

SB

114

PUBLIC

TESTIMONY

<TARGET><BILL>SB 114</BILL><SUBJECT>SB 114 PUBLIC
TESTIMONY</SUBJECT><COMM>SSTA29</COMM></TARGET>

SB 114 Public Testimony
First packet (#1) (20 pages)

Daniel George

From: Arthur Corliss <arthur@corlissfamily.org>
Sent: Monday, February 15, 2016 1:38 PM
To: Senate State Affairs
Subject: Fiscal crisis

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Completed

Greetings:

As an Alaskan resident I've watched for decades how the AK government is mismanaged our economy budget. With the current chaos on world oil markets things have reached a fevered pitch. Before everyone follows through with knee-jerk reactions I'd like to add my voice to the din.

First: ignore the idiotic notions by the GCI's lobby. None of it address the most fundamental problem: your spending problem. I had lunch with (then) Lt. Gov. Parnell several years back and I told him that excessive capital investment is stupid because it's not only *doesn't* guarantee you growth, it only guarantees greater carrying costs on the expense budget.

Math is simple. At some point all of you will have to learn how to do it. Stop spending. Leave the PFD alone. Finding more ways to siphon funds, whether it be the citizens via new taxes, raiding the CBR & the PFD, whatever, does nothing to solve the root of the problem. And that problem is undeniably undisciplined and unsustainable spending by the state government.

--Arthur Corliss
Live Free or Die

Daniel George

From: Bob Solberg <bsolberg@gci.com>
Sent: Monday, February 15, 2016 3:31 PM
To: Senate State Affairs
Subject: State Budget Deficit

In 1999, the last time raiding the permanent fund was put to a public vote, it of course resulted in a resounding 80% “NO”. After which, one Juneau politician made an interesting statement I will never forget. Paraphrasing, it went something like this:

“Our current deficit is so large that oil would have to go to \$22 a barrel in order to fill it and that will never happen”.

So the idea that we cannot reduce state government to a sustainable point is just plain ludicrous. It is not time for surgical finesse, it is time to get out the chain saws! We have a state with a population of a small city; we do not need much government.

Constitutionally destroying the current permanent fund “owner dividend” and replacing it with some contrived mechanism, regardless of what you call it, will just turn it into another government handout at the whim of politicians.

If the state government gets its fingers into the permanent fund, the massive overburden of government we are currently saddled with will just continue to expand. It is time to end this madness now!

Regards

Bob Solberg

Palmer, AK

Daniel George

From: Brad Kiefer <bradkiefer9@gmail.com>
Sent: Saturday, February 13, 2016 12:45 PM
To: Senate State Affairs
Subject: Public Testimony on HB14 - Brad Kiefer

Hello, my name is Bradley D. Kiefer and I live in the South Anchorage area. I'd like to thank you for providing us the opportunity to testify before you this evening.

Our budget deficit is without a doubt the most pressing issue the legislature will take up this year, because if we as Alaskans don't address this issue now our savings will be gone in less than two years. Failure to act is not an option.

It's clear to me and my family that the State of Alaska will need to use the Permanent Fund to address our budget deficit.

We all can agree there needs to be spending cuts and new sources of revenue, but these alone will not come close to filling our budget deficit. If we don't take this crucial step sooner than later, we will be putting Alaskans and the Permanent Fund Dividend program in jeopardy.

As a commercial banker in Anchorage, I see and hear all the pessimism and fears from customers of what is in store for them in the future and will their business make it through this challenging time. This lack of action by the legislature is causing fears to grow.

People that were thinking about opening businesses right now are having second thoughts. Others are having to lay people off cause there is no work or reduced work. It's not just State employees that this is effecting.

Thank you for letting me bring testimony before you today, and I urge the legislature to act now, and use a portion of the Permanent Fund earnings to address our budget deficit now. Thank you.

Sincerely,

--

Brad Kiefer

Daniel George

From: Claudia Beeks Anderson <claudiaa.ak@hotmail.com>
Sent: Tuesday, February 09, 2016 4:50 PM
To: Senate State Affairs
Subject: budget

Follow Up Flag: Follow up
Flag Status: Completed

Dear Legislators,

With regard to the state's budgetary shortfall, I support moderate cuts that do not strangle our economy.

To solve the problem we need to raise more revenues.

My first priority is to cap the permanent fund dividend and use the balance to fund government. If more revenue is needed, citizens and non-citizens need to contribute with an income tax. Reinstating the school tax will also help.

A statewide sales tax is regressive and discriminatory to those of us already paying a local sales tax.

Thank you for your consideration.

Claudia and Stosh Anderson
PO Box 310
3964 Cliffside Road
Kodiak, Ak 99615

Daniel George

From: Curtis Watkins <cwatkins58@yahoo.com>
Sent: Monday, February 15, 2016 8:17 PM
To: Senate State Affairs
Subject: financial cliff

Good evening

I am writing about the financial cliff that Alaska is facing. It's time that our elected officials put aside any and all differences to develop a plan that will address this issue. There are many options. One way would be to use the assets of of the Permanent Fund. Done properly, each Alaskan could still receive their PFD. Other options would be to look at having a sales tax, increase the gas tax, have an income tax, have an alcohol tax, etc. There are many options and all of them will be disliked by segments of our population. You have been elected to make the hard choice; make it. If you cannot or will not make those hard choices, the future of Alaska will not be bright.

Thanks for your time

Curtis Watkins
915 Skyline Drive
Fairbanks, Alaska 99712
907-474-2884

Daniel George

From: Dennis Gall <gall_dennis@yahoo.com>
Sent: Friday, February 12, 2016 11:03 AM
To: Senate State Affairs
Subject: state budget

Follow Up Flag: Follow up
Flag Status: Flagged

Hello...

I am writing today to urge the Senate to move forward as quickly as possible in establishing a POMV plan for utilizing the citizens Permanent Fund savings to pay for the services we receive. It is better to do this now as a first step in establishing a responsible and sustainable budget going forward into the future. It just does not make fiscal sense to continue to draw down state savings accounts while putting off this inevitable decision. These saving should be rolled over into the permanent fund, providing additional income well into the future.

Once this plan has been established a conversation can then take place on what additional cuts or revenue sources may be needed to make up the difference. I would like to add that I have heard much from legislators about the need to cut the budget, but very little in the way of specifics have been offered. If we are serious about downsizing state government, we need to develop a real plan now. It is just not responsible management to continue blowing through billions of dollars in saving just to put of the inevitable difficult decisions.

Thank you so much for your efforts. I pray that you will make responsible decisions now to help stabilize our Alaskan economy going forward and well into the future.

Sincerely,
Dennis Gall

Daniel George

From: Dori Mendoza <dori.mendoza01@gmail.com>
Sent: Monday, February 15, 2016 1:39 PM
To: Senate State Affairs
Subject: Feb. 16 - Public Testimony

I would like to request immediate action regarding Alaska's budget deficit. While I feel that the current plan to use Permanent Fund earnings is not the most aggressive or appropriate action, I feel that this is a necessary step in preserving our state's economic stability.

I further urge you to looking into additional options, such as, additional taxes, spending cuts and lottery and gambling revenue streams. As for the Permanent Fund, I would prefer that you consider a more controversial approach and draw directly from the Permanent Fund principle balance to resolve our current budget shortfall.

Regardless, of the manner in which you proceed, we need action NOW. Please do not hesitate or let this session end without a resolve in place. It would be devastating to see Alaska sink into further financial distress. If our economic situation is not corrected immediately, many will be left with no other option but to leave our great state which will further hinder the progress towards economic stability.

Sincerely,
Dori Mendoza
7170 W. Werner Dr.
Wasilla, AK 99654

Daniel George

From: Duane Dudley <Duane.Dudley@solstenxp.com>
Sent: Monday, February 15, 2016 12:03 PM
To: Senate State Affairs
Subject: State budget gap

Follow Up Flag: Follow up
Flag Status: Completed

Greetings,

I am unable to attend tomorrow's public testimony on SB 114. I am writing not necessarily to support that bill, because I believe a 5% annual draw down is not sustainable over the long run (perhaps 4-4.5% would be better), but I am writing to encourage continued efforts to find a suitable solution to the existing and proposed State budget gap that utilizes a combination of increased revenues via cost effective and fair taxes; efficiency measures for delivery of State level services (and the reduction of State level services) as well as a robust utilization of the Permanent Fund that maximizes near term revenue potential while maintaining the perpetual intent of the fund. I propose a reduction in dividends for all supported by a targeted financial "safety net" for those whose financial security is derived in part from the annual dividend program. In other words, decrease the regressive impact of a lowered dividend. I favor a simple State income tax imposed on those more than 1.5% (for example) above the Federal poverty line, adjusted for Alaska (again, away from the regressive nature of a tax on all income).

I have lived in the State of Alaska for more than 50 years and have never sent a message to the Legislature. It is critical that bipartisanship and even political self preservation give way to an urgent deliberation on the budget, using all tools available, especially the Permanent Fund. Our actions now will impact many in noticeable ways. Our inaction now will severely impact everyone in long lasting, debilitating ways.

Thank you for your brave efforts in this very dangerous moment in Alaska's history.

Sincerely,

Duane Dudley

Daniel George

From: Fran Ulmer <faulmer@gmail.com>
Sent: Saturday, February 13, 2016 9:51 AM
To: Senate State Affairs
Subject: Fiscal crisis

Follow Up Flag: Follow up
Flag Status: Completed

Dear Senators,

I am writing to you to express my appreciation to you for your service to the people of Alaska, both those here now and future generations of Alaskans.

As you consider the possible solutions to the budget gap and the economic crisis which looms in the near future, I sincerely hope you will be thinking about that future and not about next year's election campaign.

As a former member of the Alaska Legislature, I understand that it is very difficult to put aside the politics, and to focus on solutions that may be unpopular in the short term but benefit the state for the longer term. But that is what is called for at this moment in Alaska's story.

I am not advocating for a specific piece of legislation, but rather for a balanced package that includes: reducing spending (but not so much that you precipitate a recession), imposing new taxes (long overdue in the state with the lightest tax burden of any state), using earnings from the Permanent Fund (which was exactly what was intended when the Constitutional Amendment was adopted in 1976), and adjusting oil tax credits (if needed to achieve balance).

Thank you for doing your very best to be fair, open minded and courageous.

Sincerely,
Fran Ulmer

Sent from my iPad

Daniel George

From: 68gsmith@gmail.com
Sent: Monday, February 15, 2016 9:06 PM
To: Senate State Affairs
Subject: SB114

I support action now. I encourage you to act this session not wait until after the election cycle. We do not have the benefit of time.

You are faced with tough choices and decisions and the people of the state are counting on you to make them

I support a multifaceted approach to reducing the states deficit. We have to look at accessing the pfd if we want it to be there in the future. We have to look at a state income tax. And we need to look at reducing services if need be. Bottom line we - you have to take action this session

Sincerely
Geoff Smith
Kodiak
907-942-7277

Daniel George

From: Harold Hollis <HHollis@whpacific.com>
Sent: Monday, February 15, 2016 3:17 PM
To: Senate State Affairs
Subject: Public Testimony on SB 114 and SSSB 114

Dear Senator McGuire and Esteemed Legislators,

Hello, my name is Harold Hollis and I live in Anchorage. I am unable to attend the teleconference hearing on February 16, 2016, however I would like to express my views and opinions to you on the subject at hand. First of all, I would like to thank you for providing me the opportunity to provide my testimony via email before your hearing.

We all know our budget deficit is without a doubt the most pressing issue the you will take up this year. If we don't address this issue our savings will be gone in less than two years.

It's clear to me, my friends, and business associates that we need to use a portion of the Permanent Fund earnings to address our budget deficit. I believe we can all agree there needs to be spending cuts and new sources of revenue, but these alone will not come close to filling our budget deficit. If we don't take this crucial step, we will not only be putting the Permanent Fund Dividend program itself in jeopardy, we will be putting the future financial stability of our State at risk. It is time to make a change in the way we use our revenues from oil and gas royalties and rents, yet preserve the Permanent Fund and Dividend program. **Your action on SB 114, or similar legislation, to accomplish a prudent change to better utilize the earnings of the Permanent Fund for long term fiscal stability is critical.**

Why is this important to me? Let me say. I am a 34 year resident of Alaska and have raised my family, including 3 boys, in this great State. I am a licensed professional civil engineer and the Vice President of a major consulting engineering firm here in Anchorage that has supported and helped to build many projects in Alaska, both resource and non-resource development. I have had the privilege to enjoy the best of what Alaska has to offer; the great outdoors, the quality of life, the job opportunities, and the friendships of the wonderful and unique people who live in this great State. I love Alaska and want my children, my grandchildren, and future generations to enjoy what I have and am so grateful for.

Thank you for letting me bring my testimony before you in this email, and I urge you and the legislature to act now, and make changes for the wise and prudent use of a portion of the Permanent Fund earnings to address our budget deficit.

Thank you.

Harold Hollis, PE | VP, Alaska Region

WHPacific, Inc. | 3111 C St, Ste 300, Anchorage, AK 99503

Direct 907.339.6555 | Mobile 907.250.9195 | Fax 907.339.5327 | hhollis@whpacific.com

Daniel George

From: Janet A. Delfino <JDelfino@awn.tel>
Sent: Monday, February 15, 2016 2:19 PM
To: Senate State Affairs
Subject: Written testimony re State Budget Deficit SB 114

February 15, 2016

Re: Use of the Permanent Fund earnings to address our budget deficit and preserving the PFD

Ladies and Gentlemen:

Just a note to express my opinion that virtually everyone would be in favor of this bill if they understood the gravity of the problem. Past articles in ADN and word of mouth have left folks to believe this deficit could be eliminated with a sales tax providing \$500M and \$500M in cuts, hardly a dent in the \$4B shortfall.

I am extremely grateful to GCI for laying out the facts. The best scenario would be for our state legislators to factually inform their constituents via newsletters, etc. the unvarnished facts and figures. Until they have the courage to inform the public, there will be continued misunderstanding.

Kicking this down the road would be a great disservice to all Alaskans.

Thank you,

Janet A. Delfino

Executive/Legal Secretary

The Alaska Wireless Network, LLC

6831 Arctic Boulevard

Anchorage, Alaska 99518

JDelfino@awn.tel

907-868-5834

Daniel George

From: Jennifer Bachman <jbachman@gci.com>
Sent: Monday, February 15, 2016 4:41 PM
To: Senate State Affairs
Subject: SB 114 Perm Fund: Earnings, Deposits, Accounts

We need our state legislators to act now and pass a solution to Alaska's budget deficit. We need to show the nation and international countries that we have a solution to our financial situation. We are not the only state or country with this problem of oil revenues, but we are unique that our leaders in the past created a solution to help us with our state by creating the permanent fund. Our leaders need to be bold and responsible and get this job done this session.

Thank you,

Jennifer Bachman

Daniel George

From: xenocide_all@yahoo.com
Sent: Monday, February 15, 2016 9:35 PM
To: Senate State Affairs
Subject: Pfd to fund government

Follow Up Flag: Follow up
Flag Status: Completed

Nope, you may use PFDs for residents that are using state Medicaid or other services including anyone behind bars but leave it alone, I'm watching everyday the State spending tons of money clearing brush on the sides of the Glenn for really no reason but we can't even get the road ruts that are so bad in places now that this spring the potholes are going to be eating cars again, but hey they've a better view of the ditch for the millions being spent clearing brush while they sit in another gridlock caused by only having a single route to the valley.

Perhaps you should balance the budget on a more realistic price of a barrel of oil instead of \$100.

Also use a larger survey of people to poll and include figure it out an option instead of only fixing the option of taking money in either PFD, Income Tax or Sales Tax.

If the department heads can't figure it out then perhaps it's time to shut down the state government in the same way the Feds did a few years back.

UAA acts like a private company that gives its leaders huge salaries meanwhile while receiving states dollars but maybe place a cap on what a person can earn including all incentives and bonuses like housing if they are being paid with any state money.

I'm expected to live within my earnings government needs to do the same thing, you will just clean out the piggy bank of PFD and then in a few years add in a sales tax or income tax then a few more years you will have all three and if the oil industry continues to tank less and less people to tax so you'll raise rates to a socialist level and the working class will fund more and more able bodied workers that are just sitting at home that they are not paying for eating food they didn't pay for and using methadone that new expanded Medicaid pays for smoking tobacco and soon pot with money given to them from the state.

In short cut the hell out of all the parasites on the system. Fire a ton of state workers, why is it the private sector always finding ways to run more efficiently but government just continues to add more positions? Does the State not have any computers? How many studies and millions of dollars have been spent on moving the capital or just the Anchorage offices relocated?

Consolidate a ton of these bush schools, they are not taken care of properly anyway. Alaskans choose to live in remote areas why do they expect urban conveniences like large schools? They want those things move to an area that can afford the schools instead of building these schools the villages can't even maintain.

Don't touch the PFD until you can prove you can control your own spending.

Daniel George

From: kathleen maricle <cappijoe@hotmail.com>
Sent: Wednesday, February 10, 2016 7:17 PM
To: Senate State Affairs
Subject: PFD

Follow Up Flag: Follow up
Flag Status: Completed

This is a classic case of robbing Peter to pay Paul! Taking money from the PFD will not solve the budget problem, but put a temporary bandaid on the issues. Before money is taken from anywhere, all areas of the budget must be inspected and cuts might need to be made. For example, take a look at the spending of Senator Murkowski. Cuts can and should be made in all areas of travel. Look into the possibility of moving the government offices to Anchorage, where all items are a bit cheaper, including airfare in and out of Anchorage. Work on getting people off of public assistance or put the PFD of every eligible adult that is on public assistance back into the public assistance program to pay for their needs. Put the PFD of the children into the UAA college fund for the children to use when they turn 18.

Kathleen Maricle

Sent from [Mail](#) for Windows 10

Daniel George

From: Lee Peterson <lnbpeterson@gci.net>
Sent: Monday, February 15, 2016 7:36 PM
To: Sen. Charlie Huggins; Senate State Affairs
Cc: Lee Peterson
Subject: Re: State Affairs to Host Public Testimony on SB114

Senator Huggins,

I, Lee S. Peterson, remain opposed to ANY attempt to appropriate or modify for future usage any permanent fund monies until such time as cuts are made in social services and state funding to many who could, but won't, get off the La-Z-Boy recliner or relocate to earn income and become self sufficient. If there is truly no work available then why do I continue to see "help wanted" columns in the various papers? Even the fast food franchises are required to pay a minimum wage and it's my experience that anyone who truly wants to work can. "My" elected representatives are all too quick to cut necessary services, for example AK State Troopers (to include wildlife troopers) and DOT yet are quick to maintain and even increase such programs as medicaid, fuel subsidies and a whole host of other programs, all of which come at a cost. If AST were to sustain, for example a 20% cut, then every program receiving State of Alaska funds should be cut by the same percentage. Should the outlying communities truly "need" the many and varied subsidies why are not the native corporations funding them. What are the millions, if not billions, of dollars made from government contracts being earned by the corporations being used for if not the betterment of their own peoples lives? Where is the Indian Health Service?

Secondly, if the permanent fund is "tapped" this first time I see you, the governing bodies of Alaska, going back for more and more and more until the fund is depleted in its entirety. If additional funds are required then enact a State of Alaska (SOA) income tax. I personally paid income, as well as school, taxes to the SOA as early as 1968 while earning the minimum wage of the times. If "we" could help pay our own then why can we not do so now? It is also my opinion that ALL income whether in the form of wages paid or from benefits and subsidies obtained from the State of Alaska be considered as taxable. I consider benefits such as Quest cards, medicaid, fuel subsidies, medical care courtesy of the AKNG, and rent subsidies to name a few as an alternate source of income, albeit unearned. All SOA benefits have a cost associated with them and that cost should be shared among the users of the benefit. If "fair is fair" is truly fair then I should be able to have a like amount "gifted" to me instead of paying my own way as I do now.

The SOA "bank account" ought to be handled as my own. I have a finite amount of money available to me. From this amount my food, vehicle fuel, home utilities and luxuries must be funded. Once that funding is gone I am required to stop spending and NOT borrow from my children and grandchildren as the U.S. government does and which, it would appear, the SOA would like to start doing. I would say that "you're spending money like drunken sailors" but as a former drunken sailor when I ran out of money I stopped drinking until my next paycheck.

Respectfully,

//Signed//

Lee S. Peterson
4867 East Alder Drive
Wasilla, AK 99654

Daniel George

From: Sen. Bill Stoltze
Sent: Monday, February 15, 2016 11:09 PM
To: Senate State Affairs
Subject: FW: Budget Crunch

From: Michael Chartrand [mailto:machartrand@mtaonline.net]
Sent: Monday, February 15, 2016 12:17 PM
To: Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>
Subject: Budget Crunch

Dear Senator,

We are writing to let you know our thoughts on dealing with the current budget crunch. First and foremost we strongly object to any attempts to use our PFD to finance state government. Many Alaskans really depend on the earnings of that fund to make it financially in this place of high prices. There are some that can afford to donate a portion of their dividend to worthy charities and that's wonderful, but many of us really need that full amount. The PFD was not intended to fund any part of state government and should stay that way..

We would not object to a state tax of some type (income or sales) but it should come with a sunset provision that would eliminate it when oil prices return to a certain predetermined level. If a state sales tax is decided on it should not include any levy on groceries.

We strongly object to any use of taxes to fund the gas pipeline proposal that the state is now unwisely a part of. If the government cannot afford that pipeline through excess revenues it must not use an additional tax or our PFD to fund it.

It is obvious that major spending cuts must be made. All of us must bite the bullet on this point. Spending cuts should be across the board and not overburden any one group or organization. It must be fair. All funding should be eliminated for "pie in the sky projects" including Susitna Hydro and the Knik Arm Crossing.

The Oil Tax issue must be revisited. We are missing out on tax revenue from oil companies that can certainly afford to pay their fair share for our resources

We hope you will consider these points in making your determinations.

Thank-you

Michael and Aimee Chartrand

Daniel George

From: Nancy Little <nancylou@gci.net>
Sent: Sunday, February 14, 2016 6:18 PM
To: Senate State Affairs
Subject: S.B 114

I have lived in Alaska since 1977 and remember the fist check. Our family has used the PF wisely but we always knew it a GIFT. Now it is time to use it to Fund the budget. It is an equal way for all Alaskans to participate in this process in a painless manner. Education of our children cannot be put at risk by a self centered attitude. Nancy Little, nancylou@gci.net. Palmer, Ak. 99645

Daniel George

From: Nancy Little <nancylo@gci.net>
Sent: Monday, February 15, 2016 10:14 PM
To: Senate State Affairs
Subject: Restructure the PF

My husband and I both agree with the restructure of the PFD plan as stated by NEA . We feel it is a wise plan that will provide for the education of our future generations and keep the the PFD for use as needed by Alaskan residents. We feel strongly that it is the ONLY solution for the budget crisis.

We moved to Palmer in June of 1977, just as the first drop of oil flowed down the pipeline. We often heard an expression, "The Gravy Train", referring the the big money earned during pipeline construction. Many people could not accept the big money was over and would not settle for pre-pipeline wages. So they waited and hoped for another "Train" to arrive. Sadly, many did not ever expect the big money to end and had spent it all, with no plan for the future. (My husband, a minister, conducted 17 suicide funerals during that first year.)

The Gravy Train of oil prices is over for now and there may not be another one. It is time to make a plan for Alaska's future and not dream of something that may not happen. This is serious. Restructure is imperative.

Thank you,
Nancy Little, Retired NEA Member

My Husband,Glen, (Retired Minister)

Nancy Little (Retired Teacher, NEA Member) Our address, 1765 A South Heirloom Circle, Palmer, Ak. 99645 Email - nancylo@gci.net Alaskan Residents since June 10, 1977 Parents of two graduates from Palmer High , both college graduates. One teaches at Wasilla High and the other becoming certified to teach in Washington.

Grandparents of four children who attend Palmer High, Colony High, and Colony Middle School in the Mat-Su School District - -The future is already in our schools!!!

Daniel George

From: Sen. Bill Stoltze
Sent: Monday, February 15, 2016 11:11 PM
To: Senate State Affairs
Subject: FW: Our Opinion On Proposals For New Income Sources

From: Bob Dykes [mailto:bobdykes@yahoo.com]

Sent: Friday, February 12, 2016 4:47 PM

To: Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>; Sen. Dennis Egan <Sen.Dennis.Egan@akleg.gov>; Sen. Johnny Ellis <Sen.Johnny.Ellis@akleg.gov>; Sen. Berta Gardner <Sen.Berta.Gardner@akleg.gov>; Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>; Sen. Lyman Hoffman <Sen.Lyman.Hoffman@akleg.gov>; Sen. Charlie Huggins <Sen.Charlie.Huggins@akleg.gov>; Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>; Sen. Lesil McGuire <Sen.Lesil.McGuire@akleg.gov>; Sen. Kevin Meyer <Sen.Kevin.Meyer@akleg.gov>; Sen. Peter Micciche <Sen.Peter.Micciche@akleg.gov>; Sen. Donny Olson <Sen.Donny.Olson@akleg.gov>; Sen. Bert Stedman <Sen.Bert.Stedman@akleg.gov>; Sen. Gary Stevens <Sen.Gary.Stevens@akleg.gov>; Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>; Sen. Bill Wielechowski <Sen.Bill.Wielechowski@akleg.gov>; Rep. Mike Chenault <Rep.Mike.Chenault@akleg.gov>; Rep. Matt Claman <Rep.Matt.Claman@akleg.gov>; Rep. Jim Colver <Rep.Jim.Colver@akleg.gov>; Rep. Harriet Drummond <Rep.Harriet.Drummond@akleg.gov>; Rep. Bryce Edgmon <Rep.Bryce.Edgmon@akleg.gov>; Rep. Neal Foster <Rep.Neal.Foster@akleg.gov>; Rep. Les Gara <Rep.Les.Gara@akleg.gov>; Rep. Lynn Gattis <Rep.Lynn.Gattis@akleg.gov>; Rep. Max Gruenberg <Rep.Max.Gruenberg@akleg.gov>; Rep. David Guttenberg <Rep.David.Guttenberg@akleg.gov>; Rep. Mike Hawker <Rep.Mike.Hawker@akleg.gov>; Rep. Bob Herron <Rep.Bob.Herron@akleg.gov>; Rep. Shelley Hughes <Rep.Shelley.Hughes@akleg.gov>; Rep. Craig Johnson <Rep.Craig.Johnson@akleg.gov>; Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>; Rep. Scott Kawasaki <Rep.Scott.Kawasaki@akleg.gov>; Rep. Wes Keller <Rep.Wes.Keller@akleg.gov>; Rep. Sam Kito <Rep.Sam.Kito.III@akleg.gov>; Rep. Jonathan Kreiss-Tomkins <Rep.Jonathan.Kreiss-Tomkins@akleg.gov>; Rep. Gabrielle LeDoux <Rep.Gabrielle.LeDoux@akleg.gov>; Rep. Bob Lynn <Rep.Bob.Lynn@akleg.gov>; Rep. Cathy Munoz <Rep.Cathy.Munoz@akleg.gov>; Rep. Charisse Millett <Rep.Charisse.Millett@akleg.gov>; Rep. Benjamin Nageak <Rep.Benjamin.Nageak@akleg.gov>; Rep. Mark Neuman <Rep.Mark.Neuman@akleg.gov>; Rep. Kurt Olson <Rep.Kurt.Olson@akleg.gov>; Rep. Daniel Ortiz <Rep.Daniel.Ortiz@akleg.gov>; Rep. Lance Pruitt <Rep.Lance.Pruitt@akleg.gov>; Rep. Lora Reinbold <Rep.Lora.Reinbold@akleg.gov>; Rep. Dan Saddler <Rep.Dan.Saddler@akleg.gov>; Rep. Paul Seaton <Rep.Paul.Seaton@akleg.gov>; Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>; Rep. Geran Tarr <Rep.Geran.Tarr@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>; Rep. Cathy Tilton <Rep.Cathy.Tilton@akleg.gov>; Rep. Chris Tuck <Rep.Chris.Tuck@akleg.gov>; Rep. Liz Vazquez <Rep.Liz.Vazquez@akleg.gov>; Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>

Subject: Our Opinion On Proposals For New Income Sources

Dear Alaska Legislator,

My wife and I are vehemently opposed on either a reintroduction of the State Income Tax OR Raiding The PFD. As a disabled Alaska Resident I now need the little income from the PFD to supplement my small disability income. Since our income is already reduced to a sub-standard level an income tax will only cause us more difficulties.

