PFD

MR. BARNHILL explained that the graph on slide 7 provides an historic view of dividend payments from 1982 to 2016, which were calculated and paid per the statutory formula. From 2016-2021, the graph shows the statutory dividend [green line] versus the amount that was actually paid [orange line]. The dotted gray line indicates what would have been paid under a 50/50 allocation. He related that the statutory formula is 50 percent of a five-year average of statutory net income, whereas the governor is proposing 50 percent of a five-year average of 5 percent of market value (POMV). He opined that the proposal offers rule-based consistency and would solve issues related to public mistrust and legislative impasse.

[1:17:42 PM](#)

MR. BARNHILL continued on the topic of consistency by reviewing slide 8, which read as follows [original punctuation provided]:

- Alaskans deserve certainty concerning annual PFD payment.
- State needs PFD consistency to attain budget stability and sustainability.
- Absent certainty, determining future achievable revenues/reductions is difficult and may result in over/under collecting/taxing.
- 50% POMV dividend is an equitable distribution of Alaska's wealth between its citizens and government.
- Resolving the PFD allows a discussion of required revenues/reductions to close the remaining budget gap (August Special Session)
- Redirects the legislative conversation to growing Alaska vs. debating PFD.

[1:20:16 PM](#)

COMMISSIONER MAHONEY discussed 50/50 and bridge funding, as shown on slide 9, which read as follows [original punctuation provided]:

- One-time use of our strong financial asset - the Permanent Fund - positions Alaska for long term fiscal sustainability
- With \$3.0 billion in bridge funding from the ERA, a forecasted FY25 fiscal gap of ~\$300M can be managed with a combination of revenue measures and spending reductions
- Other endowments are considering one-time increases in draws to capitalize on exceptional market performance
- Harvard's \$42 Bill endowment increased from 5% to 7.5% on one-time basis
- <https://www.thecrimson.com/article/2021/5/3/draw-further-endowment-fy22/>
- <https://www.nytimes.com/2020/06/02/arts/endowments-coronavirus.html>
- This plan avoids the need for a new broad-based tax.
- Constitutionalizing a 5% POMV prevents overdrafts in the future

COMMISSIONER MAHONEY explained that the governor's proposal would establish the aforementioned 50/50 proposal, as well as a one-time draw from the [ERA] of \$3 billion to enable the transition to a sustainable budget. She noted that under current projections, the \$3 billion draw, which is referred to as "bridge funding," and would provide sustainability until 2024/2025 without additional revenues or reductions. At that time, she said, \$300 million in additional revenues or reductions would prevent the necessity of a broad-based tax.

COMMISSIONER MAHONEY detailed a comprehensive fiscal plan from 2021 through 2030 on slide 10, which read as follows [original punctuation provided]:

- \$3.0 billion in bridge funding provides time to establish achievable revenues/reductions.
- Beginning in FY24, \$150 million to \$300 million in revenues/reductions balances the budget and begins to grow reserves.

[1:25:53 PM](#)

MS. MAHONEY wrapped up the presentation with a summary, outlined on slide 11, which read as follows [original punctuation provided]:

- Protects Alaska's primary source of state general fund revenue
- Preserves long-term value of the fund by limiting annual draw
- Reestablishes the critical link between the people and their government by providing every Alaskan a share of the state's natural resource wealth
- Ensures that Alaskans have a voice in future decisions regarding the permanent fund

[1:27:41 PM](#)

REPRESENTATIVE EASTMAN shared his understanding that the legislature may take action, which would then trigger a vote by the people. He asked Mr. Barnhill how this process is going to work.

[1:28:44 PM](#)

MR. BARNHILL responded that the language detailing the mechanics of the vote is on page 2, Section 2, Subsection (d), lines 9-19, of HJR 7, and explained that it provides that any change to the percentage allocation to the PFD approved by the legislature would then be scheduled to be taken up by the voters at the next statewide election held more than 120 days after enactment of the law.

REPRESENTATIVE EASTMAN shared his understand that if the legislature approves this change in year one for that year's dividend, then the people wouldn't have the opportunity to vote that year, but would have to wait to vote the following year, and the law would not go into effect until the year after that. He asked Mr. Barnhill if this is not the legislature deciding what the dividend will be and the people not getting an opportunity to vote on it for two years.

MR. BARNHILL responded that the percentage change would not take effect until it is approved by the people. He explained that in the scenario that Representative Eastman outlined, if there is a two-year delay, then the change to the dividend would not take effect until the people have approved it. Once the people approve it, the change would not take effect until 90 days after the certification of the election returns.

REPRESENTATIVE EASTMAN asked Mr. Barnhill, if the legislature chooses to do something other than the current formula that is being enshrined, what the consequences would be if the legislature doesn't adhere to the current and not approved formula.

