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OPENING STATEMENTS FOR PERMANENT FUND/ROYALTY PAYMENTS VIDEO TELECONFERENCE

I. The CHAIRMAN'S opening comments

Welcome to the first statewide Senate State Affairs Committee Meeting . . .

II. Our program is designed around six communities around the state. Rural and urban Alaska are represented and we will treat this just as we do a normal committee meeting, in that we will make a complete round on the first bill, HB 1, then we will move on to the second top, SB 66 & 67, royalty payments to Alaskans. The rotation we have established, will be followed throughout the meeting: KOTZEBUE, ANCHORAGE, FAIRBANKS, SITKA, BETHEL. Testimony is being limited to FIVE MINUTES per person and will be adhered to. This is so everyone will have a chance to have their say on both bills that are before us today. IF TIME PERMITS, we make a third round of communities for additional comment from anyone who might have walked in to the studio. After that, if there is time remaining, journalists from any of the locations can ask questions.

III. The prime sponsor of House Bill 1 is here to testify first from Juneau, Rep. Oral Freeman . . . . .

Groundrules for Video Teleconference

April 30, 1981

1. The Chairman of the Committee will ALWAYS make the transition from site-to-site. Local site moderators will always provide an "out" and you will make an AUDIO transition to the next site. Alascom will make the VIDEO transition on to the next site.
2. Because of the format, the speaking roster is already full. But, if time remains at the end we will go around our schedule of sites again to see if there is any public testimony remaining. Politeness will help alleviate any frustrations from "studio walk ins!"
3. If time is remaining at the end and if there is no further testimony, we will have a round of journalists questions. It will follow the schedule of towns as in previous rotations.
4. In regards to 3 & 4 (above), when you make these rounds, they will be AUDIO ONLY. The rest of the state will see Juneau as we check for both additional testimony and journalist's questions.
5. Questions from State Affairs Committee members should be restricted to Juneau testifiers, as much as possible. As the show progresses, we will know how the technical switching is working and can make our improvisational decisions based on that data.
6. Moderators in the six locations:

Kotzebue	Mary Schaeffer
Anchorage	Kathy Baltes
Fairbanks	Maxine Walton
Sitka	Teresa Brooks
Bethel	Wally Richardson
Juneau	Perry Brewster

## Audio &amp; Video Conference Sites

## - TWO-WAY VIDEO CONFERENCING

- \* Anchorage
- \* Fairbanks
- \* Kotzebue
- \* Kodiak
- \* Juneau
- \* Bethel
- \* Barrow
- \* Nome

## - RECEIVE ONLY VIDEO CONFERENCING

- \* Sitka
- \* Ketchikan

## - AUDIO CONFERENCING ONLY

Dillingham  
Kenai Peninsula (Soldotna)  
Mat-Su (Wasilla)  
Valdez  
Seward  
Homer  
Haines  
Delta Junction  
Sand P

OFF NET (via phone)

Wrangell  
Petersburg  
Others by special request through LTN office

CONFERENCING INFORMATION SHEET

LMC Initial \_\_\_\_\_

\_\_\_\_\_ April 30, 1981 \_\_\_\_\_ 2pm \_\_\_\_\_ to \_\_\_\_\_ 4pm PST  
Date Requested Date of Conference Time

Requested by Senator Vic Fischer

Committee Senate State Affairs Committee

Subject Permanent Fund and Royalty Premium Payments to Alaskans

Contact Robert Roark phone 465-4954

Committee Location Rm. 205 Behrends--Program location-Senate Finance

Number of Committee members - Total four

Names	
<u>Senator Vic Fischer, Chairman</u>	_____
<u>Senator Mike Colletta, Vice Chairman</u>	_____
<u>Senator Terry Stimson</u>	_____
<u>Senator Dick Eliason</u>	_____
_____	_____
_____	_____

Requestor Notes/Description see attachments

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\_\_\_\_\_

CONFERENCING SITES

SITE Kotzebue PARTICIPANTS Marie Schwind

Pam Herman

COORDINATOR \_\_\_\_\_ PHONE \_\_\_\_\_

LOCATION Mary Schaffel

Journalists: Stan Jones

SITE Anchorage PARTICIPANTS Jim Rhode

Tom Fink

COORDINATOR \_\_\_\_\_ PHONE \_\_\_\_\_

LOCATION KAKM--Media Services--ACC

Journalists: Pete Spivey, Anch D. News  
Heather Arnett, APRN  
Steve Lindbeck, Daily News

