

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS**

March 11, 2023

9:02 a.m.

**MEMBERS PRESENT**

Representative Ben Carpenter, Chair  
Representative Kevin McCabe, Vice Chair  
Representative Jamie Allard  
Representative Tom McKay  
Representative Cathy Tilton  
Representative Cliff Groh

**MEMBERS ABSENT**

Representative Andrew Gray

**OTHER LEGISLATORS PRESENT**

Representative Jesse Sumner  
Representative Craig Johnson

**COMMITTEE CALENDAR**

HOUSE JOINT RESOLUTION NO. 9

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

- HEARD & HELD

HOUSE JOINT RESOLUTION NO. 8

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

- HEARD & HELD

HOUSE JOINT RESOLUTION NO. 7

Proposing amendments to the Constitution of the State of Alaska requiring payment of a dividend to eligible state residents.

- HEARD & HELD

HOUSE BILL NO. 90

"An Act relating to income of the Alaska permanent fund and the amount available for appropriation; relating to appropriations from the earnings reserve account; relating to the amount of the permanent fund dividend; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 72

"An Act relating to use of income of the Alaska permanent fund; relating to the amount of the permanent fund dividend; relating to the duties of the commissioner of revenue; and providing for an effective date."

- HEARD & HELD

HOUSE JOINT RESOLUTION NO. 2

Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit.

- BILL HEARING CANCELED

HOUSE BILL NO. 38

"An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; and providing for an effective date."

- BILL HEARING CANCELED

#### **PREVIOUS COMMITTEE ACTION**

BILL: HJR 9

SHORT TITLE: CONST AM: PERMANENT FUND; POMV; EARNINGS

SPONSOR(S): REPRESENTATIVE(S) GROH

03/06/23	(H)	READ THE FIRST TIME - REFERRALS
03/06/23	(H)	W&M, JUD
03/08/23	(H)	W&M AT 6:00 PM DAVIS 106
03/08/23	(H)	-- MEETING CANCELED --
03/11/23	(H)	W&M AT 9:00 AM DAVIS 106

BILL: HJR 8

SHORT TITLE: CONST AM: GUARANTEE PERM FUND DIVIDEND

SPONSOR(S): WAYS & MEANS

03/01/23	(H)	READ THE FIRST TIME - REFERRALS
03/01/23	(H)	W&M, JUD
03/06/23	(H)	W&M AT 6:00 PM DAVIS 106

03/06/23 (H) Heard & Held  
03/06/23 (H) MINUTE (W&M)  
03/08/23 (H) W&M AT 6:00 PM DAVIS 106  
03/08/23 (H) -- MEETING CANCELED --  
03/11/23 (H) W&M AT 9:00 AM DAVIS 106

BILL: HJR 7

SHORT TITLE: CONST AM: PERMANENT FUND DIVIDEND  
SPONSOR(s): WAYS & MEANS

03/01/23 (H) READ THE FIRST TIME - REFERRALS  
03/01/23 (H) W&M, JUD  
03/06/23 (H) W&M AT 6:00 PM DAVIS 106  
03/06/23 (H) Heard & Held  
03/06/23 (H) MINUTE (W&M)  
03/08/23 (H) W&M AT 6:00 PM DAVIS 106  
03/08/23 (H) -- MEETING CANCELED --  
03/11/23 (H) W&M AT 9:00 AM DAVIS 106

BILL: HB 90

SHORT TITLE: PERMANENT FUND DIVIDEND; \$1000 DIVIDEND  
SPONSOR(s): FIELDS

03/01/23 (H) READ THE FIRST TIME - REFERRALS  
03/01/23 (H) W&M, FIN  
03/06/23 (H) W&M AT 6:00 PM DAVIS 106  
03/06/23 (H) Heard & Held  
03/06/23 (H) MINUTE (W&M)  
03/08/23 (H) W&M AT 6:00 PM DAVIS 106  
03/08/23 (H) -- MEETING CANCELED --  
03/11/23 (H) W&M AT 9:00 AM DAVIS 106

BILL: HB 72

SHORT TITLE: PERMANENT FUND DIVIDEND; 75/25 POMV SPLIT  
SPONSOR(s): ORTIZ

02/15/23 (H) READ THE FIRST TIME - REFERRALS  
02/15/23 (H) W&M, FIN  
03/01/23 (H) W&M AT 6:00 PM DAVIS 106  
03/01/23 (H) Heard & Held  
03/01/23 (H) MINUTE (W&M)  
03/08/23 (H) W&M AT 6:00 PM DAVIS 106  
03/08/23 (H) -- MEETING CANCELED --  
03/11/23 (H) W&M AT 9:00 AM DAVIS 106

**WITNESS REGISTER**

CAMERON EBERSOLD, Staff  
Representative Cliff Groh  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave the section analysis for HJR 9, on behalf of Representative Groh, prime sponsor.

