

SB 1

& SB

2

<TARGET><BILL>SB 1</BILL><SUBJECT>SB 1 and SB
2</SUBJECT><COMM></COMM></TARGET>

ALASKA STATE LEGISLATURE

600 East Railroad Ave., Ste 1
Wasilla, Alaska 99654
(907) 376-3370
Fax (907) 376-3157



State Capitol
Juneau, Alaska 99801
(907) 465-6600
Fax (907) 465-3805

Mike Dunleavy
Senator

Sponsor Statement SB 1 & 2 PFD Restoration Act

SB 1 and SB 2 restores the vetoed portion of the 2016 Permanent Fund Dividend (PFD) to every eligible Alaskan in the amount of approximately \$1,030. Since 1981, Alaskans have received a dividend check as calculated by the statutory formula; this is the first time in history that the calculated amount has been denied. Last year, the Twenty-ninth Legislature voted to appropriate the full statutory amount. This past summer, Governor Walker vetoed half of these funds, stating that the money was needed to help solve our dire fiscal situation. However, the vetoed portion has remained in the Earnings Reserve Account, failing to address our budget deficit.

The framers of the PFD wanted the people of Alaska to benefit directly in the mineral wealth of the state and to protect the people against overspending by elected government officials. Restoring the vetoed portion of the dividend is a safeguard against excessive spending on government in a time of crisis and enables those most capable of stewardship, individual Alaskans, to properly use the money.

Additionally, as our economy faces a recession and our unemployment rate is the highest in the nation at 6.8%, taking nearly \$700 million out of the economy has only exacerbated the situation. The Alaska-based Institute for Social and Economic Research (ISER) reported that the single most destructive thing for Alaska's economy in the short-term was reducing or eliminating the PFD. According to this research, taking such a significant amount of money out of the private sector has caused many Alaskans to fall below the poverty level. This action may actually force a number of low income Alaskans to seek assistance through more expensive state "welfare" programs.

I respectfully request your support for SB 1 and SB 2.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 20, 2017

SUBJECT: Supplemental dividend appropriation bills (SB 1 and SB 2 (Work Order Nos. 30-LS0042\A and 30-LS0044\A))

TO: Senator Mike Dunleavy
Attn: Gina Ritacco

FROM: Hilary V. Martin 
Legislative Counsel

You have asked why it is necessary to have both a substantive bill and an appropriations bill to accomplish an additional payment to the people who received the 2016 permanent fund dividend (dividend) and restores the full amount of the dividend if the Governor had not vetoed a portion of the transfer to the dividend fund.

An appropriations bill (SB 1) would result in a transfer of money from the earnings reserve account to the dividend fund. Without a substantive bill directing the commissioner of revenue to pay out that money as a supplement to the 2016 dividend, the newly appropriated money would stay in the dividend fund until October, when the next dividend is calculated.¹ This would increase the dividend for all recipients of the 2017 dividend, but would not result in an additional payment to the 2016 dividend recipients.

The direction to the commissioner of revenue to pay an additional 2016 dividend cannot be in the same bill as the appropriation. Under art. II, sec. 13, Constitution of the State of Alaska, "[b]ills for appropriations shall be confined to appropriations." Because a directive to the commissioner of revenue to pay out a supplement or addition to the 2016 dividend attempts to amend substantive law (which does not provide for a supplemental dividend payment) that language cannot be in an appropriations bill.² Note, however, that the appropriation itself, SB 1, can be placed in any appropriations bill.

As currently drafted, a substantive bill alone (SB 2) that directs the commissioner of revenue to pay a supplemental dividend to each individual who received a 2016 dividend would have no appropriation from the earnings reserve account to the dividend fund to provide money for the supplemental dividends. It is possible to have just a substantive

¹ AS 43.23.025.

² *Alaska Legislative Council v. Knowles*, 21 P.3d 367 (Alaska 2001) (establishing a five part test for substantive contingencies for an appropriation).

Senator Mike Dunleavy

January 20, 2017

Page 2

bill without the accompanying appropriation. This would require redrafting the substantive bill so that it describes the amount of money needed for the appropriation, and the appropriation would then be done by fiscal note in the operating or supplemental budget. The appropriation by fiscal note would still be subject to veto by the governor.

If I may be of further assistance, please advise.

HVM:mlp

17-007.mlp

ALASKA STATE LEGISLATURE

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Mike Dunleavy
Senator

Explanation of Changes for STA CS for SB 1 (Version D)

Section 1

- Changes the amount appropriated from \$666,350,000, which was an estimate, to \$683,234,813. This number reflects the statutory calculated amount less the Governor's veto.

Section 2

- No change

Section 3

- No change

CS FOR SENATE BILL NO. 1(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$	-0-
	Other Funds		683,234,813
	Total	\$	683,234,813

Sponsor(s): SENATORS DUNLEAVY, Giessel, Wilson, Wielechowski, Begich, Hughes

A BILL

FOR AN ACT ENTITLED

1 **"An Act making a special appropriation from the earnings reserve account for the**
 2 **payment of permanent fund dividends; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** ALASKA PERMANENT FUND CORPORATION. The sum of \$683,234,813
 5 is appropriated from the earnings reserve account (AS 37.13.145) to the dividend fund
 6 (AS 43.23.045(a)) for the payment of supplemental 2016 permanent fund dividends to eligible
 7 individuals who received a 2016 permanent fund dividend.

8 * **Sec. 2.** CONTINGENCY. The appropriation made in sec. 1 of this Act is contingent on
 9 passage by the Thirtieth Alaska State Legislature and enactment into law of a bill directing the
 10 commissioner of revenue to pay a supplemental 2016 permanent fund dividend.

11 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

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Juneau, Alaska 99801-1182
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MEMORANDUM

October 5, 2016

SUBJECT: Sectional Summary
(Work Order No. 30-LS0042\A)

TO: Senator Mike Dunleavy
Attn: Gina Ritacco

FROM: Hilary V. Martin
Legislative Counsel



You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill -- the bill itself is the best statement of its contents.

Section 1: Appropriates \$666,350,000 from the earnings reserve account to the dividend fund for payment of a supplemental 2016 permanent fund dividend.

Section 2: Makes the appropriation in sec. 1 contingent on passage of a bill directing the commissioner of revenue to pay a supplemental 2016 dividend.

Section 3: Provides for an immediate effective date.

HVM:dls
16-684.dls

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State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

September 30, 2016

SUBJECT: Additional permanent fund dividend payment
(Work Order No. 30-LS0042A)

TO: Senator Mike Dunleavy
Attn: Gina Ritacco

FROM: Hilary V. Martin
Legislative Counsel 

Attached is the bill you requested, which issues an additional payment to Alaskans who qualified for the 2016 permanent fund dividend (PFD) in the amount the governor vetoed from the budget.

In order to come up with the amount for the appropriation, I used the amount included in the budget and subtracted the amount the Governor wrote in his line-item reduction. The amount included in the budget, however, was only an estimate, so you may wish to check with Legislative Finance or the Permanent Fund Corporation to determine the exact amount that should be appropriated. It is also possible to reword the appropriation so that it is the amount necessary to pay a dividend of a specific dollar amount.

If I may be of further assistance, please advise.

HVM:dls
16-680.dls

Attachment

Alaska Gov. Walker's popularity dives sharply following PFD veto, new survey shows

- Author: Nathaniel Herz
- Updated: October 7, 2016
- Published October 7, 2016

Alaska Gov. Bill Walker's honeymoon with voters has come to an abrupt end.

New data collected by pollster Ivan Moore show Walker's popularity taking a sharp dive after he vetoed half of Alaskans' Permanent Fund dividend checks in June — preserving \$650 million in savings for the cash-strapped state but enraging a slice of its electorate.

Walker's positive rating dropped from 43 percent to 32 percent in Moore's latest quarterly statewide survey of 660 registered voters, which has a 3.8 percent margin of error.

Walker's negative rating spiked to 35 percent from 23 percent over the same period — between June and September — meaning that more respondents saw the governor in a negative light than in a positive light for the first time since he was elected in 2014.

Since the start of his term, Walker and state lawmakers have been grappling with a multibillion-dollar budget deficit, with sharp budget reductions and Walker's partial PFD veto among their responses.

Walker's numbers in Moore's poll track with a popularity decline recorded in a separate survey by media company Morning Consult. That survey said the governor's approval rating dipped to 50 percent last month from 62 percent earlier this year.

The governor, in a statement sent by spokeswoman Katie Marquette, said he was focused on fixing the state's budget problem instead of his approval rating.

“Given our state is facing a \$3.2 billion deficit and has burned through nearly \$13 billion of savings in just three years, now is not the time to be focused on poll numbers,” Walker's statement said. “Now is the time to be focused on finding a solution to our fiscal challenges so we can bring stability back to Alaska's economy.”

Walker is in the second year of his first term and his approval rating peaked at 51 percent in the middle of last year in Moore's survey.

The same statewide poll asked registered voters about their views on the presidential and congressional elections in Alaska, as well as Alaskans' views on the state fiscal crisis and other issues. Those results will be released starting this weekend in Alaska Dispatch News.

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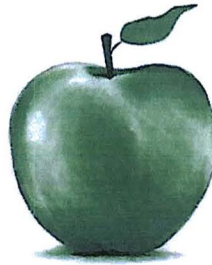
Alaska Permanent Fund

Gov. Bill Walker

About this Author

Nathaniel Herz

Nathaniel Herz covers politics and general assignments.



We will cut where there is waste, duplication and niceties we cannot afford. Initially, some of the cuts would come in the capital budget, which has ballooned in recent years. This includes for unrealistic infrastructure studies like for the small diameter pipeline.

5. What additional steps can the state take to promote construction of a natural gas pipeline from the North Slope?

Take control of development process and timeline. Gov. Parnell has put the leaseholders in the driver's seat. After 30 years of refusing to develop North Slope gas, while they advance competing projects around the world, that is unacceptable and will not succeed.

I intend to aggressively continue the project work to Kenai. I am not going to reinvent the wheel. We've started over often (El Paso, Foot Hills, YPC, AGIA and Denali), and we can no longer afford to do so.

6. The voters have chosen Senate Bill 21 or the More Alaska Production Act to generate most of the state's tax revenues. How will you determine whether this tax structure is effective? Do you think any changes should be made to the law in the upcoming legislative session?

I do not intend to offer changes to SB21. However, Alaska voters trusted SB21 proponents that promised it would result in a halt in the decline of oil production ,increased jobs and investment on the North Slope remaining flat or increasing and that it would be relatively revenue neutral as compared to ACES. I will begin to monitor North Slope activity immediately to ensure those promises are kept and make that information available to the public. It is my hope those promises are kept.

7. The state's savings is being depleted. How low should the savings go before you begin to seriously discuss implementing a widespread tax, such as a sales or income tax, or reducing Permanent Fund Dividend checks to help pay for services?

I have no intention to implement a statewide tax or paying for state government by reducing Permanent Fund dividend checks. If we properly develop our natural resources and put in place a sustainable budget that should not be necessary.

8. What are your specific plans to address the serious problems of leadership, morale and accountability within the Alaska National Guard?

FREQUENTLY ASKED QUESTIONS ABOUT THE FUND

Why did Alaskans create the Fund?

During construction of the Trans-Alaska Pipeline in the 1970's, oil companies flooded state coffers with money paid for leases to explore and secure drilling rights. The Legislature spent all \$900 million of that initial lease money within a few years. Alaskans realized that they were about to receive a great deal more money from oil when the pipeline was complete. They wished to better safeguard the robust income forthcoming from the pipeline, but the state constitution did not allow for dedicated funds. So Alaskans voted in 1976 to amend the constitution to put at least 25% of the oil money into a dedicate fund: the Permanent Fund. This would save money for future generations, which would no longer have oil as a source of income. In 1976 Governor Hammond proposed a constitutional amendment to create the Fund. The 9th Alaska Legislature modified the governor's legislation and placed it as a ballot proposition in the 1976 General Election. It passed by a margin of two to one.

What is the purpose of the Permanent Fund?

The 1976 state law establishing the Permanent Fund (AS 37.13), states that the Fund was created:

- to provide a means of conserving a portion of the state's revenue from mineral resources to benefit all generations of Alaskans
- to maintain safety of principal while maximizing total return
- to be a savings device managed to allow maximum use of disposable income for purposes designated by law

How is the Fund invested?