MR. BARNHILL responded that this measure requires that the percentage of the PFD be in statute. This is different from what has been done in the state for the last few years, he said, and although the law has been followed, it has not been put into statute. He explained that under this paradigm, the percentage is set by statute and the contemplation at play is that it moves automatically per that statute.

[1:31:55 PM](#)

REPRESENTATIVE KURKA shared his understanding that there is a potential three-year delay from when the legislature would choose to change the PFD formula to when it would take effect. He asked Mr. Barnhill what would stop the state from "continuing doing what we are doing now and ignoring the law."

MR. BARNHILL responded that that's how it would work under CSHJR 7(STA). Under the companion measure in the Senate, CSSJR 6(JUD), the governor is proposing a fix to that allocation in the constitution via a 50/50 split. He said that there is not a role for the legislature to change that by statute and there is not a role for the people to vote on anything. He said that, essentially, it "cuts to the chase" and would follow a 50/50 split until the people amend the constitution again.

REPRESENTATIVE KURKA stated that he is confused because it seems to him that there are two different proposals from the governor [HJR 7 and SJR 6] that do different things.

MR. BARNHILL responded that he understands the confusion, but that it is a product of Alaska's bicameral legislature and that these two measures may "catch up to each other" at some point.

[1:34:38 PM](#)

REPRESENTATIVE SNYDER directed attention to slide 10, "Comprehensive Fiscal Plan: Details," and asked for more information regarding the assumptions that went into creating the table included on the slide. She asked specifically about

growth of the fund and about anything else that resulted in the numbers seen in the table.

[1:35:13 PM](#)

COMMISSIONER MAHONEY responded that in regard to the unrestricted general fund (UGF) revenues seen in the first line of the table, the spring forecast was utilized and the only number that was adjusted was the POMV, which was adjusted assuming a 6.25 percent annual return to the permanent fund. She explained that that increase alone in the POMV due to the significantly higher starting part for the fund is what drives the revenues up significantly. In regard to the general fund appropriation budget, she explained that these are the 10-year numbers that are published by OMB. The year 2022 was adjusted to reflect supplementals, she said.

REPRESENTATIVE SNYDER recalled the example that Commissioner Mahoney provided earlier in her presentation of a Harvard study where researchers conducted a one-time draw from 5 percent to around 7.5 percent, which she said is what she understands to be a justification for the bridge draw. She asked for clarification on whether the way the resolution as written would disallow anything like this to occur in the future.

MR. BARNHILL responded that that is correct, it would be capped at 5 percent until the constitution is changed.

[1:37:17 PM](#)

REPRESENTATIVE DRUMMOND directed attention to slide 3, "Next Steps," and asked Mr. Barnhill what is preventing the state from collapsing the ERA into the permanent fund now, as opposed to what the [resolution] proposes.

MR. BARNHILL responded that the current language in the constitution was promulgated in 1976 and uses the terms, "principal and income," which he said is a standard way of setting up a trust account that goes back hundreds of years. He explained that this is where the state's two account structures come from. He shared that there have been discussions about enacting this through statute, but that the difficulty involved with that method would be in determining the boundaries of legislative appropriation. He explained that it is the view of the Department of Law (DOL) that if the state is going to do an endowment, then it needs to be done through the constitution to ensure that the PFD is protected "forever" and that there are no

questions on where the boundaries are regarding legislative appropriation.

REPRESENTATIVE DRUMMOND asked whether there would be some revenue lost in the proposed bridge appropriation in moving \$3 billion out of the PFD and into the reserve accounts.

[1:39:01 PM](#)

COMMISSIONER MAHONEY responded that there would be a short-term revenue loss as a result of moving the bridge money into the constitutional budget reserve (CBR). She explained that the plan would be to manage the transfers in a manner that would allow the funds to stay in the permanent fund for as long as possible, and the funds would be transferred only as needed so that the maximum returns on investment could be generated.

[1:39:31 PM](#)

CHAIR CLAMAN shared his understanding that the \$3 billion bridge withdraw would be an overdraw under the current law. He asked what the justification is for "breaking the law in order to make the law."

COMMISSIONER MAHONEY responded that the proposal to transfer the \$3 billion is to recognize that in order to position the state in a way that is fiscally sustainable, there needs to be an unusual action taken in terms of an overdraw. She explained that it would be a one-time occurrence and would be sustainable into the future.

CHAIR CLAMAN shared his understanding that Commissioner Mahoney can justify breaking the law because the theory is that it would make it possible to not have to break the law in the future.

[1:40:45 PM](#)

MR. BARNHILL replied that there has been a lot of discussion over the years regarding which laws are constitutionally enforceable and which ones are not.

CHAIR CLAMAN interjected that this is a law specifies "5 percent," and this proposal would break the law. He asked what the policy reason is to break the law.

MR. BARNHILL responded, "Given the funding deficits, to comply with all of the statutes that are on the books." He said that

the state is in a difficult situation because there is a PFD statute that says, "pay this amount," but the state doesn't have enough money to pay a statutory dividend.