EMILY NAUMAN, Director  
Legislative Legal Services  
Legislative Affairs Agency  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions pertaining to HJR 9.

JOHN MILLER, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

ED MARTIN, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

MISTY COLE, representing self  
Nikiski, Alaska

**POSITION STATEMENT:** Testified in support of HJR 7 and HJR 8, and in opposition to HJR 9, HB 72, and HB 90.

DONALD MITCHEL, representing self  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified in support of HB 72 during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

SARAH CAMPBELL, representing self  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

MICHAEL GARHART, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

ANTONIA LENARD, representing self  
Eagle River, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

BERT HOUGHTALING, representing self  
Big Lake, Alaska

**POSITION STATEMENT:** Testified in support of HJR 8 during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

SARANA SCHELL, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

JAMELIA SAIED, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

ROYAL KIEHL, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

RACHEL LORD, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of HB 72 during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

DIANNE HOLMES, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

JAN CONITZ, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

RANDY GRIFFIN, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

NICOLAS ABRAMCZYK, representing self  
Palmer, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

PHILLIP TAFS, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

CANDY MILLER, representing self

Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of HJR 7 during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

MICHAEL BUCY, representing self

Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

GEORGE PIERCE, representing self

Kasilof, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

HAROLD BORBRIDGE, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

WILLY KEPPEL, representing self

Quinhagak, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

TIM WILKINS, representing self

Soldotna, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

PAULINE HESSING, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

LEONARD MILLER, representing self

Homer, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

LILA HENDERSON, representing self

Nikiski, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 72 and HB 90 and in support of HJR 8, parts of HJR 7, and constitutionalizing the PFD.

JAMES SQUYRES, representing self  
Deltana, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

JEAN HOLT, representing self  
Palmer, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 72 during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

GARY MCDONALD, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

RYAN BROUSSARD, representing self  
Nikiski, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

LAURA HECKERT, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of HJR 7 and HJR 8 during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

WILLIAM REINER, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HJR 8 and in opposition to HB 72, HB 90, HJR 7, and HJR 9.

JOEL SIGMAN, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of HJR 7 during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

SYBIL CURRY, representing self  
Nikiski, Alaska

**POSITION STATEMENT:** Testified during the hearing on HJR 7, HJR 8, HJR 9, HB 72, and HB 90.

#### **ACTION NARRATIVE**

[9:02:00 AM](#)

**VICE CHAIR KEVIN MCCABE** called the House Special Committee on Ways and Means meeting to order at 9:02 AM. Representatives McCabe, McKay, Tilton, Groh, Allard were present at the call to order. Representative Carpenter arrived as the meeting was in progress.

**HJR 9-CONST AM: PERMANENT FUND; POMV; EARNINGS**

[9:03:10 AM](#)

VICE CHAIR MCCABE announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 9, Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund and to appropriations from the Alaska permanent fund.

[9:04:08 AM](#)

The committee took an at-ease from 9:04 a.m. to 9:05 a.m.

[9:05:27 AM](#)

REPRESENTATIVE GROH, as prime sponsor of HJR 9, presented the sponsor statement [included in the committee packet] which read as follows [original punctuation provided]:

When the Permanent Fund was created, it was structured as two accounts: the Principal and the Earnings Reserve Account (ERA). The Alaska Constitution prohibits the spending of the Principal without a vote of the people. However, profits generated by the fund are deposited into the ERA, which is entirely available for the Legislature to appropriate and spend. The current value of the ERA is approximately \$16 billion. Overdraw of the ERA depletes the value of the entire Permanent Fund and leaves Alaska worse off. In 2018 the Legislature adopted statutes that allow appropriation up to an amount that maintains the growth of the fund. This plan is commonly known as the "Percent of Market Value" ("POMV") draw. Still, those statutes do not stop the Legislature from passing budgets that spend Permanent Fund earnings beyond those sustainable limits. This resolution would send a proposed amendment to Alaska voters to enshrine this policy in the constitution. The proposed constitutional amendment would combine the Permanent