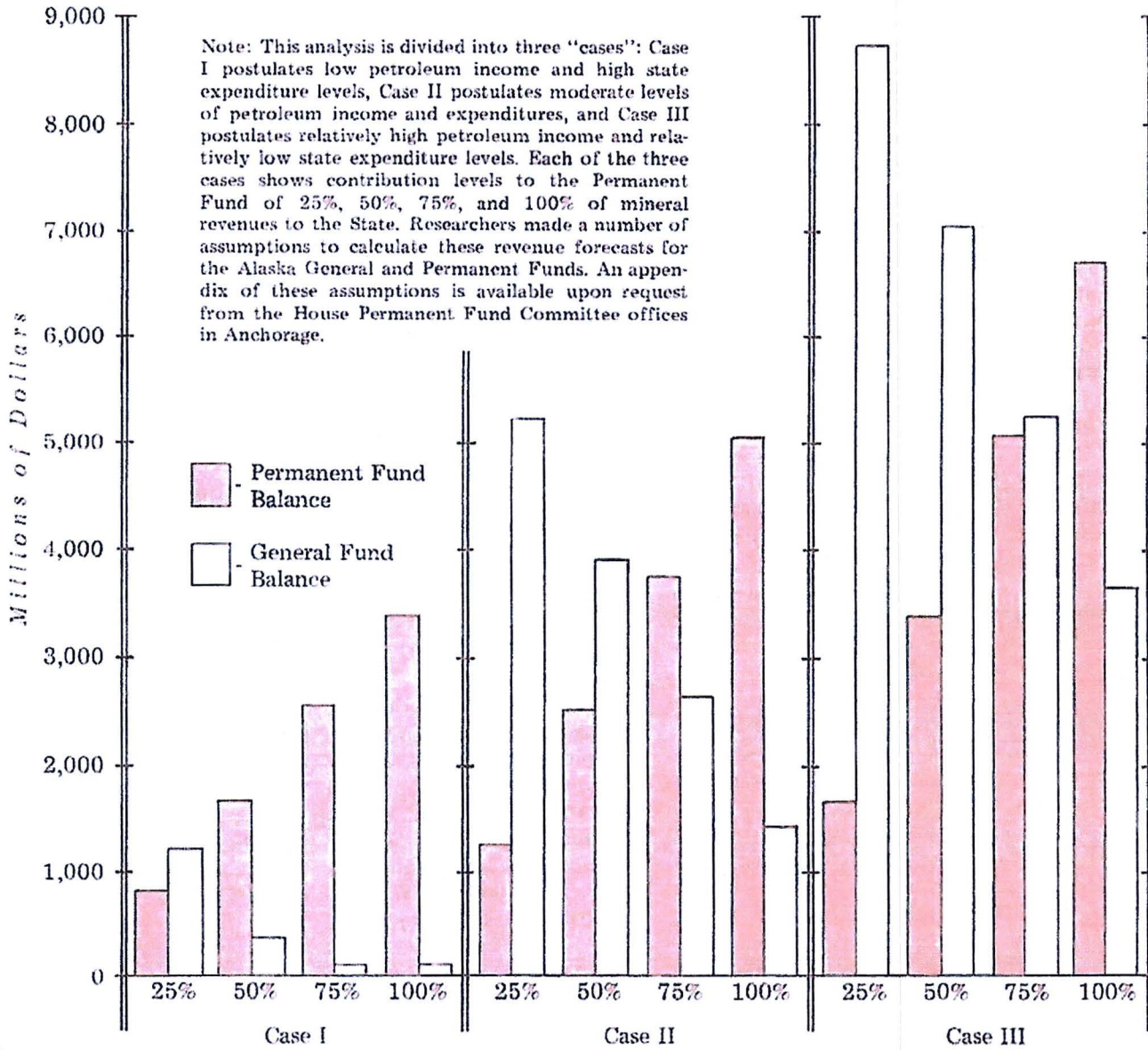
The Board's goal is to earn slightly better-than-average rates of return with slightly below-average levels of risk. To accomplish this, it adheres to statutory investing guidelines as well as the Prudent Expert Rule to manage a well-diversified portfolio. The asset allocation is now 55% stocks, 32% bonds, 10% real estate, 2% private equity and 1% absolute return.

How big is the Permanent Fund?

The Fund stood at nearly \$30 billion as of the end of the 2005 fiscal year, on June 30, 2005. Check this site's home page for the Fund's daily updated total market value. The Alaska Permanent Fund is among the 100 largest investment funds in the world. In the U.S., the Fund is larger than any endowment fund, private foundation, or union pension trust.

For more information about the Alaska Permanent Fund go to www.apfc.org
All information provided courtesy of the Alaska Permanent Fund Corporation website.

Figure 1
Revenue Projections through 1985



head of ferry system calls for reduced fleet

SB 1 & SB 2 Written Testimony,
Denny Kay Weathers

Associated Press

JUNEAU — The head of the Alaska Marine Highway System says the ferry system's fleet needs to downsize amid a proposed \$5 million cut to operations in the next fiscal year.

Capt. Michael Neussl told the Alaska House Transportation Committee on Thursday that the ferry system only has funding for nine of its 11 ships, The Juneau Empire reported.

"The fleet size, in my estimation and opinion, needs to shrink back," he said. "We will need to divest of some vessels, and we need to start looking at that sooner, rather than later."

With the governor's current budget proposal, which includes a \$5 million cut to ferry system operations, the Marine Highway expects to reduce its service to 320 operating weeks, a level not seen since 2004.

Between 2000 and 2003, the Marine Highway offered between 291.7 and 326.6 weeks of service with just nine ships.

The ferry system counts one ferry running for one week as one operating week. If all 11 ferries are running in a given week, the system is providing 11 operating weeks.

Lawmakers on Thursday were open to Neussl's proposal and considered which ships should be sold. Rep. Matt Claman, D-Anchorage, suggested the Fairweather and Chenega

“
We can do this; it's going to be OK. You'll still be able to get from Point A to Point B.
”

— Rep. Shelley Hughes

be the first ships to go.

"Maybe we should be selling the fast ferries first," he said. Judging by their maintenance and operation cost, "it certainly seems like those should be at the top of the list."

Neussl said the first to go would likely be the ferry Taku, which has been laid up since last year and is 53 years old. The Marine Highway will not get rid of the ferry Tustumena, he said. The Tustumena is one of the few vessels able to serve Kodiak, the Alaska Peninsula and the Aleutians.

Republican Rep. Shelley Hughes of Palmer, co-chairwoman of the transportation committee, speculated that a nine-ship fleet might resemble the ferry system of a decade ago.

"Ten years ago, it wasn't quite so bad; we had a pretty good state 10 years ago," she said. "We can do this; it's going to be OK. You'll still be able to get from Point A to Point B."

Operating Plan 2016-2017

Revision Number 17.13
11/21/2016

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Operating Weeks
Implementation of an Operating Plan is dependent upon funding from the legislature and earned revenue.												2017	
KEN	Jul 1, Fri BEL -X-GULF			Oct 5, BEL-Fri			Jan 11 O.H.		Mar 16, BEL-X-GULF				42.7
									Mar 10, COI				
COL	Jul 1, Fri BEL-Fri		Sep 26, Repairs		Nov 13, Sun Layup			Feb 4, COI	Mar 01, Overhaul	Apr 19, Wed BEL-Fri			22.9
										Apr 12, COI			
MAT	Jul 1, Fri YPR/SGY						Jan 3, O.H.	Feb 9, YPR					46.9
							Jan 06, COI						
MAL	Jul 01, Fri Federal CIP			Oct 3, O.H.			Jan 11 BEL			Apr 19, Layup			14.0
TAK	Jul 01, Fri Layup												0.0
LIT	Jul 1, Fri MET Service						Jan 10, O.H.	Jan 26, MET Service					49.9
							Jan 11, COI						
LEC	Jul 1, Fri NP					Nov 29, OH	Jan 16, Mon NP						45.3
										May 08, COI			
TUS	Jul 1, Fri SW								Mar 13, Overhaul		May 14, SW		43.3
					Nov 23, COI		Jan 16, in transit						
AUR	Jul 1, Fri PWS		Sep 19, O.H.		Nov 29, NP		Jan 21, PWS						41.3
							Jan 21, In transit						
FWX	Jul 1, Fri LYNN		Sep 15, PWS 4X wk				Jan 28 O.H.	Mar 04, Sat Layup			May 25 Lynn 3X Sit		34.0
			Sep 12, in transit										
CHE	Jul 01, Fri Federal CIP			Oct 06, Thu Layup									0.0

LEGEND

- | | | | |
|--|--|---|---|
| <ul style="list-style-type: none"> FED CIP On Line Overhaul Layup COI & Drills | <ul style="list-style-type: none"> BEL - Bellingham to Skagway Route YPR - Prince Rupert to Skagway Route BEL-X-Gulf Bellingham Cross Gulf SW | <ul style="list-style-type: none"> PWS-Prince William Sound MET - Metlakatla Service NP - Northern Panhandle | <ul style="list-style-type: none"> SW- Southwest YPR-X-Gulf-SW Pr. Rupert Cross Gulf Southwest NLC + SIT - Northern Lynn Canal + Sitka |
|--|--|---|---|
- Note: Dates represent the first day of the period. Overhaul and refurbishment periods include vessel travel time.

Mainline Vessels	126.5
Feeder Vessels	129.2
Southwest Vessels	84.6
Total Operating Weeks	340.3

SB 1 & SB 2 Written Testimony,
Denny Kay Weathers



Alaska Department of Transportation & Public Facilities

Alaska Marine Highway System

1-800-642-0066

Metlakatla | (ANB) | met luh kat' luh

"Salt Water Passage"

Metlakatla is located on Annette Island, at the southern tip of the Alexander Archipelago, and only a forty five minute ferry ride from Ketchikan 8 nautical miles away. Metlakatla is a traditional Tsimshian Indian community on the federal Annette Island Reserve. They have an active economy, subsistence lifestyle and are the only Indian reservation in Alaska. The 86,000 acre island reservation and surrounding waters are locally-controlled and not subject to state jurisdiction. All management of fisheries within 3,000 nautical feet, as well as management of all wildlife species within the Reserve falls to the Metlakatla Indian Community.

SB 1 & SB 2 Written Testimony,
Denny Kay Weathers

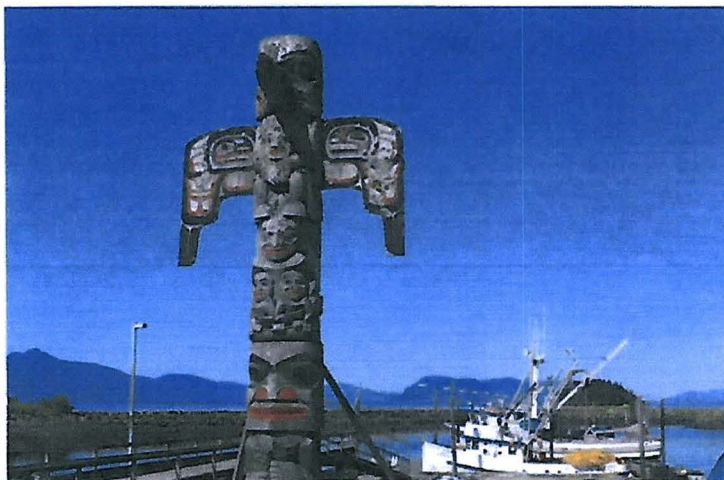
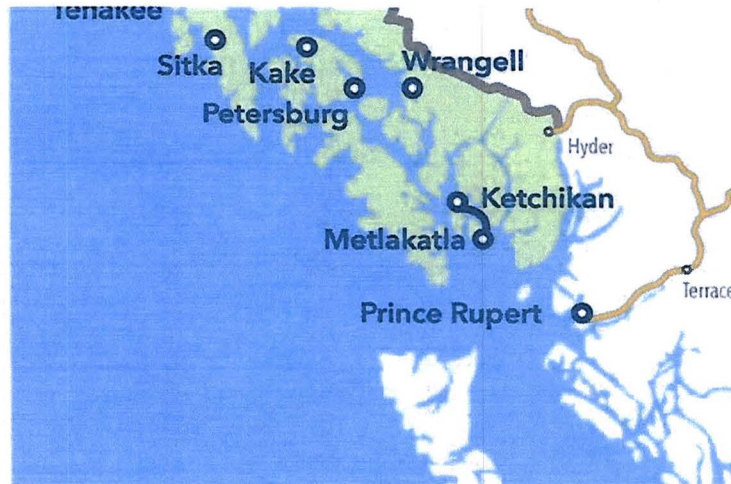


- ▶ Metlakatla means "salt water passage" and was founded by a group of Canadian Tsimshians who migrated from Prince Rupert, British Columbia.
- ▶ Although the majority of its population is Tsimshian, Metlakatla is also home to many individuals with diverse tribal affiliations such as Tlingit, Haida, Aleut, Yupik, and other Alaska Native peoples.
- ▶ The community prospered due to an abundance of natural resources and the ability to harvest salmon, halibut, cod, seaweed, clams, and waterfowl.
- ▶ Visit www.metlakatla.com for more information on available activities and accommodations.