CHAIR CLAMAN, regarding the dividend amount, said the court is very clear that "we don't have to."

MR. BARNHILL responded that he thinks that the court would also say that because the legislature's power of appropriation is plenary, it is constitutional. He said that it is the same policy issue with respect to Senate Bill 26 [signed into law on 6/27/18, during the Thirtieth Alaska State Legislature] as it is to AS 43.23.

CHAIR CLAMAN, with reference to the aforementioned Harvard study, asked how much of Harvard's total annual spending is being paid by the endowment. He shared that Alaska's current endowment to support state government is 70 percent.

MR. BARNHILL replied that he does not know, but he can get that information to the committee. He commented that there are hundreds of university endowments; some account for a small percentage of the budget, while some account for a large percentage of the budget.

[1:42:26 PM](#)

COMMISSIONER MAHONEY shared that she was advised that it was 70 percent but could provide that specific data to the committee. She noted that she was surprised by that number.

CHAIR CLAMAN, with regard to Representative Drummond's earlier question about how the CBR, the earnings reserve, and the permanent fund corpus are invested, asked if those three aren't invested differently due to issues of liquidity. He asked Commissioner Mahoney if she could detail those differences.

COMMISSIONER MAHONEY responded that the earnings reserve and the corpus are invested the same but are simply accounted for differently. She explained that the two accounts have the same asset allocation, which is a high-risk allocation. She explained that the CBR is a working capital fund and is currently invested in cash equivalents, which is significantly lower. She said that this is why these draws would be managed based on need.

[1:43:54 PM](#)

CHAIR CLAMAN opened public testimony on CSHJR 7(STA).

[1:44:53 PM](#)

YOLANDA CLARY testified in support of Governor Dunleavy's proposal to protect the PFD. She explained that she wants to protect the PFD, wants it preserved and reestablished, and she wants a voice for the people who are not a part of the legislature. She proposed that [the legislature] follows the Governor's formula and proposals to protect the PFD.

[1:46:01 PM](#)

DAVID HURN expressed that he is sick of the legislature robbing [Alaska residents] of what is rightfully [theirs]. Mr. Hurn stated that he wants the legislature to follow the original formula set up behind the dividend and its distribution. He expressed that he felt the legislature was not representing the will of the people, and reiterated that he felt it was thievery not to distribute the full statutory PFD.

[1:47:37 PM](#)

MIKE COONS spoke in support of SJR 6 over HJR 7. He accused the legislature of being more concerned with government growth than with the health of the economy. He argued that Alaskans getting a full PFD would circulate more money in the economy than [government contracts to] special interest groups. He stated that he does not support the percent of market value (POMV) cap, and that he believes it is being abused. Mr. Coons argued that past legislatures stayed within the budget, but recently the legislature has spent down the CBR and now is going to spend down the ERA. He proposed a 4 percent POMV cap with a 50/50 split instead of a 5 percent POMV cap.

[1:49:46 PM](#)

DANA YORK compared the governor's proposal to "the bridge to nowhere," explaining that it doesn't make any sense. She opined that the legislature is robbing the people. She expressed that she wants the legislature to use the original formula for the PFD, and she agreed with the previous testifier, Mr. Coons. Ms. York explained that she voted for the governor because he was going to pay out full PFDs, but this hasn't happened yet. She suggested that the legislature has been using funds they should not use and has been misspending.

[1:52:04 PM](#)

JENNIFER GRAHAM testified in support of the governor's proposal. She expressed that she found the legislature's overspending the last six years to be shameful, and she advised the legislature needs to take a hard look and cut budgets, just like Alaskans are expected to do at home. She said she thinks elected officials should want the public to vote to constitutionalize any changes, because elected officials can be voted out of office if they do not listen to their constituents.

[1:53:38 PM](#)

BARBARA TYNDALL testified in support of HJR 7 and SJR 6, the latter of which she thought might contain better language. She said that she believes the [PFD] belongs to the people and needs to be protected for future Alaskans, and she wants everyone to stop fighting over it.

[1:54:23 PM](#)

ED COLEY testified that he is strongly in favor of protecting the PFD. He pointed out that he doesn't spend more than he makes. He urged for the PFD to be protected under the state constitution for future generations.

[1:55:51 PM](#)

MARIANNE MERRILL testified that the legislators who first set up the PFD predicted the greed of future legislators would make them want to take the money, and so they tried to protect the fund. She pointed out that a household can't spend more money than it has and then asked why the state thought it could. She questioned whether the 50/50 provision of HJR 7 would hold up twenty years down the line because "pretty soon we're going to want another 50/50." She encouraged the legislature to spend less.