Fund Principal and the Permanent Fund Earnings Reserve Account into a single constitutionally protected account. Under this proposed amendment, the Legislature would be allowed to appropriate each year a maximum of five percent (5%) of the market value of that new constitutionally safeguarded account as calculated over the first five of the preceding six fiscal years. Experts have told the Legislature that these limits make that spending rate sustainable. The Permanent Fund's Board of Trustees have recommended this change since 2003, and this constitutional amendment was also urged by the Fiscal Policy Working Group, a bipartisan and bicameral group of legislators that issued a report in 2021. This measure is not and should not deal with the size of the Permanent Fund Dividend or what specific percentage of this appropriation is spent on state services. It neither encourages nor prevents legislators from pursuing those plans in the future. This merely prevents the state from overspending our renewable financial resource which ensures the permanence of our Permanent Fund.

[9:08:31 AM](#)

CAMERON EBERSOLD, Staff, Representative Cliff Groh, Alaska State Legislature, gave the sectional analysis for HJR 9, on behalf of Representative Groh, prime sponsor. He explained that Section 1 would amend Article IX, Section 15(a) of the Constitution of the State of Alaska. This would allow the income earned by the Alaska Permanent Fund to be retained by the fund's sole account created by Section 3. He said the only exceptions are detailed in Section 2. He said Section 2 amends Article IX, Section 15 with two subsections. Subsection (b) would allow the legislature, in each fiscal year, to appropriate from the fund only up to 5 percent of the average market value of the fund over the preceding six fiscal years. Subsection (c) would allow the Permanent Fund to be used to pay costs associated with investments. He explained that Section 3 would amend Article XV with a new section, Section 30. This section proposes to deposit the balance of the earnings reserve account (ERA) into the principal, unifying the Permanent Fund into a single account. It also specifies the proposed amendments would apply to appropriations made during the fiscal year ending June 30, 2026, and after. He said Section 4 would place these amendments before state voters at the next general election.

[9:10:05 AM](#)

REPRESENTATIVE MCKAY questioned the PFD payments, per the proposed HJR 9.

REPRESENTATIVE GROH explained that the payouts would be done in the same way as the legislature has been currently doing this, in that the legislature votes, through powers granted in Wielechowski v. State, 403 P.3d 1141 (2017). He said HJR 9 does not address the permanent fund dividend (PFD), as this is a separate issue the other measures address. He stated that while many legislators do not see "eye-to-eye" on the exact PFD level, HJR 9 would provide fiscal stability by preventing the legislature from overspending. He stated that the proposed resolution is a way to protect the Permanent Fund from being overdrawn in the future.

[9:11:47 AM](#)

REPRESENTATIVE MCKAY suggested that the total value of the Permanent Fund corpus is about \$76 billion.

REPRESENTATIVE GROH expressed agreement, adding that it is variable month to month. In response to a follow-up question, he stated that ERA is more than \$13 billion, as the \$16 billion figure is from last year's financial report.

REPRESENTATIVE MCKAY suggested that, if the corpus total is added to ERA, there would be about \$90 billion altogether. Furthermore, a 5 percent [draw] of this would be about \$4.5 billion.

REPRESENTATIVE GROH, concerning percentage draws, deferred the CEO of the Alaska Permanent Fund Corporation. He reiterated that the value of the fund changes from month to month, and even day to day.

[9:13:33 AM](#)

VICE CHAIR MCCABE questioned the language on page 1, line 15 and line 16 of the proposed resolution. He expressed the opinion that language like the word "may" is unusual in a constitutional amendment. He quoted from the line and opined that the language would not really prescribe 5 percent. He posed that this is not what the Fiscal Policy Working Group had said. He expressed the understanding that the group had used the language "shall". He questioned whether the use of "may" was intentional.

[9:15:02 AM](#)

EMILY NAUMAN, Director, Legislative Legal Services, Legislative Affairs Agency, answered that the discussion between "may" or "shall" is a policy decision. She said that Vice Chair McCabe is correct in stating that the legislature "may appropriate not more than 5 percent" would allow the legislature to appropriate nothing or up to 5 percent. She suggested that there might be policy reasons why less than 5 percent would be drawn off the fund.

[9:15:44 AM](#)

REPRESENTATIVE ALLARD questioned the legal difference between the words "may" and "shall".

MS. NAUMAN answered that "may" is permissive, as it allows the legislature to do something; moreover, "shall" is a requirement, as it would require the legislature to take certain action.