We propose to the Alaska Legislature to set aside your differences and introduce bills to:

1. Legalize gambling. Other states have done this with the proceeds earmarked for their Education needs.

2. Legalize the building and operation of casinos.
3. Legalize the sale of or become part of one of the large State Lotteries.
4. Introduce a Gaming Tax.

This would be an excellent way to fund jobs for Alaskans while increasing contributions to the State from the tourist industry.

Alaska continuously lags behind the Lower 48 states when it comes to finding new sources of income. Now is the time to catch up with our peers.

Oil prices are only going to be depressed for a temporary period of time until Iran and OPEC countries get tired of giving it away.

Petitions are on the boards for all of the above recommendations regardless of how the Legislature acts now, So, why not get out in front of these issues for a change and be seen as part of the solution instead of the problem.

Thank you sincerely for your consideration on these issues,

William and Jasmine Dykes,
POB 55753
North Pole, AK, 99705
907-488-0400

SB 114 Public Testimony to SSTA
packet #2 (40 poms)

Daniel George

From: Jack Morkal <jmorkal@gci.net>
Sent: Tuesday, February 16, 2016 6:29 PM
To: Senate State Affairs
Subject: DO NOT TOUCH THE PFD

CUT YOUR BUDGET - LIVE AND PLAN WITHIN YOUR MEANS AND DON'T STEAL THE PEOPLES MONEY TO INCREASE YOUR MEANS - CUT = CUT - CUT!!!!!!!!!!!!!! PRIORITIZE YOUR DESIRES AND STOP DREAMING OF PROJECTS FOR POLITICAL GAIN!!!!!!!!!!!!

DO NOT TOUCH THE PFD - REDUCE SPENDING BY REVIEWING ALL BUDGETARY ITEMS, PRIORITIZING, TIMING OF SPENDING, ELIMINATE SUPERFLUOUS PET PROJECTS, REVIEW ALL PAST EXPENDITURES FOR LEGITIMACY, CLASSIFY NICE TO HAVE/DO, ETC.

YOU HAVE NO CLEAR CONSENSUS WITH THE COUNT OF "By my rough count, over 100 people signed up to testify on Sovereign Wealth Fund bill. 57 opposed 17 support, 13 unsure or ambiguous"??? ([Bill Wielechowski](#))

HOW CLEAR DOES IT HAVE TO BE TO GET THROUGH YOUR THICK BIAS TO TAP THAT MONEY

BEFORE YOU WILL LISTEN TO THE ANSWER OF **DO NOT TOUCH THE PFD** BY THE MAJORITY OF THE PEOPLE???

DISREGARD AND YOU ARE OUT OF OFFICE!!!!!!!!!!!!!!

DRIVE THE PARKS HIGHWAY - OPEN YOUR EYES AND YOU WILL SEE FOOLISH EXPENDITURES BY DOT EVERY DAY.

BIG ALASKAN GOVT AND PROJECTS? NO WAY TO PAY? REDUCE AND YOU WON'T HAVE TO!!!! PUT EACH DEPT OF ALASKAN GOVT ON A BUDGET PLAN - BABY STEP ONE! EACH WITH A BUDGETARY MANDATED PERCENT EXPECTED REDUCTION FOR THE FOLLOWING YEAR!

STOP SPENDING ON EXPECTED INCOME - SPEND ON ACTUAL INCOME OTHERWISE SPENDING WILL HAVE TO MEET THE EXPECTED BUT THERE WILL ALWAYS BE A DIFFERENCE AND SHORTFALL FROM THE DIFFERENCE BETWEEN REALITY AND THE CONCOCTED FICTION OF HOPE.

Daniel George

From: Patricia Livingston <patty@mtaonline.net>
Sent: Tuesday, February 16, 2016 5:23 PM
To: Senate State Affairs
Subject: Permanent Fund raid

Numerous legislators have proposed numerous raids on the Permanent Fund.

IT IS OUTRAGEOUS THAT A STATE WITH LESS THAN A MILLION RESIDENTS EVEN NEEDS A BUDGET IN THE BILLIONS.

Figure it out. THE BUDGET NEEDS TO BE CUT!

That includes programs for everyone at all levels: men, women, children, seniors, the poor, the rich, the “natives”, those born here but still not considered native, students, non-students. EVERYONE.

Patricia Livingston

4890 N. Phantom Place

Wasilla, AK 99654

(907) 746-2919

Daniel George

From: marshall@xyz.net
Sent: Tuesday, February 16, 2016 8:16 AM
To: Senate State Affairs
Subject: leave the permanent fund alone

As a long time resident of Homer, Alaska, I urge you to leave the permanent fund alone. Cuts to the permanent fund will drastically impact bush and rural communities to which the PFD is a significant portion of economic survival. How about instituting a commuter type of income tax for all of those folks who live Outside, work here and then take their money and leave? How about stopping funding excessive projects (just look around the Anchorage area for half completed projects) and legislative travel Outside, especially for those legislators who have no intention of continuing in office? How about stop playing politics and wasting time on trying to stop federal dollars, i.e., Medicaid expansion, from coming into our economy? How about taxing the mining industry at a comparable rate?

Thanks for your consideration,
Karen Murdock
55200 East Road
Box 1622
Homer, AK 99603

Daniel George

From: h2odog@mtaonline.net
Sent: Tuesday, February 16, 2016 5:45 PM
To: Senate State Affairs
Subject: PFD

To whom it may concern:

We're against the State of Alaska using the Permanent Fund for paying government bills. Spending by the state has reached the point that even use of the Fund will not cover the debt being incurred.

Make some hard changes: reduce spending for education (that seems to be largely wasted), cut spending by the by the legislature for any but the necessary needs (highway maintenance, safety (police & guard), education (after wasteful programs have been eliminated), stop such programs that give a legislator full retirement benefits for being elected one time. Once wasteful spending by the state has been eliminated, a discussion on how to fund state expenses can be started.

If you and your fellow legislators are unable to make necessary cuts to spending, maybe you should consider retirement and give others the opportunity to get spending under control.

Sincerely,

Gary Swearer and Iris Swearer

Daniel George

From: Bonnie Rae Basler <baslerbb@mtaonline.net>
Sent: Tuesday, February 16, 2016 10:46 AM
To: Senate State Affairs
Subject: do not even touch the permanent fund divided

Dear Sirs:

It stands to reason that if Government is too big to fit a budget without taking from the people you represent you must cut the cost of Government. All of you that represent and in the past represented the citizens of Alaska, with our permission, have blown your opportunity to do something good. By overspending and thinking of nothing but the present and not the future. It is time to make up for all of the past mistakes of budgets that were much too large. So I say cut, cut, cut, and I don't care where you cut. But do not install new taxes or raise the existing taxes. And most of all DO NOT EVEN THINK OF TOUCHING THE PERMANENT FUND. I have lived for a long time in California, and you are headed down the path they follow. And look at them. They are pathetic.

Very Sincerely

Robert W. Baslr

Daniel George

From: Richard Grant <richg@mtaonline.net>
Sent: Tuesday, February 16, 2016 10:19 AM
To: Senate State Affairs
Subject: SB 114

Under subsection (e) The PF Corporation determines the amount distributed to the General Fund annually; thereafter predetermined Dividends are distributed. What controls, if any, are in place to limit the amount placed in the General Fund? Shall annual dividend distributions remain at \$1000.00 or (may) they not? I believe this legislation could set a dangerous precedent for government control over our Alaska Permanent Fund.

Daniel George

From: Ben White <bengoalie1@hotmail.com>
Sent: Tuesday, February 16, 2016 10:12 AM
To: Senate State Affairs
Subject: SB 114 - Comments

Senators,

Thank you for seeking public input into this very difficult issue. My wife and I both work for the State and so we are very concerned with the entire budget issue. I would like to propose an idea. The issue I have with taking earnings from the Permanent fund account and moving them into the general fund is that there is no accountability on spending of general fund. We are in this fiscal crisis because there has been lack of accountability and we have spent too much money for "government", and this is evident now with the collapse of oil prices. In my own personal accounting we have "needs" and "wants". I do not use my future retirement savings account to fund the purchase of "wants" nor should the Alaska State Legislature. I do not, and will not support use of permanent fund earnings to be transferred into the general fund and spent without accountability. If the State Legislature continues to spend at it's current rate, at some point the permanent fund reserve will be spent as well...then what do we do? There are not enough people in the State to tax to cover \$4 Billion a year. Simply using permanent fund earnings to fund "government" does not solve any of our issues. Until there is a conscious effort to reduce unnecessary spending, the money set aside for hard times should not be accessed without any sort of parameters, sideboards and restrictions.

The State needs to first identify what are our priorities. What is needed for the State to grow and what is sustainable...then we can make a list of all our wishes and wants.

Here is my recommendation: Establish dedicated funds for the money (ex. education, public works, etc.). By having a dedicated source of funding and a dedicated location for the reserve earnings to be transferred there will be less waste in the future. These funds could have a committee of individuals that represent various sectors to set priorities for the use of the funds. Maybe seek input from the public as to what we want to fund with the earnings?

General Funds are too easy to move to pay for a "want" simply to gain re-election, to win over the public, etc. The reason the permanent fund still exists is because it is a dedicated fund with limited access and serves a purpose! By establishing a dedicated fund, the money would be easier to track and restrain unnecessary spending. It would also allow the general funds used on this activity to be re-allocated to other areas of "need".

Thank you, and good luck!

Ben White
4354 Windfall Ave.
Juneau, AK 99801

Daniel George

From: Robbin Robbert <pastrob2@yahoo.com>
Sent: Tuesday, February 16, 2016 4:13 PM
To: Senate State Affairs
Subject: SB 114

Please vote against sb114. My family of 7 depends on the pfd for the children's Christian education. Thank you!

In Christ,

Robbin Michael Robbert
Wasilla, Alaska

Daniel George

From: Theresa Miller <tmiller@acsedu.org>
Sent: Tuesday, February 16, 2016 5:45 PM
To: Senate State Affairs
Subject: State Budget/SB114

Governor Bill Walker, Lesil McGuire, and others:

We are disappointed to see many government officials responding in a reactive manner rather than a proactive manner regarding the state budget. Indeed, Alaska has seen a downward spiral in oil prices. As a result, there should be reasonable concern regarding the annual budget. Unfortunately, some government officials appear to be panicking instead of approaching the problem in an analytical fashion. Some elected government officials seemed even to be pushing an agenda and/or participating in irresponsible reactive decision making when they were discussing foraging in the permanent fund and/or raising or adding new taxes within a mere few weeks of oil prices dropping.

Elected government officials have an obligation to cut (deeply if necessary) the annual budget before ever considering pilfering the permanent fund or skimming money from hard working citizens. History tells us budget cuts can always be adjusted, whereas tax increases do not fall or even flat line. Taxes only increase and continue to increase, and permanent funds never regain their former glory. Taking hard earned money from citizens then only compounds the problem.

We are middle class Alaskan citizens. One of us teaches and both of us run an Alaskan business. We work long, hard hours and have raised three children with no government assistance. We would appreciate patience. Wait, cut, wait...wait and wait before making the fatal mistake of looting the permanent fund and raising taxes. There is a tremendous amount of wiggle room in the budget. It will take elected officials some hard work to find that money, but it is there. We elected you to work hard just as we work hard.

Sincerely,

Berke and Theresa Miller

Daniel George

From: Bill Smith <wjsmithjr@LIVE.COM>
Sent: Tuesday, February 16, 2016 8:56 AM
To: Senate State Affairs
Subject: Public Testimony on SB 114

My name is Bill Smith. I reside in Chugiak, Alaska, and although I'm not able to testify in person, I'd like to provide my perspective on the current fiscal gap facing the State.

I brought my family to Alaska in 2001, and my wife and I decided to make this wonderful State our permanent home because of the unique combination of opportunity, hospitality, and majestic environment. The fiscal gap that we currently face threatens our economic opportunities in the near term, as well as my children's future in Alaska. As my children are entering college, I find myself for the first time considering that their professional future may not include Alaska.

I don't believe any sincere person can dispute that the current situation will require a combination of solutions; significant budgetary cuts, new sources of revenue, as well as using a portion of the Permanent Fund earnings will be required. The gap is simply too large to address using one or two of the tools at our disposal. We must take significant steps immediately if we wish to avoid severe economic impacts. We cannot take symbolic steps and push the hard work down the road. I believe that leadership involves making the tough choices that need to be made, and our current situation calls for just that.

With the foresight and leadership provided years ago, our previous State leaders provided an amazing gift that does not have an equal anywhere else in the Nation - the Permanent Fund. I ask that you, as leaders of the State, make the difficult decisions needed to avoid jeopardizing that fund, as well as our future. Differing decisions on using Permanent Fund earnings to subsequent sessions, virtually assures the end of the PFD, even at a reduced rate. But more than that, it endangers the corpus - a risk that cannot be tolerated.

I ask that you put aside partisan differences, and work together to take significant steps involving Permanent Fund earnings, budget cuts, and new revenue during the current session. Don't miss the opportunity to do the right thing now, before we are too far down the path to build a sustainable economic future.

Thank you for the opportunity to provide my testimony. I urge you to act now, time is not our friend.

Bill Smith

P.O. Box 672524

Chugiak, AK 99567

Daniel George

From: outlook_9efc2e67e46b06d4@outlook.com on behalf of Bruce Conant <bconant@ptialaska.net>
Sent: Tuesday, February 16, 2016 4:29 PM
To: Senate State Affairs
Subject: Budget Challenge

Here are some of my thoughts on Alaska's budget challenge:

1. I support some form of using the Permanent Fund earnings to fund State Government. From what I know, I basically support the Governor's proposal. I'm willing to support some compromise/combination of the various plans being discussed.
2. I would like to see the Permanent Fund dividends to Alaska residents graduated. Folks at the lowest income levels would receive the maximum amount and those at the top none. The folks with in between incomes would receive a graduated amount. This seems like a fair way to ensure that low income folks, who depend on the dividend, would continue to receive it. Those at high income levels don't need dividends to live. This concept would be especially important to those who live in bush Alaska. Various income levels for such a system would need to be worked out. If the government can obtain money from its citizens in a graduated way (income taxes), it should be able to give it back in a graduated way.
3. I support re-instituting a state-wide income tax. It never should have been abolished. A good way to graduate the dividends would be to incorporate them into a graduated income tax. However, a graduated dividend program could be instituted separate from a state-wide graduated income tax.
4. Retirement ages for our citizens need to be slowly raised, especially for State and Federal workers. The formulas for retirement age were determined when we had shorter life spans. They need to be adjusted to take into account our longer life spans nowadays. I am a retired Federal worker who worked 7 years beyond when I could have retired. It was not a burden.

The days of 'kicking the can down the road' are past. Most Alaskans are counting on our representatives to come up with viable solutions and not to drive Alaska into the ditch. We can't cut our way out of our budget challenge without serious repercussions. I believe that most Alaskans will support reasonable solutions if they understand them and they are fair.

Thank you for considering my comments. I thank all of you for your diligent work on behalf of Alaska and all its citizens.

Bruce Conant
40 year Alaska resident

Daniel George

From: Carol Carman <carcar@mtaonline.net>
Sent: Tuesday, February 16, 2016 7:13 AM
To: Senate State Affairs
Subject: SB 114

Are you kidding me? Do you ever want to serve in office again?

NO WAY!

Carol Carman

<>< <>< <><

God grant me....

Serenity to accept the things I cannot change, Courage to change the things I can, and Wisdom to know the difference.

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:12 PM
To: Senate State Affairs
Subject: FW: Creative, not predictable problem-solving, please

From: Tina Barela [mailto:ptbarela@me.com]
Sent: Tuesday, February 16, 2016 3:00 PM
To: Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>
Subject: Creative, not predictable problem-solving, please

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

Public unions, hundreds of 100% state funded non-profits, and various other government dependent groups have surrounded our state legislators in Juneau in a budget Alamo and have demanded they surrender to new taxes without making any meaningful cuts in state spending.

Only the free market sets the price for a barrel of oil. When prices go up, oil companies tend to drill more and hire more employees. Conversely, when oil prices plummet, they lay off excess employees and streamline their operations to ride out the low price cycle. The big three oil producers in Alaska have been doing just that. The public sector refuses to do so. Yet, cut we must- to near a pre-bubble 2006 spending level adjusted for population growth and inflation (around \$4.1 Billion). Any politician can spend someone else's money and get perpetually reelected, yet it's in the streamlining of government in the face of staunch organized opposition where true leaders are born.

Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD

tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past?

Respectfully,

Christina Barela

Daniel George

From: cyndy green <uhehorses@yahoo.com>
Sent: Tuesday, February 16, 2016 6:16 AM
To: Senate State Affairs
Subject: Restructuring the Permanent Fund

Please look long and hard at Restructuring the Permanent Fund, to use it to fund **public schools, public safety, roads, and the ferries.**

If I have to choose between state income tax vs Permanent Fund. I gladly hand over my annual Permanent Fund check. I firmly believe that we need to be using these funds to close the state deflect and to fund the future.

Thank You,
Cynthia L Green
Bush Teacher

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:11 PM
To: Senate State Affairs
Subject: FW: Budget Alamo - A Message to the Grassroots Voters

From: Daniel Hamm [mailto:daniel_hamm@hotmail.com]
Sent: Tuesday, February 16, 2016 3:42 PM
To: Daniel Hamm <daniel_hamm@hotmail.com>
Subject: Budget Alamo - A Message to the Grassroots Voters

State Budget Alamo

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

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Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past? It's all up to you- the grassroots voter and taxpayer. Join me in individually contacting your legislators to stand firm on the \$4.5 Billion budget line with no new taxes or PFD raid.

The Juneau Alamo is under heavy siege by an army of public lobbyists. Your voice must penetrate that siege. Rest assured that if they falter now, we the voters will remember the budget Alamo. This fall's election will be their San Jacinto.

Sincerely,

Daniel Hamm


Daniel George

From: David and Charlotte Crockett <snowedinn@mtaonline.net>
Sent: Tuesday, February 16, 2016 6:14 PM
To: Senate State Affairs
Subject: Budget

LEAVE THE PERMANENT FUND ALONE!!!

Cut the budget! Cut fraud regarding the PFD.

David and Charlotte Crockett

"Peace I leave with you, my peace I give unto you: not as the world giveth, give I unto you. Let not your  be troubled, neither let it be afraid."

John 14:27

Daniel George

From: Wayne <quite74@yahoo.com>
Sent: Tuesday, February 16, 2016 6:08 PM
To: Senate State Affairs
Subject: Fiscal Plan proposed by Sen. Lesil McGuire

Thank you for holding a public meeting on Senate Bill 114 where we have a chance to comment.

I disagree with the use of the Permanent Fund to bridge the gap in the State budget. This just didn't happen overnight, and it seems that the Legislature must be somewhat accountable for this shortfall.

There is not a guarantee that we will always have a dividend, but it was set up by Gov. Hammond for the residents of Alaska. By taking part of the Permanent Fund to help you out, what tax or avenue would you use to have the working non-residents help out? The way I see it, I could live in Washington State, fly up to Alaska to work for my 2 or 3 weeks, enjoy all the benefits that are here, and really not spend a dime here except for the beer I have in the airport on the way home. Thanks for all the infrastructure you have built the last 10 years.

Of course this is just my opinion.

Sincerely,

Wayne L Selmer
Skagway Alaska

Daniel George

From: David Luntz <david.luntz@hotmail.com>
Sent: Tuesday, February 16, 2016 3:44 PM
To: Senate State Affairs

Leave our dividend alone.

Sent via the Samsung Galaxy S6 edge+, an AT&T 4G LTE smartphone

Daniel George

From: Don Fritz <halibut58@yahoo.com>
Sent: Tuesday, February 16, 2016 6:24 PM
To: Senate State Affairs; Sen. Lesil McGuire
Cc: Sen. Peter Micciche; Sen. Charlie Huggins; Sen. Bill Stoltze; Sen. John Coghill; Sen. Bill Wielechowski; Sen. Pete Kelly; Senator.Kevin.Meyers@akleg.gov
Subject: SB114 Testimony

Thank you for this opportunity to testify regarding SB114

First off I congratulate Senator McGuire for her efforts in putting forth this bill. While I am not in total agreement with all aspects of the bill, I applaud Senator McGuire's effort to bring this bill forward and to acknowledge the fiscal situation that the State is in. Further I applaud her acknowledgement that the Permanent Fund earnings are needed in crafting a solution for our problem.

I encourage the legislature to both support and modify as appropriate Senate Bill 114, and to also seek additional cuts in government beyond those proposed by the Governor to date. If you can only identify 200 million dollars in additional cuts this year, I am fine with that. If you identify 1 billion dollars in additional savings I would be happy with that. If you identify more, you have my support.

So far, I have seen no cuts identified by the legislature, even though we have close to one third of this session behind us. Where is the work project of all those legislators who pledged to start working on identifying additional cuts last spring? My belief is that the legislature needs to start leading on our fiscal problem, face reality, and start educating your constituents regarding the ability to cut our way out of the situation we are in. Several of our legislators need to stop hiding behind the multitude of positions, many erroneous, held by their constituents. Perhaps you would serve your constituents better by attempting to educate them of our fiscal reality. I fault the legislature for the situation that we are currently in, including the debt and unfunded liability that we have amassed, and for the false belief that continues throughout the state that we can simply cut the budget to a point where we find our way out of this situation.

While Senator Kelly faults the reporters for failing to get the word out regarding cuts already made, I fault our legislature for failing to provide realistic feedback to their constituents regarding efforts undertaken so far, as well as for failing to communicate actions that we should take to move beyond this situation. While I accept that you cannot educate those unwilling to listen, many constituents are willing to accept facts once presented as such. I am fearful when I hear the ridiculous suggestions of either enshrining the PFD in the constitution, or cashing it out among all current citizens and taking away this source of revenue meant to pay for government; both for our generation and for future generations. Unfortunately, some legislators seem to perpetuate this belief. I find this shameful.

The Permanent Fund belongs to the people of this State collectively, not individually. It needs to be used for the public good, not individual entitlement or greed. I am willing to accept that the good old days of free money are over, and that the Permanent Fund earnings have a higher purpose than issuing a dividend.

My preference based on the entitlement mentality many citizens demonstrate today would be to completely stop the issuance of PFD's and use the money for both the State Government that we need, and to further grow the fund, in hopes that a PFD could be paid to future generations that would appreciate the gift that it is rather than demand the welfare that many of us seem to view it as today.

Our legislature needs to face the fact that our collective failure to adequately save our money and to instead overspend over the last 3 decades has put us up against a wall, and you need to educate the public that the only realistic means of funding our government going forward is to utilize the earnings of the Permanent Fund. Our natural resource revenue has minimal ability to continue to pay for 90 percent of the government that we collectively demand. My belief is that the Permanent Fund was designed for this eventuality; unfortunately the PFD has clouded that position.

There is no solution to our situation without use of the Permanent Fund earnings. Dr. Scott Goldsmith and Director David Teal have provided you sage advice regarding the need to utilize the Permanent Fund earnings. It is time for you to follow their advice and to lead your constituents into accepting the realities we face. You have

an obligation to educate your constituents as well as represent them. Representing their position when you know that it is wrong is not leadership.

Thank you for your consideration of my comments!

Don Fritz

Daniel George

From: GEORGE CHAPMAN <George.Chapman@matsuk12.us>
Sent: Tuesday, February 16, 2016 6:54 AM
To: Senate State Affairs
Subject: budget

I think the dividend has taken too much of our time. We have spent time debating what to do with the dividend for years and in the meantime we have had the legislature in special session spending more money on items they couldn't get to because of all this debate. Many time the special sessions have accomplished nothing more than spending more money for per diem expenses etc. Use the dividend but come up with a sound fiscal policy. We need to have a state sales tax so that visitors that use facilities around the state pay for the upkeep. If tourist help pay sales tax we could develop facilities for tourists to make the state even more inviting. I would welcome a income tax as well as long as it was a flat tax without loopholes and the need for an army of government employees to determine if people paid the correct amount. Don't add more layers of government for something that should be simple.

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If you believe you have received this information in error, please notify the sender immediately by reply email and immediately delete this message from your system.

Daniel George

From: hollyberry45@mtaonline.net
Sent: Tuesday, February 16, 2016 2:21 PM
To: Senate State Affairs
Subject: CUT, CUT, CUT SPENDING! DO NOT TAX, TAX, TAX!

Dear Governor Walker and Juneau Legislators. We stand firmly behind cutting state spending sufficiently to preclude new or increased taxes as written in the letter herein forwarded to you. Please be assured that raiding the Permanent Fund will surely resonate negatively henceforth with Alaskan voters. Sincerely, Jim and Holly Pазint of Wasilla. 907-745-7577.

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

Public unions, hundreds of 100% state funded non-profits, and various other government dependent groups have surrounded our state legislators in Juneau in a budget Alamo and have demanded they surrender to new taxes without making any meaningful cuts in state spending.

Only the free market sets the price for a barrel of oil. When prices go up, oil companies tend to drill more and hire more employees. Conversely, when oil prices plummet, they lay off excess employees and streamline their operations to ride out the low price cycle. The big three oil producers in Alaska have been doing just that. The public sector refuses to do so. Yet, cut we must- to near a pre-bubble 2006 spending level adjusted for population growth and inflation (around \$4.1 Billion). Any politician can spend someone else's money and get perpetually reelected, yet it's in the streamlining of government in the face of staunch organized opposition where true leaders are born.

Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past?

Daniel George

From: Katrina Matheny
Sent: Tuesday, February 16, 2016 2:26 PM
To: Brandon Brefczynski; Daniel George
Subject: FW: Use of Permanent Fund

Please see the below testimony for tonight's Senate State Affairs hearing on SB 114.

Thanks!

Katrina

From: James Lavrakas [mailto:lavrakas@icloud.com]
Sent: Tuesday, February 16, 2016 9:27 AM
To: Katrina Matheny; Sen. Gary Stevens
Subject: Use of Permanent Fund

Gary,

We spoke recently about continued support of KBBI. I appreciate the time you took to talk.

My wife Ruth and I are unable to attend or call into the legislative hearing tonight on the use of Permanent Fund earnings, but we did want to express our opinion to you on the subject. It's pretty straight forward:

Alaskans have had a good ride with freebies until this budget crisis. It's time to stop being selfish and pitch in. Ruth and I are in favor of doing that with either an income tax of 6%, a capped PFD of \$1000, or both.

Please include this email from us as part of the testimony tonight from long-time Alaskans.

Jim & Ruth Lavrakas
PO Box 1459
Homer, AK 99603
907-299-8393 / cell

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:12 PM
To: Senate State Affairs
Subject: FW: CURRENT BUDGET DEFICIT

From: Jim Alaska Gem Homes [mailto:homes@AlaskaGemHomes.com]

Sent: Tuesday, February 16, 2016 2:53 PM

To: Senate State Affairs <SenateStateAffairs@akleg.gov>

Cc: Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. Liz Vazquez <Rep.Liz.Vazquez@akleg.gov>; Rep. Chris Tuck <Rep.Chris.Tuck@akleg.gov>; Rep. Cathy Tilton <Rep.Cathy.Tilton@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>; Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>; Rep. Paul Seaton <Rep.Paul.Seaton@akleg.gov>; Rep. Dan Saddler <Rep.Dan.Saddler@akleg.gov>; Rep. Lance Pruitt <Rep.Lance.Pruitt@akleg.gov>; Rep. Mark Neuman <Rep.Mark.Neuman@akleg.gov>; Rep. Charisse Millett <Rep.Charisse.Millett@akleg.gov>; Rep. Cathy Munoz <Rep.Cathy.Munoz@akleg.gov>; Rep. Bob Lynn <Rep.Bob.Lynn@akleg.gov>; Rep. Gabrielle LeDoux <Rep.Gabrielle.LeDoux@akleg.gov>; Rep. Wes Keller <Rep.Wes.Keller@akleg.gov>; Rep. Craig Johnson <Rep.Craig.Johnson@akleg.gov>; Rep. Shelley Hughes <Rep.Shelley.Hughes@akleg.gov>; Rep. Mike Hawker <Rep.Mike.Hawker@akleg.gov>; Rep. Lynn Gattis <Rep.Lynn.Gattis@akleg.gov>; Rep. Mike Chenault <Rep.Mike.Chenault@akleg.gov>; Sen. Bill Wielechowski <Sen.Bill.Wielechowski@akleg.gov>; Sen. Donny Olson <Sen.Donny.Olson@akleg.gov>; Sen. Berta Gardner <Sen.Berta.Gardner@akleg.gov>; Sen. Lyman Hoffman <Sen.Lyman.Hoffman@akleg.gov>; Sen. Johnny Ellis <Sen.Johnny.Ellis@akleg.gov>; Sen. Dennis Egan <Sen.Dennis.Egan@akleg.gov>; Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>; Sen. Bert Stedman <Sen.Bert.Stedman@akleg.gov>; Sen. Peter Micciche <Sen.Peter.Micciche@akleg.gov>; Sen. Kevin Meyer <Sen.Kevin.Meyer@akleg.gov>; Sen. Lesil McGuire <Sen.Lesil.McGuire@akleg.gov>; Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>; Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. Charlie Huggins <Sen.Charlie.Huggins@akleg.gov>; Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>; Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; governor@alaska.gov
Subject: CURRENT BUDGET DEFICIT

NO!!!! you cannot tap the PFD funds, NO!!!! you cannot implement a state income tax! Just stop the spending. Oil will recover and new business will come to Alaska. In the meantime, do not write red checks on money you are not getting. Every responsible Household in Alaska and most of America stops spending when they do not have the money in their accounts. STOP THE SPENDING.

Here is a suggestion on some of the ways money can be saved:

The technology exists for virtual class rooms. USE IT!!!! This would be way better than the unjustified financial expense of supporting teachers and buildings in the middle of nowhere. When a family decides to live off the grid or outside public school systems, then the rest of the state should not be financially responsible for those decisions and lifestyle. The technology to conduct school via internet and virtual classrooms is way cheaper than supporting the facilities and staff requirements for small schools. The same can be said for transportation of students in remote areas. Use the Internet.

Stop stupid ideas like a bridge across the inlet. First of all, a tunnel makes much better sense. Second of all, until we use up all of ARTIC Valley which should be acquired back from the Bases, there is no shortage of land in or near Anchorage. A bridge to a spot 20 miles outside of Wasilla does not make sense unless you live in Point Mckensie and work in Anchorage. The number of people that do in so small, it is not right.

Quit building 100 million dollar airports in communities with 300 year round residents. It does not make sense. STOP SPENDING MONEY WE DON'T HAVE!

Stop doing stupid stuff like signing contracts to rent a space like the LIO building when there are perfectly good alternatives like the ATWOOD building that costs the taxpayers 500% less.

I am in favor of a sales tax to help bridge the gap, but not state income taxes and not the PFD. I am personally in favor of legislation that requires the legislators to go to jail if they spend more than we the voters freely give them to work with.

Isn't it about time you started listening to your constituents and voted according to their will.

Signed a voter.

Jim

Daniel George

From: Jim and Janet Faiks <alaskalpaca@mtaonline.net>
Sent: Tuesday, February 16, 2016 10:06 AM
To: Senate State Affairs
Cc: Sen. Charlie Huggins; Rep. Mark Neuman; Rep. Shelley Hughes
Subject: Budget

Dear Sirs,

First I would like to thank you for your service as a legislator. I know it takes a great deal of time away from your family. I also really appreciate your tackling this budget crises as a top concern. We do not need a repeat of the 80's. We are blessed this time to not have an over inflated economy and also to have saved a huge cash reserve. Here are my thoughts:

1. During the good times, I believe that we allowed the State Government programs and departments to grow. We spend three times per capita on State Government compared to the other states. Please make some big cuts by eliminating non-essentials so that we are more inline with reality.
2. As an employer in the private sector, I find it difficult to compete with the State salaries, work hours, benefits and retirement. All of these were enriched during boom times, and never come back down to reality.
3. I don't believe that the Permanent Fund Dividend was ever intended to be a "PERMANENT DIVIDEND". I think the program attracts unproductive citizens and in many cases, it funds drug habits. The program is expensive to administer and it is abused, as in the case of the "Alaska Bush People". Many of my retired friends spend hours calculating to make sure they meet the minimum amount of time required to be in the state. None of these people need the money. We just can't afford to give money away anymore.
3. I support a State sales tax which would require everyone to contribute to the government services that they are receiving. Tourists visiting Anchorage are always amazed that there is no sales tax. They expect to and should be contributing to our economy.
4. If we can't get our house completely in order with the above measures, than I would be willing to pay an income tax. I've invested my life in Alaska, and she has been good to me. My children are building there lives here and I don't want to see the State fail.

Sincerely,
Jim Faiks
PO Box 521150
Big Lake, AK 99652

This email has been sent from a virus-free computer protected by Avast.
www.avast.com

Daniel George

From: Karen King <karen.king@spawnak.com>
Sent: Tuesday, February 16, 2016 5:50 PM
To: Senate State Affairs
Subject: SB 114 public testimony

To whom it may concern:

I am, unfortunately, missing the public testimony opportunity this evening in Anchorage but want to speak about SB 114. I support using our Permanent Fund earnings as part of a comprehensive solution to solve Alaska's budget deficit. Fund earnings **MUST** be used in conjunction with spending cuts and other revenue (taxes)

Using the Permanent Fund is the cornerstone of a responsible solution for Alaska. The legislature must act now to solve this crisis as we will otherwise deplete our savings in less than two years.

If you do not **ACT NOW**, your inaction will stoke the fire of fear among Alaskans. Fear is a strong motivator that, on its own, often does harm to our economy, and right now people are scared. And when people are uncertain for the future, they restrict spending and a poor economy becomes a self-fulfilling prophecy.

As a legislative body, you must **ACT Now** toward a solution, thereby giving Alaskans better assurance of their future. Please use Permanent Fund earnings as the part of a solution toward ending our budget crisis -- and do it in this legislative session.

Thank you.

KAREN KING
1901 L Prestaker, SUTCLIFF
Spokane, Washington, 99201-3400
T: 509.274.0882
F: 509.274.0000

Website: [SPAWNAC.COM <http://www.spawnak.com>](http://www.spawnak.com)

Named one of "Outside Magazine's "100 "Best Places to Work in America" 2 years in a row.

Daniel George

From: Kristi Wood <bikemoredriveless@hotmail.com>
Sent: Tuesday, February 16, 2016 8:27 AM
To: Senate State Affairs
Subject: Please support SB114

Hello Alaska Senate State Affairs Committee,

I am writing to you in support of SB114. I am not an economist, but I've studied the economic data from the Institute of Social and Economic Research (ISER) regarding Alaska's current fiscal crisis. The only logical conclusions I can draw after reviewing this data, is that the legislature must act during this legislative session, and accessing a portion of the Permanent Fund earnings is the single most substantive way to close this gap.

Also, due to the magnitude of the crisis, swift action that includes a portion of the Permanent Fund is the only way to preserve the future of the Permanent Fund. That's because if we do not close the fiscal gap during this legislative session, we risk being forced in to drastic measures in the next two years that could result in significant negative impacts to the Permanent Fund.

I understand the motivation to seek further cuts in spending, however it is irresponsible to focus on cuts alone. The magnitude of this crisis is such that new revenues must be incorporated. As an example, the savings from firing all State employees would not be enough to bridge the fiscal gap, and would also trigger a highly disruptive downturn in Alaska's economy.

While an income tax and revising oil taxes and credits are also important sources of new revenue that must be explored, those revenue sources amount to significantly less than what will be made available to Alaska via SB114. ISER's data shows us that we can only expect roughly 800 million dollars from reorganizing oil taxes and credits, and roughly 650 million from an income tax. Together that amounts to less than half of what we need to close the gap.

By utilizing a portion of the Permanent Fund, SB114 gains us close to 2 billion, closing the gap by half.

I fully respect the concern that capping PFD checks could have a negative impact on some Alaskans who may be counting on that money to make ends meet. However, if we do nothing, we risk losing the PFD checks altogether; that clearly would not be acceptable. SB114 stabilizes PFD checks at a sustainable amount, preserving the Permanent Fund so that it can be, well, permanent. This gives Alaskan families the opportunity to plan and budget according to a set, predictable amount.

In closing I urge your timely support of SB114, as it provides us with a sustainable path forward for securing the future stability of the permanent fund, and also makes substantive progress in closing the enormous fiscal gap.

Respectfully,
Kristi Wood
Anchorage resident

Daniel George

From: Barbara Bell <barbaraelfmanbell@gmail.com>
Sent: Tuesday, February 16, 2016 11:09 AM
To: Senate State Affairs
Subject: Testimony in Support of SB 114

February 16, 2016

Ladies and Gentlemen:

I'm writing in support of SB 114, as introduced by Ms. McGuire. I am unable to attend your meeting this evening, thus this e-mail.

Ms. McGuire's proposal is an important piece of a long-term solution to address our state's budget deficit. It is important for us to act now to fix our budget deficit, to avoid bigger problems later.

Specifically, I support reducing each Alaskan's PFD check to \$1000 this coming year, with the balance used to fund our state deficit. This is one part of a bigger solution, which could also include cutting expenses wherever possible. I also support other measures, and although I hate taxes as much as the next person, these measures may include levying state income taxes on businesses and individuals, AND possibly also including levying a sales tax. Most other states in our country have one or both of these taxes, which fund their governments. We need to consider similar taxes, because state operating money needs to come from somewhere!

We need to act! We need to look at more ways to cut expenses. We need to cut the PFD. We need to consider adding some taxes (but ONLY after expenses are cut!).

We can not sit around and hope the price of oil goes back up. Oil prices are volatile, and long term, we can't count on the price going up to a level to sustain our state spending.

If we don't act NOW, our entire state savings (including permanent fund money) can be drained away in a few years, which would leave us high and dry - then we'd have no choice but to then levy taxes. If we levy high taxes, our business community might shrink, which would spiral us deeper in the hole. And of course the PFD would be only a memory. Our rural residents, in particular, depend on the PFD each year. A smaller PFD is better than no PFD!

Thanks for your consideration.

Barbara Elfman Bell
11211 Kaskanak Circle
Eagle River, AK 99577

phone 907 223 4446

Daniel George

From: Marc Grober <marc@interak.com>
Sent: Tuesday, February 16, 2016 9:16 AM
To: Senate State Affairs
Subject: STOP FIDDLING AND ADOPT THE NECESSARY TAXES!

The first thing that the Legislature needs to accomplish this year is the immediate adoption of a 15% graduated State income tax. My analysis suggests that Alaska would be able to raise almost \$3B in this manner with a negligible impact on most Alaskans)based on comparisons of the tax regimes in South Carolina and California and the comparative income distribution and population between those States and Alaska. In fact, the data show that most Alaskans as yet make no net payment for any State or Local services; we are poster children for upper middle class welfare. Additionally, a substantial State income tax allows the State to offer credits and exemptions that allow, for example, for a \$6.00/gallon gasoline tax that functions as a luxury tax.

Time after time, those promoting zombie economics (what else would one call the arguments for wholly discredited supply-side arguments of "Reagonomics") have been caught short when their attempts at producing a public position has resulted in that public loudly proclaiming that they don't mind additional taxes to maintain their quality of life as supported by the current levels of government, as long as the taxing authority isn't profligate (for some reason Mr. Hawker's name keeps popping up). Yet a small band of ideologues, holdoing the State hostage, can only hear one drum.

Enough! Whatever your persuasion, acting responsibly means adopting an income tax now. Get on with it!

Daniel George

From: Senate State Affairs
Subject: State Budget Alamo

From: Margaret Loew [<mailto:margaret@whollyliving.com>]
Sent: Tuesday, February 16, 2016 2:05 PM
To: Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>
Subject: FW: State Budget Alamo

Hi Bill,

We have supported you & appreciated you in the Senate. I hope you agree with Daniel Hamm. He totally hit the nail on the head. CUT SPENDING! We don't need to keep doling out our funds. Let's reign in the budget & spending! Stand strong, please! It may not be popular, but it is right!

Beloved, I wish above all things that thou mayest prosper and be in health, even as thy soul prospereth. *3 John 2*

Thou wilt keep him in perfect peace, whose mind is stayed on thee: because he trusteth in thee. *Isaiah 26:3*

Margaret Loew

15091 Lazy Lady Lane

Palmer AK 99645

907-745-5639

Change Your Water....Change Your_Life!

From: Alaska Republican Assembly [<mailto:akrepublicanassembly@gmail.com>]
Sent: Tuesday, February 16, 2016 11:42 AM
To: Alaska Republican Assembly
Subject: State Budget Alamo

All,

I wrote the below email to send to all the legislators and the governor. Hopefully it will get printed in some news outlets also. Please write and email and/call your your state legislators and the governor with your thoughts. You can also copy the below letter text, sign it, and email it also.

State Budget Alamo

Although Alaska is experiencing another painful trough in the oil price cycle, it is only temporary in nature and should not be used to permanently sandblast the shine off of Alaska. To go there would cause a rapid exodus of Alaska's voluntary private sector causing a Detroit-style death spiral.

The responsibility for our hemorrhaging \$3.8 Billion state deficit lies squarely on Juneau's shoulders that has more than doubled the size of state government since 2006 under the ferry dust assumption that oil prices would remain boosted to their lofty heights and not cycle up and down as they always do with the ebb and flow of supply and demand.

Public unions, hundreds of 100% state funded non-profits, and various other government dependent groups have surrounded our state legislators in Juneau in a budget Alamo and have demanded they surrender to new taxes without making any meaningful cuts in state spending.

Only the free market sets the price for a barrel of oil. When prices go up, oil companies tend to drill more and hire more employees. Conversely, when oil prices plummet, they lay off excess employees and streamline their operations to ride out the low price cycle. The big three oil producers in Alaska have been doing just that. The public sector refuses to do so. Yet, cut we must- to near a pre-bubble 2006 spending level adjusted for population growth and inflation (around \$4.1 Billion). Any politician can spend someone else's money and get perpetually reelected, yet it's in the streamlining of government in the face of staunch organized opposition where true leaders are born.

Elected leaders tend to forget that they were elected to serve the non-government sector, not the government sector. It's the public sector that supports the private sector, not the other way around. We are a people with a government, not a government with a people.

Governor Bill Walker and Senator Lesil McGuire/ GCI have both sponsored plans to tax the private sector to pay for excess government rather than to cut back to a sustainable level. The biggest tax would be on your PFD check- Alaska's way of providing a mineral rights dividend because our statehood compact restricts private ownership of mineral rights. For instance, the lion's share of a \$2000 PFD check could be hoovered up into state coffers leaving you with a paltry \$300-500. Governor Walker has also proposed a plethora of other new creative taxes including a gasoline and a state income tax. His administration has evidently not researched the massive fleeing of labor and private investment capital that always results when a state drops an income tax on them- like dropping a wolf into a herd of caribou.

If we cut the state budget to sustainable amount (\$4.5 Billion is this year's target goal with some more cuts needed next year), we do not need to sandblast the shine of Alaska's economy and punish Alaska's poorest with a PFD tax. Governor Walker would not need to tax everything that drives, floats, or flies, nor hire a small army of tax collectors.

Tax and spend socialism is the dark utopian model of the past. Individual freedom and limited government are the sunrise of the future. Alaska's state motto is, "North to the Future." Will Alaska continue to march "North to the future" or will it backslide into the insatiable bureaucratic model that has collapsed many economies in the past? It's all up to you- the grassroots voter and taxpayer. Join me in individually contacting your legislators to stand firm on the \$4.5 Billion budget line with no new taxes or PFD raid. You can also sign this letter and email it to the legislators listed below.

The Juneau Alamo is under heavy siege by an army of public lobbyists. Your voice must penetrate that siege. Rest assured that if they falter now, we the voters will remember the budget Alamo. This fall's election will be their San Jacinto.

Daniel Hamm

President - Alaska Republican Assembly

Daniel George

From: Rick Kullberg <rwkullberg@hotmail.com>
Sent: Tuesday, February 16, 2016 5:40 PM
To: Senate State Affairs
Subject: public testimony on Alaska budget

To the Senate State Affairs Committee:

- I urge you to support an endowment plan for sustainable funding of the state budget. I favor a plan whereby
 - o All petroleum revenue is deposited in the Permanent Fund.
 - o The earnings of the PF are used to inflation proof the fund, grow the fund, and pay for state operating expenses.
 - o Draw from the fund is not based on POMV, which includes unrealized capital gains and typically has greater fluctuation than earnings.

I support the Governor's proposal (SB128) to manage Alaska's wealth. There is sound precedent for his plan. By similar means, Norway has amassed the world's largest Sovereign Wealth Fund (greater than \$800 billion) and is not faced with a budget crisis because of falling oil prices.

In addition:

- I suggest that you consider offsetting the cost of Medicaid by eliminating the PFD.

Faced with a deficit of 3.4 billion, we have to make hard choices. Medical care for the poor is essential; PFD payments are not. As a state, we are not required to participate in Medicaid, but it is both morally and financially prudent to do so.

The median family income in Alaska is 70k per year. At least half the families in Alaska don't need a PFD to survive. In principle, by cutting the PFD to offset the cost of Medicaid, we are directing Alaska's resources to the people who need it the most.

The estimated cost of expanded Medicaid to the state in 2016 is \$785 million. The total PFD payout at \$1000 per capita is \$738 million, which is about equal to the State's share of the cost of Medicaid. Eliminating the PFD could effectively offset the cost to Alaska of expanded Medicaid.

There is a financial benefit to the state in participating in Medicaid. Under expanded Medicaid, the estimated federal expenditure in the state this year is \$1.57 billion. That's a dollar amount equal to twice the total PFD payout. Those funds are injected by the federal government into our economy.

As it stands the PFD is not an effective way to help the neediest people in our state. There are 66,000 people in the state below the federal poverty level. They need financial assistance. The PFD is apparently not enough to lift them out of poverty. For every dollar we give these people, we have to pay \$10 dollars to the rest of the residents.

If the State wants to give financial assistance to the poor, a more cost effective way should be implemented.

- I support implementing a state income tax.

The State's operating budget cannot be covered by earnings from the Permanent Fund. Taxes or other sources of revenue will be required to close the gap. A flat tax rate of 20% of federal tax liability for individuals and corporations would raise nearly \$1 billion. That tax could be reduced by implementing a sales tax or taxes on gasoline, alcohol and tobacco. It is important that corporations as well as individual pay their fair share of taxes.

- I urge you to carefully examine the value of tax credits given to the oil companies.

We spend half a billion a year on oil tax credits to encourage exploration for oil in the state. We need to determine whether tax incentives to produce more oil in Alaska are effective when the cost of oil is less than \$30 per barrel.

- I do not encourage further cuts to the state operating budget.

If further cuts are to be made in the state budget, I urge that such cuts be across the board. We have already cut the budget by 35%. Those programs that have survived the recent round of cuts are presumably important. Rather than eliminate entire programs, let them live on less for now.

I wish you the very best in solving our state's budget problems. I encourage you to work in cooperation with all other legislators and the Governor's office to produce a plan for budget stability in Alaska.

Sincerely,

Richard Kullberg

Anchorage

Daniel George

From: Ronald Johnson <rajohnson@alaska.edu>
Sent: Tuesday, February 16, 2016 9:45 AM
To: Senate State Affairs
Subject: sb 114

Pls add this to the public testimony.

I support SB 114 as we can't use cuts alone to solve our fiscal problems.

If revenue enhancements are adopted, I vote for one underlying principle to be [all Alaskans should have "skin in the game"]

Hence, if we implement an income tax [I will willingly pay if it is simple], we should also take actions that effect the PF dividend and/or a sales tax -I prefer the former. Maybe > 30 % of Alaskan families pay no federal income tax and hence wouldn't pay a state income tax if it is a flat % of the federal tax.

-
Ron Johnson

Fairbanks, AK 99709

Daniel George

From: Sally <rare1alaska@gmail.com>
Sent: Tuesday, February 16, 2016 11:43 AM
To: Senate State Affairs
Subject: permanent fund

As a long-time real estate broker in the state, I cannot tell you how many people have moved here with large families mostly to get the permanent fund and social service benefits. I have watched them become a drain on the community and the state. I would happily give up most or all of the permanent fund dividend if it would cause the leaches to leave the state.

I remember income tax here and while it wasn't oppressive, it wouldn't affect those people who live primarily on state benefits. A sales tax would reach everyone, and tourists who are used to having sales tax wouldn't balk at it as much as residents, but I think it would be fairer to all of us.

As to the budget reserve, I would like to see it continue having some part of it moved into savings. I know that over the next two years a great part of it will need to be used, but I hope you don't make a move to have it disappear.

The oil tax credits should be reduced or removed. In the long run these companies will explore when it is to their benefit, without the state providing them with oil tax credits. This may not benefit us currently, but will for future Alaskans. I would like to see Alaskan oil remain in Alaska for use here.

It is important that the budget be balanced, and that we learn to live within our means. Being from an unorganized rural community, I think that we are being hit harder with the cuts than those in the city. Yes, our school is entirely funded from the state. But the other very important issues to us are transportation and public safety. Our area has received multiple cuts in these areas—several DOT sites are being closed. This directly affects our safety in traveling to the city for supplies and medical visits.

I hope that you will move rapidly and in a non-partisan manner to conclusions that will benefit our state in the long run.

Sally Young

Tok, Alaska

Daniel George

From: Murphy_Sean <Murphy_Sean@asdk12.org>
Sent: Tuesday, February 16, 2016 3:15 PM
To: governor@alaska.gov; Sen. Click Bishop; Sen. John Coghill; Sen. Mia Costello; Sen. Mike Dunleavy; Sen. Cathy Giessel; Sen. Charlie Huggins; Sen. Pete Kelly; Sen. Anna MacKinnon; Sen. Lesil McGuire; Sen. Kevin Meyer; Sen. Peter Micciche; Sen. Bert Stedman; Sen. Gary Stevens; Sen. Bill Stoltze; Sen. Dennis Egan; Sen. Johnny Ellis; Sen. Lyman Hoffman; Sen. Berta Gardner; Sen. Donny Olson; Sen. Bill Wielechowski; Rep. Mike Chenault; Rep. Jim Colver; Rep. Lynn Gattis; Rep. Mike Hawker; Rep. Shelley Hughes; Rep. Craig Johnson; Rep. Wes Keller; Rep. Gabrielle LeDoux; Rep. Bob Lynn; Rep. Charisse Millett; Rep. Cathy Munoz; Rep. Mark Neuman; Rep. Kurt Olson; Rep. Lance Pruitt; Rep. Dan Saddler; Rep. Paul Seaton; Rep. Louise Stutes; Rep. David Talerico; Rep. Steve Thompson; Rep. Cathy Tilton; Rep. Chris Tuck; Rep. Liz Vazquez; Rep. Tammie Wilson
Subject: Feedback

Dear Senator,

An income tax is my last choice.

Take the PFD pay out from people and use it for Gov.. Re-evaluate after three years.

All Alaskans need skin in the game. This is imperative.

For too long the people that work hard have been footing the bill for everyone, both locally and federally. That is WRONG.

A Hard Working Citizen,

Sean Murphy

Daniel George

From: Steve Alexander <saalex@gci.net>
Sent: Tuesday, February 16, 2016 5:04 PM
To: Senate State Affairs
Subject: SB 114

To the Alaska Governor and all Legislators:

Since it seems likely that you never will have the guts to quit handing out the corporate goodies of the State to all the socialist dependents you have created, the next best option available to us in the working crowd is for you to use the PFD to fund the socialist appetites for all the sweets you hand out. The cost for the essentials of genuinely necessary government long ago got dwarfed by the mountain of expenditures that are raw pandering for votes used to keep your power and prestige. And that seems mostly true for both Democrats and Republicans.

Even so, please use the PFD to "balance" your bloated budget. It is at least fair across the board. All consumers at the public piggy trough would then have to "pay" a little for the slop they get.

I fully understand that the liberal Democrats are opposed to this; and not because they care about being fair, or the poor, or the economy. They are acutely aware that the dependency on government handouts they must have in order to keep growing their mechanisms of people control requires those handouts to continue unabated.