Click on image to activate the full slideshow for Metlakatla.

Service Area

The community of Metlakatla receives service from Ketchikan twice a day, five days per week year-round. The *MV Lituya* takes 45 minutes to travel between Ketchikan and Annette Bay, located at the end of Walden Point Road which connects the community to the ferry terminal. The 14.7-mile Walden Point Road is not only a scenic drive to the community of Metlakatla but is also designated an Alaska Scenic Byway.



Trip Ideas

Below are some ideas to help you plan your trip to Alaska. Please note that availability and routing on your particular date of travel may vary from the suggested itinerary.

- ▶ Day Trip from Ketchikan to Metlakatla
- ▶ 6 Day Sampler Road Trip
- ▶ 10 Day Drive Through the Inside Passage

SB 1 & SB 2 Written Testimony,
Denny Kay Weathers



Alaska Department of Transportation & Public Facilities

Alaska Marine Highway System

1-800-642-0066

MV Lituya

MV Lituya

The *MV Lituya* is named after the Lituya Glacier, located in Glacier Bay National Park & Preserve. Lituya Bay, the glacier's namesake, was noted in 1786 by Jena-Francois de La Perouse. The vessel was designed by Coastwise Engineering of Juneau, Alaska and constructed at Conrad Shipyards in Morgan City, Louisiana in 2004. The *MV Lituya* is the smallest vessel of the fleet and exclusively provides shuttle service between Ketchikan and Metlakatla, making it the only ferry dedicated to a single route. The *MV Lituya* is the only Alaska Marine Highway vessel to feature an open car deck.



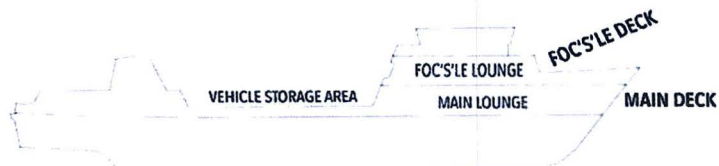
Click on image to activate the full slideshow for the MV Lituya.

Vessel Information

MV Lituya is 181 feet long and 50 feet wide, with a domestic gross tonnage of 97 and a service speed of 11.5 knots. The *MV Lituya* is designed to carry 125 passengers and has a vehicle capacity of 300 linear feet, which is equal to approximately 15 twenty-foot vehicles. View our Vessel Information Table for more statistical information.

Onboard Amenities

The interior space has a combination of reclining airline-style seats and table arrangements. Large windows provide excellent opportunities to view the passing scenery, or step outside to enjoy the fresh air. Click on the image to start a slideshow of all deck plans on the MV Lituya.



How PFDs Reduce Poverty in Alaska

By **MATTHEW BERMAN AND RANDOM REAMEY**

INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH • UNIVERSITY OF ALASKA ANCHORAGE

DECEMBER 2016

Permanent Fund dividends—payments the state makes to virtually all residents every year—lifted about 25,000 Alaskans out of poverty in 2015. That’s 3 of every 100 residents. On average over the past five years, PFDs reduced the poverty rate in Alaska from 11.4% to 9.1%.

Those are some of our findings about how PFDs have reduced poverty in Alaska since 1990, based on our estimates of income and associated poverty rates. We developed and are reporting our own estimates, because we found strong evidence that the U.S. census data federal agencies use to calculate official poverty rates for Alaska don’t include all PFD income.

Many people don’t remember to include PFDs when answering census questions about income, and the census doesn’t ask about or report income of anyone under 15. We estimate that as a result, the official poverty rates, averaged over the past five years, over-state poverty by 1.2 percentage points. We adjusted the census data to include all PFD income—and then looked at how the poverty rate changes, with and without PFDs (Figure 1). A longer paper details our methods (see back page).

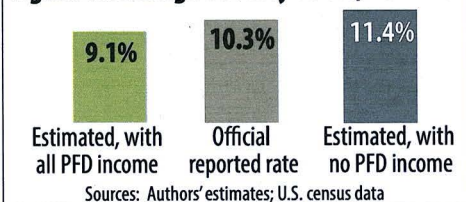
WHY DOES THE STATE PAY PFDs?

The state created the Alaska Permanent Fund in 1976, as a savings account for part of its non-renewable oil revenues. The idea was that as the fund grew over time, it could generate enough earnings to help pay for government services, when the state’s oil revenues declined.

In the 1980s the legislature started using part of Permanent Fund earnings to pay PFDs, to strengthen public support for maintaining and adding to the Permanent Fund. PFDs undeniably created support for the fund: it had a balance of about \$56 billion in late 2016.

But even though PFDs were not intended to reduce poverty in Alaska, they do. Now, however, Alaska faces a huge budget shortfall, created by low oil prices and falling production. State leaders will have to consider using Permanent Fund earnings for their original purpose: paying for state services.

Figure 1. Average Poverty Rates, 2011-15



But that would require substantially reducing or eliminating PFDs. So how might eliminating PFDs affect poverty in Alaska?

- PFDs have kept 15,000 to 25,000 residents out of poverty annually since 1990 (Figure 5), depending on PFD amounts (Figure 3) and economic conditions.

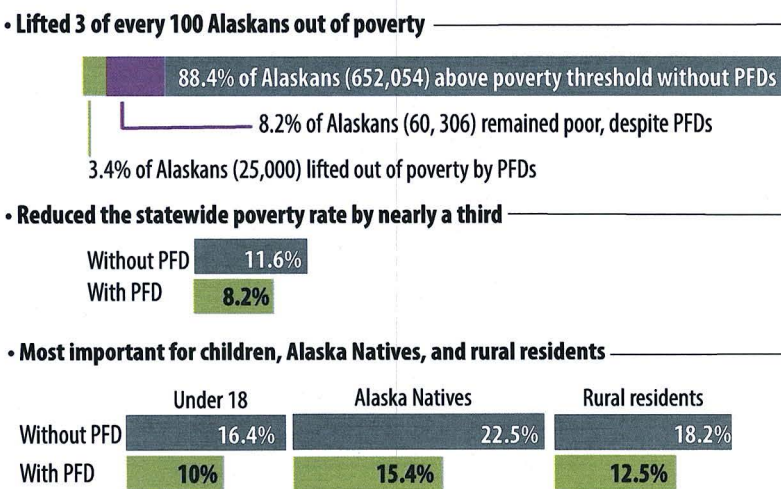
- Even with PFDs, a larger number and a higher percentage of Alaskans are poor now than in 1990—partly because the population is 35% larger (Figures 4 and 5). But poverty rates in Alaska and across the country have been rising, as stagnating wages have pushed more low-wage workers below the poverty threshold.

- PFDs are most important to children, Alaska Natives, and rural residents. Without PFDs in 2015, poverty would have been close to 23% among Alaska Natives, 18% among rural residents, and more than 16% among children—compared with a statewide average of 11.6% (Figure 2).

- Poverty rates have historically been higher in rural than in urban Alaska, and PFDs reduce poverty more in rural areas (Figure 7). In 2015, the estimated rural rate without PFDs was 18.2% and 12.5% with PFDs, while in Anchorage the rate was 10.2% without PFDs and 7.5% with them.

- Poverty among Alaskans 65 or older declined sharply since 1990, while poverty among children grew sharply. Without or without PFDs, poverty among children is up more than 50% since 1990—but down about 50% among older Alaskans (Figure 8). Many who are now staying after retirement have pensions that keep them well above the poverty threshold.

Figure 2. How Did the 2015 PFD of \$2,015 Reduce Poverty in Alaska?*



*Authors' estimates, based on adjusting data from American Community Survey, Public Use Microdata Sample

PFD PROGRAM IS UNIQUE

The PFD program is a unique social experiment, providing a basic income—a recurring cash payment paid unconditionally—to an entire population. There are many questions we could ask about the program, but we looked only at how it reduces poverty in Alaska.

HOW DO WE MEASURE POVERTY?

The official measure of poverty in the U.S. is the federal poverty threshold, which differs by the size and make-up of families. For example, in 2015, a family of four, including two children under 18, was considered poor if it had an income below about \$24,000.

The threshold isn't a perfect measure. It is adjusted for inflation, but not for regional differences in living costs—and in rural Alaska, living costs are far above the U.S. average. Also, it measures poverty based on a family living together in a household. But unmarried partners and children not related to the household head are not counted as family members—so any income they have isn't included in determining if the household is poor.

DATA SOURCES AND METHODS

We began with data from the U.S. Census Bureau, which calculates how many Alaskans are poor by applying the poverty threshold to the income data it collects. Until 2000, the bureau collected income data during 10-year censuses, on a long-form questionnaire distributed to some households. After that, it dropped the long form during the 10-year census, but in 2005 began using essentially the same questionnaire to collect data every year, through the American Community Survey.

For our research, we got public-use sample data from the 1990 and 2000 censuses and from the annual American Community Survey (ACS) from 2005 through 2015.

In analyzing the census data—and cross-checking it with data from the Permanent Fund Dividend Division—we discovered that many people didn't report PFD income, for themselves or their children. We were able to tell that because PFD income is “unearned” (as opposed to income earned from working), and in the two places where census respondents would report unearned income, many didn't report any income at all, or reported amounts far less than the PFDs paid.

Our full paper (see back page) details how we estimated the shortfall in reported PFD income, by using census data on individuals and households to determine who was eligible to receive PFDs each year—and likely would have received them.

Once we had an estimate that included all PFD income of households, we looked at how poverty rates among Alaskans would be affected by eliminating PFD income.

PFD AMOUNTS AND PERCENTAGE OF PER-CAPITA INCOME

Figure 3 shows annual PFDs from the first, in 1982, through 2016. How are these amounts determined? Half the Permanent Fund's earnings are reinvested to protect the fund principal from inflation, while the other half is available for dividends. The formula for paying dividends ties the annual amount to the average of fund earnings over the previous five years.

Using a five-year average smoothes the volatility of earnings somewhat, but the annual PFD has still varied substantially from year to year (and in a few cases, the legislature or the governor made decisions that affected the dividend amount; see notes on Figure 3).

Over the long term, however, the Permanent Fund principal and its earnings have increased—but so has the number of people potentially eligible for PFDs: the state population was up a third from 1990 to 2015 (Figure 4).

And if we adjust PFDs for inflation, we find that real PFDs during much of the 1990s were larger than in many recent years. For example, in today's dollars, the 1999 PFD was \$2,587, compared with \$2,072 in 2015.

At the same time, real per-capita incomes of Alaskans—that is, adjusted for inflation—have not been increasing: real per-capita income was essentially flat from 1990 to 2015. The result is that recent PFDs, although nominally larger than those in earlier years, represented a smaller percentage of per-capita personal income (Figure 3).