[9:16:24 AM](#)

REPRESENTATIVE GROH urged the committee to support HJR 9, as these proposed changes are recommendations from the Fiscal Policy Working Group. He said the intent of the resolution would be to address the sustainability of the fund in the future.

[9:17:24 AM](#)

REPRESENTATIVE ALLARD pointed out that using the word "may" allows the legislature to "do what they want." She questioned why the proposed legislation had been drafted with "may".

REPRESENTATIVE GROH replied that the intent was to have the 5 percent be a firm cap, and this allows for the legislature to spend below or up to 5 percent. He deferred to Ms. Nauman to further address the question.

[9:18:24 AM](#)

MS. NAUMAN concurred with Representative Groh, as the language will allow the legislature to draw up to 5 percent each year, if it so wishes. She reiterated that the resolution would allow for draws under 5 percent.

REPRESENTATIVE ALLARD requested Representative Groh's opinion on the language used in HJR 9. She expressed the opinion that using the word "may" does not provide the same confidence as the word "shall".

REPRESENTATIVE GROH reiterated that the legal interpretation of the word "may" means the legislature "could" draw below and then up to 5 percent. He reiterated that this language carries out the policy of allowing legislative appropriations from the fund of up to 5 percent.

[9:19:57 AM](#)

VICE CHAIR MCCABE asked if the intent is to have a 5 percent cap.

REPRESENTATIVE GROH responded in the affirmative.

[9:20:11 AM](#)

MR. EBERSOLD addressed Representative Allard's question by explaining that the amount of the PFD is different from the appropriation from the Permanent Fund itself. He said that if members wish to use language like "shall", this option is still present. He expressed the opinion that, whatever the amount withdrawn, HJR 9 would keep the Permanent Fund sustainable.

[9:20:55 AM](#)

REPRESENTATIVE GROH added that HJR 9 does not address levels for PFDs, but rather addresses the amount of the draw from the Permanent Fund itself.

[HJR 9 was treated as tabled and, following the at-ease, was brought before the committee again with various other legislation for the purpose of public testimony.]

[9:21:26 AM](#)

The committee took an at-ease from 9:21 a.m. to 9:22 a.m.

**HJR 9-CONST AM: PERMANENT FUND; POMV; EARNINGS**  
**HJR 8-CONST AM: GUARANTEE PERM FUND DIVIDEND**  
**HJR 7-CONST AM: PERMANENT FUND DIVIDEND**  
**HB 90-PERMANENT FUND DIVIDEND; \$1000 DIVIDEND**  
**HB 72-PERMANENT FUND DIVIDEND; 75/25 POMV SPLIT**

[9:22:23 AM](#)

VICE CHAIR MCCABE announced that the next order of business would be HOUSE JOINT RESOLUTION NO. 9, Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund and to appropriations from the Alaska permanent fund and HOUSE JOINT RESOLUTION NO. 8, Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund and appropriations from the Alaska permanent fund and HOUSE JOINT RESOLUTION NO. 7, Proposing amendments to the Constitution of the State of Alaska requiring payment of a dividend to eligible state residents and HOUSE BILL NO. 90, "An Act relating to income of the Alaska permanent fund and the amount available for appropriation; relating to appropriations from the earnings reserve account; relating to the amount of the permanent fund dividend; and providing for an effective date" and HOUSE BILL NO. 72, "An Act relating to use of income of the Alaska permanent fund; relating to the amount of the permanent fund dividend; relating to the duties of the commissioner of revenue; and providing for an effective date."

[9:22:41 AM](#)

VICE CHAIR MCCABE opened public testimony on HJR 9, HJR 8, HJR 7, HB 90, and HB 72.

[9:24:01 AM](#)

JOHN MILLER, representing self, expressed the support of returning to the original PFD formula, and he expressed the opinion that it has been successful for the last 35 years. He said the process had been destroyed in 2016, and there has been a major contention since. He offered his understanding that the people feel betrayed because the legislature no longer has the people's best interests in mind, as the Permanent Fund has been used to pay back special interest groups and unions who fund elections. He urged members to follow the law and the original PFD formula. He warned that until the Permanent Fund is returned to the original formula, there will be contention.