[1:58:04 PM](#)

DANIEL KRUEGER testified that [the PFD formula] needs to be enshrined in the Alaska Constitution, calling it "a political football" that has been passed around for the last half decade. He further argued that the continued debate [about the PFD and overspending] prevents lawmakers from addressing the real issues facing the state. He noted that Alaska has spent through its

savings, and this could "right that ship." He continued that he finds the current 80/20 split to be unacceptable, and that the proposal legislation has serious merit.

[2:00:06 PM](#)

BILLY LIVENGOOD acknowledged Mr. Coons and Ms. Merrill's testimony. He suggested that the PFD is "headed down the same path as ... government social security." He expressed that this money is not for state revenue; it is for state residents. He noted that he spoke with other legislators and saw merit in [SJR 6]. He urged the legislature to reduce its dependency on the PFD and suggested review from an independent company to be sure [the PFD] wasn't being abused.

[2:01:42 PM](#)

RHONDA ATKINS testified in support of keeping the permanent fund at 50/50. She stated that the legislature thinks the fund is its own money, and that some legislators think they are smarter than their constituents. She hopes that the legislature can come to a nice equal deal, even though it is a bitter pill for some, because "we're all tired of it."

[2:02:48 PM](#)

TERI STICKLER testified that she agreed with the majority of the previous testimony from constituents. The [statutory PFD] language was originally a fifty/fifty split, she stated, and government has far exceeded the budgetary amount for that split. She commented that if HJR 7 and SJR 6 are enabling factors [in reversing that], then "we need to effectuate those as they are written." She said that she felt it apparent that [Alaska] does not need as many state positions and state offices as there are currently, citing the amount of people who worked from home during the pandemic. She then insinuated that many of the state employees who worked remotely were not actually working, and this has cost the state.

[2:04:13 PM](#)

KELLY GRIFFIN testified that the permanent fund is a massive gift to the state. She said the legislature wastes funds by arguing instead of passing a budget and suggested that PFDs are being used to pay for special sessions. She testified that this legislation needs to be constitutionalized to protect the fund, and that the original statutory formula should be used. She

explained that she is very suspicious of the POMV, asking if market value was a hard number. She said she does not understand how market value works, and she would prefer to use earnings in the formula, since she found it to be an easier concept.

[2:05:59 PM](#)

RODNEY KAY testified in support of HJR 7 and opined that the 50/50 split would be fair and equitable.

[2:06:22 PM](#)

BERT HOUGHTALING testified in opposition to HJR 7 and expressed his opinion that HJR 7 would take away the mineral rights of the people of Alaska, which would negate the purpose of the original creation of the PFD. He shared his understanding that HJR 7 would not protect the 50/50 split under the Constitution of the State of Alaska.

[2:08:09 PM](#)

GAIL LIMBAUGH-MOORE testified in opposition to HJR 7 and shared that she supports the original 50/50 split. She said that the 50/50 split has worked for many years. She expressed that Donna Arduin was "one of the best budget directors the state has ever seen." She shared her understanding that there are billions of dollars sitting in accounts while legislators are saying that the state doesn't have any money.

[2:09:47 PM](#)

ANGIE SULZER testified in opposition to HJR 7 and companion bill SJR 6. She opined that the formula that is already in statute should be constitutionalized, and that doing so would help increase public trust. She stated that she does not agree with the governor's method because she does not think it is fair or equitable. She said she thinks that the PFD should function in the way it was originally intended. She suggested, other ways to address the state's fiscal situation such as investing in industries and cutting oil credits. She shared her understanding that a lot of people think that the state is overspending, but she said it is not; the budget has been cut by 25 percent since former State of Alaska Governor Sean Parnell was in office.

[2:12:20 PM](#)

ALMA CABALLERO testified that the language [regarding the permanent fund] needs to be put in the constitution. She said what is happening is "not right" and "we need to show it when we vote."

[2:13:12 PM](#)

BETH FREAD stated that her main concern is that there are many laws written into statute that are not followed by the legislature. She said that she is supportive of the traditional PFD format. She expressed that legislators are not giving the people an appropriate portion of the money.

[2:14:38 PM](#)

MARIE ENGLISH testified in support of HJR 7 and shared her opinion that the Dunleavy Administration has presented the information in an understandable way. She suggested that the legislators emulate Governor Dunleavy because she understands that he is working for the people. She said that HJR 7 is not perfect, but it is an improvement. She expressed her frustration that this issue has been time consuming and that there are other priorities in the state that need to be addressed, such as education and the road system.

[2:16:52 PM](#)

TIMOTHY INGRAHAM testified in opposition to HJR 7 and expressed that Alaska has "a lot of issues" such as the legislators not listening to the will of the people. He said that he supports the 50/50 split, and it is the legislators' responsibility to ensure that the split is maintained. He spoke about his perception of ineffective spending in the state, such as not opening schools [during the COVID-19 pandemic] due to fear of a "fake virus." He expressed the PFD should go back to its original formula and that the government should not "rob Peter to pay Paul."