Abate it. Please. Use the PDF instead of creating more taxes to undermine our freedoms and create more dependency on your bloated government.

Steve Alexander
Wasilla, AK

Daniel George

From: EndtimeWarrior <lastdayswindwalker@yahoo.com>
Sent: Tuesday, February 16, 2016 3:02 PM
To: Senate State Affairs
Subject: Senate Bill 114

02/16/16
re: SB 114

Dear Senate Committee,

I could not attend the hearing, as I just was released from the hospital. However, I would like to give my testimony by email regarding how to proceed with the Alaska Permanent Fund Dividend (AKPFD) being used to address the state budget deficit.

Over the years, I have used the AKPFD to pay for storage, fuel oil, doctor/dental bills, car repairs, utilities, catch up on rent, etc. I make an okay basic hourly wage. Even so, the AKPFD has been a blessing when needed the most.

I have some suggestions:

- 1.) Give a very fair one time 'pay-out' to all Alaska residents that have been here for 3-5 years or longer, and be done with it. The legislative body then will be able to use the AKPFD to do with however they see fit.
- 2.) A 3% sales tax that includes part-time out of state workers and summer tourists
- 3.) A 'Tax Cap'

Honestly, we are all aware that this is an opportunity for the leadership of Alaska to use the AKPFD to try to make an easy but temporary fix to a larger problem. I would suggest looking into #1 as noted above, then making the other adjustments as needed. By doing so, it provides the Alaskan people an opportunity to send that money back into our communities. Sure, some folks will leave the state, but so be it. Many of us are committed to this land and the people here.

That's about it.

Respectfully submitted,

Teresa Lundy
2913 Telequana Drive #4
Anchorage, AK 99517
(907)947-4107

Daniel George

From: Tim Brady <ancbuckeyes@gmail.com>
Sent: Tuesday, February 16, 2016 5:10 PM
To: Senate State Affairs
Subject: SB114 Support

I support SB 114 to use a portion of the PF to fund government.

Tim Brady

Daniel George

From: Todd Bethard <Todd@gmccontracting.net>
Sent: Tuesday, February 16, 2016 9:21 AM
To: Sen. Bill Stoltze
Subject: Budget Crisis

Bill,

I saw the article in the paper looking for public input on the use of the permanent fund, so I thought I would chime in. I think the permanent fund was a great thing for people when the state was flush with money, and it could be good for folks again down the road. but now our budget is shot, and without a stable, predictable capital budget, our construction industry will fall precipitously. The fund should be used as an endowment, the capital of the fund cannot be spent, but the interest earned on it and on what remains in savings, should be used to fund state government. I know this is unpopular, but it is 'free' money that people should not be counting on as income. Many of the people who would scream at the thought of losing their dividends are the very people that are beneficiaries of the state programs that need the funding.

It seems so simple. In good years, add into the endowment, and possibly tackle larger capital projects. In tougher years like now, we would have a steady budget that is funded solely of the interest earned. The budget would need to be leaner, but would still be funded and stable.

My two cents.

Thank you for reading.

Todd Bethard, P.E.



Contracting, Inc.

351 E. Intl. Airport Rd

Anchorage, AK 99518

Office: 907.561.4733

Legislative Hearing on SB 114, February 16, 2016

Under normal circumstances I am not the guy who testifies at legislative hearings but the current fiscal situation in Alaska compels me to make sure my feelings are well known. I promise to be brief as my message to you all is really a simple one.

I think my desires for Alaska are on par with every other Alaskan out there. I want our state to stay strong. I want our state to remain a good place for business. I want our state to continue to be a place where young people have opportunity. I've been living here for 41 years and for all that time these three things have been true and I certainly do not want to see that environment diminished in any way. I think we all want our children and grandchildren to be able to enjoy that same level of opportunity.

Today, however, we find ourselves in a bit of a financial pickle, more clearly, a budget crisis. You know better than I that in 2016 alone the State of Alaska is running a budget deficit that is roughly 2/3 of the overall budget. Clearly an unsustainable position. In order to maintain the environment we've all been enjoying ever since oil was discovered at Prudhoe Bay I think it's very clear that we all have to be ready to make fundamental and significant changes in the way the state manages its budget. We have to address revenue and expenses in a way that we haven't had to do in 40 years. It's been a great run but sadly, I think that run is over.

As others have suggested it seems we need for three things have to happen simultaneously in order to solve the problem:

1. Permanent Fund Reform – Recall that when then Governor Hammond and the Alaska Legislature ushered the Permanent Fund and the PFD into existence its intent was to allow us to responsibly face the exact situation we are in today. Personally, I support using a portion of the Permanent Fund earnings to support state government. I also support continuing the distribution of the PFD, at a capped and sustainable level, as it has become an important part of the Alaska economy, especially in rural Alaska.
2. Taxes – Understand that I, like everybody else on the paying end of taxes, am not a fan of taxation in any form. That said in order to balance the budget it sure seems that we need to look at additional sources of revenue

besides the Permanent Fund earnings which means instituting taxes in some form once again. Whether it's an income tax, sales tax, or some other form that has yet to be determined I think that the days of zero taxes on Alaskans have to be over. Oil will most certainly continue to hold a very important place in the Alaska budget and overall economy but at ~\$30 per barrel oil, and with production on the decline, we have to face the fact that the free ride courtesy of oil has come to an end.

3. Budget cuts – Lots of people are using the phrase “Right Sizing the Budget.” I completely agree that we need to address the size of the state's budget and be prepared to make some difficult decisions and difficult budget cuts, but we need to do that sensibly. No doubt we can find plenty of programs that can be trimmed but budget cuts that go too deep and too quickly run the risk of unnecessarily putting people and institutions at risk. Also, if cuts go too deep that action alone could kick start an avoidable economic recession throughout Alaska.

I also think that absent significant movement on some or all of these of these fronts this year Alaska's private sector will also have to start to take a hard look at their own capital budgets and start scaling back on that investment. Pulling that money out of the Alaska economy would be yet another economic blow, compounding the overall problem.

In summary, since this hearing is specifically about SB 114 I am here to tell you that I support SB 114 as I think using a portion of the Permanent Fund earnings is the biggest and most effective step we can take towards resolving the budget problem and preserving the Permanent Fund Dividend. Lastly, I think that action has to be taken this session as the price of inaction is simply too steep.

Dan Boyette
danboyette@gci.net

WILLIAM M. TOPEL
6707 MINK AVE.
ANCHORAGE, AK 99504
907-333-1234 (H), wmtopel@yahoo.com

February 16, 2016

ALASKA STATE SENATE
STATE AFFAIRS COMMITTEE
SEN. BILL STOLTZE, CHAIR
CAPITOL BLDG., ROOM 205
JUNEAU, AK 99801

Dear Sen. Stoltze:

Please include my following testimony in the public hearing on Sen. Lesil McGuire's proposed legislation SB 114 or SSSB 1114: **"An Act relating to the Alaska Permanent Fund Corporation, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to the mental health trust fund; relating to deposits into the dividend fund; and providing for an effective date."**

To: Senators Stoltze, Coghill, Huggins, McGuire, and Wielechowski:

Greetings. You can refer to my historical background and experience in Alaska from my testimony On SB 128 on February 4, 2016. **I write to all of you today in opposition to SB 114 or SSSB 114.**

The overall impression and analysis of Sen. McGuire's original SB 114 bill and subsequent amendments to change its numbering to SSSB 114 is that this is another attempt to derail a successful state program – the Permanent Fund investment and Dividend distribution program – by focusing more on revenue generation instead of spending control.

I will repeat some of my past testimony that also applies to this bill. I've seen the exponential growth of state government since 2006. Instead of frugally spending the excess revenues from high oil prices and high production taxes, state government kept over-spending like the federal government has been doing for decades. We have Gov. Walker and some in the legislature, in this case Sen. McGuire, who want to fleece the average citizen, like me, who use the PFD

checks to pay our bills or make small investments, while we have to live within our means. It's time that the state government also live within its means and stop trying to gouge the average citizen. We need to restore the scope of state government back to its essential core functions and mission and a good example of that would be to stop offering benefits beyond the minimal required federal Medicaid programs. After studying state economist Scott Goldsmith's ISER state budget analysis, private sector economist Brad Keithley's state budget analysis, and the United For Liberty (UFL) state budget analysis, I would recommend adopting their approach to achieve a sustainable budget of between \$4.5 billion now, to \$4.2 billion and to \$3.8 billion in the next consecutive years by using the excess earnings of the Earnings Reserve of the Permanent Fund after inflation proofing and dividend distribution.

The effect of capping the Permanent Fund Dividend checks to Alaskans would be near disastrous to those who need it the most -- the average citizen and small businesses. It would be an excessive regressive tax, even before considering any other proposed sales taxes or income taxes on the poor low-income Alaskan, the seniors living on fixed incomes, and those in the private sector, all of whom use the PFD checks to pay their bills. Those who would benefit from the passage of SB 114 or SSSB 114 would be those who have state jobs. Those state jobs are very lucrative in pay and benefits compared to similar private sector jobs or public sector jobs in other states. Keeping all of those state jobs at current levels while reducing the disposable income of those in the private sector is **grossly unfair** to those in the private sector and the poor people, the fixed-income seniors, and small private sector businesses. From a macroeconomic level, the loss of the "multiplier effect" from the movement of the expenditures of those PFD checks in the economy would constrict the private economy even further by reducing consumer consumption and private investment. My questions to the legislators are the same:

(1) Do we really want to nearly destroy the private sector of Alaska and hurt the poor, the working poor, and seniors on fixed incomes while keeping the grossly overgrown and bloated state government?

(2) Do we really want to further reduce the private sector middle class while expanding the amount of the poor and maintaining the largesse of those in the public sector?

To the Democrats who have prided themselves on traditionally helping the poor, the working poor, and the fixed income seniors, then SB 114 or SSSB 114 would not help their plight. To the Republicans who have prided themselves on limiting government or helping small businesses, then SB 1114 or SSSB 114 would not limit state government, but would allow government to continue to grow beyond its' constitutional essential core functions and missions and would restrict potential markets for small Alaskan businesses. SB 114 or SSSB 114 makes no sense politically.

Let's look at the facts, the numbers, and the long term. There are not enough people in Alaska to tax, through income or sales taxes, to make up for the continuing budget deficits. We have to rely upon resource development, not only for private sector jobs, but also for state revenues. We also have to keep cutting the costs of state government until we reach that sustainable level. We also have to open up our lands to more private ownership and development so that people can be financially independent without government intervention for the long term.

In conclusion, please vote NO on SB 1114 or SSSB 114. I would hope that this legislature would not want to create economic class warfare. Please continue to cut state spending. Put state government on a sustainable level by living within its means, just like people and families have to do. The Permanent Fund Dividend program belongs to the people of Alaska. Thank you.

William Topel.

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 6:12 PM
To: Senate State Affairs
Subject: FW: budget

Expires: Sunday, August 14, 2016 12:00 AM

From: John Barnes [mailto:jsbarnes@mtaonline.net]
Sent: Tuesday, February 16, 2016 3:38 PM
To: governor@alaska.gov
Subject: budget

I believe you should leave the PFD alone and stop spending all the money you are giving away now..

Require anyone without children to get a job, train for a trade or employment or do service work for food stamps. To many collect food stamps and welfare checks and work for cash. You are hurting our economy and the people that need the help. The PFD helps the elderly make ends meet, paying for fuel, food, meds and other essentials. It is a tremendous boost to the state economy when the checks come out as a good portion stays here at home.

A state income tax is fair and those that live here could get a refund each year and those that work here and take their money outside would not get that rebate. Keep our money here.

I can't believe that with all you people in Juneau that you can't see all the waste, corruption and fraud that goes on.

As for Sen. Bill Stoltze and Rep. Shelley Hughes I have always held you in the highest respect and don't believe you can't see what is happening. Government is not or should not be a charity org.

Please reconsider what you are doing and it's ramifications in years to come. You will all be up for reelection sooner or later and I don't think anyone that votes to take the PFD in any shape or form will survive.

Good luck and may you do what is right.

Jack Barnes

Palmer Alaska

Daniel George

From: Meghan Nelson <timegnelson@gmail.com>
Sent: Tuesday, February 16, 2016 4:03 PM
To: Senate State Affairs
Subject: SB114

Dear members of the Alaska state senate,

I am a lifelong Alaskan, born and raised in our capital city, I am writing in regards to SB114, which is currently under consideration today.

While I understand the budgetary shortfalls within the state, I do not believe that it is in the states interest to restructure the PFD and take it out of the hands of hardworking Alaskans who rely on it to make it through each year. Many of us do not make much throughout the year and use the PFD to purchase things (like heating fuel) that we otherwise cannot afford. Furthermore, the funds infuse our local economies with much needed income.

By even removing a portion of the yearly payout, you will be creating a ripple effect that will hurt our cities and small communities. You will also heavily penalize rural and remote communities/individuals who do not earn steady incomes and who seriously rely on the PFD to purchase supplies and fuel.

The government has never shown responsible stewardship of the money you already have available. Instead of further taxing average, hardworking Alaskans, start with cutting the innecessary fat from our budget - including the building you rent in Anchorage. Perhaps stop moving jobs out of Juneau (which does carry its own costs with it) and stop paying yourselves such high per dime rates. There are many ideas about how to balance the budget without making it more difficult for Alaskans to live in this already expensive state.

Both a PFD raid and a state income tax unfairly burden the working class and should not be considered. I am not alone in this opinion (in fact, most every Alaskan I have talked to about this agrees). Stop listening to the out of state, overpaid "advisers" and start listening to those of us who stand to be affected.

Thank you.

Sincerely,

Meghan Nelson
Juneau Alaska

Daniel George

From: bart oconnor <oconnorbc@yahoo.com>
Sent: Tuesday, February 16, 2016 7:08 PM
To: Senate State Affairs
Subject: NO on SB114

Absolutely NO on SB114 "An Act To Rip Off The Citizens Of Alaska"

Daniel George

From: Dale Lebahn <lebahn@gci.net>
Sent: Tuesday, February 16, 2016 7:00 PM
To: Senate State Affairs
Subject: PFD

There is no way you need to take our PFD from us. It is not your money it is ours. There are alot of other ways you can get the budget under control then to take money that some of Alaskans need to make it through the year. Cut your wages first and see if that doesn't help but I am sure you won't even consider that? Stop paying people money to do a little job for you just because the gave you money to get elected. Come one get with he program and do things that are right for us the people that you work for.

Dale Lebahn

Daniel George

From: Erick Cordero Giorgana <erick.cordero@gmail.com>
Sent: Tuesday, February 16, 2016 3:14 PM
To: Senate State Affairs
Subject: SB114

Members of Senate State Affairs Committee:

A lot of information, some correct and some not, has been floating around regarding SB114. As an Alaska resident, I would like to request the Legislature scrutinize all the grants that go out from State Departments. You might be surprised how much money you can cut for services that are being duplicated or hardly done by outside entities.

In addition, before looking at making changes to the PFD, please consider cutting the budget to pre Senate Coalition numbers. Spending increased drastically during that period. The problem with getting more revenue with the PFD, is not that you would get it, it's how it will be used. Too often Legislative budget priorities have been more wants than needs.

Thank you for your hard work. I do not envy your position in trying to work with limited resources and a demand for more services and grants.

Sincerely,

Erick Cordero Giorgana
Palmer, ALaska

Daniel George

From: frank kelty <fvkelty@gmail.com>
Sent: Tuesday, February 16, 2016 2:48 PM
To: Senate State Affairs; Sen. Lesil McGuire
Subject: Fwd: SB 128 and SB114

Chairman Stoltze, and Members of the State Affairs Committee,

I'm writing on behalf of myself, in support Senator McGuire Bill SB 114 I believe it is time to use a mineral lease rentals and royalty's and some of the PFD earnings to fund our government. This bill also supports at least a \$1,000 dividend to every qualified Alaska. Personally I would not even take a dividend if it would help fund Public Safety, Education, Health and Human Services and Fish and Game. I also support a state Income tax, I believe the oil tax credit program needs to be amended to reduce the amount of funding going to some of the worlds wealthiest corporations and if really needed a state sales tax in the 3 to 4% range. I believe all of the state mega projects should be mothballed at this time including road out of Juneau, Knik Bridge, Port of Anchorage bailout, and large hydro dam projects. I can't say strongly enough that we can't cut our way out of situation, in rural Alaskan communities we have already been cut to the bone.

In Unalaska we have seen reductions in Public Safety, PV Stimson was removed last year along with the majority of the troopers, the number #1 fishing port in the nation has only 1 Brown Shirt left, and one ADEC seafood inspector to cover the nations largest shoreside groundfish and crab processing plants, plus the offshore catcher processors fleets that do their offloads of finished products offloads in Unalaska. We have a school district that is facing a \$700,000 deficit and declining enrollment the city government already funds the school district at the the cap. WE DO NOT NEED FURTHER CUTS! WE NEED TO RAISE REVENUES NOW ! Once again we need to support SB 114 or similar bills and move forward with a state income tax, make changes to the oil tax credit program and a halt to all statewide mega projects.

**Thank You
Frank Kelty**

Daniel George

From: Joshua Stephenson <joshuajstephenson@yahoo.com>
Sent: Tuesday, February 16, 2016 12:47 PM
To: Senate State Affairs
Subject: PFD usage

Dear sir or madam,

With the fact that our States savings will be depleted in approximately two years time, cutting vital programs such as education, transportation and services of veterans, is not a valid option. The common sense approach is to use the States Permanent Fund to address our financial situation. Thank you for your time

Daniel George

From: Marty Laudert <chmallk@yahoo.com>
Sent: Tuesday, February 16, 2016 2:26 PM
To: Senate State Affairs
Subject: SB114 public testimony

If you would spend as much time trying to cut spending as you do trying to raid the PF, you would get more support from people like me. Cut the budget, No new taxes, especially a state income tax
Cut the spending, then we can look as increasing revenue, IF Needed, cut the spending, cut the budget, cut government. Cut education, start with the UA system, it's bloated and wasteful, cut medical benefits to state employees, PERS/TERS, it was way too big a promise to begin with and needs to be cut back.
What do you not understand about cutting?

Once all the cuts have been made, consider taking up to 50% of each and every PFD check. Other than that, leave things as they are. No income tax, no restructuring of the PF.

Marty Laudert
3238 Edby Rd
Fairbanks AK 99709

Daniel George

From: melody DALBEC <meloin_2000@yahoo.com>
Sent: Tuesday, February 16, 2016 12:57 PM
To: Senate State Affairs
Subject: SB114 Let's get Alaska's Budget right!

Hello, my name is Melody Dalbec and I live in the Fairbanks area. I'd like to thank you for providing us the opportunity to testify via email.

Our budget deficit is the most pressing issue the legislature will take up this year, because if we don't address this issue our savings will be gone in less than two years. And all public services will be affected.

It's clear we need to use a portion of the Permanent Fund earnings to address our budget deficit. We all can agree there needs to be spending cuts and new sources of revenue, but these alone will not come close to filling our budget deficit. I'm sure the committee is working hard to gather as many income sources available to Alaska as possible, we need to act now. If we don't take this crucial step, we will be putting the Permanent Fund Dividend program itself in jeopardy.

Thank you for reading my email today, and I urge the legislature to act now, and use a portion of the Permanent Fund earnings to address our budget deficit. Thank You.

Daniel George

From: Mike Houlihan <mhoulihan@gci.com>
Sent: Tuesday, February 16, 2016 4:55 PM
To: Senate State Affairs
Subject: SB 114 comment

Greetings,

I'm writing in regards to my support of Senate Bill 114. I strongly believe using a portion of the Permanent Fund to help our current budget deficit is necessary and needs to be ratified prior to the end of this session. US Navy Rear Admiral Grace Hopper was quoted as saying – “There are two costs – the cost of doing something and the cost of not doing something”. We cannot afford to wait and see what the cost of not enacting SB 114 will do to our State. Sacrifices will need to be made by all residents if we hope to see Alaska grow and prosper for generations to come.

Thank you,

Mike Houlihan

Wasilla

Daniel George

From: Nancy Yow <sugarragstasha@gmail.com>
Sent: Tuesday, February 16, 2016 6:58 PM
To: Senate State Affairs
Subject: Ak. Debt

Follow Up Flag: Follow up
Flag Status: Completed

The state needs to Stop over spending. Put a sales tax in Anchorage. And a state income tax.

Daniel George

From: tongassrain@gmail.com
Sent: Tuesday, February 16, 2016 2:02 PM
To: Senate State Affairs
Subject: Testimony Tonight.

Follow Up Flag: Follow up
Flag Status: Completed

Hello, my name is Robert Varness and I live in the Juneau area. I'd like to thank you for providing us the opportunity to testify before you this evening.

Our budget deficit is without a doubt the most pressing issue the legislature will take up this year, because if we don't address this issue our savings will be gone in less than two years.

It's clear we need to use a portion of the Permanent Fund earnings to address our budget deficit. We all can agree there need to be spending cuts and new sources of revenue, but these alone will not come close to filling our budget deficit. If we don't take this crucial step, we will be putting the Permanent Fund Dividend program itself in jeopardy.

I'm very concerned that without your swift actions this session, Alaska's business' will start reducing capital investment and start cutting overheads (Jobs) to brace for the upcoming impacts. We all need to be Alaskan citizens and do our fair share of what needs to happen now, to preserve our grand children's future.

Thank you for letting me bring testimony before you today, and I urge the legislature to act now, and use a portion of the Permanent Fund earnings to address our budget deficit. Thank you.

Sent from Surface Pro

Daniel George

From: Ron Holmstrom <holmstrom@alaskalife.net>
Sent: Tuesday, February 16, 2016 7:16 PM
To: Senate State Affairs
Subject: Permanent Fund/Economy

Dear Senators,

If our state is ever going to stop relying exclusively on the boom and bust unpredictability of the petroleum industry and begin to attract new industry, we must recognize that the 21st Century presents a very different challenge for Alaska. Without providing economic incentives to investors, Alaska is quite simply unable to compete with other states and countries.

We must find a way to remedy this detriment to our economic growth. Whether the solution is through an income or sales tax, the use of some of the Permanent Fund, both or other means, we can not continue to depend upon the largesse of one single industry for our fiscal well-being.

We must work to diversify our economy. Any other fixes are temporary.

Thank you,
Ron Holmstrom
Anchorage

Daniel George

From: Roy <mrroynathan@yahoo.com>
Sent: Tuesday, February 16, 2016 7:43 PM
To: Senate State Affairs
Subject: PFD Fund

Fax(907) 465-4928

senate.state.affairs@akleg.gov

To State Legislature and Govrnor Bill Walker

Alaska is in dire financial straights!

It makes no sense to gut the PFD fund.

Jay Hammond said correctly Greedy senate.state.affairs@akleg.gov want to spend! Spend!

I would rather see the state implement an income tax.

Perhaps a fee on all the out of state workers making money! Yup Alaska created jobs, for outsiders..this has to change; the kowtowing to oil companies and outsiders.

I am a lifetime Alaskan, how many of u leaders have any intention of staying for the long haul in Alaska?

Downsizing doesn't scare me, being a Alaskan many of us are left out of the "jobs."

Realistically panicking is not smart! Wait for a bit and quit fear mongering to get public support.

In all Sincerity

Roy Nathan
mrroynathan@yahoo.com

Sent from Yahoo Mail for iPhone

Daniel George

From: Tamra Wear <tamra.wear@hotmail.com>
Sent: Tuesday, February 16, 2016 7:43 PM
To: Senate State Affairs
Subject: In Support of SB 114

Please consider the merits of SB 114. In this time of fiscal crisis the people of Alaska should be willing to sacrifice a portion of their yearly PFD to keep our public services sufficiently staffed and running smoothly. What's the use of a PFD check in the fall if our roads are unmaintained, the troopers are understaffed, and our schools can't meet the needs of our children?

SB 114 is a great way to move our wonderful state forward in a positive direction.

Thank you for your time,

Tamra Wear

Soldotna, Alaska

Daniel George

From: Travis Robotkay <aklynx99@acsalaska.net>
Sent: Tuesday, February 16, 2016 7:37 PM
To: Senate State Affairs
Subject: Budget

Alaska Senate,

Your hard work and willingness to listen to public testimony is appreciated. We are weathering through an unprecedented decline in oil prices, which doesn't give any signs of relief for the longer term. Unfortunately this may be a situation in which we are going to have to learn to cope with.

My suggestions for solving the crisis are threefold:

- 1) Eliminate production tax credits for oil companies. This would save in the neighborhood of \$700 million per year.
- 2) Institute a statewide sales tax; excluding food from grocery stores. This way all pay an equal amount according to their spending habits and the poor aren't unjustly taxed for feeding their families.
Sales tax would also allow us to tax the 2 million tourists we see each year. Income taxes would hit the working class people the hardest. These are the people who make the economy hum...we don't want to hit them especially in the face of a slowing economy.
- 3) Reduce state spending further by at least another \$500 million per year. Please don't tell us that this cannot be done, because it can. This is a crisis. All nonessential spending needs to be axed. Period.

Thank you for reviewing my proposal.

Sincerely,
Travis Robotkay

This email has been checked for viruses by Avast antivirus software.
<https://www.avast.com/antivirus>

SB 114 public testimony to SSTA
packet # (4) (15 PAGES)
2-22-16

Daniel George

From: warmth@alaskafireplace.com
Sent: Wednesday, February 17, 2016 2:33 PM
To: Senate State Affairs; warmth@alaskafireplace.com
Subject: PFD

Please figure how you can do fiscal policy without the use of our PFD.

YOU DO NOT HAVE MY VOTE.

DO NOT USE PFD.

You have selected way too many ways to spend State of Alaska monies for much foolishness.

Get back to eating moldy bread and learn how to live on a real budget like all entrepreneurs have to do to stay alive.

If we cannot pay our bills we don't eat or go broke.

No luxury here no \$100,000+++ salaries with benefits.

A great salary is \$45,000. That's what I make and have to pay my bills with.

The PFD helps me and my small business a lot.

Get rid of the UNIONS!!!!

Live within your means.

No free ride.

Dan Michaud, President
Alaska Fireplace & Accessories, Inc.
P.O. Box 873161
Wasilla, Alaska 99687
907-892-7131

Daniel George

From: Daniel Hamm <daniel_hamm@hotmail.com>
Sent: Tuesday, February 16, 2016 8:23 PM
To: Senate State Affairs
Subject: SB 114 Testimony

Public Testimony on SB 114

I'm against SB 114 for three reasons:

First, SB 114 amounts to regressive tax that would most hurt the poorest of all Alaskan's most.

Alaska's statehood compact restricts private individuals from owning mineral rights. The PFD is a way of righting that wrong and allowing individual Alaskan's to share in Alaska's mineral rights. By changing the PFD calculation assumptions, this could amount to a tax of over 75% on each Alaskan dividend check.