Kathy Baltes

SITE Fairbanks PARTICIPANTS John Butrovich

Robert Weeden

COORDINATOR \_\_\_\_\_ PHONE \_\_\_\_\_

LOCATION \_\_\_\_\_

Journalists: Dermot Cole, News Miner  
Tom Snapp, AA-Weekly

Maxine Walton

CONFERENCING SITES

SITE Sitka PARTICIPANTS Brad Shaffer

Cecil McClain

COORDINATOR PHONE

LOCATION

Teresa Brooks

SITE Bethel PARTICIPANTS Bev Hoffman

Don Shantz or Harold Sparks

COORDINATOR PHONE

LOCATION

Wally Richardson

Journalists: Barbara Albert

SITE Juneau PARTICIPANTS Committee members

Rep. Oral Freeman, D-Ketchikan

COORDINATOR PHONE

Rep. Hugh Malone, D-Kenai

LOCATION Perry Brewster

Commissioner Tom Williams,  
Dept. of Revenue

Journalists: Jean Kizer, AP  
Dave Carpenter, Anch. Times  
Jon Matthews, Anch. Times



FORMAT

1. Program OPEN (Long Shot Senate Hearing Room)
2. Chairman Vic Fischer  
Intro to Program and Format  
Intro of State Affairs Committee  
Chairman Fischer introduces sponsor of HB 1--Rep. Oral Freeman
3. Rep. Oral Freeman  
D-Ketchikan
4. Chairman reviews the order of communities and the time limit  
Intro to Kotzebue
5. Kotzebue: Marie Schwind  
Pam Herman
6. Anchorage: Jim Rhode  
Tom Fink
7. Fairbanks: John Butrovich  
Robert Weeden
8. Juneau: Chairman Fischer  
Rep. Hugh Malone  
~~Response from a Committee member (Colletta, Stinson, Eliason)~~  
~~Chairman Fischer intro's Sitka~~
9. Sitka: Brad Shaffer  
Cecil McClain
10. Bethel: Bev Hoffman  
Don Shantz or Harold Sparks
11. Juneau: Chairman Fischer intro's Administration spokesperson  
Tom Williams-Comm. of Revenue  
Fischer closes testimony on HB 1
12. Juneau: Chairman Fischer's introduction to SB 66 & 67  
Intro's Tom Williams  
Chairman Fischer introduces next round beginning with Kotzebue
13. Kotzebue: Pam Herman  
Marie Schwind
14. Anchorage: Tom Fink
15. Fairbanks: John Butrovich  
Robert Weeden
16. Sitka: Brad Shaffer  
Cecil McClain
17. Bethel: Bev Hoffman  
Don Shantz or Harold Sparks
18. Juneau: Questions from Journalists if time permits  
Close of program

~~Committee member~~  
 Response from a Committee member (Colletta, Stinson, Eliason)  
 Chairman Fischer intro's Sitka

FORMAT

- 2:00 1. Program OPEN (Long intro of Senate Hearing Room)
- 2. Chairman Vic Fischer  
Intro to Program and format  
Intro to State Affairs Comm. Members
- 2:04 3. ✓ Rep. Oral Freeman
- 4. ✓ Chairman Fischer intro's Kotzebue
- 5. ✓ Kotzebue: Mary Schaeffer, moderator  
2:08 ~~Pam Herman, NANA~~  
~~Marie Schwind, Maaneluk~~  
Fischer audio transition to Anch.
- 6. ✓ Anchorage: Kathy Baltus, moderator  
2:12-30 ~~2:11~~ Jim Rhode  
2:15 Tom Fink  
2:18 Fischer audio transition to Fbx.
- 7. ✓ Fairbanks: Maxine Walton, moderator  
2:30-2:40 ~~2:31~~ Sen. John Butrovich  
2:35 Robert Weeden  
Fischer switch back Juneau
- 8. ✓ Juneau: Sen. Fischer intros Rep. Hugh Malone  
2:40-2:45 Rep. Hugh Malone  
Questions from Committee members  
Intro to Sen. Eliason to intro Sitka
- 9. ✓ Sitka: 2:34 Teresa Brooks, moderator.  
2:50-3:00 Brad Shaffer
- 10. ✓ Bethel: Wally Richardson, moderator  
3:00-3:10 2:46 Beverly Hoffman  
~~Don Shantz~~  
2:48 Lyman Hoffman
- 11. ✓ Juneau: Chairman Fischer intro's Tom Williams  
3:00-3:15 2:52 Tom Williams, Comm. of Revenue INTRO TO Tom Williams  
3:15-3:20 3:08 Questions from committee members SB 66 & 67 Royalty Payments  
Chairman Fischer (intros Kotzebue)
- 12. ✓ Kotzebue: Maxine Walton, moderator  
3:20-3:25 3:16 Marie Schwind — public assistance noble  
? Pam Herman  
Fischer audio transition to Anch.
- 13. ✓ Anchorage: Kathy Baltus, moderator  
3:25-3:30 3:29 Tom Fink  
Fischer transition to Fairbanks
- 14. ✓ Fairbanks: Maxine Walton, moderator — cash. lowest priorities  
3:30-3:40 3:38 Robert Weeden  
3:43 John Butrovich  
Fischer intros Sitka
- 15. X Sitka: Teresa Brooks, moderator  
3:40-45 Brad Shaffer (might leave)
- 16. Bethel: Wally Richardson, moderator  
3:45-3:50 3:46 Don Shantz  
3:48 Bev Hoffman, Lyman Hoffman
- 17. Juneau: Chairman Fischer???? Is anyone left to testify  
3:50 3:50 Same rotation
- 18. Juneau: Questions from journalists in same rotation