[9:25:55 AM](#)

ED MARTIN, representing self, shared that he has been a resident of the state for over 50 years. He shared that a family member, Ed Martin, Sr., was a lawmaker in 1999 and part of the "save the dividend" campaign. He reminded the committee of the advisory vote, in which the legislature was recommended to never touch

the PFD process established in 1982, which entails a full statutory PFD. He suggested that some members of the committee have voted for budgets which defy statute; furthermore, the Alaska Supreme Court's actions have not mandated the legislature can defy statute. He referred to the sponsor statement for HJR 7 [included in the committee packet], which states that draws are sustainable. He opined that this statement was a lie. He said, "No one in that room has a crystal ball." He expressed the opinion that the \$1,000 PFD proposed in HB 90 would be a "slap in the face" to the people who own the resources, as well as the investments and the return on the investments. He expressed support for a Permanent Fund constitutional amendment.

[9:28:27 AM](#)

MISTY COLE, representing self, expressed support for HJR 7 and HJR 8; however, she testified in opposition to HB 72, HB 90, and HJR 9.

[9:29:41 AM](#)

DONALD MITCHEL, representing self, shared that he has lived in Alaska for 51 years. He expressed the opinion there are many benefits to living in Alaska, of which is having competent and consistent government services without having to pay a state tax; however, he expressed the opinion that things have changed, as now funding for state services is inadequate or inconsistent. He pointed out that the roads in his area are "horrible," the Alaska Marine Highway System (AMHS) is unreliable, and funding for state employees is difficult. He expressed the belief that the structure of the PFD hurts the elections process because the amount of the PFD is being used as a tool to pay for votes. He argued that HB 72 would provide reliability and consistency to state services and the PFD. He urged support for HB 72.

[9:30:49 AM](#)

SARAH CAMPBELL, representing self, shared that she is a public-school teacher and has lived in Alaska for 48 years. She expressed support of increasing the base student allocation (BSA) and would like to see the state return to a defined benefit retirement package for state employees; however, she expressed the understanding that this would cost money. She expressed support for fully funding state services and expressed the opinion that HB 72 "seems fair," because Alaskans would get a PFD, and there would be money for state services.

[9:32:48 AM](#)

MICHAEL GARHART, representing self, commented that, out of the bills up for testimony, he only supports HJR 7. He expressed the understanding that too much PFD money has been taken from the public. He stated, since the 1990s, it was tracked that \$27.3 billion had been "stolen." He said that the legislature has been questioned for 10 years, but answers were never given. He argued that the state needs to follow the law.

[9:33:48 AM](#)

ANTONIA LENARD, representing self, pointed out the legalese in the materials provided in the meeting. She suggested that the Permanent Fund was originally intended to give the residents a stake in Alaska's resources, and residents were supposed to be paid out of the fund, and not have people profiting from the fund. She suggested that the 75/25 percent of market value (POMV) split should instead be 25/75. She expressed the idea that state funding should go away because residents would have enough money individually to carry out state services, like building a school. She opined that anytime the legislature seeks to draw from the fund, the draw should be put to a vote.

[9:36:03 AM](#)

BERT HOUGHTALING, representing self, stated that out of the bills put forward at the meeting, only HJR 8 should be allowed to move forward. He referred to the other bills and resolutions as "putting lipstick on a pig" and giving the legislature more control on the Permanent Fund. He explained that HJR 8 would put the corpus into legislative control; however, combining the corpus and the Permanent Fund would allow the legislators to also have the corpus. He expressed support for HJR 7 because it would formalize what has been in Alaska statute for the last four decades. He pointed out that the Legislative Legal Service's definition of "shall" and "may" might be the clinical definition in a dictionary; however, it does not compare to the definition provided in Wielechowski v. State. He expressed the idea that the Alaska Supreme Court ruled that "shall" and "may" have the exact same meaning.

[9:39:01 AM](#)

SARANA SCHELL, representing self, expressed support for the sustainability of the Permanent Fund. She said that, while

large dividends are great, she supports a cap on the PFD because this would help with the sustainability of the fund.

[9:40:07 AM](#)

JAMELIA SAIED, representing self, shared that she has been a resident for 61 years. She said that the PFD has served a valuable purpose; however, she expressed the opinion that it is time for it to end and an income tax be reestablished. She remarked that this does not seem to be politically possible, so she offered her support to whichever bill proposes a smaller PFD, such as [HJR 9]. She expressed the opinion that the state should stay conservative, otherwise a full PFD would mean no state services.