[2:18:58 PM](#)

SHIRLEY MARTIN testified in opposition to HJR 7 and said that although she supports Governor Dunleavy, she thinks that the PFD should go back to its original formula and should be put in the constitution. She said that she agrees with Mr. Ingraham in that legislators have been "taking our money away from us for the last six years." She expressed that this money needs to be

paid back and that legislators had no right to take that money. She shared her understanding that 75 to 80 percent of the people of Alaska need that money. She demanded that the legislators solve the PFD issue immediately and end the special session.

[2:20:10 PM](#)

FRANCES REESE shared that she was living in Alaska when the PFD was originally set up. She expressed her understanding that there was a man in the legislature that took money from the PFD to support his own interests and that that process has continued since then. She stated that she is in favor of going back to the original formula for the PFD. She shared that the money from the PFD would allow people to participate in their community as well as give to the "poor and needy."

[2:22:00 PM](#)

STEVEN OUDEAN offered a prayer, during which he expressed support for the way the PFD was set up originally.

[2:23:36 PM](#)

ADAM HYKES opined that HJR 7 is not fair and equitable, and that the government has "gobbled up" 50 percent of the dividend for the past three years. He said that the PFD is treated as a budgetary item that the legislature may or may not appropriate according to the "boom and bust" of economic cycles. He expressed that the PFD is not revenue and that calling HJR 7 a protection of the PFD is a "slap in the face." He opined that the original statute should be enshrined into the constitution and that the government should be hands off and should not be entrusted to be responsible [for the permanent fund].

[2:25:38 PM](#)

GARY PARSONS expressed that the PFD belongs to the people. He said that the PFD helps the economy, the children, and the elderly, particularly in villages. He said that he supports the governor, but he also supports the people.

[2:27:45 PM](#)

The committee took an at-ease from 2:27 p.m. to 2:28 p.m.

[2:28:33 PM](#)

SHARLI ARNTZEN stated that she supports returning to the original PFD formula and asked the legislature to respect the original intent of the fund. She advised playing the "long game as well as the short game." She also said that the state needs to do better when budgeting.

[2:30:12 PM](#)

MARK SQUIRE testified that he has lived in Alaska since 1970 and that he respectfully requests a return to the original PFD formula because "the problem's already fixed."

[2:31:04 PM](#)

DANIEL HARRINGTON said that he has been in Alaska since 1997 and believes that the government has become increasingly corrupt and that current officeholders are distrustful; he opined that a financial audit with "some criminality attached to it" is needed. He said that he has done the math and that a billion dollars a year is missing, the PFD has been robbed, and that he has heard talk of tarring and feathering people in Juneau. He stated that he is not making a threat but that legislators "are like the bully on the playground and pretty soon, someday, you're going to get popped in the snout," not by him but by others.

[2:33:20 PM](#)

MICHELLE WILLIAMS testified that she has lived in Soldotna since 1997. She stated her belief that many people move to Alaska to get the PFD; therefore, she recommended a tier system for the distribution of the PFD according to how long one has lived in the state.

[2:35:46 PM](#)

GREG COLLINS stated his support for SJR 6 but related that he has not yet read CSHJR 7(STA). He said that he would like Alaska residents to get "the full PFD."

[2:36:35 PM](#)

JAN DELAND opined that the state spent "so much when we were awash with oil money" and that continued overspending is the problem. She said she supports "keeping the current statute the way it is" and expressed anger for "when [Governor] Walker first stole half of the PFD." She highlighted her use of the PFD for

her children's education and talked about the "bloated" education system.

[2:38:57 PM](#)

SUE CHRISTIANSEN testified that she opposes Governor Dunleavy's proposal and that she hopes that the state starts taxing corporations at a higher rate.

[2:39:44 PM](#)

MITCHELL JACOBUS opined that there are many angry people in the state and characterized the legislature as stealing money. He suggested that the state "go back to the way it was set up originally" and follow the law.

[2:41:33 PM](#)

BRAULION MONTELONGO testified that he moved to Alaska last year and that he supports Governor Dunleavy's plan because he believes that politicians need to stop diverting funds from the PFD. He opined that Alaskans can spend the dividend better than the legislature can.

[2:42:47 PM](#)

LAURA BONNER stated her opposition to HJR 7 and SJR 6 because, she opined, they divert the appropriation authority from the legislature, preventing public services and programs from getting needed attention. She expressed her belief that the state government needs to have the flexibility to address unknown challenges.

[2:44:32 PM](#)

MELODONNA CODY testified strongly in support of the governor's proposal and stated that she would like to see the 50/50 split constitutionalized. She stated she wanted the legislators to end their expensive bickering and wasteful spending. She also said that education in Alaska has declined, and the more money the legislature spends on [education] the worse it gets.

[2:46:25 PM](#)

DR. DIANA CHADWELL testified that she and her family rely on their PFDs. She wants the legislature to listen to the governor and enact his PFD protection proposals. Dr. Chadwell stated

that she wants enforced restitution of previously garnished PFDs.