RON GAMBLER



HB 1 -- ONE OF MOST IMPORTANT BILLS OF 1981 SESSION

-- TO APPROPRIATE \$1.8 BILLION TO PERMANENT FUND.

PF ESTABLISHED BY VOTE OF THE PEOPLE TO ASSURE THAT PART OF OIL INCOME WILL BE AVAILABLE TO MEET ALASKA'S NEEDS IN THE FUTURE.

HB 1 - PRINCIPAL AUTHOR ORAL FREEMAN

SIMILAR BILL INTROD BY GOV HAMMOND, WHO HAS ESPOUSED THE CONCEPT OF PF AS FAR BACK AS THE 1969 BROOKINGS SEMINARS ON THE FUTURE OF ALASKA

~~HB 1 PASSED HOUSE BY~~ SO FAR, THE ENTHUSIASM FOR PUTTING THIS MUCH MONEY ASIDE FOR FUTURE USE IS LIMITED IN THE SENATE -- MANY MEMBERS FEELING THAT WE HAVE CURRENT NEEDS THAT WOULD BE MET BEFORE WE STASH MORE MONEY AWAY IN PF. THAT'S WHY THIS HRG PARTICULARLY IMPORTANT...

+ SB 66 & 67 -- DISTRIBUTION OF ROYALTY DIVIDENDS TO THE PEOPLE -- THEIR RESOURCES, BELONGS TO ALL. CASH DIVIDEND TO ALL ALASKANS - OR SOME OTHER EQUITABLE METHOD OF DISTRIBUTING OR USING THE MONEY OTHERWISE

~~THIS~~ HEARING PART OF LEGISLATURE'S EFFORT TO OBTAIN VIEWS OF PEOPLE FROM ALL OVER STATE. GENERALLY, THIS IS DONE BY AUDIO TELECONFERENCE. TODAY -- VIDEO CONNECTIONS -- AND WE'LL BE HEARING AND SEEING PEOPLE IN ANCH, BETHEL, FAI, KETCHIKAN, KOTZ JUNO, AND SITKA - THEY WILL SEE US, BUT WE'LL ONLY GET AUDIO FROM S.

FIRST, HB 1, THEN 66 & 67

TIGHT SCHED. - LIMIT TIME 5 MIN MAX

REP ORAL FREEMAN, KETCHIKAN, PRINCIPAL SPONSOR HB 1

COMMITTEE MEMBERS PRESENT: SN COLLETTA, ELIASON, STIMSON

GARY C. NEWMAN  
S.R. BOX 51233  
FAIRBANKS, ALASKA 99701

Senator Vic Fischer  
Chairman, State Affairs

May 5, 1981

Dear Vic,

Herewith are the comments I have to make regarding the Permanent Fund, about which I wrote you last week.

I support House Bill 1 which would put an additional 1.8 billion dollars into the fund. While the state may have a lot of requests for funding that certainly exceed the revenues regardless of whether additional funds are put into the Permanent Fund, it is not reasonable to assume that all worthwhile projects could be funded in one or even in two legislative sessions.

Secondly, the oil royalty money income is of limited duration and it was the hopes of two thirds of Alaskans in creating the Permanent Fund that some of that royalty money could help stabilize the economy of the state after the oil ran out.

