

**HJR**

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# Alaska State Legislature

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## House Sponsor Statement Senate Joint Resolution 1 (SJR1) / House Joint Resolution 34 (HJR34) Enshrining the Permanent Fund Dividend in the Alaska Constitution

This resolution gives the people of Alaska the opportunity to decide through a public vote whether the PFD, with its current calculation, should be enshrined in our state Constitution.

State law requires that the Alaska Permanent Fund Dividend be calculated according to the formula laid out in AS 43.23.025.

However, in 2016, Governor Bill Walker took the unprecedented step of attempting to veto that calculation, unilaterally reducing the value of the dividend that year from \$2,082 to \$1,022 by fiat. In 2017, Governor Bill Walker, this time with support from the legislature, altered the calculation of the dividend a second time, from \$2,439 to \$1,100.

In 2018, Governor Bill Walker has again proposed a budget effectively vetoing the calculation of the dividend a third time. While, at the time of this writing, the value of the 2018 Permanent Fund Dividend is estimated to be \$2,647, Governor Bill Walker has requested that the legislature appropriate only \$1,216 for the 2018 PFD. Over these three years alone, Governor Bill Walker will have taken an estimated \$3,830 from the dividend amounts calculated by state law to be distributed to every Alaskan.

Alaska state law never anticipated that a governor would attempt unilaterally to reduce the amount of the permanent fund dividend already calculated by state law. The exercise of such a power by future Alaska governors will forever change the value of the dividend from an objective mathematical calculation to a subjective political calculation, politicizing every future dividend and making the dividend forever dependent on the political agenda of future governors and the amount of time until the next election.

The Alaska Permanent Fund Dividend was established in 1982 to ensure that every Alaskan received a small portion of the investment earnings made possible by Alaska's natural resource wealth. Making sure each and every Alaskan receives a share of our state's resources creates a vital connection between the people, our natural resources, and the Alaska Permanent Fund. Recent attempts to politicize the Alaska Permanent Fund Dividend run the risk of severing that vital connection and must be countered.

There is currently no language in our state Constitution that protects the funds eligible for distribution from being withheld and spent by the governor and the legislature for other purposes. As our state faces massive deficits, it is the duty of the legislature to protect future generations by giving the people of Alaska the opportunity to decide through a public vote whether the PFD, under its current calculation, should be enshrined permanently in our state Constitution.