- One can argue the public unions have legally binding contracts that call for regular step and COLA increases and that government must take it from the private sector with low oil revenue.

- You have a contract to represent the non-government sector who elected you. Who is watching out for your constituents financial well-being? Because they can't use tax dollars to lobby to use the law against another sector of the economy does that make them second-class citizens?

Secondly, SB 114 is a permanent fix to temporary problem.

- Oil prices are constantly changing with changes in supply and demand. It was a huge mistake to steadily increase state spending from 2006 onward in response to high oil prices.

- It is also the exact same mistake to permanently remove money from the private sector economy and plug it into the post-bubble public sector economy in response to a regular oil price trough.

Thirdly, Alaska's state government is way too big and it spends too much.

- Most agree that Alaska has the most bloated state government in the nation that must streamline itself with the drop in oil prices as the big three oil companies have already done.

- Focusing on revenue increases before making meaningful cuts attempts to delay or eliminate this streamlining that must inevitably take place.

In conclusion, it is morally wrong to prop up a bloated state government by taking money out of the private sector economy as this bill would do.

Regards,

Daniel Hamm

Daniel George

From: JimW <2jweid@alaska.net>
Sent: Friday, February 19, 2016 4:19 PM
To: Senate State Affairs
Subject: Raiding the Permanent Fund comments

February 19, 2016
Fairbanks, Alaska
4:16 PM

To: Comments PF <SenateStateAffairs@akleg.gov>

Dear legislators,

Comments on SB 128 PERM. FUND:DEPOSITS;DIVIDEND;EARNINGS (Sponsored by the Governor)
Comments on SB 114 PERM FUND: EARNINGS, DEPOSITS, ACCOUNTS (Sponsored by Senator McGuire)

For those of you who defend the Permanent Fund:

Not only are you NOW defending the Permanent Fund from being raided this year. Your defending against future raiding.

According to the newspaper, the dividends are expected to be the same amount for the next couple of years – in other words, \$2000 this fall \$2000 next fall. And maybe another \$2000. The next full.

If one of the voters in your district has a family of four – two adults and two kids you're talking \$8000 this year \$8000 the year after this and \$8000 the year after that.

In other words, you're protecting \$24,000 worth of cash and come in the next three years to that individual voters family.

There are some reasons to defend the Permanent Fund:

- 1) 83% of us voted NO to raiding the Permanent Fund,
- 2) No is NO and we still mean NO because the dividends are the essential to the economy, Alaska.
- 3) It is the only thing that benefits each of us fairly and equally regardless of race, economic status, or physical location.

Therefore, I urge these two bills to be killed in committee so that they never see the light of day again.

Sincerely yours,

"A friend of the dividend"

Jim Widener
5479 Chena Hot Springs Rd.
Fairbanks, Alaska 99712

verification phone number 488-6366

PS: I have lived in Alaska nearly 44 years and I helped establish the Permanent Fund and especially the dividend program. It is the one and only thing that is benefited all of us equally from the oil wealth and the oil boom.

It is a trust fund set up to last for in perpetuity providing dividends to the people of Alaska.

You legislators are trustees --- not representatives some predatory interest group that thinks they should get more than one dividend check--in some cases 50 – 60 and up dividend checks EACH.

Daniel George

From: Dan Owens <alaskalogger@gmail.com>
Sent: Wednesday, February 17, 2016 8:23 AM
To: Sen. Bill Stoltze
Subject: Budget

Dear Sir,

I am writing to give my thoughts on the budget discussions going on in Juneau. There are three points that I would like to discuss.

1. There are no real cuts to spending included in any of the proposals. There is too much "fat" in our state government. Budgets have been set at revenues from record high oil prices at the \$100/ barrel level. These budget proposals are nearly the same. We need to write the budget with projections at around \$60/ barrel. We would still have a deficit at this point but there would be a real chance of prices coming back to that level.

The government needs to quit trying to be in business. It seems that every time the state tries to fund a project it fails dismally. Examples are the Point Mackenzie dairy project, Matanuska Maid, Susitna Dam... The list goes on. Now we are set to spend billions on a gas line project. If these projects make sense economically, then business will build them. We can encourage these projects with tax structure but we must stop funding them.

2. If there are new taxes to be imposed then everyone should have to pay them. A sales tax makes more sense to me since it would assess everyone equally including tourists and non-resident workers.

3. If the PFD earnings are taken for government use, the economy will shrink. I think the money will be better spent and do this State more good if left in the hands of the individual.

Thank you for your consideration.

Daniel Owens
Palmer, Alaska

Daniel George

From: David Nelson <dngrizz@aol.com>
Sent: Wednesday, February 17, 2016 10:54 AM
To: Sen. Bill Stoltze
Subject: Upcoming Budget Voting

Dear Bill,

I am a 23 year resident of Eagle River, a retired military man, and now retired banker. I am longtime supporter and have seen and met you several times through business related meetings.

I am sending this email to voice my opinion against changes to the current PFD distribution procedure, as well as **strongly opposed to any new taxes.**

I believe we have further cuts to social programs to make, as well as a "rainy day" surplus to be used for just this kind of situation.

Thank you for your past efforts and future consideration.

Sincerely,

David G. Nelson
17536 Teklanika Drive
Eagle River, AK
(907) 230-8580

Daniel George

From: eskiles <eskiles@mtaonline.net>
Sent: Tuesday, February 16, 2016 7:56 PM
To: Senate State Affairs
Cc: EdnEllen
Subject: Alaskas budget

Our legislators have been spending like there is no bottom to the money well. I don't want them to drain the PFD because they can't find a better way to fund their pork. Alaska has been a boom bust economy too long. It is time the state creates a profit based economy and uses the profits to fund projects, not possible future funds. We Alaskans have endured hardship from weather, being remote from the rest of the world, and greedy politicians reaping the benefits of the states resources and not sharing with the people working hard to just survive. If we can't sell the gas and oil we need to use it to power an industrial expansion within the state. We have land we have resources we just need to entice entrepreneurs to build industry here. Using our energy resources at cost to bring profit by expanding business opportunities. Don't let government waste our savings. Insist they pay it back with interest.

Sent from my Samsung device

Daniel George

From: Elderberry-b-b <elderberry-b-b@gci.net>
Sent: Wednesday, February 17, 2016 7:56 AM
To: Senate State Affairs
Subject: Do not dip into permanent fund

To our elected officials,
It would make more sense to pass a state sales tax!!!

We are senior citizens & are on a limited income. We use our permanent fund to pay our property taxes. We are proud to call Alaska our home for 40 years and would like to remain in Alaska. Without our permanent fund we would have to consider moving to the lower 48.

Sent from my iPad

Daniel George

From: Kristi Wood <bikemoredriveless@hotmail.com>
Sent: Tuesday, February 16, 2016 8:27 AM
To: Senate State Affairs
Subject: Please support SB114

Hello Alaska Senate State Affairs Committee,

I am writing to you in support of SB114. I am not an economist, but I've studied the economic data from the Institute of Social and Economic Research (ISER) regarding Alaska's current fiscal crisis. The only logical conclusions I can draw after reviewing this data, is that the legislature must act during this legislative session, and accessing a portion of the Permanent Fund earnings is the single most substantive way to close this gap.

Also, due to the magnitude of the crisis, swift action that includes a portion of the Permanent Fund is the only way to preserve the future of the Permanent Fund. That's because if we do not close the fiscal gap during this legislative session, we risk being forced in to drastic measures in the next two years that could result in significant negative impacts to the Permanent Fund.

I understand the motivation to seek further cuts in spending, however it is irresponsible to focus on cuts alone. The magnitude of this crisis is such that new revenues must be incorporated. As an example, the savings from firing all State employees would not be enough to bridge the fiscal gap, and would also trigger a highly disruptive downturn in Alaska's economy.

While an income tax and revising oil taxes and credits are also important sources of new revenue that must be explored, those revenue sources amount to significantly less than what will be made available to Alaska via SB114. ISER's data shows us that we can only expect roughly 800 million dollars from reorganizing oil taxes and credits, and roughly 650 million from an income tax. Together that amounts to less than half of what we need to close the gap.

By utilizing a portion of the Permanent Fund, SB114 gains us close to 2 billion, closing the gap by half.

I fully respect the concern that capping PFD checks could have a negative impact on some Alaskans who may be counting on that money to make ends meet. However, if we do nothing, we risk losing the PFD checks altogether; that clearly would not be acceptable. SB114 stabilizes PFD checks at a sustainable amount, preserving the Permanent Fund so that it can be, well, permanent. This gives Alaskan families the opportunity to plan and budget according to a set, predictable amount.

In closing I urge your timely support of SB114, as it provides us with a sustainable path forward for securing the future stability of the permanent fund, and also makes substantive progress in closing the enormous fiscal gap.

Respectfully,
Kristi Wood
Anchorage resident

Daniel George

From: Mary Anderson <manderson@acsalaska.net>
Sent: Tuesday, February 16, 2016 8:54 PM
To: LIO Anchorage; Senate State Affairs
Subject: New taxes

To whom it may concern:

I cannot support any new taxes, be they corporate, personal, sales or alcohol, until the PFD is at zero. It is crazy to want more money from businesses and individuals when the permanent fund has money. If you are afraid that residents will be upset, just limit the zero payout to 5 years, extendable for another 5 years or until a barrel of oil is great than \$100.

For those who want a sin tax or any kind, remember that the PFD causes folks to partake of those things considered sinful. Excessive alcohol would be limited if you didn't give out free money. The PFD money does not do many favors, much of the time it is either consumed badly here in state or spent out of state. Where is the good in that?

The State government needs to be right sized, there is lots of waste in the state system – I say this because I worked there. It would seem a 15% cut in total personal and spending would not be that hard to reach. Granted some areas need to a greater reduction and some may need to be preserved, but a 15 percent downsize is not a stretch.

This past summer the news reported the largest capital spending budget ever being spent on road projects. Really? In the face of a recession, didn't anyone know there was a budget shortfall last year. It's that kind of irresponsibility that has put the state where we are. The overspending needs to STOP, and be just a bit responsible.

My bottom line is PFD should be at ZERO before you start piling on new taxes.

Thank you for your time,

Mary Anderson

5840 Azalea Drive

Anchorage, AK

Daniel George

From: Mary Turner <mlaketur@usa.net>
Sent: Wednesday, February 17, 2016 4:42 AM
To: Sen. Bill Stoltze; Sen. Lesil McGuire
Subject: PFD

Using the PFD Permanent Fund Dividend to solve our fiscal dilemma is like cutting off your nose to spite your face.

According to an ISER (Institute of Social and Economic Research) July, 2010 report, the PFD has the effect of introducing a new industry into and adding stability to the economy. It has lowered the poverty rate, especially in rural areas of the State where jobs are scarce and the cost of living is high.

I can't understand why the Native population that has to rely on subsistence hunting and fishing, isn't up in arms about Gov Walker's proposal.

Besides, it is illogical to expect that once the legislature gets even a part of it, that it will have the discipline to use it wisely. Think Taj Mahal/LIO (Legislative Information Office) that was constructed while facing a huge budget deficit.

It will return to the days where Alaskan generated wealth will go to wealthy non-residents.

Daniel George

From: Philip Treuer <treuer1@gmail.com>
Sent: Tuesday, February 16, 2016 9:27 PM
To: Senate State Affairs
Subject: State Fiscal Crisis

Dear Senators,

I support legislation to address the state's fiscal crisis this session. While I understand the need to continue looking for ways to cut spending, the crisis can't be resolved solely, or even primarily, through spending cuts. I believe that we also need to look at increasing revenues through taxes, reducing the permanent fund dividend, and saving less. I support SB 114, the Governors proposal, or some other variation of these proposals. Most importantly, I would like to emphasize that the legislature should act now, this session, and not put off important decisions until next year.

Thank you.

Philip Treuer
Anchorage, Alaska

Daniel George

From: Dave Bishop <db7597@yahoo.com>
Sent: Thursday, February 18, 2016 2:41 AM
To: Senate State Affairs
Subject: Written Testimony In Support Of SB-114

Please accept the following as written testimony in support of Alaska SB-114.

My name is David Bishop and I am registered to vote in Anchorage Alaska.

I attended the public hearing on February 16, 2016. Unfortunately, I had to leave before testifying in support of SB-114.

The reasons for supporting the bill are very clear.

Using a portion of the PFD to reduce the budget has to be a part of any comprehensive solution.

I have seen the full financial analysis and that fact seems to be indisputable.

If everyone understood that fact, passing SB-114 would be very simple.

However, there are those who gave very sincere testimony indicating that they rely on the PFD as part of their household income and as a result - they do not support SB-114.

I would like to provide the perspective that passing SB-114 is actually the best thing for those families who rely on the PFD.

I say that because without SB-114, the PFD fund will actually will actually become extinct.

Although SB-114 reduces the amount each person will receive - it is the only way that seems to preserve the fund for the longer term.

As a result, those families who rely on their PFD checks every year really need SB-114 to pass in order to preserve at least some PFD income.

A reduced PFD check for families that rely on it is far better than receiving no check at all.

I am concerned that those who oppose SB-114 don't really understand the full scope of the financial crisis.

I am concerned that some think the problem will be solved simply by cutting government spending alone.

I am concerned that some don't understand the crisis is real.

I am concerned that many think the problem will just fix itself if oil prices increase.

I am concerned that there will be a rapid loss of jobs as companies are likely forced to downsize.

I'm concerned for the kids of Alaska who will lose their chance to grow up in such a great state if their parents need to leave the state for another job.

For all of those reasons - this is the time we need our state government to lead its citizens.

We need our government to make tough decisions that may be unpopular to some - but that are required to do the right thing for the great state of Alaska and its citizens.

Thank you for the opportunity to testify and thank you for your public service.

Sincerely,
David Bishop
Anchorage, AK

Daniel George

From: Stephen Holmstock <stephenholmstock@gmail.com>
Sent: Tuesday, February 16, 2016 10:06 PM
To: Senate State Affairs
Subject: SB 114: Sen. Lesil McGuire's SB 114, to use Permanent Fund Earnings, has another public hearing.

Thank you for hearing this.

Every effort needs to be expended to avoid the knee jerk reaction of tapping into the permanent fund.

I say no to this House Bill.

Sincerely

Stephen P Holmstock

(907) 764-6256

Daniel George

From: Terry LaGrone <tlagrone@alumni.caltech.edu>
Sent: Tuesday, February 16, 2016 7:55 PM
To: Senate State Affairs
Subject: Testimony on SB114

Follow Up Flag: Follow up
Flag Status: Completed

I support the concept of using more of the funds allocated to the Permanent Fund. The proposal is just a small piece of what must be done to solve our fiscal problems.

This proposed legislation should be combined with other components of the fix to our fiscal crisis.

Additional taxes (income, sales, alcohol, marijuana, etc.) may also be needed. Reduction of the Permanent Fund Dividend (possibly through an income tax offset) distributed is also required so that all Alaskans can share in supporting the costs of government.

Terry H LaGrone
645 G ST
Anchorage, AK 99501

Deficit

+3 Billion

- I commend the Governor and Some in the legislator with trying to come up with a solution to our serious fiscal problem.
- From what I have been hearing from prominent Alaskans and Academics is that we cannot cut or tax our way out of our current fiscal situation. It sounds like the Permanent Fund will have to be part of the solution.
- We need to put ideology aside, come together as fellow Alaskans and confront this situation now or there are going to be dire consequences soon for all Alaskan.
- To my friends on the left, we cannot continue to support the current state spending as it is now. We need to make some serious cuts to our spending.
- To my friends on the right, we cannot cut our way out of this situation; looks like new revenues are going to have to be part of the solution.
- If we don't do this right, we will send the Alaskan economy into a tail spin. People will be walking away from their homes. Business will fail. Our credit rating will plunge.
- What my fear is, that being an election year, the legislature is going to make excuses that we need to study this problem more, make some cuts around the fringes and kick the can down the road. We have limited reserves and need to act now.
- Personally I think the Governor's proposal using the Permanent fund, cuts, and new revenues gets us closer to closing the gap without dire consequences to the Alaska economy, but SB 114 may be easier for Alaskans to except. So I support either of these proposals or any other reasonable solution.
- The governors pledge to make the hard decisions to confront the crisis even if it means being a one term Governor is commendable. Are you, as our elected officials, willing to make the same pledge even if it might jeopardize your political aspirations?
- I am close to retirement, so I am in a much better position than most to weather the storm. What I worry about is that my children and grandchildren are going to have to move out of state to find economic opportunity and have a reasonably prosperous life.

Thank you all for your time and consideration.

Michael Murphy

Fairbanks, Alaska

mkmurphy@gci.net

ALASKA AFL-CIO

3333 Denali Street, Suite 125 • Anchorage, Alaska 99503 • 907-258-6284 • Fax 777-7276

VINCE BELTRAMI
Executive President

JIM DUNCAN
Secretary - Treasurer



February 24, 2016

Senator Lesil McGuire
State Capitol Room 121
Juneau AK, 99801

RE: SB 114

Dear Senator McGuire:

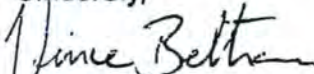
The Alaska AFL-CIO represents over 60,000 workers across the state working in a wide variety of jobs from nurses and state employees to electricians and flight attendants. Recently, during an Executive Council meeting our member unions unanimously passed a motion urging the Legislature to take action this session to take meaningful steps to resolve our pressing fiscal problems.

One of the key pieces of taking 'meaningful steps' would be, as part of a larger package including cuts and additional revenues, the use of a percentage of Permanent Fund Earnings to help close the gap. SB 114 is one of the bills moving through the process that contains a provision to do just that. In that vein, we are writing this letter of support for SB 114.

We are not stating that we support SB 114 over any of the other bills. We plan to extend support to any bill that contains such provisions and look forward to a lively debate on the merits of all the proposals within the Legislature.

Lastly, we would like to thank you for your service to Alaskans. Alaskans have always pulled together in difficult times. We are confident that under your leadership Alaska will rise to our challenges and work together to build a bright and prosperous future together.

Sincerely,


Vince Beltrami
President

FRANK E. MCQUEARY
7810 ASCOT STREET
ANCHORAGE, AK 99502

907-223-7528
FMCQUEARY@GCI.NET

Commentary on SB 114 and the Concept of a Sustainable Budget:

Submitted by Frank McQueary, February 26, 2016

Senate State Affairs Committee

Senator Stoltze, members of the State Affairs Committee, my name is Frank McQueary. Most of you know me, but for those who don't let me briefly summarize my experience and qualifications. Currently I am an owner of a small technology company, the Vice Chair of the Alaska Republican Party and my curriculum vitae includes managing a transportation company multiple times since 1972, working as a VP of Commercial lending in 2 different Alaska banks, a stint with AIDEA in 1981 setting up the small business lending program, a number of years working for a telecommunications company as well as being in the horse boarding and training business simultaneously for 20 of those years. In my younger days, while attending college, I worked summers as a grade checker out of Laborer's Local 341.

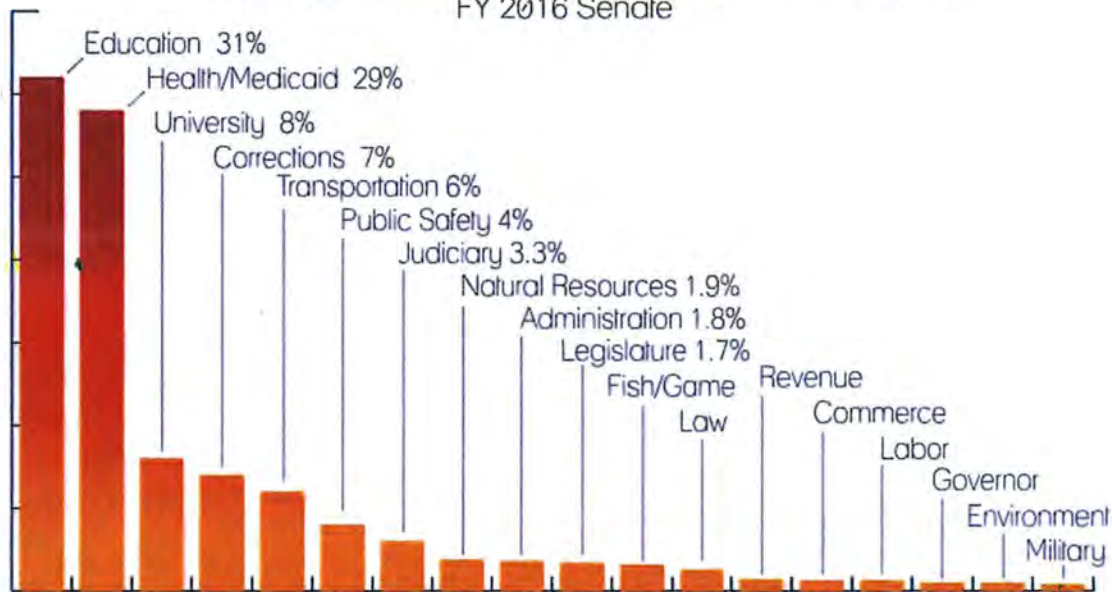
The diversity of my experience qualifies me to share some observations with you today.

I wish to speak in favor of SB114 as part of a strategy which will help you ameliorate the economic damage which we will suffer over the next few years as a direct result of the collapse of oil prices and the slowing global economy and I will tell you why it is inherently superior to both the Governor's and Representative Hawker's bills.

The premise of what I wish to propose is that SB 114 alone will help but not solve our current crisis and without additional measures to curb the growth of government we will soon be facing additional crises.

If you will look at the graph below, prepared by your own Legislative Finance Department, you will graphically see what I propose to call "The Little Shop of Horrors: Feed me Seymour" model of government. On the left side of the graph, two of three major impediments to successfully coping with and minimizing the current crisis are very obvious. For as long as I can remember in my 25 year history of pilgrimages to Juneau, Education and Health/Medicaid expenses have been growing and compounding. A third major component of controlling the budget is buried in all of the departments: programmatic increases in labor costs.

Agency Operations Percentage of Budget FY 2016 Senate



With each of these three components historically growing and compounding at from 5-15 percent a year the static 2 dimensional budget analyses seen thus far are very deceptive. If your model continues the 5-15 % annual growth in these three components over a short 5 year period it becomes obvious that you will never achieve a "sustainable" budget given current revenue expectations.

Only the combination of **targetted** cuts in the areas of education, medicaid and state labor costs combined with an SB114 type of conversion of the permanent fund will both assure the continuation of permanent fund dividends and give you enough control of the budget to begin to call it sustainable.

As you grapple with these issues constantly remind yourselves that Government does not create wealth. Only the private sector and free market investments do that successfully. The easy cuts were made last year, and unfortunately virtually all capital investment was curtailed. That is the part of government spending which flows into the private sector, ideally providing jobs and the infrastructure necessary to grow our economy.

A government centric bias is inherent in the very Juneau air that you breath. The fact that in your jobs today you are totally focussed on the State budget, rather than the State's broader economy is a testament to that bias.

When I met with the Governor last week he said he wanted to get outside of the closed loop of government and get other opinions as to how to solve our current dilemma.

What I told him, and what I will tell you, is that an opportunity has been missed. The messaging of what is happening should have been something like this: "Lifeboat Alaska, we are in this together and we will

FRANK E. MCQUEARY
7810 ASCOT STREET
ANCHORAGE, AK 99502

907-223-7528
FMCQUEARY@GCI.NET

get through it together. We will ration our resources wisely and with scrupulous fairness. No one of us will prosper at the expense of the rest." I told the Governor that he thinks he is captaining a cruise ship rather than a lifeboat and that he had simply moved the crew into the first class cabins and asked the rest of us to move into steerage.

Without any labor contract increases the programatic raises for merit and longevity average between 3-4% per annum. Continued wage inflation in state labor costs, continued exponential growth in Education and Health and Human Services budgets will guarantee the failure of any budget plan.

There is an old adage that "in adversity there is opportunity".

Your opportunity now is to choose the one plan that converts the Permanent Fund into an endowment while still guaranteeing a significant flow of dividends into the private sector, shoring up the larger economy of the state, while still contributing significantly to closing the state government budget gap. That bill is SB 114.

Why is SB 114 superior to both the Governor's plan and Representative Hawker's bill? It is simple two step logic:

1. It guarantees that more dollars are dedicated to dividends, hence leaving a larger gap to close in the budget. What I am proposing is that you do not take the easy way out by taking most of the dividend to fill the gap. This means that you will have to attack the real structural budgetary issue of unrestrained growth in education, health and labor costs. Both the Governor and Hawker's approaches open the door to eventually taking all of the earnings without solving the problem.
2. SB 114 is more palatable to the public. It signals that you are not trying to solve the gap at their expense while protecting the vested interests of the bureaucracy.

Your real mission is to harness the cancerous growth of Education, Health and Labor costs within state government. As long as you ignore this rapidly growing segment of the budget you will never resolve the budget issue or "right size" government.

IF our education was improving commensurately with its increasing costs and IF access to health care was better and less costly, we would have no room to complain. But neither education nor health care access has improved with ever more costly programs. In fact the opposite has happened. When I graduated from East Anchorage High School in 1963, Alaska schools were considered to be among the best in the nation. Now we rank near the bottom. When Governor Walker pushed Medicaid expansion the premise was that more Alaskans would have better access to more affordable health care. Our Medicaid plan has 17 optional "Cadillac" services which are provided at no cost to the very poor. Meanwhile the not so poor have been saddled with large monthly premiums for insurance and have seen their deductibles rise to the point where for all practical purposes they only have major medical coverage. Deductibles of \$5000 to \$9000 are becoming common as more and more people are forced into the world of Obamacare.

FRANK E. MCQUEARY
7810 ASCOT STREET
ANCHORAGE, AK 99502

907-223-7528
FMCQUEARY@GCI.NET

Governor Walker has been aiding and abetting this economically and socially destructive transition and it is time for you as our elected representatives to show courage in correcting the course of government.

1. Cut and Reform Education
2. Cut and Reform Health Systems
3. Remove automatic increases from state employee contracts and ask them to share the pain
4. Pass SB 114.

And remember that unallocated cuts will simply allow bureaucracy to punish both you and the public.

While it is not my intent to get too far into the weeds, I cannot resist making two points: The immediate fiscal problem may not be as critical as alarmists make it out to be: e.g., correcting the overprovisioning for inflation in the permanent fund would free up an additional \$900,000,000 towards this years deficit...

And there are pockets of privilege in State government that need to be rooted out now. One of the more egregious examples being the highly compensated and underworked line haul ferries. Transportation subsidies for highways are calculated in the range of cents per vehicle mile travelled. The subsidy for Alaska Marine Highway line haul ferries is in excess of \$10.00 per vehicle mile travelled. Five years ago the overall subsidy was over \$120,000,000.00 (yes that is millions). That level of subsidy is indefensible and is nothing more than an invincible barrier to competition from the private sector handling the longer runs.