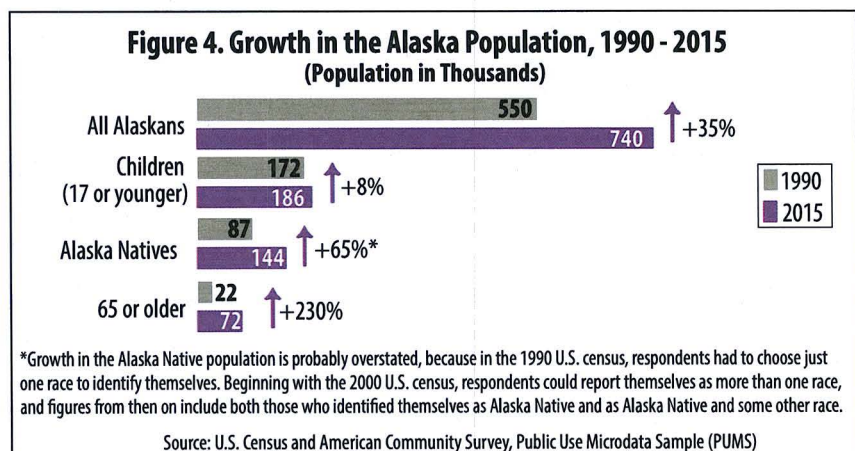
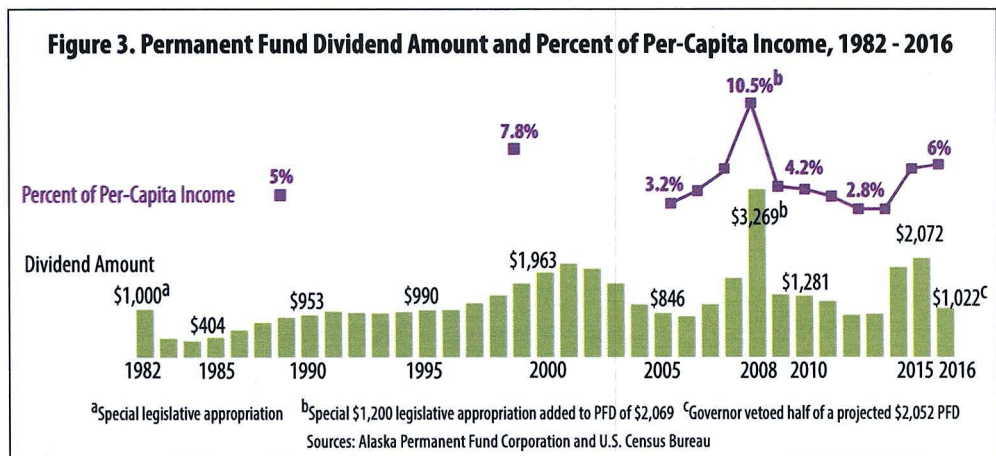


Figure 5. Number and Percentage of Alaskans Below Poverty Threshold, With and Without PFDs



Source: Authors' estimates, based on adjusted data from 1990 and 2000 U.S. censuses and American Community Survey, Public Use Microdata Sample (PUMS)

NUMBERS AND PERCENTAGES OF ALASKANS LIVING IN POVERTY

• PFDs have kept roughly 15,000 to 25,000 Alaskans out of poverty every year since 1990—and reduced the poverty rate from about 2.5 to 4 percentage points—depending on the size of the PFD and the state of the economy (Figure 5). In 2000, for example, PFDs lifted reduced the number of residents in poverty by almost 40%. The PFD that year was large—but many people were living close to the poverty threshold then as well, so a relatively small addition to income had a big effect.

• PFDs appear to have been less able to ameliorate poverty in recent years, largely because poverty rates—without PFDs—have been rising. That increase in poverty rates in Alaska parallels the trend in the U.S. as a whole. Despite low unemployment rates, stagnating wages have pushed more low-wage workers below the poverty threshold, in Alaska as well as nationwide.

POVERTY BY REGION

Most Alaskans—around 85%—live in Alaska's more urban areas, with the remaining 15% in smaller communities in the vast stretches of rural Alaska (Figure 6). Jobs are scarce in many rural places—especially in the small, remote villages—and poverty is much more common. Without PFDs, around 20% of rural residents would have been below the poverty threshold in recent years.

• PFDs have cut poverty rates in rural areas from 4 to 9 percentage points over the years since 1990, and in urban areas around 3 percentage points. Still, as is true statewide, poverty rates are up in all regions—with and without PFDs (Figure 7).

• Anchorage saw a large increase in its poverty rate—without PFDs—in the first decade of the 21st century. In the most recent five years, that rate has fallen somewhat—but the decline appears to be due entirely to PFD income. Immigration seems to be an important cause of this pattern in Anchorage. ACS data show that about 1,800 foreign immigrants have arrived in Anchorage annually since 2005. Between 2005 and 2009, 45% of these immigrants were poor, and of course not eligible to receive PFDs until the year after they arrived—but in the most recent years they would have qualified. More recent immigrants appear to have arrived better off than those who arrived 5 to 10 years ago.

Figure 6. Alaska Population by Region

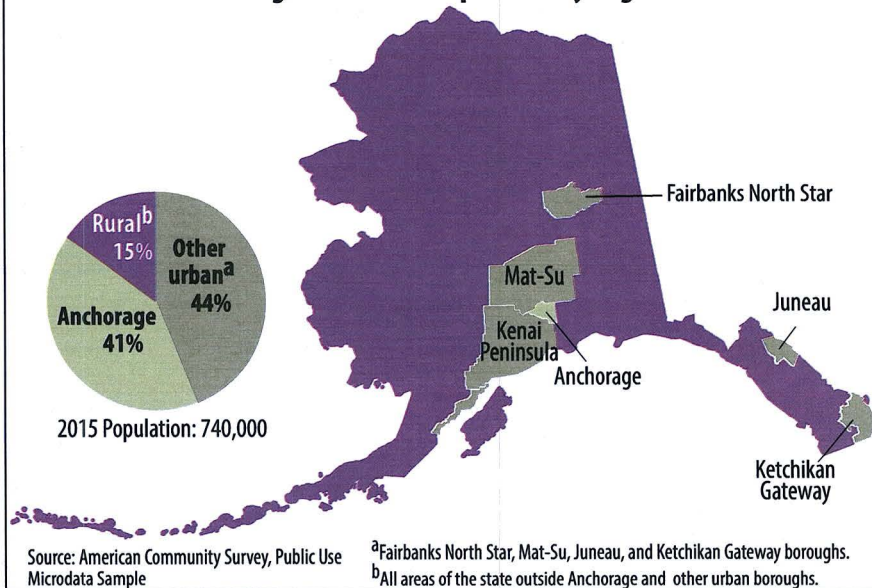
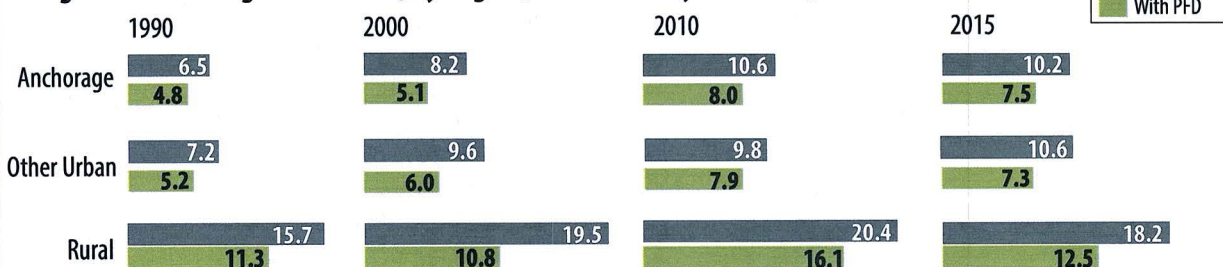
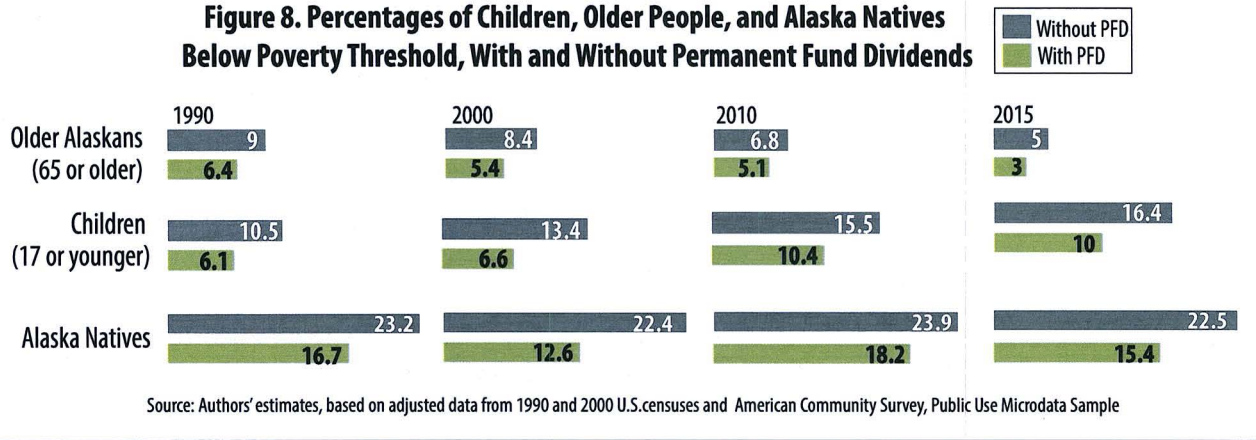


Figure 7. Percentage of Alaskans, by Region, Below Poverty Threshold, With and Without PFDs



Source: Authors' estimates, based on adjusted data from 1990 and 2000 U.S. censuses and American Community Survey, Public Use Microdata Sample

Figure 8. Percentages of Children, Older People, and Alaska Natives Below Poverty Threshold, With and Without Permanent Fund Dividends



WHAT ABOUT EFFECTS OF PFDs ON GROUPS OF ALASKANS?

- *Older Alaskans are much less likely to be poor now than in 1990, with or without PFDs.* Without PFDs, 9% of residents over 65 fell below the poverty line in 1990, compared with 5% in 2015 (Figure 8). Decades ago, older Alaskans who could afford to leave Alaska mostly did leave when they retired—and those who remained were generally poorer. But in recent times, more older Alaskans have stayed, and others have moved here to be close to their families. There are 50,000 more older Alaskans now than in 1990—and many have pensions that keep them out of poverty.

- *Children, by contrast, have become much more likely to be poor.* Without PFDs, one in six Alaskans under 18 would have been living in poverty in 2015. With PFDs, that share was still about one in 10. We don't know just why more children are poor now. Partly it's that stagnating wages have likely pushed more low-income workers—and their children—below the poverty line. We also know that more children are living in households with unmarried adult partners rather than married couples. But the census doesn't count unmarried partners and children as family members if they aren't related to the household head—so any income they may contribute isn't counted in determining if the household is poor.

- *Poverty among Alaska Natives remains stubbornly high:* without PFDs, nearly one-quarter of Alaska Natives were below the poverty threshold, in 1990 and still in 2015. Over the years PFDs have reduced that poverty rate by anywhere from 6 to 10 percentage points. And the Alaska Native population is about two-thirds larger now than in 1990—meaning the number of Alaska Natives in poverty is also much larger.

ANOTHER ISSUE: UNDER-REPORTING OF ANCSA CORPORATION DIVIDENDS

Census data also under-report another type of income some children in Alaska receive: dividends paid by Alaska Native regional corporations. The corporations were formed under terms of the 1971 Alaska Native Claims Settlement Act (ANCSA), and originally just Alaska Natives alive in 1971 became shareholders. Over the years, some children have received shares through inheritance or gifts, and several corporations have also enrolled descendants of the original beneficiaries.

We did not have enough information to estimate the size of dividends individual children might have received. But our analysis of census data makes it clear that the dividends children did receive were not reported.

CONCLUSION

It's not only in Alaska that census data don't include all the income of children under 15—since the same census questionnaire is used nationwide. But the under-reporting is almost certainly more acute in Alaska, since nearly all Alaska children receive PFDs, and some receive Alaska Native corporation dividends.

Even after we adjusted census data to include all PFD income, we saw that poverty rates have been rising in Alaska, especially for children and residents of urban areas. One reason PFDs have not stemmed those increases is that more new residents arriving in urban areas are poor and not eligible to receive PFDs right away. Still, poverty rates in urban places remain far below those in rural Alaska, where there are fewer jobs.

Reducing or eliminating PFDs to help fill the budget gap will significantly increase the number of Alaskans below the poverty threshold. But unless the census revises its methods for collecting income data, poverty in Alaska will actually increase by more than the official poverty rates show.

ABOUT THIS ANALYSIS AND THE AUTHORS

This summary is based on *Permanent Fund Dividends and Poverty in Alaska*, by Matthew Berman and Random Reamey, Institute of Social and Economic Research, UAA, November 2016. It is available on ISER's website (www.iser.uaa.alaska.edu).

Matthew Berman is a professor of economics at ISER; he has been studying economic issues in Alaska since the 1980s. Random Reamey was formerly an intern with First Alaskans Institute and is now a research professional at ISER. The findings reported here are theirs, and shouldn't be attributed to research sponsors, ISER, or the University of Alaska Anchorage. If you have questions you can reach Matthew Berman at 907-786-5426.

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UAA Institute of Social and Economic Research
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Permanent Fund Dividends and Poverty in Alaska

Matthew Berman
Random Reamey
Institute of Social and Economic Research
University of Alaska Anchorage
3211 Providence Drive
Anchorage, Alaska 99508

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Introduction

The Alaska Permanent Fund is a sovereign wealth fund for the State of Alaska. State voters passed a constitutional amendment in 1976 to create the fund as a mechanism to save a portion of nonrenewable oil revenues for future public needs (Alaska Constitution, Article IX, Section 15). In 1980, the Alaska Legislature enacted the Permanent Fund Dividend program to generate political support for conservative management of the fund, to increase the likelihood that the principal would be protected over time. Since 1982, the Permanent Fund Dividend (PFD) program has distributed equal annual payments to residents unconditionally, regardless of need.¹

The PFD program has unequivocally succeeded in its primary purpose. Investment earnings, along with annual contributions from oil revenues, enabled the Permanent Fund principal to grow to \$55 billion—approximately \$75,000 per resident—by September 2016. Royalties from oil production continue contributions to the principal. However, low current and projected state revenues due to declining oil production and low prices have forced state leaders to consider whether to start using Permanent Fund earnings for their original purpose: providing funds for state government operations. Diverting Permanent Fund earnings to state government operations would require substantially reducing or eliminating the PFD. It is therefore an appropriate time to consider what the PFD program has accomplished, beyond its success in protecting the principal, and lessons the program might offer for other jurisdictions managing sovereign wealth funds or considering establishing them.