[2:48:47 PM](#)

CAROL DREESZEN testified in favor of the governor's proposal, but said she would prefer a full PFD. She stated that the legislature has been incompetent and has misused the fund.

[2:50:07 PM](#)

ED MARSHALL testified that he was extremely unhappy with the legislature for not working with Governor Dunleavy. He argued that taking the permanent fund is stealing from the poor. Mr. Marshall stated that the legislature has made no budget cuts and has done nothing to fulfill its budgetary obligations. He stated that he wants budget requirements constitutionalized.

[2:52:27 PM](#)

DONALD BELL testified that the legislature had to stop stealing from people and hiding money. He spoke about the efforts of Governor Dunleavy and opined that Alaska doesn't need big government. He chastised the legislature for not distributing full PFDs.

[2:54:32 PM](#)

KIMBERLY HOELSCHER declared, "Whose dividend is this? It's mine." She emphatically stated that the PFD was not the legislature's to spend.

[2:56:26 PM](#)

NICK MAZZOLINI testified that he supports SJR 6. He said in a perfect world he would like to follow the original statutory formula, but he supports the governor's plan to enshrine the 50/50 draw into the constitution. He stated that he hopes this will "take the easy money off the table" and act as a spending cap. Mr. Mazzolini said that the legislature couldn't responsibly manage its portion of the earnings and should not be allowed to spend the people's portion.

[2:58:03 PM](#)

CONNI CAREY testified that she has watched Governor Dunleavy try to reinstate the permanent fund, and she supports his decision.

[2:58:41 PM](#)

ALEX MCDONALD testified that the legislature needs to respect existing statutes. He noted that the 90-day session statute is not being followed. He opined that the legislature has not been able to effectively manage its portion of the permanent fund earnings; therefore, he questioned why the legislature should be allowed to mismanage [Alaska citizens'] portion. Mr. McDonald clarified that [the dividend payout] is not a government piggy bank. He said [the PFD] needs to be protected.

[3:00:34 PM](#)

The committee took an at-ease from 3:00 p.m. to 3:12 p.m.

[3:11:57 PM](#)

WILLIAM JOHNSON testified that oil was found in 1968 and oil companies built the road to Prudhoe Bay and the Trans Alaska Pipeline in two and a half years. He said, "I opposed any of this stuff, and I think we should have a referendum or an initiative to let the Permanent Fund Corporation develop the oil fields."

[3:13:59 PM](#)

STEVEN CANTOR characterized the legislature as stealing money from his children and opined that the PFD was put into the constitution "to keep future generations of legislatures from stealing that money to shore up a state government they were elected to run."

[3:15:06 PM](#)

EMILY PETTITT stated her belief that the state should adhere to the original language of the PFD and stay within the budget. She opined that those who leave Alaska for long periods of time, or are on military assignment, are not living as Alaskans. She requested an end to the debates.

[3:16:43 PM](#)

MICHELLE MULLINS said that she wants to know what happened to the PFD since the first \$1,000 payment in 1982, then characterized more recent circumstances as "rape." She then stated her belief that legislators are well-paid, and said that

in her capacity as a State of Alaska employee she noticed that budgets vary between departments. She opined that the legislators are mismanaging the state.

[3:19:21 PM](#)

CRIS EICHENLAUB stated his belief that due to problems with trust and integrity, the PFD needs to be enshrined. He opined that "there is no reason why we can't have that money" and characterized integrity as being "like virginity - once you lose it, it's gone forever."

[3:21:19 PM](#)

JORDAN STEVENSON stated her support for Governor Dunleavy and opined that the original PFD formula worked for many years and should work now. She said that government was not created to tax workers and create programs, and she requested that the full statutory PFD be enshrined in the state constitution.

[3:22:13 PM](#)

NATHAN RANK expressed his support for Governor Dunleavy's efforts to protect the PFD and opined that the PFD was "designed to be distributed to the people, for the people, not to be stolen from us without having any kind of vote by the people." He recommended the PFD be reinstated to the 50/50 formula.

[3:23:28 PM](#)

SHIRLEY EMERY stated that she agrees with almost all of the testimony heard, and said that the PFD "should go back to the original way that they started out to be." She stated her belief that once funds are removed, "it never stops." She opined that a state budget is like balancing her own checkbook, and she stated that "we'll continue to have this" until certain legislators are voted out. She stated that she depends on the PFD every year in order to keep her house.

[3:26:28 PM](#)

TONYA KITKA stated her support for enshrining the statutory formula for the PFD in the state constitution and expressed confusion regarding the information available, giving a quick synopsis of the PFD. She stated that the calculations don't change, so there is no reason why the PFD couldn't be paid according to the original calculations.