Thank you Mr. Chairman and Members, if you have any additional questions or want more detail or documentation please feel free to contact me at : fmcqueary@gci.net or call me at 907-223-7528.

3. It guarantees that more dollars are dedicated to dividends, hence leaving a larger gap to close in the budget. What I am proposing is that you not try to take the easy way out by taking most of the dividend to fill the gap. This means that you will have to attack the real structural budgetary issue of unrestrained growth in education, health and labor costs. Both the Governor and Hawker's approaches open the door to eventually taking all of the earnings without solving the problem.
4. SB 114 is more palatable to the public. It signals that you are not trying to solve the gap at their expense while protecting the vested interests of the bureaucracy.

Daniel George

From: Sen. Bill Stoltze
Sent: Tuesday, February 16, 2016 8:31 PM
To: Senate State Affairs
Subject: FW: Testimony SB114
Attachments: anch90.pdf

Follow Up Flag: Follow up
Flag Status: Completed

From: David Nees [mailto:davidneesak@gmail.com]
Sent: Tuesday, February 16, 2016 7:14 PM
To: Sen. Bill Stoltze <Sen.Bill.Stoltze@akleg.gov>
Subject: Testimony SB114

ISER report ten years ago. Page 8 low income residents



Anchorage At 90: Changing Fast, With More to Come

June 2005

UA Research Summary No. 4

By Scott Goldsmith,

Lance Howe, and Linda Leask

Institute of Social and Economic Research • University of Alaska Anchorage



It was in 1915 that the federal government sold the first lots for the new town of Anchorage, at the head of Cook Inlet—and 90 years later, the city's people, economy, and place in the state are changing faster than many Alaskans realize.

Anchorage began as a boom town, headquarters for construction of the Alaska Railroad. It's seen many ups and downs since. But after 35 years of growth triggered by oil development—and boosted lately by an infusion of

federal money—the city has grown to 277,000 and its economy is bigger, broader, and more dominant statewide.

Despite that growth, the city still depends on resource development and state and federal spending (including military spending). It's still subject to forces beyond its control, chiefly oil prices and production and federal and state policies affecting the flow of money into the economy. As long as Alaska prospers—and that depends a lot on how the state deals with its long-term fiscal problems—Anchorage will prosper.

So how does the city look at 90? Today it reflects—in fact, magnifies—three population trends that analysts say will be powerful influences nationwide in the future: (1) a growing number of young, diverse minority residents; (2) a large number of affluent baby boomers on the cusp of retirement; (3) a growing older population. We have a rare chance to look at those and other changes, with sample data now available from the 2000 U.S. census (see back page). Our findings include:

- **Anchorage offers opportunities for immigrants**, especially from the Pacific Islands, the Philippines, and Mexico; those places accounted for a third of international immigrants in the late 1990s. Continuing immigration is reflected in a 26% increase in Permanent Fund dividend applications from non-citizen residents between 1995 and 2004.

- **The city is becoming more diverse, with fast growth among minorities** and slow growth in the majority white population. And because minorities are concentrated in younger age groups, minority children are approaching the majority in Anchorage schools, up from 26% in 1990 to 44% in 2004.

Understanding Alaska (UA) is a special ISER research program, funded by the UA Foundation. Learn more at www.alaskaneconomy.uaa.alaska.edu

Graphic Designer: Clemencia Merrill

Photo Credit: Alaska Division of Tourism

- **Alaska Natives remain the largest minority, and their numbers are growing** as many leave villages for jobs in the city—especially working-age Native women, who hold more jobs than Native men and who increased their earnings even as those of men fell.

- **Anchorage's population is aging, despite the young age among minorities, because the city has so many aging baby boomers.** Anchorage has more boomers than almost any place else, and they are the city's most affluent and best-educated group. What they decide to do when they retire will have big effects on the future composition of the population, the demand for housing and health care, and much more.

- **The city's over-65 population is already growing at five times the U.S. average, even before the baby boomers hit retirement age.** Having more older residents can help stabilize the economy, because many have relatively high incomes that don't depend on local jobs.

- **Anchorage's population has become more stable, but there's still a lot of movement into and out of the city.** In 2000, 25% of those who had been residents in 1995 were gone. The likeliest people to leave were white residents, middle-aged people, and families.

- **Fast growth in the nearby Mat-Su Borough is making Anchorage more like other U.S. cities**, where the population of the core city is considerably different from that in the surrounding areas. The borough population is less racially diverse and more concentrated among families with children—many of whom moved from Anchorage.

- **The city remains near the top in U.S. household income, even though two thirds of the new jobs in the 1990s paid just \$20,000 to \$40,000 per year** and the city lost more than 1,600 jobs that paid \$60,000 to \$120,000. Household income remains up because average wages are still higher; non-wage income is growing; and the share of working adults—especially women—is bigger than it is nationwide.

- **The rich aren't quite so much richer than the poor in Anchorage as they are nationwide**—thanks to Permanent Fund dividends, lack of super-rich residents, and a growing economy. Nevertheless, there is a lot of poverty and near-poverty among those at the bottom rung of the economic ladder—concentrated among minorities, single mothers, old people living alone, and young people without much education.

These and other changing economic and demographic conditions in Anchorage have implications far beyond what we can examine here. But throughout this paper, and in a brief conclusion, we'll at least point out some of the questions our findings raise, to help city residents and other Alaskans can think about the challenges the future will bring.

OVERVIEW

This publication looks at changes in the circumstances of Anchorage's civilian population, mostly since 1990. Military personnel and their families have been an essential part of the community since World War II—and the city's military bases are a critical source of community jobs. But unlike civilians, military personnel and their families come and go at the direction of the military. Looking just at civilians—who move in or out for personal reasons—gives a clearer picture of fundamental demographic change in the city.

Anchorage's civilian population stood at about 255,000 in 2004, and military households brought the city total to 277,000, or about 42% of Alaska's population of 655,000. The city population might have climbed higher, close to 300,000, if not for the growing shift of people—mostly families with children—to the nearby Mat-Su Borough.

With thousands living in the borough but working in Anchorage, ties between the two are growing, and the combined Anchorage/Mat-Su region increasingly dominates the state economy. The region has more than half of all jobs statewide; that share is expected to keep growing.

Anchorage has been Alaska's largest city since the military build-up during World War II. But it was state oil wealth, beginning in the late 1970s, that fueled unprecedented growth. With the state government spending billions in the economy, trade and service jobs mushroomed and the city was transformed into the support center for much of the state. It also has military bases, concentrations of government workers, headquarters for the oil industry, and growing tourism, health care, and air cargo industries. The economy has become broader and more diversified.

But despite that diversification, it is oil development, state oil wealth, and federal spending that are at the heart of the city's economy. And all those factors are beyond Anchorage's control, leaving the city still vulnerable to sudden ups or downs.



Anchorage's population has always been among the country's most transient, waxing and waning with job growth. It's still a mobile population—in 2000, one in five residents was a recent arrival—but less so than it used to be.

In the 1990s there were no big booms or busts, and population and jobs in the city grew slowly but steadily. Most of those jobs were in lower-paying trade and service industries. At the same time, the city lost hundreds of high-paying jobs in the oil industry, as North Slope oil production declined. Toward the end of the decade, fast growth in the U.S. economy pulled people out of Anchorage, as we'll see on pages 4 and 5.

But since about 2000, increased federal spending for projects and programs has helped boost job growth. Higher-paying jobs in construction and health care have led recent job growth. Also, the U.S. economy slowed in 2001 and 2002. Those changes once again drew more people to Anchorage; the Alaska Department of Labor estimates that half the civilian population growth from 2000 to 2003 was due to more people arriving.

Anchorage/Mat-Su Jobs as Share of Alaska Total

1980 - 48% (81,438 jobs)
2000 - 51% (143,243 jobs)
2020 - 54% (185,700 jobs)

Sources: Alaska Department of Labor and ISER projections

Anchorage Population 1980-2004

	In Civilian Households ^a	In Military Households ^b
1980	147,240	27,191
1990	199,893	26,445
2000	238,294	21,989
2004 ^c	255,364	22,134

^aIncludes people in non-military group quarters.

^bEstimated active-duty personnel and their families.

^dNumber of people arriving minus number leaving.

^cAlaska Department of Labor estimate of total 2004 population

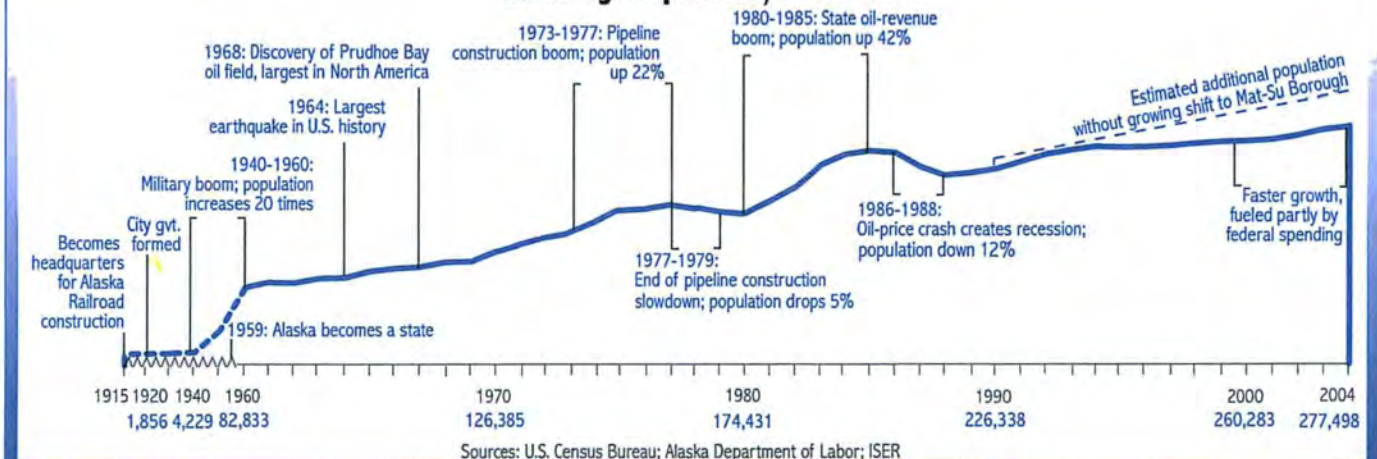
Sources: U.S. Bureau of the Census and Alaska Department of Labor

Components of Population Growth

Net Migration^d Natural Increase

1970-80	31,181	22,250
1980-90	21,492	32,029
1990-00	5,892	29,670
2000-03	7,065	7,627

Anchorage Population, 1915- 2004



A big draw of Anchorage has historically been higher incomes—and household incomes and average wages remain higher, but less so than they used to be. (But on the flip side, the city's historically high living costs also aren't as much above the U.S. average as they used to be.) However, as we'll see, high household incomes aren't universal—especially among minority groups—and growing numbers of workers are clustered at the low end of the pay range.

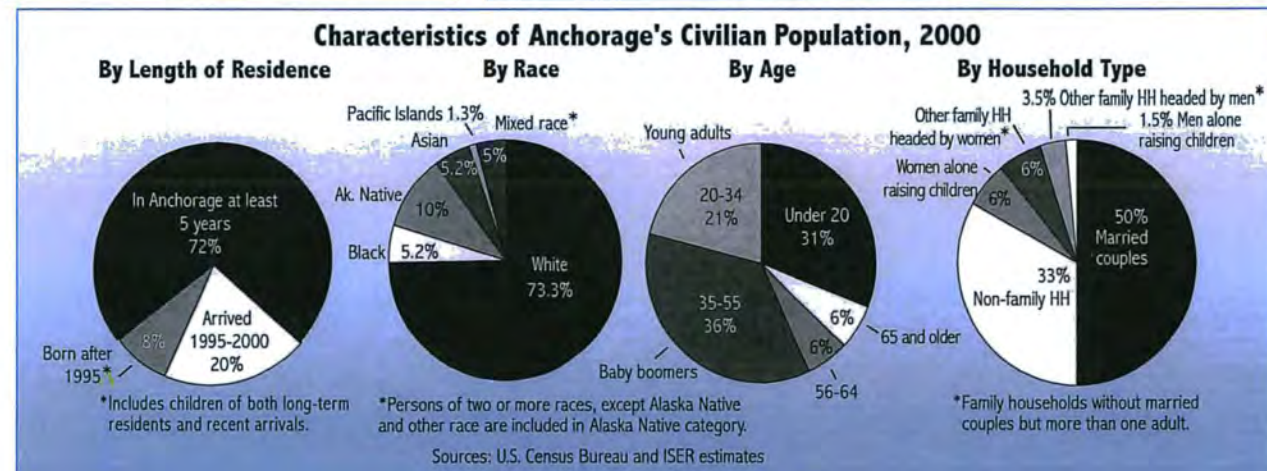
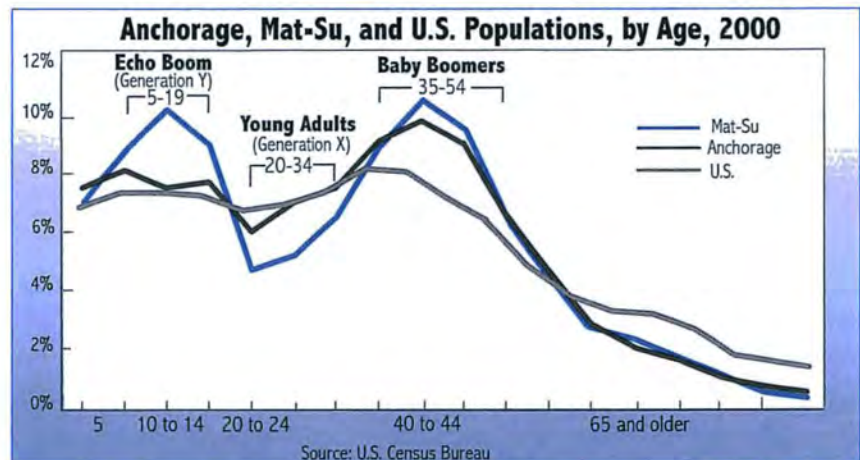
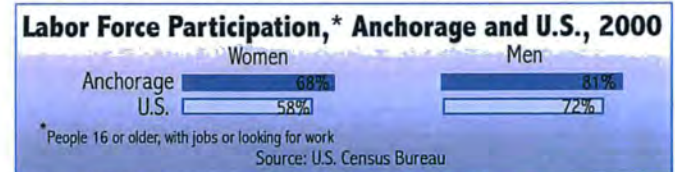
The economic changes of recent decades are reflected in the population. Baby boomers—the generation born after World War II—are a huge group nationwide, but even bigger in Anchorage, because so many came to the city as young adults during the economic booms of the 1970s and 1980s. The big questions are how long they'll keep working and whether they'll stay in the city when they retire (see page 15).

A much smaller but growing group is made up of those already over 65—their numbers have quadrupled since 1980, and that growth could accelerate sharply as baby boomers age. Several factors are making the city more attractive to older residents—and they help stabilize the economy, because they get much of their income from Social

Security and other sources that don't depend on the local economy. Also, many have relatively high incomes (pages 13 and 14).

A third group that mirrors change nationwide is the fast-growing minority population, which is younger and much more culturally diverse than the older white residents. Their growing numbers are already changing school enrollment and the labor force—and bringing the city the challenge of making everyone feel part of the community.

A final group we look at is young adults, whom some fear are abandoning the city for better opportunities elsewhere. There are conflicting signs about that (see page 16).



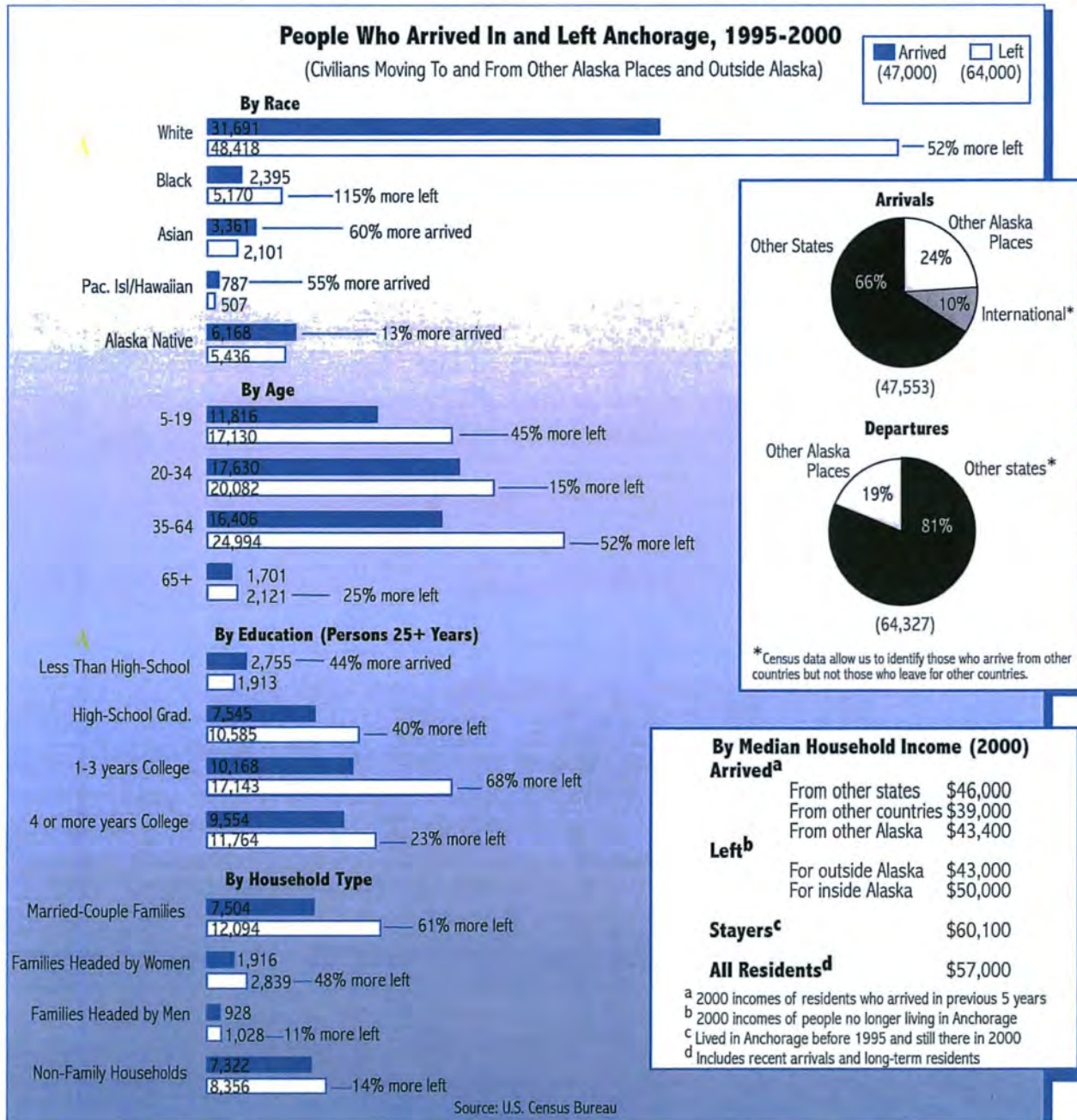
MIGRATION CONTRIBUTES TO CHANGE

Anchorage's population has gotten more stable, but there's still a lot of churning. The Alaska Department of Labor estimates numbers arriving or leaving each year. But the only detailed information on characteristics of movers is the 10-year U.S. census, which asks people where they lived 5 years earlier. That tells us about movers in the last half of the decade. But in the 1970s and 1980s, there were economic booms early in the decade followed by busts later on, especially the 1986-88 recession. The city saw no such big booms or busts in the 1990s, but the U.S. economy grew faster late in that decade.

As a result, more people left than arrived in Anchorage in the last half of the 1970s, 1980s, and 1990s. So it may look as if the city lost more people than it gained in every decade—but that isn't true. The

boom times attracted more people than the busts cost the city, and in every decade arrivals exceeded departures. The census information happens to be during the economic slowdowns. But we believe—based on how the city looked at the beginning and end of every decade—that the characteristics of the movers were similar throughout the decade, even though their numbers were larger or smaller at times.

In this profile we report on those who came or went from 1995 to 2000, when 64,000 left the city and 47,000—a third fewer—arrived. Part of the reason more people left was the the booming U.S. economy in the late 1990s. Also, most of the jobs being created in Anchorage were at the low end of the pay scale—and the city was losing hundreds of high-paying jobs in the oil industry and elsewhere. And



at the same time, thousands were leaving Anchorage for the adjacent Mat-Su Borough, as we discuss more below.

Most of those who left—80%—moved outside Alaska and about 20% left for other Alaska places. People leaving in the largest numbers were white residents; married-couple families; middle-aged people; children; and people who had some college education but not four-year degrees.

Among those moving in, about 66% came from other states, about a quarter from elsewhere in Alaska, and 10% from other countries. Those arrivals were of all races, ages, and household types. But the only groups who arrived in bigger numbers than left were Alaska Native, Asian, and Pacific Island people, and people who hadn't finished high school.

Household incomes of both those who left Anchorage and those who moved in were lower than the overall median income for Anchorage—\$57,000 in 2000—with the lowest incomes among recent international arrivals.

So how did all this movement contribute to change?

- The share of households that were married couples dropped from over 53% in 1990 to under 50% by 2000. Migration doesn't account for all the decline, but it contributed, because many married couples left for other states or the Mat-Su Borough.
- Minorities became a bigger share of the population, due not only to more arriving, but also to natural increase among existing residents and to the loss of about 15,000 white residents in the late 1990s.
- Movement in and out probably didn't have much effect on Anchorage's overall household income, because incomes of most of those who moved in and out were similar.
- Education levels in Anchorage changed little between 1990 and 2000, even though many people with some college education left and a few hundred without high-school diplomas arrived in the late 1990s. The lack of overall change is probably because: (1) more educated people arrived in the early 1990s; and (2) more of the long-term residents improved their education. The only noticeable change was a drop in educational attainment among young adults (page 16).

Among those arriving in Anchorage from other Alaska places in the late 1990s, about 25% came from remote western and northern Alaska. The migration of Alaska Natives from villages to Anchorage in

recent times has boosted the city's Native population, especially working-age women (page 10).



*Remote rural areas are the North Slope, Northwest Arctic, and Lake and Peninsula boroughs and the Wade Hampton, Bethel, Nome, Dillingham, and Yukon-Koyukuk census areas.



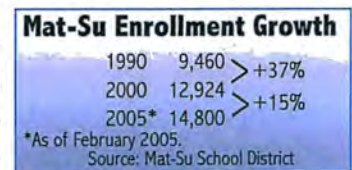
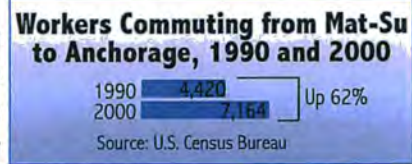
Among those who left Anchorage for other Alaska places, 42%—mostly young, white families with children—went to the adjacent Mat-Su Borough. Borough house prices have historically been below Anchorage's, and commute times from the borough are reasonable. Clear measures of movement to the borough are the 60% increase in commuters from the borough between 1990 and 2000 and growth in Mat-Su school enrollment.

Mat-Su enrollment was up 50% from 1990 to 2005. Partway through the 2004-05 year, nearly 1,000 students were transfers from other Alaska districts. We know many were from Anchorage, but the Mat-Su district can't readily report transfers by individual district.

Movement to the Mat-Su showed no signs of abating in mid-2005, but some analysts predict that the borough's house prices will move ever closer to Anchorage's, as demand in the borough continues to grow.

The patterns of migration to the Mat-Su, and patterns of change in Anchorage, have created some demographic differences.

- Nearly all the growth in Anchorage from 1990-2000 was among people over 40. Movement in among the younger minorities wasn't enough to offset (1) migration out among families with children and (2) aging among the city's older white residents.
- By contrast, the fast growth in the Mat-su Borough was spread among most age groups, except the very old. Close to half the growth was among those under 40 and just over half among those over 40.
- Despite fast growth in the Mat-Su and the aging of Anchorage's population, labor force participation in Anchorage remains much higher—about 73% compared with 66%.



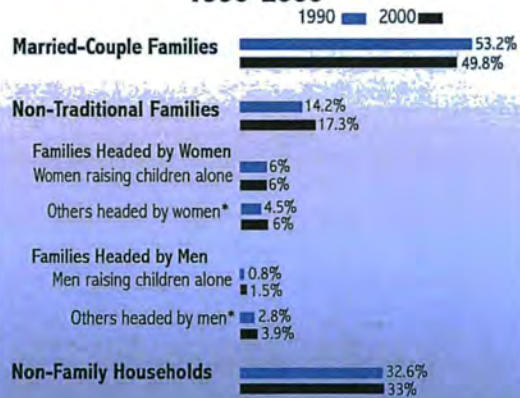
FAMILIES AND CHILDREN

Most children in Anchorage—about 70%—still grow up with both parents, but that share has declined over time, as the share of married couples fell, and it's now slightly below the U.S. average of 72%. The remaining 30% of children in Anchorage live in households with just one parent, with or without other adults also in the household.

About 14% are being raised by mothers alone—with no other adult in the house. That's above the U.S. average of 12.5%. There's also a small but noticeable trend toward more single fathers raising children; about 3% of Anchorage children are being raised by their fathers alone, with no other adult in the house, compared with less than 2% nationwide. Still, despite that increase, Anchorage children who live with only one parent are five times more likely to live with their mothers. The remaining 13% of children are growing up in households with either their mothers or their fathers, but also some other adults—who could be other relatives, unmarried partners, or roommates.

Poverty among Anchorage children fell slightly between 1990 and 2000—from 9.5% to 9.3%—which may seem surprising, given the growth in single-parent families, which we know are much more likely to be poor (page 8). But several things likely contributed. First, poverty is measured under the federal poverty threshold; in 2000, that was just around \$17,500 for a family of four. That

Changes in Household Composition, 1990-2000



*Households with at least two related people (who may or may not be a parent and child) and more than one adult.

Source: U.S. Census Bureau

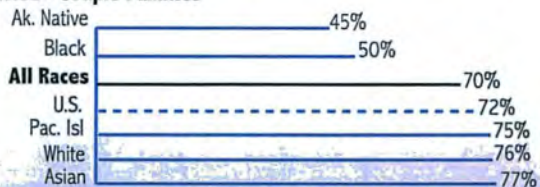
threshold isn't adjusted for Alaska's higher cost of living; some analysts argue that it is too low nationwide. Also, welfare reform beginning in the late 1990s required many parents receiving welfare payments to find jobs; it's likely that even lower-paying jobs are enough to raise families above the federal poverty line. Supporting that argument is the decline in poverty among children nationwide, from 18.3% to 16.6%. And, as we talk about on page 8, growing Permanent Fund dividends may have also held down poverty.