[9:42:23 AM](#)

ROYAL KIEHL, representing self, said he and his family have lived in Alaska since 1974, when the state had levied an income tax. He expressed the opinion that, without the intention to, the state has turned into a welfare state, with every citizen believing they cannot live without a PFD. He argued that the state cannot afford to live up to the responsibility because of the annual payouts, and he compared the PFD to an addiction. For example, he stated that large PFDs have interfered with quality education and adequate ferry service. He stated that while it may be painful to give up the annual "money bombs," the situation has gotten out of hand because people believe it is their right to have unearned money. He suggested that the PFD amount be reduced to \$1000, with annual inflation increases. He continued that the rest of the earnings should fund state services. He suggested that, if HB 90 passes, so residents can process the change, they should be given a year before it is implemented.

[9:44:46 AM](#)

RACHEL LORD, representing self, testified in support of an increased reliance on the Permanent Fund earnings to fund state services, and she expressed support for HB 72. Regarding raising broad-based revenues in the state, she echoed comments that this would be the right way forward. She suggested that a combination of income tax with a reduced PFD would also achieve the effect. She said that in the Kenai Peninsula Borough, citizens pay for the services via property and sales taxes, and this funding goes toward schools, roads, and state troopers. She spoke on economic development and said that businesses can

only thrive when there is stability in the public sector. She expressed the opinion that things will not get better without financial investment. She concluded by pointing out that everyone benefits from state services.

[9:46:59 AM](#)

The committee took an at-ease from 9:46 a.m. to 9:49 a.m.

[9:49:00 AM](#)

VICE CHAIR MCCABE passed the gavel to Chair Carpenter.

[9:49:31 AM](#)

DIANNE HOLMES, representing self, echoed previous testimony regarding the benefits everyone receives in untaxed services, but she recognized that oil revenues are volatile. She expressed the opinion that state services should always come first. She pointed out that during the past few years the state has had to face the COVID-19 pandemic, and now it must face educational needs. She offered that, of the PFD plans before the committee, a percentage split would impact services. She stated that Alaska does not need larger PFDs if losing services would be a result. She urged members to listen to the economists and their advice that a 25/75 split would take away from state services.

[9:51:26 AM](#)

JAN CONITZ, representing self, expressed concern about the recent PFD debate, and the amount of time the legislature has spent on the discussion. She said the PFD is symbolically a "good thing;" however, she pointed out the decline of state services, such as AMHS and public schools. She reiterated the concern about the amount of time the legislature has taken discussing the PFD; furthermore, she expressed the fear that the state would go bankrupt trying to pay out high PFD payments. She acknowledged that the Permanent Fund is symbolically good, as it allows a sense of ownership to the residents, but it should only be symbolic. She said the annual PFD debate crowds out the discussion on other policies, such as education. She further suggested better support for transportation, the university system, economic development, care for seniors, and care for people with disabilities. She expressed support for an income tax.

[9:54:50 AM](#)

RANDY GRIFFIN, representing self, referenced HJR 7 and HJR 8, in that the Permanent Fund has no place in the Constitution of the State of Alaska. He acknowledged the thousands of dollars in PFD payments that he has received; however, in 2014 he began returning the check back to the state. He said he is against enshrining the PFD into the state constitution, rather he supports a dividend funded by surplus profits. He argued that, if it is not funded by surplus profits, it is public assistance. He reiterated that "hand-out" money should not be written into the constitution. He expressed appreciation for the "free money;" however, he stated that he will only collect a PFD if it is based on a surplus.

[9:57:23 AM](#)

NICOLAS ABRAMCZYK, representing self, expressed the opinion that the state had done a good thing when it initially established the Permanent Fund; however, he advised members to look at the economic context of Alaska in the 1980s, as the population was about one-third of the population that it is today. He pointed out that, in the last ten years, there have been economic challenges which were not present in the 1980s. He continued that, before enacting the proposed legislation, the members should first examine the state's revenue streams.

[9:59:01 AM](#)

PHILLIP TAFS, representing self, shared that he is a small business owner in Alaska with 28 employees. He expressed the opinion that state services need to be funded first. While he appreciates the PFD, he continued that large PFDs impact state services. He expressed opposition to adding language to the constitution which would make these proposals permanent. He said that the state should maintain its flexibility in funding programs. He said that as a small business owner he needs consistency and the ability to plan without having every legislative session bring fear. He expressed frustration from having to wait until the last minute in August for a special session and said this creates a difficult business environment. He suggested that anyone who needs the PFD should rely on state services more, which as a small business owner, would allow him to grow his business.