[3:28:58 PM](#)

JERRY FOGG stated his support for moving the legislators to Anchorage or "the valley" and characterized the legislators as having parties in Juneau with no responsibility or accountability. He said that legislators are "stealing our money."

[3:29:50 PM](#)

TABITHA NARDINI spoke about Alaska's subsurface rights being sold and opined that "our water, our gas, our coal, everything, our gravel, has to be taxed." She stated her belief that the reason for the PFD is to "make Alaska sustainable" because farmers buy feed, heating oil, winter clothes, and provide tires and cars. She opined that 90 percent of Alaskans need the PFD and that it needs to be distributed in October instead of July.

[3:32:24 PM](#)

THERESA OBERMEYER expressed opposition to constitutionalizing the PFD. She advised creative thinking and highlighted the \$79 billion in the Alaska Permanent Fund. Additionally, she drew a comparison between the Alaska Permanent Fund Corporation (APFC) Board of Trustees and Norway's \$1.3 trillion Government Pension Fund, which was started in 1990.

[3:35:22 PM](#)

CHAD CREEGER testified in opposition to HJR 7. He said he supports enshrining the original statutory formula in the constitution to "stop the theft." He offered his belief that there is a problem with government spending and urged legislators to cut the budget.

[3:36:39 PM](#)

SUSAN HONAN expressed support for preserving the PFD's statutory formula. Additionally, she suggested that the state repay "the amount that was taken from the people by Governor Walker." She offered her belief that the legislature should not have access to 50 percent [of the statutory net income] because it was intended for the people.

[3:38:23 PM](#)

COLLETTE BURKE stated her support for returning to the statutory formula to calculate the dividend. She said the PFD incentivized employees and brought talented people to Alaska.

[3:38:59 PM](#)

EDNA JOHANSON offered her belief that while operating out of Juneau, legislators are distanced from the "every day Alaskan." Furthermore, she maintained that when the legislature overspends, it is taking from its fellow Alaskans. She urged the legislature to do what's best for both present and future Alaskans.

[3:40:22 PM](#)

TERESA SMITH expressed support for preserving the statutory formula and for Governor Dunleavy's efforts to instate the PFD as a constitutional amendment. She highlighted the high cost of living in Alaska and discussed the impacts of a reduced PFD on the poor and fixed-income individuals.

[3:42:02 PM](#)

RICHARD EVERETT said the PFD should return to its original form. He equated paying for government services with the dividend to a disproportionate tax on Alaskans.

[3:43:11 PM](#)}

SHARLYN COLE testified that she supports Governor Dunleavy's plan to protect the PFD within the constitution. She said she would like to stick with statutory formula, but indicated that because there are lawmakers that break the law, many Alaskans are "forced to accept something" they should not have to accept. She expressed outrage over a legislature that feels it has the right to break the law without consequence.

[3:45:00 PM](#)

TARA SPRAGUE said she wants the state laws regarding the PFD "to go back to original 1964 context, that the Alaska people should make the decision of the PFD." She said she is a single mom on social security and disability, who is struggling because of the decisions that have been made regarding the PFD, especially the decision by Governor Walker. She opined that the money he took away should be paid back to the people of Alaska. She concurred with Governor Dunleavy's decisions regarding the PFD.

[3:46:42 PM](#)

KRISTIN CASH testified in support of a full dividend. She talked about justification not making something right, in relation to the decision by Governor Walker to take money from the PFD. She encouraged the legislature to learn how to keep a healthy budget and spend within its means. She said her family is in Alaska to stay, and the PFD helps with the high cost of living in the state.

[3:49:03 PM](#)

LARRY WEBB talked about the history of PFD starting as a tiered system and being changed to a formula to return a portion of taxes on oil to the people of the state. He opined that Alaska should go back to original formula, because legislators cannot be trusted not to spend the entire permanent fund.

[3:51:24 PM](#)

ELLA COTTER expressed her support of Governor Dunleavy and her love of Alaska. She acknowledged that legislators are doing their best and asked them to consider that the PFD helps people live in the state. She shared some of the essentials purchased with her PFDs over the years and how the PFD helps Alaskans live in the state. She stated her support of "a full PFD, with payback."

[3:52:26 PM](#)

PAGE HALL talked about the PFD belonging to the people of Alaska and linked taking away PFD monies from the people to homelessness and other social issues.

[3:55:03 PM](#)

JESSICA COX compared using the PFD to address budget concerns as "taking the low-hanging fruit." She stated her support of a full statutory PFD, and she expressed support of Governor Dunleavy's proposal to enshrine the PFD in the constitution. She asked legislators to consider how the PFD affects families.

[3:56:55 PM](#)

CHAD DYER testified in support of a full PFD. He encouraged actions be taken to prevent the legislature from continuing to "taking" from [Alaskans].

[3:58:02 PM](#)

JESSI WALTON testified in support of HJR 7. She explained that she would actually prefer "the original 50 percent statutory PFD" but offered her understanding that "we have a bunch of legislators that don't know how to keep their hands out of the coat pocket." She said she would rather see [the PFD] in the constitution.