Poverty declined among Anchorage children of all races, except among Asian and Pacific Island children—where it increased sharply. Many of those were likely newer immigrants, whom we know have lower incomes. Poverty among minority children in general remains two to three times higher than among white children.

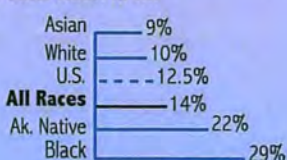
Living Arrangements of Anchorage Children, By Race, 2000

(Shares of Children in Types of Family*)

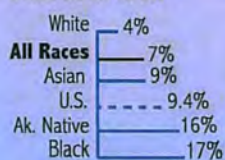
Married - Couple Families



Single Women With Children/ No Other Adult in HH**



Single Women With Children/ Other Adult in HH**



Single Men With Children/ No Other Adult in HH**



Single Men With Children/ Other Adult in HH**

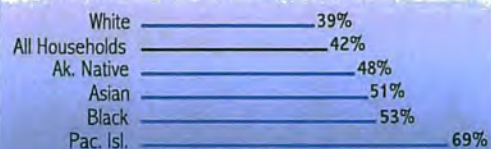


*Numbers don't all add to a 100 percent because a small share of Anchorage children live in non-family households or groups quarters. Figures for mixed-race, non-Native children not shown.

**Sample of Pacific Island households too small to be reliable.

Source: U.S. Census Bureau

Share of Anchorage Households with Children, By Race, 2000



Source: U.S. Census Bureau

Poverty,* Anchorage Children, 1990 and 2000

(Children 18 and Under, Based on Family Income)



* Poverty threshold for a family of four in 2000 was about \$17,500. Source: U.S. Census Bureau

Anchorage Civilian Population By Race

	1990	2000	Increase
White	164,136	170,145	+4%
Black	9,952	11,942	+20%
Asian	9,624	12,198	+27%
Ak. Native	14,750	23,803	N/A*
Pac. Isl	492	3,024	+415%
Other	N/A	10,954	N/A*

Figures exclude people living in group quarters. **Other* category includes people of mixed race, except Alaska Natives of mixed race, who are in Alaska Native category. We can't calculate growth rates for these categories, because the mixed-race category did not exist until 2000. Source: U.S. Census Bureau

Higher poverty among the city's minority children is partly because more live in single-parent households, which tend to be poorer. Only half the city's Alaska Native and black children live with both parents, compared with at least 70% among other races.

We also know that household incomes of all minorities are significantly below those of white households. Alaska Native and Pacific Island households have the lowest incomes in the city, at 60% those of white households.

Incomes of minority households are lower because more are headed by younger people, who aren't yet at their peak earning power; fewer have jobs; and the jobs they have tend to be lower-paying (see pages 11 and 12).

The share of households with children also varies sharply by race. The older average age of white residents is reflected in the fact that only about 4 in 10 white households have children. Pacific Island people are the city's youngest group; 7 in 10 of their households have children.

Another sign of the aging of the white population—and of the migration out of the city of thousands of white families—is in school enrollment. Minorities make up about 27% of Anchorage's population but 44% of school enrollment. The number of white students in Anchorage schools was smaller in 2004 than it had been in 1980.

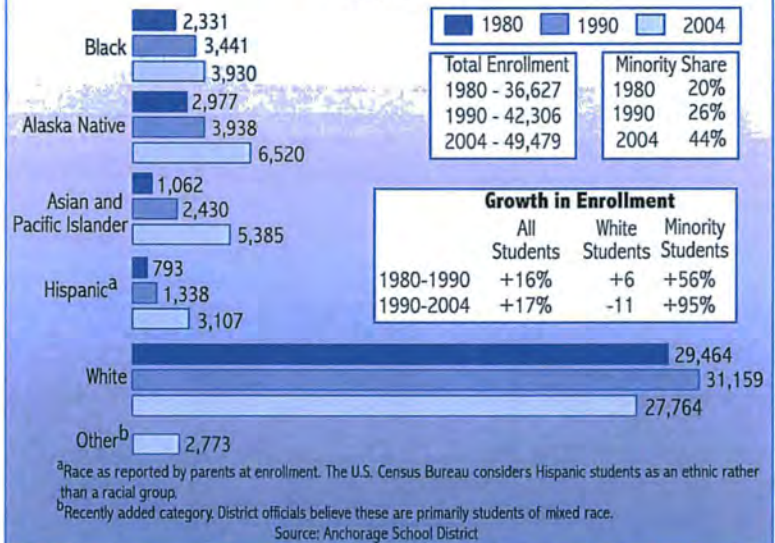
The growing diversity of the Anchorage population—and the sharp differences in ages, incomes, and cultures—pose significant challenges for the city.

Education levels among Alaska Natives have improved in recent times, but still fall considerably short of those among whites; many Asian and Pacific Island people lack the education they need to help them get better jobs.

Also, more than one in ten students in Anchorage schools speaks a primary language other than English—and those languages are diverse (page 9). Schools face the challenge of helping all children learn and meeting the No-Child-Left-Behind standards.

And single mothers and minority residents are clustered at the bottom of the income ladder, with many holding lower-paying jobs without health insurance. Making sure all children and families get adequate health care and other services they need will be a challenge for the city and the state, as health care costs continue to escalate.

Enrollment Changes, By Race,^a Anchorage School District, 1980-2004

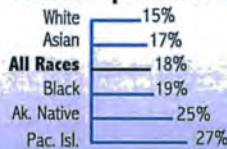


How Do Ages, Incomes, and Education Vary Among Anchorage Residents by Race?

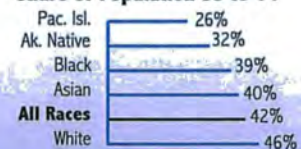
(As of 2000)

Age Differences

Share of Population 10 and Under

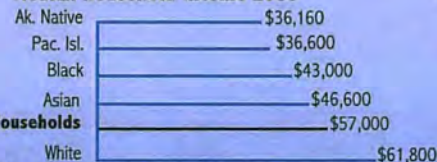


Share of Population 35 to 64

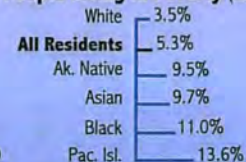


Income Differences

Median Household Income 2000



People Living in Poverty (Based on household income)

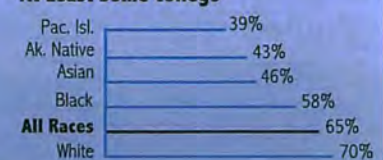


Education

Less Than High School



At Least Some College



Source: U.S. Census Bureau

LOW-INCOME RESIDENTS

Average Anchorage Household Income From Permanent Fund Dividends, 2000

	Dollar Amount	Share of Total Income
Wealthiest 20% of HH	\$4,999	3%
Poorest 20% of HH	\$3,174	21%

Source: ISER calculations with U.S. census data

Poverty cuts across all races, ages, and family types, but Anchorage's poorest households are concentrated among minorities, single women with children, those with less education, and single residents over 65. Half the children being raised by single mothers are in the bottom 20% of households, as are 24% of residents over 65 and nearly 30% of Alaska Native and black residents.

By contrast, white residents, people with college degrees, and those with full-time jobs are more likely to be in the wealthiest 20% of households.

Incomes of the poorest 20% of Anchorage households are still above those of the poorest households nationwide. They have also stayed ahead of inflation since 1980—but only because of the unique state program that makes cash payments to all residents. Since the 1980s, Alaska's government has used part of the earnings of the Permanent Fund—the savings account established with oil revenues—to pay dividends to state residents. The fund had a balance of nearly \$31 billion in mid 2005.

Dividends made up \$1 of every \$5 of income among the poorest 20% of Anchorage households in 1999 (the income year reported during the 2000 census); dividends that year were \$1,769 per person. For the wealthiest 20% of households, dividends contributed on average 3% of income. But even though the share of income is much smaller among wealthier households,

Real Average Income of Households At Bottom of Income Range, Anchorage and U.S., 1979-2002

(Incomes of Poorest 20% of Households, In 2002 Dollars)



Sources: U.S. Census Bureau, 10-year census and 2003 Current Population Survey
*Income reported in 2003 for the previous year.

they actually collect more on average: \$5,000 per household in 1999, compared with about \$3,200. That's likely because more of the poorer households are single-person. Still, it refutes a common belief that poorer households typically collect more.

About 5% of Anchorage residents fell below the federal poverty line in 2000, compared with 12.4% nationwide. But without dividends, Anchorage's poverty rate could have risen to 9%. The poverty standard is quite low—\$17,500 for a family of four in 2000—so this is an estimate of how much dividends alleviate extreme poverty.

Income distribution in Anchorage is also somewhat more equitable than it is nationwide—the poor aren't quite as poor relative to the rich. That's true for two reasons: Unlike the U.S. as a whole, Anchorage doesn't have any billionaires to skew the distribution. And Permanent Fund dividends reduce inequity by supplementing incomes of the poor. Dividends weren't intended as income supplements, but that's what they've become—and state policymakers will need to keep that in mind in the future, if they are considering changes in the Permanent Fund dividend program.

How Many More Anchorage Residents Could Fall Below the Federal Poverty Line, Without Permanent Fund Dividends?

Below 2000 poverty threshold* with dividends



12,414

Below 2000 poverty threshold* without dividends



23,379

- Overall poverty could nearly double, from 5% of residents to nearly 9%
- 5,600 of the additional poor would be children, bringing total poor children to 11,650
- Poverty among Alaska Natives could more than double, from 2,240 to 4,660

*The federal poverty threshold was about \$17,500 for a family of four in 2000.

Source: ISER calculations with U.S. census data

Who Lives in Households at the Bottom and the Top of Income Range?

(As Share of Total Group)

	Bottom 20% of HH	Top 20% of HH
Children being raised by single mothers	51%	3%
People 65 and older	24%	22%
Full-time workers	7%	30%
Adults with 4 or more years of college	7%	39%
Residents by Race		
White	12%	27%
Black	29%	15%
Ak. Native	27%	13%
Asian	19%	18%
Pac. Isl.	21%	5%

Source: U.S. Census Bureau

The city's foreign-born population is up sharply since 1990, with people who were born abroad arriving from both other states and other countries.

The number of Anchorage residents born outside the 50 states grew 60% in the 1990s, up from 13,000 to nearly 21,000. The foreign-born share of the population increased from 7% to 10%. Many of these residents—especially the long-term residents—are U.S. citizens.

International immigration in the past decade is shown by growth in the number of Permanent Fund dividend applications from Anchorage residents who are not citizens—up 14% between 1995 and 2000 and up 10% from 2000 to 2004. Arrivals in Anchorage in the late 1990s were younger, less well-educated, and less likely to come with families; they also had lower incomes than those who came a decade earlier. Lower education levels among many immigrants, compared with U.S. citizens, have also been reported nationwide.

People from throughout the world arrived in the late 1990s, but more were from Samoa and other Pacific Islands than any place else, followed by the Philippines and Mexico. There was significant immigration from Korea and other Asian countries as well.

Anchorage Residents Born Abroad*



International arrivals are also reflected in languages spoken by students in city schools. In 2004, about 13 percent of the students spoke languages other than English. Spanish was most common; Tagalog (the Philippines) was second, then Samoan, Hmong (Southeast Asia), and Korean.

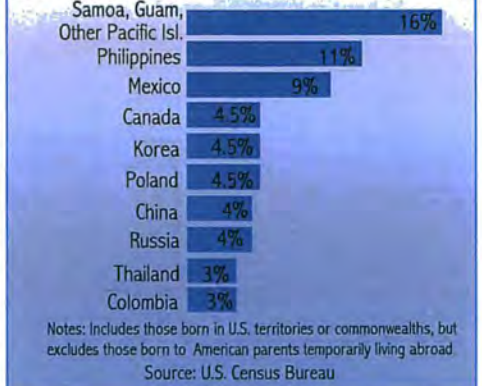
No single reason explains why the city attracts immigrants. An obvious one is what the U.S. in general offers: freedom, safety, opportunities, public schools, and much more. Also, federal laws and programs

determine where refugees settle—based on availability of sponsors and other factors—and also play a big role in determining where immigrants go, favoring those who can settle in a place with close relatives who are already citizens. Residents of U.S. territories or commonwealths (like American Samoa) are U.S. nationals who don't face the immigration requirements of those from other countries.

But why Anchorage? Jobs, for one thing: the city has seen steady job growth for more than a decade. Lower taxes are another draw: Anchorage residents pay less tax than residents of many U.S. cities, because there are no state or local personal income or sales taxes. On top of that, the state makes annual Permanent Fund dividend payments to qualified residents, whether they're citizens or not.

And Anchorage has less pollution, relatively lower crime rates, and less crowding than many larger cities. Also, it's been the pattern throughout U.S. history that when the first immigrants find economic opportunities in a community, they encourage others to come.

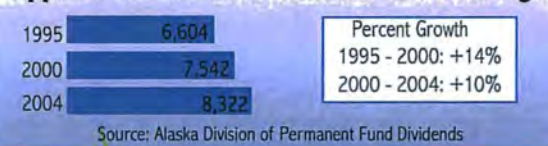
Most Common Birth Places of Recent International Immigrants (1995-2000)



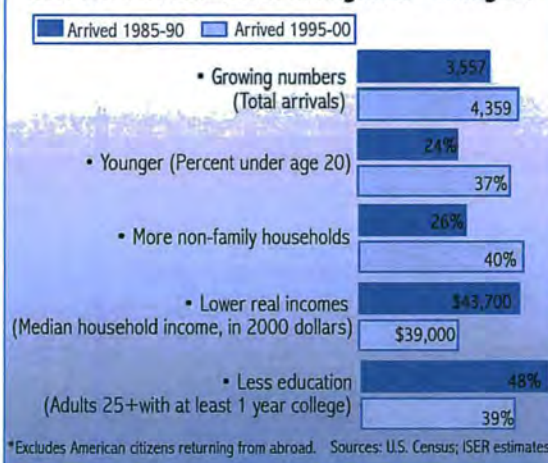
Languages Spoken by Anchorage School District Students, 2004



Growth in Permanent Fund Dividend Applications From Non-Citizens in Anchorage



How Have International Immigrants* Changed?



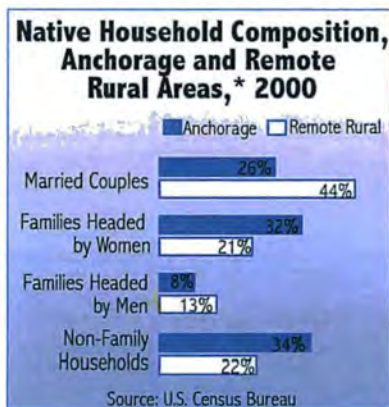
ALASKA NATIVE RESIDENTS



Alaska Natives are the city's largest minority, making up about 10% of the population. Many moved to the city from their homes in small villages of western and northern Alaska, drawn by jobs, education opportunities, and better access to medical care. By 2000, about one in five of all Alaska Natives lived in Anchorage.

Has their increasing urbanization benefited Alaska Natives? That's a complex question with many aspects; here we look at only a narrow part of their overall circumstances. Alaska Natives in Anchorage have seen economic gains like improved job opportunities (especially for women) and increased homeownership. But they continue to face high unemployment, high rates of poverty, and incomes far below the city average. They also have among the city's highest share of households headed by single women, their education levels and homeownership rates are improving but still lag those of non-Natives, and they face a number of health and other social problems documented in a recent ISER report, *Status of Alaska Natives 2004*.

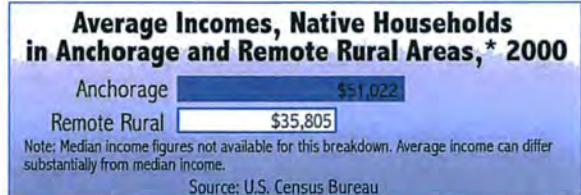
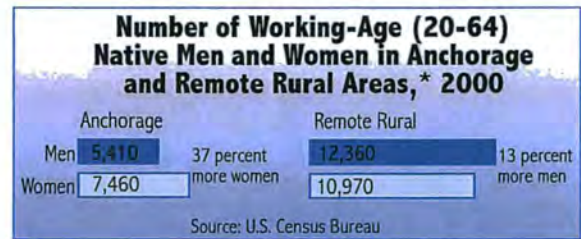
Here we first compare characteristics of Native households in Anchorage and in remote villages, and then look at changes among the city's Native households since 1990.



Native households in Anchorage are much less likely than village households to be married couples—26%, compared with 44%. Households headed by women are more common than married-couples among Native households in Anchorage—32% compared with 26%; nearly one quarter

of Native children in Anchorage are growing up with their mother as the only adult in the household. Non-family households make up a much bigger percentage of households in the city than in the remote villages—34% compared with 22%.

There are also big differences in the ratio of men to women in Anchorage and in remote villages. Working-age Native women in Anchorage outnumber working-age men by more than a third. That



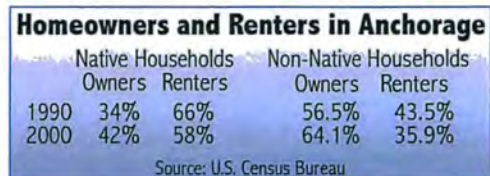
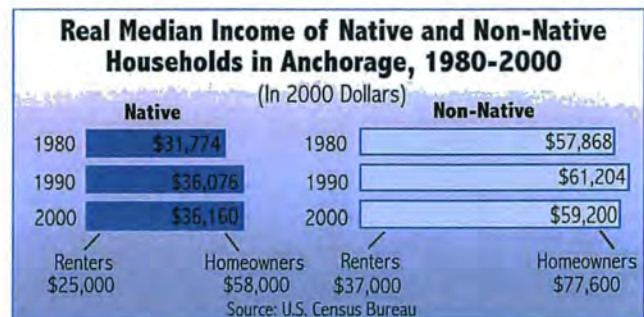
disparity helps explain why Native women in Anchorage also hold more jobs than Native men, as we'll see on page 13.

Incomes of village households average only about 70% those of Native households in Anchorage. That's due to both higher unemployment and lower average wages in remote villages.

Looking at changes among Native households in Anchorage, we found that the number of Native workers in Anchorage with full-time jobs nearly doubled between 1990 and 2000, from 2,700 to 4,900.

Real (adjusted for inflation) incomes of Native households in Anchorage also improved slightly in the 1990s, while real incomes of non-Native households dropped. We'll also see, on page 13, that Native working women boosted their earnings even as income of men (both Native and non-Native) fell. But median Native household income in 2000 was still only 60% that of non-Natives.

Homeownership among Native households improved from 34% to 42% in the 1990s. But the 58% of Native households that still rent have incomes less than half those of Native homeowners—in 2000, a median of \$25,000, compared with \$58,000.

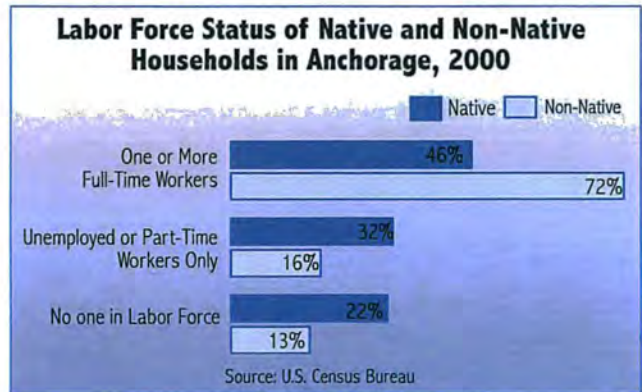


*Remote rural areas are the North Slope, Northwest Arctic, and Lake and Peninsula boroughs and the Wade Hampton, Bethel, Nome, Dillingham, and Yukon-Koyukuk census areas.

And finally, while lower average earnings partly explain the lower incomes among Native households, the gap also has to do with lack of full-time jobs. In 2000, only



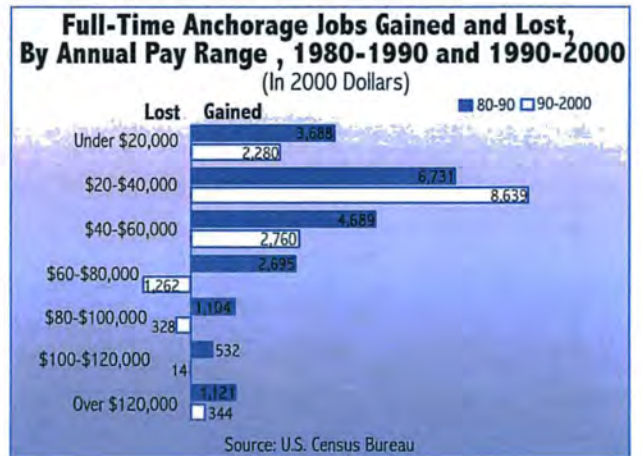
46% of the city's Native households had full-time workers, compared with 72% among non-Native households. Another 32% of Native households had only unemployed or part-time workers, compared with 16% among non-Natives. Native households were almost twice as likely to have no one in the labor force. This gap will pose an increasing challenge, as large numbers of young Natives move into the labor force. State, city, and Native leaders still face the longstanding issue of how to improve job opportunities for Alaska Natives.



ANCHORAGE WORKERS

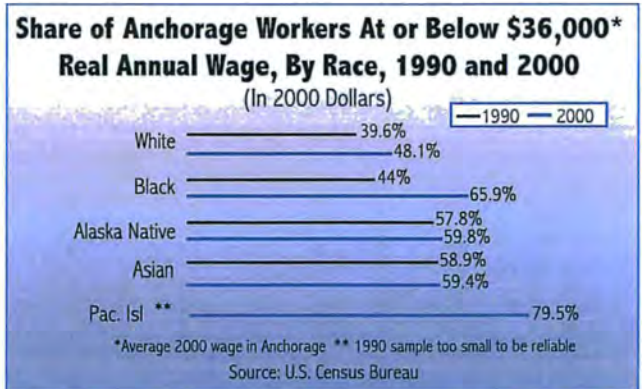
When Alaska became a state, Anchorage residents couldn't just go out and buy all the goods and services available in other U.S. cities—they ordered more things by mail, for instance, and often had to leave the state for medical treatment or other services. But for several decades the city economy has been maturing and adding stores, medical facilities, restaurants, hotels, and more.

This economic broadening is good, because it offers Anchorage residents and visitors more choices and has helped reduce living costs relative to other places. But with some exceptions—like health care—service and trade jobs are at the low end of the pay scale. The adjacent figure shows the effects on Anchorage workers of the job shift since 1980.



In the first part of the 1980s, the number of jobs in Anchorage grew rapidly, as the city went through a boom related to high oil prices and state spending of its oil revenues. Many of those new jobs were in trade and service industries, but thousands were also being added in the oil industry, government, construction, and other industries with higher average pay.

Things changed in the 1990s, with only about half as many jobs being added—and virtually none in the \$60-\$120,000 range. In fact, the city lost about 1,600 jobs in that upper range. Two-thirds of the jobs added paid \$20-\$40,000, and most of the rest paid either less than \$20,000 or \$40-\$60,000. A few hundred were added at the very top (over \$120,000).



Another measure of the change is the share of workers earning the same real (adjusted for inflation) wage in 1990 and 2000. The city's average wage in 2000 was about \$36,000; if we compare the share of workers earning the equivalent wage in 1990, we can see that workers of all races were affected by the shifting job market.

The hardest hit were black workers; nearly 66% earned less than the city's average wage in 2000, compared with 44% in 1990. Among white workers, about 48% earned \$36,000 or less in 2000, compared with under 40% in 1990. Still, white workers fared better than workers of other races; 60% to 80% of workers of other races earned less than \$36,000 in 2000.

ANCHORAGE WORKERS

Aside from differences in earnings by race, there are also differences by residence: workers who live in the Mat-Su Borough and commute to Anchorage have higher average earnings than both (1) those who live and work in Anchorage and (2) those who live and work in the Mat-Su. In 2000, Mat-Su commuters had average earnings of \$43,442, compared with \$34,118 among those living in Anchorage and \$27,841 among those living and working in the Mat-Su. That difference makes sense, if we assume that only those with relatively better-paying jobs can afford to move to the Mat-Su and commute to work in the first place.

Average Earnings of Anchorage and Mat-Su Residents, 2000

Live in Anchorage	
Work in Anchorage	\$34,118
Work in Mat-Su/Kenai	\$45,967
Work in rural Alaska	\$55,952
Live in Mat-Su/Kenai*	
Work in Mat-Su/Kenai	\$27,841
Work in Anchorage	\$43,442
Work in rural Alaska	\$56,225

*Census data for this information groups Mat-Su and Kenai residents. But almost all those who work in Anchorage but live in Mat-Su or Kenai Peninsula boroughs are from the Mat-Su

Source: U.S. Census Bureau

The figure above also shows that workers who live in either Anchorage or the Mat-Su and commute to work in rural areas—many to the North Slope oil fields—have the highest average wages, at around \$56,000 in 2000.

Since about 2000, continued growth in the health care industry and a construction boom have pulled average Anchorage wages up somewhat. Jobs in construction are among the best paid, and many health care jobs also pay well or at least better than average. But in recent years the city has also lost jobs in the petroleum industry—oil companies have cut back on headquarters employment as North Slope production falls—and those jobs are at the top of the pay scale.

Anchorage Average Annual Wage/Salary

	Not Adjusted	Adjusted for Inflation*
1980	\$22,944	\$40,494
1990	\$30,816	\$39,209
2000	\$36,456	\$36,456
2003	\$39,600	\$36,773

*In 2000 dollars
Source: Alaska Department of Labor

Another change in the 1990s was in labor force participation—that is, in the share of adults 16 and older with jobs or looking for work. Men and women still work in bigger proportions in Anchorage than in the U.S. as a whole (page 3), but labor force participation did decline between 1990 and 2000. The drop was among both men and women, but was about twice as big among men.

Changes in Anchorage Labor Force Participation, 1990-2000

	Women	Men
1990	70%	87%
2000	68%	81%

Source: U.S. Census Bureau

Several things probably contributed to that drop. For one, the minority population grew, and labor force participation among Alaska Native, Asian, and Pacific Island people is considerably below that among white and black residents. And, as we talked about earlier, the majority white population is aging and some moved out of the labor force. Also, the population over 65 grew rapidly in the 1990s; although about a quarter of residents over 65 still work, most don't.

Share of Anchorage Adults in Labor Force, * By Race, 2000

Asian	61%
Ak. Native	64%
Pac. Isl	66%
All Races	73%
Black	73%
White	75%

*People 16 or older, with jobs or looking for work
Source: U.S. Census Bureau

Another sign of the aging population is the declining share of total income from wages, dropping from 86% of all income in 1980 to just over 75%—nearly at the U.S. average—by 2000.