[10:01:55 AM](#)

CANDY MILLER expressed support for HJR 7. She expressed the opinion that money from the Permanent Fund should go to the residents, and then there would be no concern on raising taxes because the people will direct it.

[10:05:12 AM](#)

MICHAEL BUCY, representing self, shared that he has been a resident of Alaska and has received a PFD since 1982. He said he would support putting language into the constitution only if it were to cap the PFD payout. He shared that he was flabbergasted when the governor announced a \$4,000 PFD, in conjunction with no BSA increase. He stated that this prompted him to rally at the capitol. He expressed appreciation for what the PFD has done for his family, and he acknowledged that others rely on the PFD; however, he suggested that the state needs robust welfare funding instead. He opined that millionaires do not need the PFD and should not receive it. He described the function of government as doing economically what individuals cannot do alone. He said that residents now are depending on the government; however, the problem is not simply government, it is bad government. He said that people are leaving Alaska despite high PFDs. He suggested that this needs to be addressed, and the PFD should no longer be the center of an [annual] debate.

[10:08:49 AM](#)

GEORGE PIERCE expressed the opinion that the PFD should be mandated in the Constitution of the State of Alaska, and, if the state needs resources, the oil and gas companies should not receive subsidies. He further suggested taxing individuals coming to Alaska to conduct tourism. He advised that there are other kinds of revenues to generate instead of allowing the legislature to take it from "poor" Alaskans. He reiterated the suggestion to raise taxes on the oil and gas companies.

[10:11:13 AM](#)

HAROLD BORBRIDGE, representing self, expressed the idea that the public needs to realize every dollar the state receives is from the people, whether it is paid with the people's resources or the Permanent Fund's returns. He continued that every dollar [the state] spends is either from oil resources or from the Permanent Fund. He suggested that a simple handout be made to the residents, along with an explanation of the sources of state revenue.

[10:12:46 AM](#)

WILLY KEPPEL, representing self, urged members to follow state statute and pay a full PFD. He suggested that baseline spending be set at \$4.2 billion so the state's tax and future revenues could pay for state services. He reminded members that for many years Alaskans have paid for special sessions. He recalled a previous session where there was a testimony which related that paying PFDs is not a problem because the state has the money. He further recounted that prior to the Walker Administration, money going toward PFDs had never gone through the legislature. Continuing, he referenced the conversation in a past session where Senator Lyman Hoffman had inquired why the legislature was not following the law on PFDs, and the response had been that the legislature does not have to follow the law. He reiterated to members to pay a full PFD and cut spending.

[10:16:08 AM](#)

TIM WILKINS, representing self, agreed with the comments made by Mr. Keppel. He recounted that in 2015 the Walker Administration had moved to take 50 percent of everyone's PFD, and he expressed his own disagreement with this action. He suggested that the PFD be enshrined in the Constitution of the State of Alaska. He said that the state of Alaska needs to balance its expenses and urged that the money should be replaced in the Permanent Fund. He expressed his support for the Dunleavy Administration.

[10:18:18 AM](#)

PAULINE HESSING, representing self, thanked the committee members for the discussion; however, she expressed the opinion that debates on the Permanent Fund is wasted time, as the legislature should be debating more pressing matters. She suggested that the PFD be capped at \$1,000, and anything over this should be given to the state to use for state services. She pointed out there is no income tax in Alaska and suggested that her idea would be like an income tax. She stated that Permanent Fund earnings are not for the individual but are owned by all Alaskans. She suggested that if the PFD was capped, it would also be less of an enticement for people who have no money to come to Alaska for "free money."

[10:20:01 AM](#)

The committee took a brief at-ease.

[10:20:05 AM](#)

CHAIR CARPENTER made comments regarding the committee's intent to hear further public testimony.

[10:21:47 AM](#)

The committee took an at-ease from 10:21 a.m. to 10:31 a.m.

[10:31:45 AM](#)

LEONARD MILLER, representing self, stated that he could support HJR 7 and HJR 8 but would need more information. He expressed concern that, without research and legal understanding, legislation which deals with the Permanent Fund is difficult to understand, so it is hard for ordinary Alaskans to make an informed decision. As far as what is fair, he said that residents share the Permanent Fund's wealth, and this encourages him to defend the principal of the Permanent Fund. Since a vast majority of the residents do not have mineral rights in the state, he expressed the opinion that the minerals should be part of the residents' corporate royalties, as former Governor Jay Hammond's vision was that Alaska residents would share in the earnings so residents would stay engaged in limiting the growth of government. He urged the members not to steal the residents' royalties.