The PFD represents a unique social experiment in providing "basic income" to an entire population.² Although there are many questions one could ask about the effects of the program, we focus this study on the effects of the PFD on alleviating poverty. In particular, we address three main questions about the effects on poverty:

1. What has been the overall effect of the PFD on poverty reduction in Alaska?
2. How have the PFDs affected poverty among different populations, such as Alaska Native people, older Alaskans, children, and rural Alaskans?
3. What would be the likely effect on Alaska poverty rates of reducing or eliminating the PFD?

Before considering effects of the PFD on poverty, it is important to consider how the size of the dividend has changed over time. Figure 1 shows the annual PFD amount since the program's inception in 1982, along with the percentage of per-capita personal income that it represented each year. The figure shows percentages under two definitions of income: the U.S. Census Bureau definition, which is based on self-reported

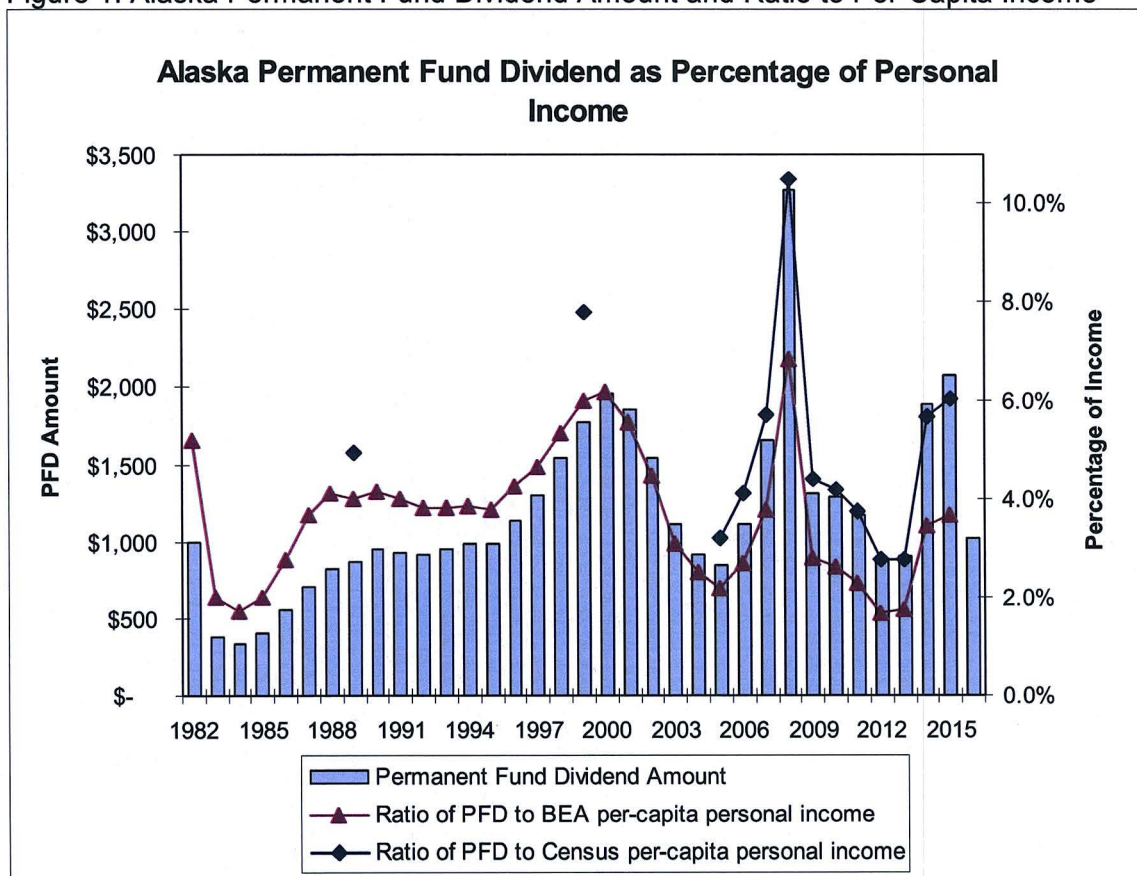
¹ Residence requirements have changed slightly over time (see <https://pfd.alaska.gov/Division-Info/Historical-Timeline>). Persons serving jail time or sentenced during the previous year for felony convictions are also ineligible. Current eligibility requirements are listed at <https://pfd.alaska.gov/Eligibility/Requirements>.

² The concept of basic income -- a periodic cash payment paid unconditionally to all individuals in a society -- has a long history dating back at least to Renaissance Europe. For a full account, see Vanderborght, Yannick & Van Parijs Philippe. 2005. *L'allocation universelle*, Paris: La Découverte.

cash income, and the Bureau of Economic Analysis definition, which includes in-kind receipts.

One-half the fund's earnings are reinvested to protect the principal from the effects of inflation, with the other half available for dividends. The formula for paying out dividends ties the annual amount on the average of fund earnings over the previous five years. Although the five-year average smooths volatility of earnings somewhat, the annual PFD has nevertheless shown substantial variation from year to year. Over the long term, however, the Permanent Fund principal and its associated earnings have increased. But the number of residents and their incomes have increased as well—although income growth just kept up with inflation. Recent PFD payments, although generally larger than those in earlier years, have not increased as fast as inflation and therefore represented a smaller percentage of per-capita personal income than PFDs during much of the 1990s.

Figure 1. Alaska Permanent Fund Dividend Amount and Ratio to Per-Capita Income



Source: Appendix A, Table 1.

Methods

Evaluating the effects of the Permanent Fund dividend on poverty in Alaska involves making estimates of income with and without the dividend for low-income Alaska households and comparing the estimates to a poverty threshold. This turns out to be more challenging than it might first seem, for a number of reasons. We first discuss the challenges that complicate the effort, then review data sources and the methods we applied to address these challenges.

Challenges for Assessing the Role of the PFD in Reducing Poverty in Alaska

Assessing the effect of the PFD on poverty requires that we face three big challenges. First, we need an empirical measure that fairly represents what we mean by poverty. No statistical measure perfectly represents the social construct of poverty. Second, estimating the effect on poverty of changes in a component of income requires data on the distribution of income across households. Household-level data for a large enough sample of Alaskans to represent changes in income distribution are extremely limited. Third, one must be able to distinguish PFD income from other income in the household data that are available.

Statistical measures of poverty in the United States date back to the Johnson Administration's "War on Poverty" initiative in the mid 1960s.³ The official definition of poverty used by the U.S. Census Bureau for reporting poverty rates is complex and imperfect. It is based on a family living together in one household. Poverty status refers to the ratio of family income to a threshold level that differs by household size, number of children in the household, and age of the household head. Different poverty thresholds exist for 47 different family configurations (see Table 1). Unmarried partners and children living in the household who are not related to the household head are not considered as family members in poverty calculations.

³ The official definition of the poverty threshold in the United States was developed by the Social Security Administration to represent a proportion of the family income required to purchase a survey-based economy food plan. There have been only minor changes in the definition since 1969, other than to update the thresholds each year based on the percentage change in the Consumer Price Index. For more information, see Gordon M. Fisher, "The Development and History of the Poverty Thresholds," *Social Security Bulletin*, vol.55, no.4, Winter 1992, pp. 3-14.

Table 1. Poverty Thresholds for 2015 by Size of Family and Number of Related Children Under 18 Years

Size of family unit	Related children under 18 years						
	None	One	Two	Three	Four	Five	Six
One person (unrelated individual).....							
Under 65 years.....	12,331						
65 years and over.....	11,367						
Two people.....							
Householder under 65 years.....	15,871	16,337					
Householder 65 years and over.....	14,326	16,275					
Three people.....	18,540	19,078	19,096				
Four people.....	24,447	24,847	24,036	24,120			
Five people.....	29,482	29,911	28,995	28,286	27,853		
Six people.....	33,909	34,044	33,342	32,670	31,670	31,078	
Seven people.....	39,017	39,260	38,421	37,835	36,745	35,473	34,077
Eight people.....	43,637	44,023	43,230	42,536	41,551	40,300	38,999
Nine people or more.....	52,493	52,747	52,046	51,457	50,490	49,159	47,956

Source: U.S. Census Bureau.

Proctor, Bernadette D., Jessica L. Semega, and Melissa A. Kollar. 2016. *Income and Poverty in the United States: 2015* Current Population Reports, P60-256(RV), U.S. Government Printing Office, Washington, DC.

Poverty thresholds are adjusted every year for inflation in proportion to changes in the national Consumer Price Index. However, regional cost-of-living differences are ignored; the same poverty thresholds are applied to all areas of the United States. The cost of living in rural Alaska communities is typically much higher than in urban Alaska communities, but poverty thresholds are not adjusted. On the other hand, many rural Alaskans use local resources as important food sources, and this in-kind income is also not considered in the poverty calculation.

Data sources

Household-level data for a representative sample of Alaskans that contain income and the detailed household characteristics needed to calculate poverty rates are extremely limited. The U.S. Census Bureau reports national poverty statistics using data from the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS). The Alaska sample for the CPS is relatively small—about 1,000 households per year—so poverty rates for the state derived from this source have a relatively high margin of error. Other large national surveys, such as the Consumer Expenditure Survey, have an even smaller Alaska sample.

Census data, collected since 2005 with the American Community Survey (ACS), provide household data for the largest sample of Alaskans. The ACS is an annual survey that currently targets about 8,000 Alaska households. Survey results include information on race, family relationships, and place of residence as well as income. Although national poverty rates are calculated from the CPS ASEC, the Census Bureau uses ACS results to estimate poverty rates for Alaska and other areas with smaller populations whose characteristics cannot be reliably estimated from CPS ASEC data.

The Census Bureau provides Public Use Microdata Samples (PUMS) for all these data sets. We obtained Alaska PUMS data sets from the Census Bureau for the 1990 and 2000 U.S. Census Long-Form Surveys well as for the ACS for all years available (2005 through 2015). The Census Long Form PUMS data represent a five percent sample of the population: 14,000 Alaska households in 2000 and 10,300 households in 1990. The ACS PUMS data sets represent much smaller sample sizes, ranging from 2,200 to 2,700 households per year. However, the combined ACS samples over a five-year period are similar in size to the Census Long Form data sets. We also examined the CPS ASEC data sets for the last seven years (2010 through 2016), available from the University of Minnesota Minnesota Population Center IPUMS data portal (<https://cps.ipums.org/>).⁴ The data set for the CPS ASEC includes the entire Alaska sample, about 1,000 households per year.

To preserve anonymity of respondents, all these data sets report place of residence in highly aggregated geography. Census PUMS microdata areas (PUMAs) must have at least 100,000 residents as of the previous decennial census. The ACS currently has five PUMAs, with two of the five representing the Municipality of Anchorage. The rural Alaska region (PUMA 400) changed slightly as a result of the 2010 Census. To maintain consistency over time, we aggregated the PUMAs into three areas: Anchorage, other urban Alaska, and rural Alaska. The other urban Alaska region includes the Fairbanks

⁴ Sarah Flood, Miriam King, Steven Ruggles, and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey: Version 4.0. [Machine-readable database]. Minneapolis: University of Minnesota, 2015.

North Star, Mat-Su, Kenai Peninsula, Juneau, and Ketchikan Gateway Boroughs. The remainder of Alaska is included in the rural region. The CPS ASEC PUMS has even more limited geography, reporting only whether or not the residence is within the Anchorage Metropolitan Statistical Area (Anchorage plus Mat-Su Borough).

In addition to the PUMS data sets, we obtained the annual applicable poverty thresholds from the Census Bureau. We obtained annual PFD data, including the number of applications, number of dividends received, and the dividend amount, from the Alaska Permanent Fund Dividend Division.

Reporting of Alaska Permanent Fund Dividend income in Census Bureau data

The ACS has some limitations for evaluating the effects of the PFD on poverty. The ACS calculates income as the sum of self-reported income over the previous 12 months in a number of categories. Because of survey timing and the wording of questions, people may forget to report their PFD income. The survey is conducted throughout the year. However, most interviews are completed before the PFD is paid out in October, so respondents would have to remember to report their previous year's dividend. In addition, no information about income is asked or recorded for children under age 15.