Share of Income from Wages and Salaries

	Anchorage	U.S.
1980	85.7%	76.4%
1990	81.6%	75.0%
2000	75.4%	74.6%

Source: U.S. Census Bureau

But the clearest sign of Anchorage's changing job market in the past 25 years may be this: in 1980, high-school dropouts earned on average 72% as much as college graduates; by 2000, they earned just 43% as much. Not so long ago, there were more relatively well-paid jobs available to Anchorage residents with little education. But now—as is true across the country—such jobs are much scarcer.

What Difference Does Education Make?

Median Earnings of Anchorage Workers,* By Education Level, 2000

Less than High School	\$21,300
High School	\$32,000
1 to 3 years of College	\$36,000
Four or more years of College	\$50,000

*Full-Time workers

Median Earnings of High-School Dropouts as a Share of Earnings of College Graduates

1980	72%
1990	56%
2000	43%

Source: U.S. Census Bureau

Anchorage's working women fared better than men in the 1990s, gaining 56% of new jobs and maintaining their incomes better. Still, men continue to earn much more than women.

Native women in particular had the best showing in recent years. They've moved into the work force rapidly in the past 30 years, and in 2000 Native women held 52% of all full-time Anchorage jobs held by Natives. By comparison, among non-Native workers, women held 44% of the jobs.

Shares of New Jobs, 1990-2000



Source: U.S. Census Bureau

Also, real (adjusted for inflation) earnings of Native women increased 13% in the 1990s, even as real earnings of both Native and non-Native men—and of non-Native women—all declined. That meant Native women improved their earnings to be on a par with those of non-Native women and sharply narrowed the gap with Native men.

Still, despite these advances for Native women, labor force participation and household incomes of Natives continue to lag far behind those of white residents.

Women as Share of Native and Non-Native Workers, 2000



Source: U.S. Census Bureau

Real Earnings^a of Native Women Up, Others Down, 1990-2000



^aReal median earning of full-time workers with at least a high-school education, in 2000 dollars. ^bEarnings reported in the 1990 census included income from temporary jobs related to clean-up of the 1989 Exxon Valdez oil spill and are an estimated 5% higher than they otherwise would have been; still, the pattern would be the same, even without that oil-spill income. Source: U.S. Census Bureau

RESIDENTS 65 AND OLDER

Leaving Anchorage used to be what people routinely did when they got older—and many still do. But in the past 25 years, older people have been leaving at much lower rates, and the city's older population has been growing at five times the national average. (But that share was so small to begin with that it is still only about half the U.S. average). A combination of things has made the city more attractive to older people, including the fact that Anchorage is less expensive than it used to be relative to other places; the state pays all residents Permanent Fund dividends; and homeowners over 65 get a break on their property taxes. And older residents—like all residents—enjoy the absence of state or local personal income or sales taxes. Other draws are Anchorage's major medical facilities and a state-owned nursing home where costs are partly subsidized.

So what do we know about Anchorage's older residents? Most of them live in married-couple households, but nearly one in 5 women and one in 10 men live alone. They are as a group younger than all those over 65 nationwide, with more people in their 60s and fewer in their 80s. Also, those in their 60s—both men and women—are more likely than their U.S. counterparts to hold jobs (although older residents are less likely to work now than in 1980 or 1990).

Anchorage Residents 65 and Older

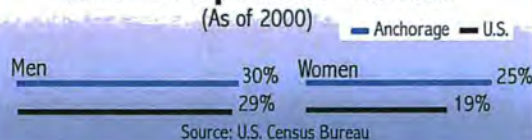
Year	Number	Share of Population
1980	3,658	2.5%
1990	7,931	3.9%
2000	13,539	5.7%
2003	15,716*	6.2%

U.S. Average 65+: 12.4% *Estimate
Sources: 2003, Alaska Department of Labor; other years, U.S. Census Bureau

Movement of People 65+ To and From Anchorage



Share of People 65-69 with Jobs



RESIDENTS 65 AND OLDER

In 2000, the median income of Anchorage households headed by people over 65 was \$45,000—70% above the U.S. average. That's much bigger than the 30% differential all Anchorage households have over the U.S. average.

But as the adjacent table shows, it is specifically Anchorage's older married couples who have seen big increases in their incomes in the past 20 years. Real (adjusted for inflation) median household incomes of married couples over 65 increased 48% from 1980 to 1990 and 18% between 1990 and 2000, reaching nearly \$68,000.

By contrast, the city's single residents over 65 actually lost income; in 1980, their median income of under \$22,000 was nearly 60% that of married couples—but by 2000, their real income was still under \$22,000 and was just about 30% that of married couples.

Anchorage's older married couples also saw much bigger income gains than younger couples, whose income grew 11% in the 1980s and dropped 3% in the 1990s. Couples under 65 still have higher incomes than couples over 65—but the gap is much smaller than it used to be.

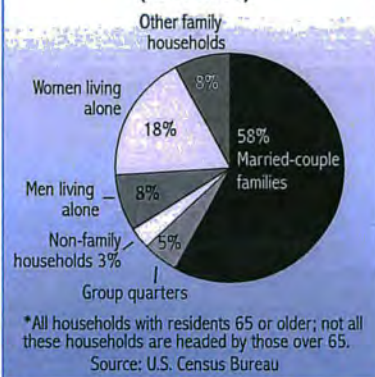
So what boosted income of Anchorage's older couples so much? Incomes of older people nationwide also increased in the past 20 years, but not as much. Special payments from the state are part of the answer. The Longevity Bonus program—which was eliminated in 2003—made monthly payments to older people, and that program was expanded and the payment increased in the 1980s. Permanent Fund dividends also increased over the years. Since payments are per person, married couples collect more.

But even if we eliminate those state payments, real 2000 incomes of people over 65 in Anchorage were still far above the U.S. average. Other factors also contributed to the growth in income. The share of married-couple households grew. More of those who left Anchorage in recent times appear to have been single people with lower incomes.

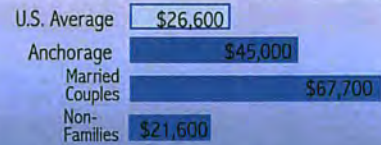
Also, payments from Social Security were up in Anchorage and nationwide. The fastest growth, however, was in other types of retirement income. Investment income was also up, but the share of income from wages declined. Anchorage's older people get less of their income from Social Security and more from other types of retirement and from earnings; labor force participation is still higher in Anchorage.

Overall, it's important to keep in mind that there is a sharp split in the city's older residents. As the table on page 8 shows, almost equal shares of residents over 65 live in both the poorest 20% and the wealthiest 20% of households. Those in the poorest households are mostly single people and those in the wealthiest mostly married couples.

Living Arrangements of Anchorage Residents Over 65* (As of 2000)



Median Income, Households Headed by Residents 65+, 2000



Change in Real Median Household Income, Anchorage Married Couples

	Over 65	Under 65
1980-1990	+48%	+11%
1990-2000	+18%	-3%

Source: U.S. Census Bureau

Real Median Income, Anchorage Households Headed by Residents Over and Under 65

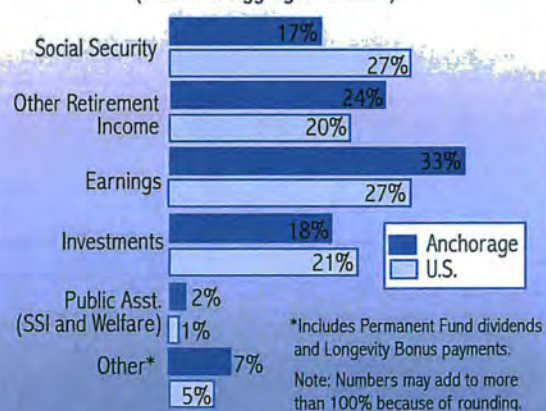
(In 2000 Dollars)

	Over 65		Under 65	
	Married Couples	Single ^a	Married Couples	Single ^a
1980	\$38,792	\$21,887	\$73,110	\$38,257
1990	\$57,432	\$23,007	\$82,202	\$40,848
2000	\$67,700	\$21,600	\$79,850	\$40,000

^aOlder single people are almost entirely older women or men living alone; about 8% live with some unrelated adult. More of the younger unmarried people live in households with unrelated adults.

Source: U.S. Census Bureau

Income Sources, Households Headed by People Over 65, Anchorage and U.S. Average, 2000



Baby boomers are the huge generation of Americans born in the 20 years after World War II, roughly from 1946 to 1964. Across the country, baby boomers make up about one in four Americans. The generations born before and immediately after are smaller. The boomers have been getting a lot of attention lately, because they're approaching retirement age—and their big numbers have implications for pension programs, health care systems, housing, and much more.

Analysts have also pointed out that—aside from the effects of their sheer numbers—baby boomers nationwide have fewer children and are much more affluent than generations before; where they retire and what they buy will have big effects on the national and local economies. (See, for example, the Milken Institute's Policy Brief No. 9, *America's Demography in the New Century*, March 2000.)

Baby boomers are even more concentrated in Anchorage than nationwide, accounting for about one in three residents, and their effects as they age could also be more concentrated. Many of them came to Anchorage as young adults during the economic booms of the early to mid 1970s and early 1980s. In fact, baby boomers made up close to half of Anchorage's population in 1980.

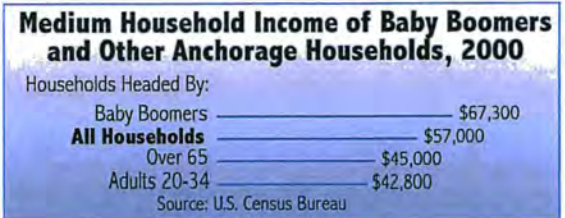
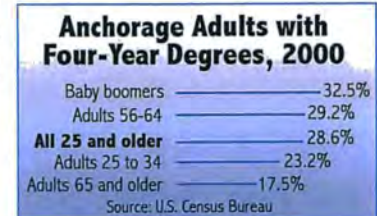
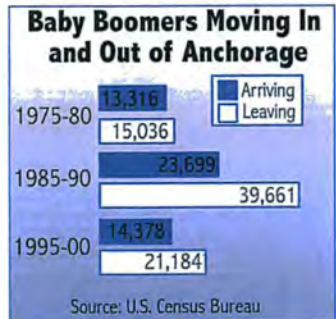
Many boomers did leave in the economic downturns—especially the 1986-88 recession following an oil-price crash, as the figure at the top of the page shows. But many stayed and some arrived, even in the downturns. They are Anchorage's largest, wealthiest, and best-educated group. Exactly how many of them will stay in the city after they retire is unpredictable.

But if they follow recent patterns among people over 65 (see adjacent box), Anchorage's over-65 population could more than double by 2020, and older residents could make up 11 percent of the city's population, compared with 6 percent today.

Having so many more older people carries the same kinds of implications for Anchorage as for other parts of the country—big numbers added to Social Security, for instance—but it also has others. The incomes of baby boomers will likely decline

when they stop working, but as we've seen, Anchorage's older residents as a group have incomes far above the U.S. average.

More income that doesn't depend on the job market would tend to help make the city economy more stable. Older people who collect Social Security and private pensions, and often investment income, bring money into the state economy. That money has multiplier effects—that is, when new money comes into the economy, it helps support new jobs.



Projected Growth in 65+ Population

At the projected rate of growth among residents over 65, and given the large number of baby boomers, the number of Anchorage residents over 65 could nearly triple between 2000 and 2020.

Year	Number	Share of Anchorage Population
2000:	13,539	6%
2010:	23,793	8%
2020:	37,305	11%

YOUNG ADULTS

Some Alaskans are worried that bright young people are leaving Anchorage (and other Alaska places), to go to school or find work, and that few are moving in—creating a dangerous “brain drain.” People ages 20 to 34 in 2000—born roughly from 1965 to 1980—belong to what has been called “Generation X.” They make up about 21 percent of the population, both in Anchorage and across the country—a share considerably smaller than the baby boomers. So part of the reason numbers of young adults have declined is that there simply aren't as many of them as there were in the previous generation.

It is true that many young adults left the city during the late 1990s, when the U.S. economy was growing faster than

Anchorage's. As the figure on page 4 shows, some 20,000 young adults left from 1995 to 2000 and about 17,000 moved in—for a net loss of 3,000. But as the figure also shows, young adults were less likely to leave than either younger or older people.

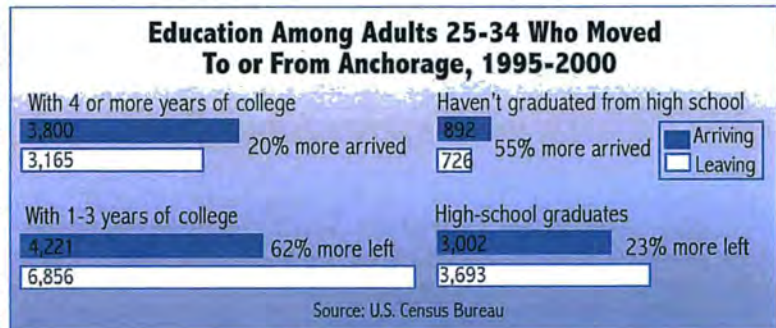
And if we look at education levels among young adults coming and going at the end of the 1990s, we see more arrivals among both the best and the least educated young adults. Among those with four or more years of college 3,800 arrived and 3,200 left. So even in a period of slow growth, Anchorage still attracted young, educated adults. But at the same time, more young adults—about 200 more—without high-school degrees also moved in than out.

YOUNG ADULTS (CONTINUED)

The share of residents 25 to 34 with college degrees declined in the past couple of decades, from 25% in 1980 to 23% in 2000. This is worrisome, and only with the next census will we see if that decline is continuing. The less education young people have, the less chance they have at good jobs. High-school dropouts now earn about \$4 for every \$10 college graduates earn (page 12).

Real incomes of households headed by young adults dropped about 11 percent from 1980 to 2000. Partly that reflects the fact that so many of the new jobs in recent times have been in lower-paying retail and service industries.

Future opportunities for young people in Anchorage will depend not only on their education levels but also on what kinds of jobs are created—and on how long baby boomers keep working.



Changes in Real* Median Income of Households Headed by Adults 20-34

1980-1990: Unchanged
1990-2000: Down 11%

*Adjusted for inflation Source: U.S. Census Bureau

CONCLUSION

Anchorage at 90 looks surprisingly like other U.S. cities, given how recently it was still a frontier town. It has an aging white population, a young and diverse minority population, and a growing number of residents over 65. Many of its minorities, single mothers, and older people living alone are clustered at or near poverty levels. Fast growth in housing prices is prompting many residents, especially families, to move outside the core city and creating a burgeoning commuter population.

Those changing conditions mean many new challenges for the city. For instance, who will replace the large number of baby boomers—the city's most affluent and best-educated group—when they retire? Can the city provide necessary services for an over-65 population that could double in the next 15 years? Minority students are approaching the majority in Anchorage schools: how will the school district provide all its students—who speak dozens of languages and come from very diverse cultural and personal backgrounds—with equal opportunities and help them meet state and national standards?

Like other U.S. cities, Anchorage also faces the challenge of spiraling medical costs, which have caused many employers to drop health care benefits. The situation is exacerbated in Alaska, because medical costs in the state are already much higher than the U.S. average.

That's just a sample of the issues the city faces with changing economic and demographic conditions. And despite its bigger and broader economy, the city's still depends a lot on federal and state spending—so future economic health will depend a lot on how the state and federal governments deal with their fiscal problems.

Note: In this paper, "U.S. Census Bureau" mostly refers to the 2000 Public Use Microdata Series (PUMS), detailed information collected from a 5% sample of city residents. Specifically, we used the Minnesota Population Center's Integrated Public Use Microdata Series: Version 3.0 database (S. Ruggles, M. Sobek; T. Alexander; C. Fitch; R. Goeken; P. Hall; M. King; C. Ronnander). We believe this sample information reliably shows change in Anchorage, but it is subject to more error than the full census. Also, census definitions sometimes differ from those other agencies use, making comparisons difficult, and census information is self-reported—and so depends on the memories of those answering the questions.



Understanding Alaska

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Daniel George

From: Miller, Jeremy D (DOC) <jeremy.miller@alaska.gov>
Sent: Wednesday, February 24, 2016 10:55 AM
To: Senate State Affairs
Subject: sb 114

Before digging into the “not so” Permanent Fund, more cuts MUST be made. The few cuts that have been made are ridicules. Cutting from life-safety areas and nothing from education, state health care, and special interests is just irresponsible. Things like shutting down funding for the Pioneer home cable TV and then approving funding for the women’s prison to get dish network is despicable!

Let the remote villages take care of themselves. “The way it’s always been”. No more 20 million dollar swimming pools.

Implement a SALES tax. We get over a million visitors each year that could be contributing via a sales tax. A sales tax would also enable those that don’t have a tax paying job to help out for a change.

Drug testing for welfare recipients!

Reduce unneeded state personnel. We don’t really need Directors for EVERY department, assistant Superintendents, and secretaries for the secretaries.

Mandate that all state funded education districts use building funds efficiently. No more big “fancy” buildings full of wasted space.

MOVE the dang capital! Now it’s no longer just to keep out the masses. Now it’s to save the budget!

Thank you.

Daniel George

From: Jennie Hafele
Sent: Wednesday, February 24, 2016 5:00 PM
Subject: Comments-Budget/UA/PFD

To:
SFIN
HFIN
FIN Subcommittee Members-UA
SSTA
Interior Delegation

From:
Deirdre Helfferich
House District 4
Subject:
Constituent Comments, UA Funding and PFD Use

Please enter the email below into the record for
HB 256
SB 114 and HB 303
SB 128 and HB 245
HB 224

Dated 2/24/2016

From: Deirdre Helfferich <estereditor@gmail.com>
Sent: Wednesday, February 24, 2016 4:12 PM
To: LIO Fairbanks
Subject: Re: Rep. Tammie Wilson's suggestion to cut research and outreach funding to UA

Dear Senator Coghil,

You may not be aware of it, but the Ester area is full of small farms, more every year, and agriculture has been taking off. Our proximity to the university (and the fact that many people in Ester work in College or on campus) make it tempting for many to turn that large garden into a small farm, or to sell the extra vegetables or flowers on the side at our tiny market. And right on campus are experts who can, or until recently could, help them choose seeds and sources and tools and fertilizer and all the other things needed to get a successful start, even to learning the business of farming, budgeting, etc. Alaska's soils, as you know, are cold, and even Canadian breeds or breeds adapted for Palmer don't cut it in the Tanana Valley, due to the shorter days and fewer of them.

But that is going away. Faculty are having to retire or are being laid off, and the experimentation that this university was founded on (in 1906) and that the surrounding farmers depend on for information are ceasing (just when the clamor for more local food production is higher than ever before). Once the state stops funding research, of course, the land-grant matches from the federal government will cease, our land grant will be in

peril, and our university as well. Having about two-thirds of the match funding chopped is a pretty significant cut. This amount is ~\$1,851,000.

I am perfectly willing to have a smaller Permanent Fund Dividend to support the university. My husband and I have been contemplating smallholding as farmers in the Ester area. While we don't make much, we own our home free and clear, along with our car. But I have seen what happens before when the price of oil drops and the legislature didn't have the Permanent Fund: huge swathes of the population left Alaska, followed by an economic crash. Then, the university was an enormous economic driver in the Fairbanks area. Please protect it.

Sincerely,

Deirdre Helfferich
3717 Quartz Road
Fairbanks, AK 99709
907-479-3368

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Daniel George

From: Faith Lee <faithlee57@outlook.com>
Sent: Friday, February 26, 2016 2:48 PM
To: Senate State Affairs
Subject: Alaska Constitution

Follow Up Flag: Follow up
Flag Status: Completed

As we look at the budget crisis let us remember that public education is a top priority for Alaskans and our future. I know that our PFD is important but not as much as our future. Cuts here in my community to schools will result in reduction of teachers, higher PTRs and non basic education opportunities will only be available to families who have the financial resources to pay for them in the private sector. Once again we widen the divide from those who have and don't have. Often school is the most safe and supportive environment that kids have. I have watched as society has placed so many aspects of social type responsibilities to the schools. One kindergartener had one objective to learn that year....the one main thing.....take your heart medicine everyday so you can live.....not her abc's but to even come to school to learn that she first had to be responsible at age 5 to remember the life saving medication that she would need everyday to even breathe. When I went to school that would have been part of the home life not the school. Let's remember that every cut will have a ripple effect on our most vulnerable population..... very young at risk children in all aspects of their life as society has now pinned these huge responsibilities on social service and schools.

A grandmother,
Community member
and mostly a Proud Alaskan.

Faith Lee
142 Wolff Drive
Sitka, Ak 99835

Daniel George

From: Ken Petty <kenpetty@gci.net>
Sent: Saturday, March 12, 2016 1:10 PM
To: Sen. Bill Stoltze
Subject: SB128, SB114

Vote NO on SB128 and SB114. Do NOT touch the Permanent Fund, it's earning or the PFD. Period.

Ken Petty
kenpetty@gci.net

Daniel George

From: POMS@akleg.gov
Sent: Monday, March 14, 2016 12:32 PM
To: Daniel George
Subject: New Pom:SB 114 Perm Fund: Earnings, Deposits, Accounts

Cynthia Rapp
Po Box 2213

Palmer 99645-2213,
sonny56@gci.net

I don't believe that it is time for you to even consider entering into the PFD fund until every resource has been looked into firmly. Cuts from the top to the bottom. People with disabilities have been cut since 1990, enough is enough.

Public Opinion Message

Received Monday, March 14, 2016

Taken By: Daniel George, Staff to SSTA Committee

Name: Cynthia Rapp

Phone: N/A

Address: Palmer / Butte Area

Message: (Verbatim transcription, read-back to verify accuracy.)

"I am opposed to SB 114. My opinion is that the last 5-10 years we've had a hard time balancing the budget. Nothing has been changed that I can see to bring in higher income for the state. They've been robbing Peter to pay Paul. As a person with a very tight budget, I don't spend if I don't have it. I make sure that I have savings for a rainy day—I don't see this in the House or the Senate, or the state government as a whole. It's not as though you haven't known that you have a shortcoming. Now, you're grasping to tax this and tax that, take away this, take away that. It doesn't make sense. Why take away the biggest asset the state has—when you take it, it's gone. Last statement: when they devised the PFD to last for years for the state of Alaska, the state had royalties paid to it yearly by the oil companies, that's what we did our budget on. Why didn't they start their own PFD to do state funding on in a rainy day? I am opposed to SB 114. Once the PFD is gone, it's gone. Sure, you'll have a little bit of a PFD in SB 114, but it'll soon be gone. It was devised for the people, and only for the people."

Daniel George

From: John Nelson <nelsonjt99@hotmail.com>
Sent: Wednesday, February 17, 2016 1:58 PM
To: Senate State Affairs; John Nelson
Subject: Tax debate to balance the budget..HAHA

Follow Up Flag: Follow up
Flag Status: Flagged

February 17, 2016

From: John T. Nelson

2135 E Wolverine Cir

Wasilla, Alaska 99654

907-376-8949

To: Senate.State.Affairs@Akleg.gov Fax # 907-465-4928

Reference: Debate about using the PFD, and income tax... to balance the budget.

To Whom ever will listen or read this address,

You are attempting to use the PFD to balance the budget. **You are so vile and evil that it transcends even the basic level of honest government.** In the mid-80's...oil was down to \$5.00 a barrel and Alaska went without income tax and without destroying the PFD. And ever since the mid 80's the state government has not had any leadership to set up any responsible government spending plan and now that things are so bad you want the "ok" to tax the population into submission **because you do not do your job, a job that you are elected to do and are paid handsomely and with great benefits as well.**

Let's face it, Begich left Anchorage in the toilet financially by hiding the true cost of government cost from the assembly for political reasons and aspirations, **it appears that plan was adapted by the last governor and legislature** to over spend by three billion plus and then the current administration is wanting to cry and beg for permission to steal more from state protected coffers.

HELL NO! NOT ONLY HELL NO! BUT HELL, HELL, HELL NO!

You stop being such a stupid ass and stop this "squandering and political agenda" out of control spending!

First you demand through **color of law** to require Alaskans to give to the Federal government income taxes on that money recieved from the PFD. **The PFD is not taxable by the federal government.** The Supreme Court has said

so in six cases. Look at, *Towne v Eisnor*, *Eisnor v Macomber*, *Maryland v McCulloch*, *Farrington v Tennessee, Farmers' and Mechanics' Bank v Deering*, *Halvering v Edison Bros. Stores*.

In *Eisnor v Macomber* the SCOTUS said this "having regarded to the very truth of the matter, to substance and not to form, the stockholder has received nothing that answers the definition of income within the meaning of the Sixteenth Amendment.... Thus, from every point of view **we are brought irresistibly to the conclusion that neither under the Sixteenth Amendment nor otherwise has Congress power to tax without apportionment a true stock dividend made lawfully and in good faith, or the accumulated profits behind it**, as income of the stockholder. The Revenue Act of 1916, in so far as it imposes a tax upon the stockholder because of such dividend, contravenes the provisions of article 1, 2, cl. 3, and article 1, 9, cl. 4, of the Constitution, **and to this extent is invalid**, notwithstanding the Sixteenth Amendment".

Go figure, \$2,070 per citizen x 750,000 citizens x 10% federal tax...that equals...\$155,250,000.

If you are going to steal and I know you already have plans in place to do it without the citizens approval...at least take it away from the federal government...repeal AS 37.13.180 and use it for Alaska by putting it into a 25% emergency fund. At least the citizens would not be duped into believing that the Federal government can tax it.

First of all, you are responsible for "responsible and fiscal sound planning", and that duty has apparently has been thrown out the window in favor of putting money in your re-election campaign and other corrupt activities. State revenue levels are just fine as they are, its your apparently lack of fiscal responsibility that needs to be balanced in relation to income.

The fund belongs to the people of this state and was created by a constitutional amendment to ensure mega irresponsible government doesn't spend beyond its means. What is going on here **is an attempt by the leadership to "RAID THE FUND"** and steal as much as possible under their guidance. CORRUPTION AT THE HIGHEST LEVELS OF GOVERNMENT!!!

To correct this malfeasance the budget must be aligned with the income of the State. Take the income for each of the last 10 years (without including the PFD). Get the average of that income over those years and subtract 25%. That 25% goes into an emergency fund for things like earthquakes and other major calamities (or just use the PFD non-federal taxing plan mentioned above). The rest, 75%, funds the government. Start with the infrastructure and budget that first. Then what ever is left over, that can be allocated on an as need basis. When all the money for that budget year has been spent, government takes a holiday and goes to three day a week. If the budget spending continues to exceed the budget income allowance, **the money comes out of the legislature and executive office payroll, benefits and retirement funds. This should make sure the elected will get the budget aligned with income.**

Income taxes should never be considered period. It only takes away the local population's free income, that income which is left after basic living expenses such as housing, health and food are paid for, and that **hurts the local economy**. The government cannot and will not be held accountable for the waste that it requires to function.

So basically, **an income tax is just government squandering at its worst just to get re-elected so to allow for more squandering.**

John Nelson