[10:34:22 AM](#)

LILA HENDERSON, representing self, disclosed that she is a registered member of the Republican Party. She expressed disagreement with HB 72 and HB 90 and expressed support for HJR 8 and parts of HJR 7. She continued that she is overall in favor of constitutionalizing the PFD. She expressed the idea that the state is taking more of the Permanent Fund each year and opined that the people are entitled to their royalties. She echoed Mr. Millers comments on this matter.

[10:35:34 AM](#)

JAMES SQUYRES, representing self, stated that he supports a full statutory PFD. He pointed out that the public has testified for many years for a full statutory PFD. He urged members to remember the people who have testified in favor of the PFD in the past. He argued that just because these people are not in the room today, this should not take away from past testimony.

He said he does not support putting POMV in the Constitution of the State of Alaska unless the earnings reserve account (ERA) is rolled into the Permanent Fund. He questioned the difference between statutory PFDs not previously paid, and refundable oil and gas tax credits. He pointed out that rolling ERA into the Permanent Fund would end PFD paybacks, of which he insisted are still owed to residents in the state. He advised members to repeal Senate Bill 26 [passed during the thirtieth Alaska State Legislature], which he said put POMV into statute. He noted that last year the administration had POMV in the budget, but there was no effort to repeal Senate Bill 26. He argued that, if Alaska wants to go back to the way it was with the PFD, this bill will need to be repealed. He suggested that enacting POMV is what put the "squeeze" on the funding for government services.

[10:37:56 AM](#)

JEAN HOLT, representing self, testified in opposition to HB 72. She stated the government has taken away freedoms, and the PFD should be enshrined in the Constitution of the State of Alaska. She further urged members not to "mess" with the PFD.

[10:39:17 AM](#)

The committee took a brief at-ease.

[10:39:54 AM](#)

GARY MCDONALD, representing self, stated that he supports the regular PFD formula which Alaska had used for about 30 years.

[10:41:12 AM](#)

RYAN BROUSSARD, representing self, inquired about the number of active military members who receive a PFD. He explained that in boot camp he was told to go to Alaska, do a short tour, and collect the PFD for the rest of his career. He said this process is recommended to people, and he recounted that in Virginia there were many Alaska license plates. He expressed concern that many PFDs are going out of state, and out of the country. He said that he and his family rely on the PFD, and the statutory levels should be returned.

[10:43:20 AM](#)

The committee took an at-ease from 10:43 a.m. to 10:47 a.m.

[10:47:57 AM](#)

LAURA HECKERT, representing self, called for the passages of HJR 7 and HJR 8. She expressed support for going back to the previous PFD distribution formula.

[10:49:18 AM](#)

The committee took an at-ease from 10:49 a.m. to 10:52 a.m.

[10:52:09 AM](#)

WILLIAM REINER, representing self, expressed support for HJR 8 and expressed disagreement with HB 72, HB 90, HJR 7, and HJR 9. He highlighted that in HJR 9 "muddies the water." He shared that he's been an Alaska resident since 1976 and was around for the start of the PFD. He referred to the U.S. Supreme Court case, Zobel v. Williams, 457 U.S. 55 (1982), and expressed support for the court decision in this case. Regarding mineral and gas royalties, he disclosed that he is not an Alaskan Native, and because of the 1948 law, he is unable to access any minerals, oil, or gas on his own property.

[10:55:55 AM](#)

JOEL SIGMAN, representing self, testified in support of HJR 7, as he wants a full PFD. He expressed the opinion that the legislature is stealing people's money and budgeting improperly and all residents should get a full PFD. He urged members to not take the money from the state's residents.

[10:58:15 AM](#)

SYBIL CURRY, representing self, shared that she has lived in Alaska for 20 years and is a legal immigrant from a socialist country. She further shared that she is a U.S. citizen, a law enforcement veteran, and her grandparents are survivors of Nazi Germany. She expressed the opinion that what is happening in America is horrible, noting that several banks have crashed. She said the people want an original statutorily determined PFD, and she recommended that the PFD be enshrined in the Constitution of the State of Alaska.

[HB 90, HB 72, HJR 9, HJR 8, and HJR 7 were held over.]

[11:00:27 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Ways and Means meeting was adjourned at 11:00 a.m.