One should note that these potential issues with reporting of PFD income are not unique to the American Community Survey. Prior to the implementation of the ACS, the U.S. Census Bureau collected household social and economic data in the Decennial Census Long-Form Surveys. The income questions for the ACS are unchanged from the questions in the 1990 and 2000 Census Long-Form Surveys, when Alaskans also received PFD income. The Census Long-Form Survey was fielded in April and May of census years. The ASEC supplement to the Current Population Survey is conducted every March. As with the ACS and the Census Long Form, the CPS ASEC does not ask any questions specifically about the Alaska PFD, or ask for or record any information on income of children under age 15. Consequently, the reporting of PFD income in data from all these sources cannot be assumed to be accurate and must be investigated.

Since the PFD is not mentioned specifically in the questionnaire, Alaskans responding to the ACS might reasonably report the PFD in either one of the two categories of unearned income. One is interest, rent and dividends; the other is "other income," a category for all remaining income not reported elsewhere. Since the amount of the PFD each year is known, one may easily discern from inspection of individual records in the PUMS that most respondents who do report PFD receipts report them as "other income." The problem is that only about half of Alaska households responding to the ACS reported receiving any "other income." A relatively small percentage of households that did not report the PFD as "other income" appear to have reported PFD receipts in the "interest, rent, and dividends" category. Still, Alaska ACS results clearly under-report PFD income.

Table 2 shows a cross-tabulation of the percentage of households reporting the two types of unearned income in the most recent two years. In 2014 and 2015, just over half of respondents reported that at least one person in the household had "other income." About two-fifths reported that anyone had received interest, rent, and dividends. About thirty percent reported no one receiving any income of either type. Data from the Alaska Permanent Fund Dividend Division show that the number of Alaskans receiving PFD

payments annually exceeds 90 percent of the population. The percentages of households reporting interest, rent, and dividends, and reporting other income, varied somewhat from year to year—but the overall pattern remained unchanged across all the ACS years, extending back to the U.S. Census Long- Form Surveys for 1990 and 2000. Data from the Alaska CPS ASEC PUMS show even lower reported rates of interest, rent and dividends, and “other income” than in the ACS; only about one-third of CPS ASEC households have been reporting “other income.”

Table 2. Percent of Alaska households reporting unearned income in 2014 and 2015.

2014	No other income	Some other income	Total
No interest, rent, dividends	30%	31%	60%
Some interest, rent, dividends	22%	18%	40%
Total	51%	49%	100%

2015	No other income	Some other income	Total
No interest, rent, dividends	29%	29%	58%
Some interest, rent, dividends	23%	19%	42%
Total	52%	48%	100%

Source: Estimated from the American Community Survey Public Use Microdata Sample data

More troubling still is the fact that neither the ACS nor CPS ASEC asks any questions about income of children under 15 years old. Data for all income categories are recorded as missing for household members under 15, and total household income is equal to the sum of income reported for members age 15 and older. We asked Census Bureau staff how they addressed reporting of the Permanent Fund dividend in the ACS. The official response was that ACS survey staff were including PFD income in the ACS as “other income” when it was reported, and that parents should be including income of their children under 15 in their own income.⁵

One may test the hypothesis statistically that adults are reporting unearned income of children by correlating the amount of household income with the number of adults and children in the household. If parents are reporting income of children, then the household total “other income” should be positively correlated with the number of children in the household as well as the number of adults. We estimated linear regression equations to test this hypothesis for each year of the ACS and for the Census Long-Form Surveys in 1990 and 2000. We estimated separate equations for each year because the coefficients would be expected to vary with the annual PFD amount.

Table 3 shows an example of the regression results for one year: 2014. The first column of numbers in the table shows the coefficients for the equations for other income for all households, while the second equation includes only those households that reported

⁵ Jeff Sisson, Assistant Division Chief, U.S. Census Bureau, American Community Survey Office. Personal communication, May 12, 2016.

some income in the “other” category. The third column shows the coefficients for interest, rent, and dividends. The 2013 PFD was \$900. The coefficients for adults—an adult is defined as a household member age 15 or older—are all somewhat larger, about \$1,200, and statistically significant ($p < .005$). The coefficient for children in the other income equation is positive (but small) in the equation that includes all households, but effectively zero when only households that reported any “other income” are included. Adults with children are apparently more likely to report receiving some “other income.” However, the amount they received is not related to the number of children in the household, which it clearly would be if the children’s PFDs were being reported.

Table 3. Regression equations for how household unearned income varied with the number of children and adults in the household, Alaska respondents to the 2014 American Community Survey.

Variable	Other income		Other income		Interest, rent, and dividends	
	Effect	p	Effect	p	Effect	p
Children under 15	\$ 211	0.03	\$ (3)	0.98	\$ (418)	0.06
Adults	\$ 1,216	0.00	\$ 1,282	0.00	\$ 1,126	0.00
Constant term	\$ (92)	0.68	\$ 1,772	0.00	\$ 1,154	0.02

Source: Estimated from the American Community Survey Public Use Microdata Sample data.

The coefficient for the number of children is negative in the interest, rent, and dividends equation. This appears to be related to the fact that households with young children are less likely to have any savings. When we added age of the respondent as an explanatory variable, the magnitude of the negative coefficient fell to near zero. Other years show nearly identical results as those for 2014. The only difference is that the coefficients for adults in the “other income” regressions change among years in line with annual changes in the size of the PFD. Coefficients for the number of children are always near zero or negative and statistically insignificant. Consequently, we find no evidence that ACS respondents are including their children’s PFDs—or indeed any unearned income of their children—in the income reported in the ACS. Similar equations estimated with the CPS ASEC PUMS data likewise showed no evidence of reporting of children’s unearned income in income of adults.

It is important to note that the non-reporting of income of children under 15 is not limited to the PFD and affects national income and poverty measures calculated from the Census Bureau data. However, the downward bias is almost certainly more acute in Alaska. In addition to the PFD, which nearly all Alaska children receive, Alaska Native corporations have been paying dividends to children. Some children have received shares through inheritance or gifts, and several corporations have enrolled descendants of the original beneficiaries. Table 4 shows annual dividends per 100 shares (the amount original ANCSA beneficiaries received) for the 12 regional corporations. As the table shows, many of the regional corporations have been paying substantial dividends. Even if a relatively small portion of children owned these shares, the larger dividend amounts could significantly affect poverty calculations for Alaska Native families.

Four of the regional corporations—Arctic Slope (ASRC), NANA, Doyon, and Sealaska—have enrolled descendants. ASRC and NANA award 100 shares at birth. Doyon awards 30 shares at birth and the remaining 70 at age 18. Sealaska awards 100 shares at age 18. A fifth regional corporation, Calista, has voted to enroll descendants starting in 2017. Figure 2 shows the payments to minor descendants from 2005-2014 for the three corporations that enrolled new shareholders at birth. Dividends to ASRC shareholders are particularly large: \$5,000 or more since 2007. It is likely that virtually no ASRC shareholders are actually living in poverty. But the poverty statistics will not reflect that fact, since neither the children’s PFDs nor their ANCSA corporation dividends are being recorded in the data used to calculate poverty rates.

Figure 2.

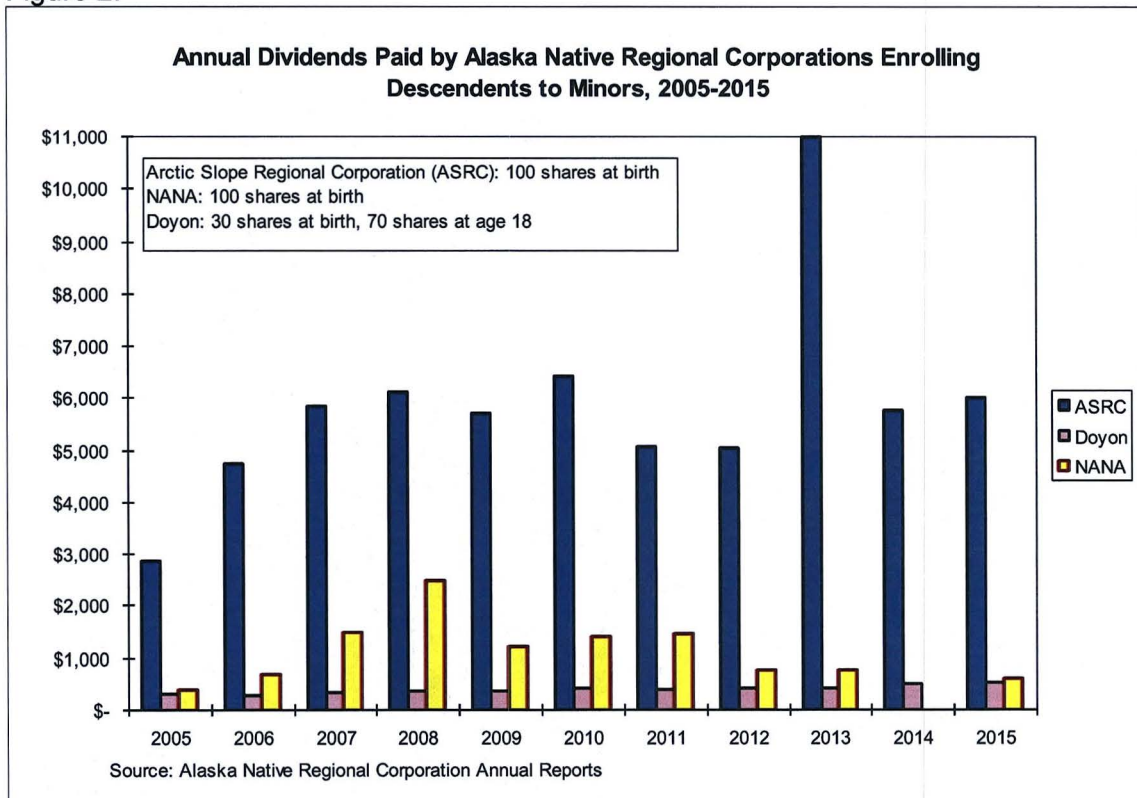


Table 4. Annual Dividends per 100 Shares Paid by Alaska Native Regional Corporations, 2005 - 2015

<i>Year</i>	<i>Ahtna</i>	<i>Aleut</i>	<i>ASRC</i>	<i>BSNC</i>	<i>BBNC</i>	<i>Calista</i>	<i>Chugach</i>	<i>CIRI</i>	<i>Doyon</i>	<i>K...</i>
2005	\$ 0	\$ 450	\$ 2,861	\$ 0	\$ 800	\$ 0	\$ 4,150	\$ 3,100	\$ 311	\$
2006	0	500	4,741	0	860	0	4,640	3,100	275	
2007	279	0	5,855	0	960	0	5,251	3,393	322	
2008	279	560	6,110	100	1,100	178	5,030	3,539	356	
2009	279	600	5,712	100	1,200	211	4,072	3,524	368	
2010	400	2,100	6,426	150	1,280	262	4,192	3,542	421	
2011	202	2,000	5,084	235	1,380	313	4,000	3,498	388	
2012	353	500	5,038	235	2,200	342	4,000	3,537	415	
2013	530	600	11,000	250	2,500	369	4,000	3,499	423	
2014	442	700	5,750	300	2,700	519	4,000	3,506	495	
2015	443	400	6,000	325	3,000	581	4,000	3,651	518	

Source: Annual reports filed by Alaska Native Regional Corporations with the Alaska Division of Banking and Securities.

Analysis steps

The information reported in the ACS PUMS is insufficient to be able to determine which households have missing ANCSA dividend income for children. However, it is possible to determine whether individuals, including children, were likely eligible to receive the PFD, with minor exceptions.⁶ Data on the number of dividends paid out annually suggest that nearly all eligible individuals do receive dividends. We therefore used the information in the PUMS data to estimate PFD receipts and associated poverty rates with and without the dividend. The procedure included the following steps.

The first step was to calculate the ratio of family income to the poverty threshold for each individual in the ACS PUMS and the 1990 and 2000 Census Long-Form Surveys. Although the PUMS variables include a variable for the ratio of income to the poverty threshold, we reproduced the calculation to ensure that we could correctly calculate each individual's poverty status, given the reported incomes of household members and their reported family relationships. Using the applicable Census Bureau poverty definition for each year, and the age and relationship of each household member to the respondent, we calculated family income and the applicable ratio of income to the poverty threshold for each sample person in PUMS. We were able to replicate the reported ratio of income to poverty for each person within a small round-off error.⁷

The second step was to determine for which individuals PFD income had been reported, and then remove that income to estimate income without the PFD. To determine if PFD income had been reported, we checked whether either "other income" or interest, rent, and dividends was less than the current or previous year's PFD amount, whichever was smaller, rounded down to the nearest \$100. If neither category of unearned income achieved this threshold, we assumed that reported income did not include the PFD, and used reported income to estimate income without the PFD. If either "other income" or interest, rent, and dividends was equal to or greater than the PFD threshold amount, we assumed that PFD income might have been reported, and might need to be removed to calculate income without the PFD. Before deciding to remove PFD income from these individuals, we checked the response to the question about residence one year ago to determine if the previous year's place of residence was in Alaska and would therefore qualify the individual to receive the PFD. If the previous year's residence was in Alaska, we assumed that the person received a PFD, and that PFD income had to be removed to estimate income without the PFD.