Realistically speaking, people who put money away for their retirement try to put enough away so that they can live only off the interest. I would like to see the state put enough away so that government could fund itself and the needs of Alaskans off of that interest. Instead of a law limiting state government expenditures to some fixed dollar amount, tie it to the interest off the Permanent Fund.

It is my hope and desire that we would use what moneys we do not put into the Permanent Fund to finance the most worthwhile projects to improve Alaskans' social condition, to work toward self-sufficiency in food and energy production, and to provide a solid educational base for our citizens, both young and old. I feel that the several billion dollars available this year is enough to do some of those things this session. We are a young state in many ways and we should not presume that we can solve all of the state's problems and take advantage of all the opportunities in a single year.

I recognize the position that we should invest in Alaskans and not use the big pot of money just to make more money. Yet I strongly feel that the oil money belongs not just to Alaskans today, but to future Alaskans as well. To try to stimulate the economy is fine to a point, but I want to, at all costs avoid the boom and bust economy that Alaska has always suffered from. I believe this can be done if we set the direction and goals now by providing first for our future.

I hope my comments will aid your committee's deliberation.

Sincerely,

Gary C. Newman

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

HB 1

FISCAL NOTE

I. REQUEST CS  
Bill/Resolution No. HOUSE BILL NO. 1 (Page 1 of 2)  
Title Making a special appropriation to the Alaska Permanent Fund  
Requested by House Finance Committee Date 2/4/81

II. FISCAL DETAIL  
Agency Affected: Dept. of Revenue/Ak. Permanent Fund Corp.  
Program Category Affected: Revenue Collection and Management  
BRU, Program, or Subprogram(s) Affected: Treasury Management  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		27.5	30.3	33.3	36.6	40.3
200 TRAVEL						
300 CONTRACTUAL		50.0	55.0	60.5	66.6	73.3
400 COMMODITIES						
500 EQUIPMENT		2.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	80.0	85.3	93.8	103.2	113.6

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	80.0	85.3	93.3	103.2	113.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill appropriates \$1.8 billion to the Alaska Permanent Fund. This would be accomplished as quickly as possible starting July 1, 1981 in line with prudent cash management and cash flow requirements necessary to finance other state government operations. Payments would be made in several installments.

Above costs include a Loan Closer II to maintain related investment files and documentation because of increased activity in this area; contractual expenditures are for increased safekeeping fees related to marketable securities because of large fund balance increase; equipment is related to new position and additional working file storage.

*Anselm C. Staack*

IV. DATE February 17, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller  
AGENCY Dept. of Revenue/Treasury Division  
Original: Legislative Finance PHONE 465-2351

1	POSITION TITLE Loan Closer II			RANGE/STEP 12A	BARG. UNIT. G	LOCATION Juneau	BOV	APPROV	DIS						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. HB 1	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG							
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:									
	1	2	3												
4	PERSONAL SERVICES: SALARY 1,761 x 12		21,132	<p>To implement HB 1 because Fund will be expanding its investments in loans and mortgages. Additional \$1.8 billion greatly expands the ability of Fund in this area.</p> <p>Responsible for making sure that all necessary and required documentation is included in each investment package in order to assure proper title for the Fund's investment. Assure that all subsequent documentation recieved after purchase is directed to the proper file, follow-up on late or non receipt of necessary legal documents.</p> <p>Equipment cost includes additional filing cabinets necessary to maintain proper control of increased amount of investment folders.</p>											
5	BENEFITS 21,132 x .1533		3,240												
6	FICA SBP @ .0613		1,295												
7	HEALTH INS. Mo. Fix. 12 x 150		1,800												
8	TOTAL PERSONAL SERVICES 01		27,467												
9	TRAVEL 02														
10	CONTRACTUAL 03														
11	COMMODITIES 04														
12	EQUIPMENT 05		2,500												
13	OTHER														
14	TOTAL COST		29,967												
15	CODE	FUNDING SOURCE													
16		FED RCPTS. 1002													
18		GF MATCH. 1003													
17		GEN. FUND 1004		29,967											
18		I-A RCPTS. 1005													
19		PGM RCPTS 1028													
20		OTHER													
21	CONTINUATION														
22	ADDITION		XX	FOR B&M USE ONLY											
1A KEY NUMBER		COMMO NO.													

AGENCY Department of Revenue PROGRAM Revenue Collection and Management

BRU Treasury Management

**13** REQUEST FOR NEW POSITION

COMPONENT \_\_\_\_\_

Page 1 of 2 CSHB 1

REVISED DATE 2/17/81

FY 82