[3:58:42 PM](#)

WILLY KEPPEL testified in support of a full PFD and payback of that portion which was taken from Alaskans. He talked about the college fund his daughter has that should have more in it than it does. He expressed support for the companion bill in the Senate, SJR 6, as well as SJR 1, but said he is uncertain about the wording in [CSHJR 7(STA)]. He emphasized that any mention of "may pay the PFD" should be changed to "shall pay the PFD." He indicated the money is there.

[4:01:11 PM](#)

KENNEDY SERR testified that the people of Alaska should decide and the annual debate about the PFD should be put to rest. She stated support of HJR 7 and SJR 6 and encouraged a bipartisan solution.

[4:02:24 PM](#)

SAM ALBANESE testified in support of Governor Dunleavy's proposal to amend the constitution in order to protect the PFD. He opined, "We don't have a revenue problem; we have a spending problem."

[4:02:53 PM](#)

RENEE WELLINGTON testified in support of paying the full PFD this year and putting the original permanent fund formula in the constitution. She talked about the money that trickles back into the economy from the PFD, and she said each time the PFD has been decreased, it has not been done legally. She opined that the testimony on this topic has illustrated that [the legislature] has "poked the bear and you're getting bit."

[4:04:44 PM](#)

VERN NUSUNGINYA testified in support of the governor's proposal on the PFD. He emphasized that the PFD is "the people's money" and is good for the state's economy.

[4:05:45 PM](#)

JEAN HOLT testified in opposition to HJR 7 as legislation that "would steal our PFD forever." She said she supports SJR 1 and SJR 6.

[4:06:38 PM](#)

CLAYTON TROTTER offered his understanding of the history of the dividend, including that private properties were taken and given to the state and federal government, and the idea was to share the monies made with the people via a dividend. He said his move to Alaska for a job included bargaining related to his pay and there being a dividend, but when he got here the dividend was cut in half. He said that is fraud. He stated, "Quit defrauding the people, please."

[4:09:19 PM](#)

CINDY HUDGINS testified in support of the original PFD formula and reimbursement of that which was taken from Alaskans. She questioned why this is a continuing issue, and expressed appreciation for Governor Dunleavy's fighting for the people of Alaska despite "running into brick walls." She said crooked politicians forget they work for the people; and Governor Walker found a loophole regarding the PFD. She urged protecting the PFD under the constitution so that this is never again an issue.

[4:10:53 PM](#)

BEAU CORK testified in support of HJR 7 and SJR 6, and in support of Governor Dunleavy. He acknowledged the work the legislature does on the budget. He mentioned the poor in Alaska and the effects of the pandemic on people. He said he thinks increasing the PFD would result in money poured right back into the economy.

[4:12:34 PM](#)

NANCY CARTER, JR opined that what Governor Walker did was wrong, and the money should be given back to the people. She praised Governor Hammond for his role [in establishing the PFD] and supported a return to the original formula. She added that if Governor Dunleavy "can do what he can do" it would be "a good thing." She said she agreed with the prior testimony of Ms. Kitka.

[4:14:58 PM](#)

DEBBIE CUSTIS said she lives in Texas, not Alaska, but lived in Oregon, where she said the people used to have "a kicker" but the legislature stole it from them. She expressed respect for Governor Dunleavy, accused legislators of stealing from the people, opined that what Governor Walker did was not right, and urged the return of the money to the people of Alaska.

[4:17:24 PM](#)

ROBERT "ROB" GEESEN testified that he is a senior living on \$866 a month. He expressed his hope that the PFD will be enshrined in the constitution, preferably in the original formula. He suggested that if the legislature does not want to do this, then perhaps it is time to put the issue before the people on the 2022 ballot. He further suggested addressing a budget deficit by suggesting equal cuts to all departments and leaving those agencies to figure out where to trim "the pork."

[4:19:27 PM](#)

JAMES GREENE, JR suggested a 10-year waiting period for immigrants to Alaska to get a PFD so that the dividend will last longer.

[4:20:40 PM](#)

LINDA LANCE supported putting the PFD back into the state constitution "as it originally was." She said seniors on limited income use PFD money to secure their futures. She said the money the legislature wants to use is not the legislature's money to use. She said she agrees that if legislation cannot provide for a full PFD, then the issue should be put to a vote in an election.

[4:22:39 PM](#)

ADEZE WOKO expressed support for the governor's proposal regarding the PFD. She remarked on the helpfulness to her family in receiving the PFD.

[4:23:47 PM](#)

CHAIR CLAMAN, after ascertaining there was no one else who wished to testify, closed public testimony on HJR 7.

[4:23:53 PM](#)

CHAIR CLAMAN announced that HJR 7 was held over.

[4:24:56 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at [4:25] p.m.