To determine the amount of PFD income to remove, we first checked whether reported "other income" was between the amount of the previous year's PFD rounded down and the amount rounded up to the nearest \$100. If so, we removed the amount of "other income" reported. If the first test failed, we performed the same test using interest, rent, and dividends. If that test failed, too, we repeated the procedure using the current year's PFD amount. If that test also failed, but the amount of either "other income" or interest, rent, and dividends was nevertheless greater than the PFD threshold, we assumed that

⁶ Some Alaska residents responding to the ACS may have reported living in Alaska the previous year, but were nevertheless out of state for more than 180 days during the previous year and therefore ineligible.

⁷ Income and the poverty ratio in the PUMS are both rounded to protect anonymity of respondents. The PUMS reports a value of 501 when family income exceeds 500 percent of the poverty threshold.

the individual had received unearned income in addition to the PFD. In that case, we estimated income without the PFD by removing the amount of the previous year's PFD from reported income.

The third step in the analysis was to estimate individual income with the PFD. For all those individuals whose response to the previous place of residence indicated that they likely would have qualified to receive the PFD, we added the current year's PFD to the calculated income without PFD income. The calculated income with the PFD therefore differed from reported income for nearly all individuals, because it included the amount of the current year's PFD, which few respondents had yet received, rather than the previous year's amount. We decided this was a more accurate representation of the effect of the PFD, since the timing of the residence question corresponded closely to the timing of the application for the current rather than the previous year's PFD. Nearly all eligible respondents would be receiving the current year's PFD in October of the survey year.

For the final step of the analysis, we estimated family income with and without the PFD by adding the respective income amounts for related individuals as per the Census Bureau definition of family. We compared the estimated family income with and without PFD income to the applicable poverty threshold for that family for the survey year.

As an additional test, we also compared estimated family income with and without PFD income to the poverty threshold for a definition of family that included unmarried partners. To determine the poverty threshold applicable to this "social family" definition, we included as family members the unmarried partner and his or her children living in the household, regardless of whether they were recorded as related to the respondent. Including unmarried partners as family members could affect poverty status either way, depending on the amount of income partners earned relative to the number of their children from previous relationships currently living with them.⁸

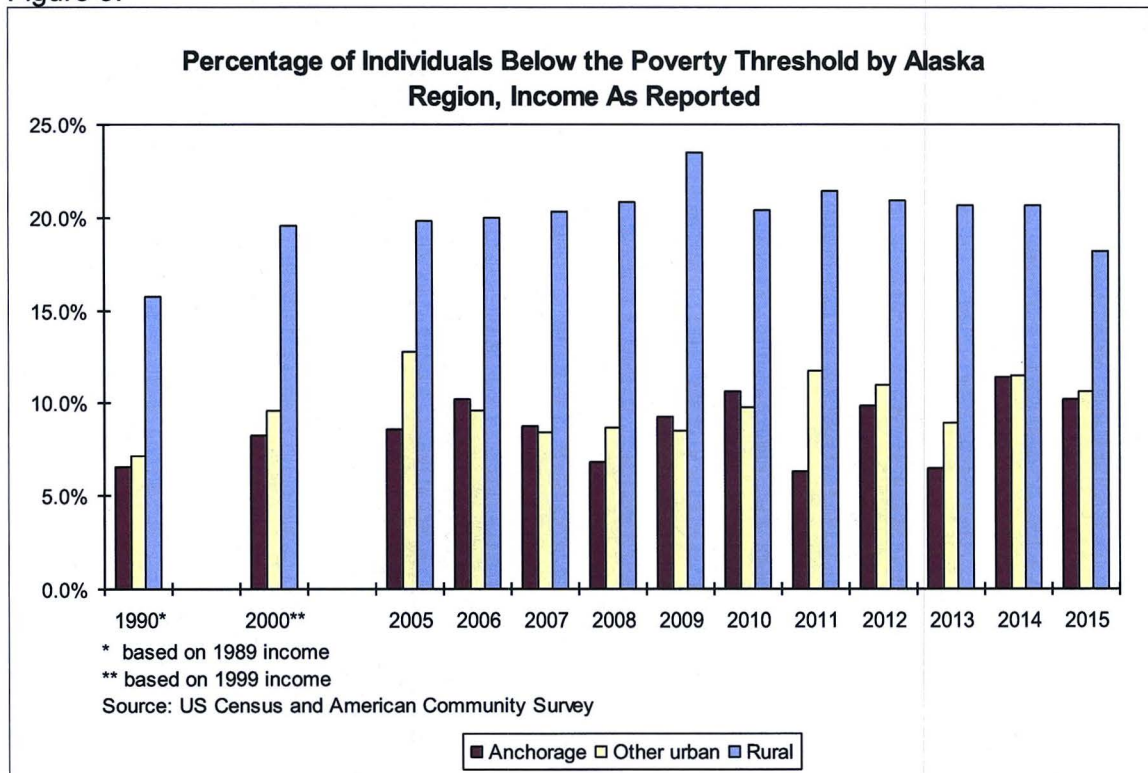
⁸ It is interesting to note that the Census Bureau added in 2008 a new relationship type to the ACS questionnaire for "stepson or stepdaughter." Children in this new category were considered "related" for the definition of family for poverty calculations. Although it is not possible to determine how individual respondents reacted to this change, and the number of survey households in this category is relatively small, it appears that after the option of stepchild became available, more children in unmarried partner households were being reported as stepchildren instead of unrelated children. Since the unmarried partner's income was not considered in the poverty threshold either before or after the change in options for reporting children, the additions of the stepchild category might have caused official poverty rates to increase slightly after 2007. The calculated "social family" poverty rate would not be affected by the change in reporting, however.

Findings

Alaska Poverty Rates from income as reported in Census Bureau data

Before discussing the estimated poverty rates with and without PFD income, we briefly review the poverty figures for Alaska as reported by the Census Bureau. Census poverty rates (with PFD income substantially underreported) show large regional and ethnic disparities. Figure 3 shows the percentages of Alaskans reported as being below the poverty threshold in Census Bureau data from 1990 through 2015. Rates in urban areas have fluctuated somewhat, but consistently remain far lower than poverty rates in rural Alaska. Poverty rates from reported income range between five and ten percent for Anchorage and other urban Alaska. Rural Alaska poverty rates have averaged around 20 percent. Since the cost of living is higher in rural Alaska, the disparity is actually greater than the official statistics reveal.

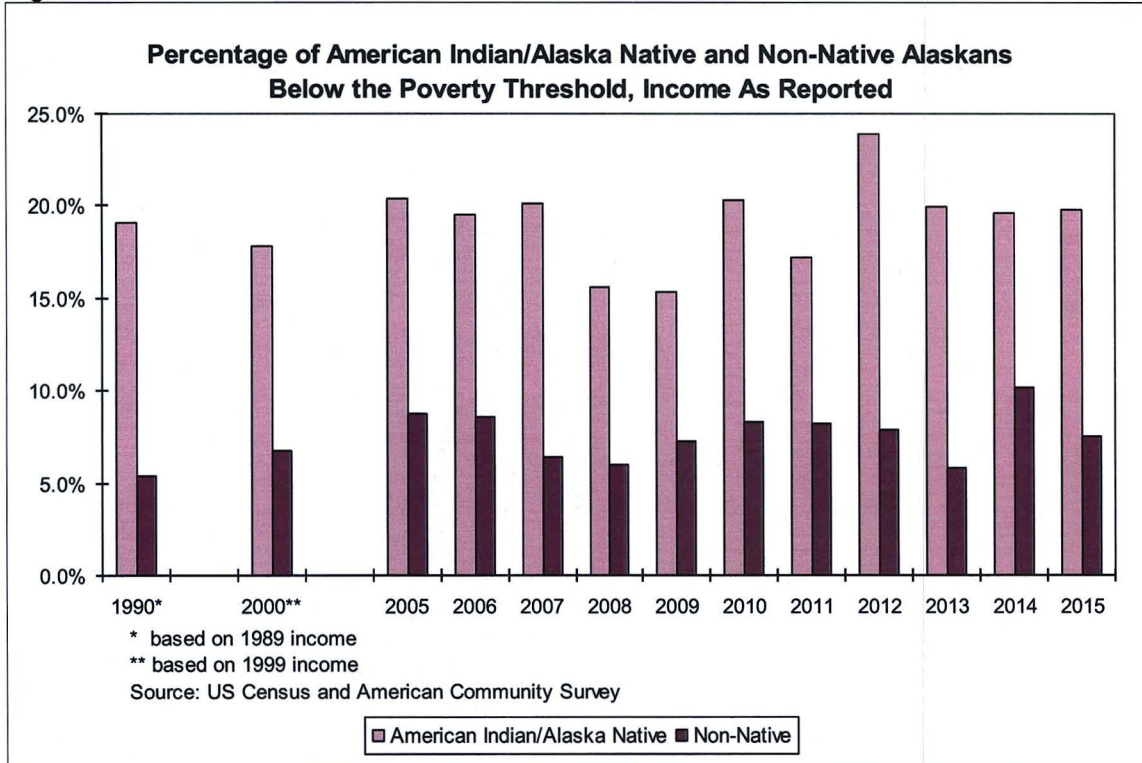
Figure 3.



Source: Appendix A, Table A3b.

Poverty rates reported for Alaska Natives are substantially higher than rates for non-Native Alaskans, as Figure 4 illustrates. Because the number of Alaska Natives represented in the ACS PUMS each year is relatively small, the fluctuation from year to year is likely due to in part to sampling error.

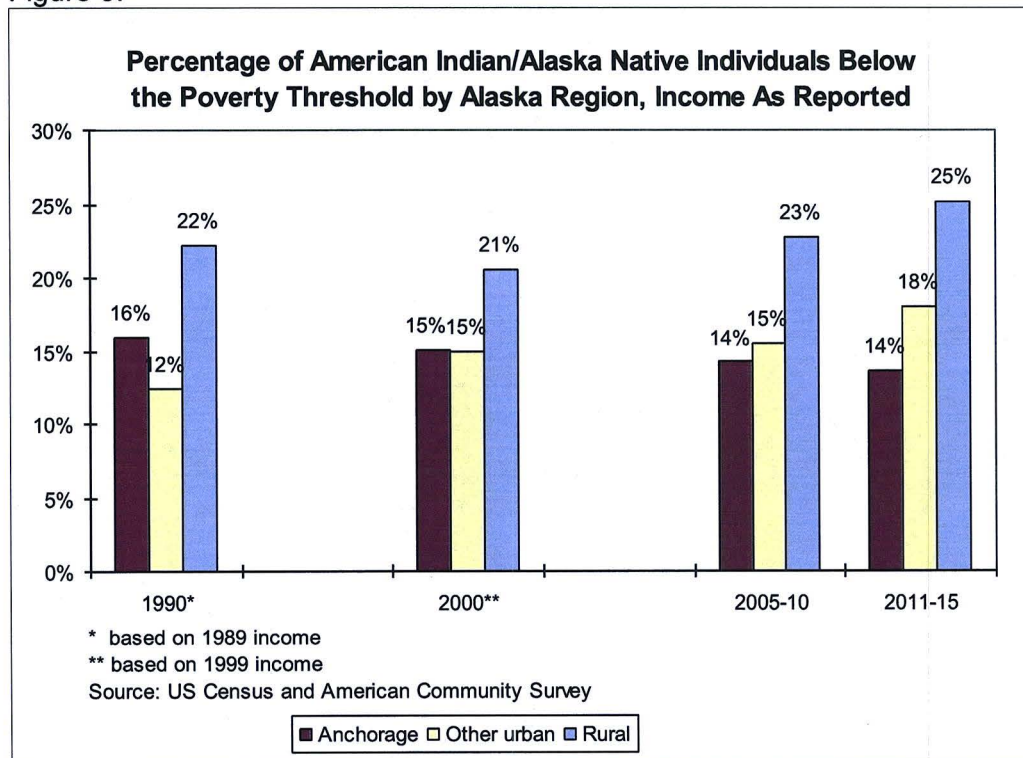
Figure 4.



Source: Appendix A, Table A2.

The regional poverty disparities shown for the population as a whole in Figure 3 also apply to Alaska Native people. Reported poverty rates for Alaska Natives living in Anchorage have been declining slightly, and recently have averaged about 14 percent. At the same time, poverty rates for Alaska Natives living in other areas of the state, and particularly in rural Alaska, have been rising (Figure 5). However, we advise caution in interpreting these rates, due to the effect of underreporting of PFD income in Census data. We now discuss estimated poverty rates with PFD income more accurately included, as well as with PFD income removed.

Figure 5.



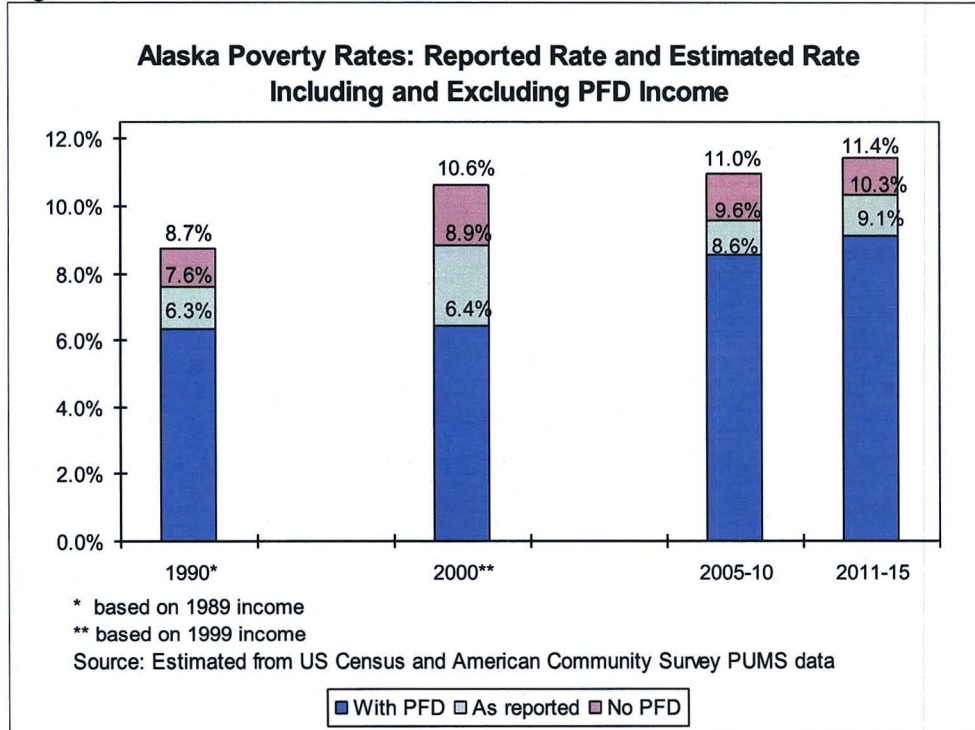
Source: Appendix A, Table A4b.

Effects of the PFD on Alaska poverty rates

Our estimates reveal that the PFD has reduced Alaska poverty rates by 2.3 percentage points on average over the past five years; about 25 percent more people would have fallen below the poverty threshold without the PFD (Figure 6). In general, we estimate that underreporting of PFD income in census data appears to inflate official poverty rates by about one-half the amount by which they would increase if the PFD were absent. Appendix Tables A3, A5, and A7 show the estimated numbers and percentages of people below the poverty threshold each year.

The degree that underreporting of PFD income in census data biases poverty rates depends on the distribution of income as well as the size of the PFD. In 2000, the PFD reduced the number of people in poverty by 40 percent. Although the PFD represented a somewhat larger share of per-capita income in 2000, more people were living close to the poverty threshold then as well, so a relatively small increment in income had a big effect on poverty rates.

Figure 6.

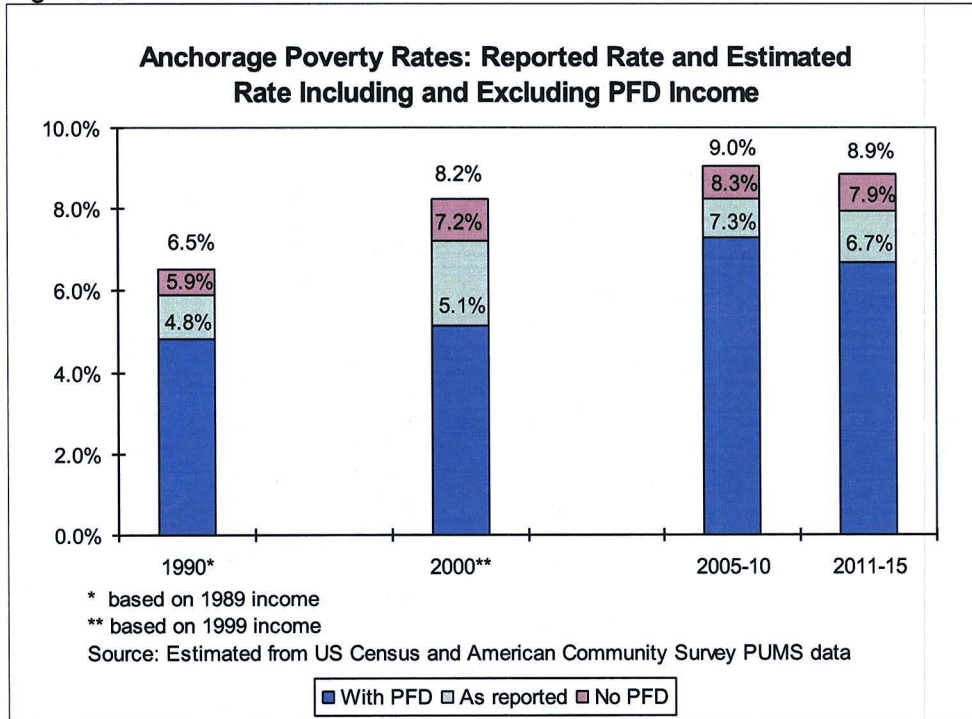


Source: Appendix A, Tables A3b, A5b, and A6b.

In recent years, the PFD appears to have been increasingly less able to ameliorate poverty. The dividend amount has been falling somewhat, if we adjust for the effects of inflation. More important, however, is that poverty rates excluding PFD income have been rising. The rise in poverty rates in Alaska parallels increases in the U.S. as a whole. Despite low unemployment rates, stagnating wages have pushed more low-wage workers below the poverty threshold in Alaska as well as nationwide.

A large rise in the estimated poverty rate without PFD income took place in Anchorage during the first decade of the 21st century. Although the Anchorage poverty rate has actually fallen in the past five years, this decline appears due entirely to the effect of the PFD (Figure 7). Immigration appears to be an important cause of the pattern in Anchorage. ACS data show that the city has welcomed about 1,800 foreign immigrants annually since 2005. Between 2005 and 2009, 45% of these immigrants were poor, and of course not eligible to receive the PFD until the year after they arrived. Those who remained poor now qualify for the PFD, and more recent immigrants appear to have arrived better off than those that came 5-10 years ago.

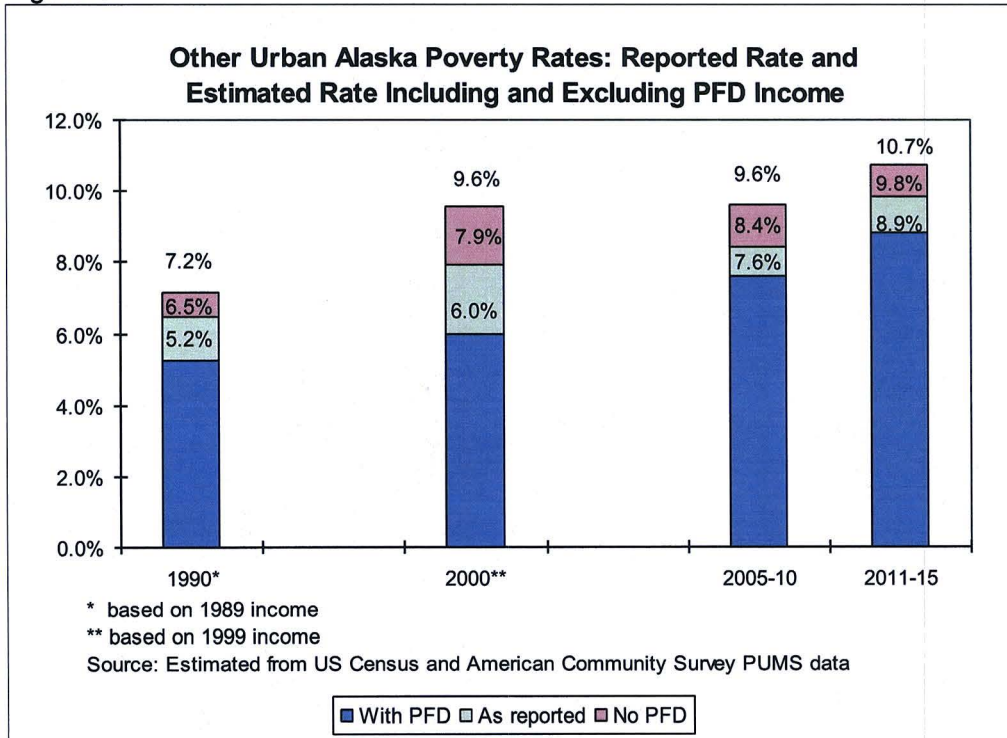
Figure 7.



Source: Appendix A, Tables A3b, A5b, and A6b.

The continued increase in Alaska poverty rates during the past five years has been concentrated in the other urban Alaska region (Figure 8). The increase in poverty rates with PFD income included was somewhat larger than the increase without PFD income. In this case, the effect is likely linked to new residents moving to Alaska from other states following the national recession.

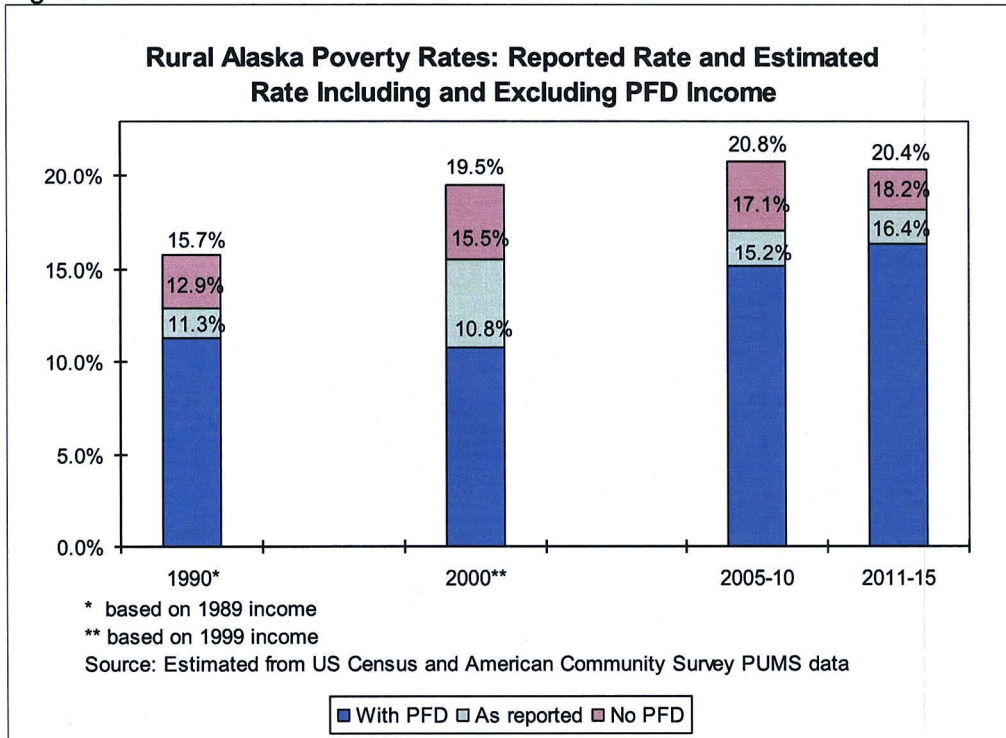
Figure 8.



Source: Appendix A, Tables A3b, A5b, and A6b.

Still, the PFD has remained much more important in reducing poverty in rural Alaska than in the urban areas of the state. Without the PFD, more than one in five rural Alaskans would be pushed below the poverty threshold (Figure 9). Many of the poor rural Alaskans are Alaska Natives.

Figure 9.

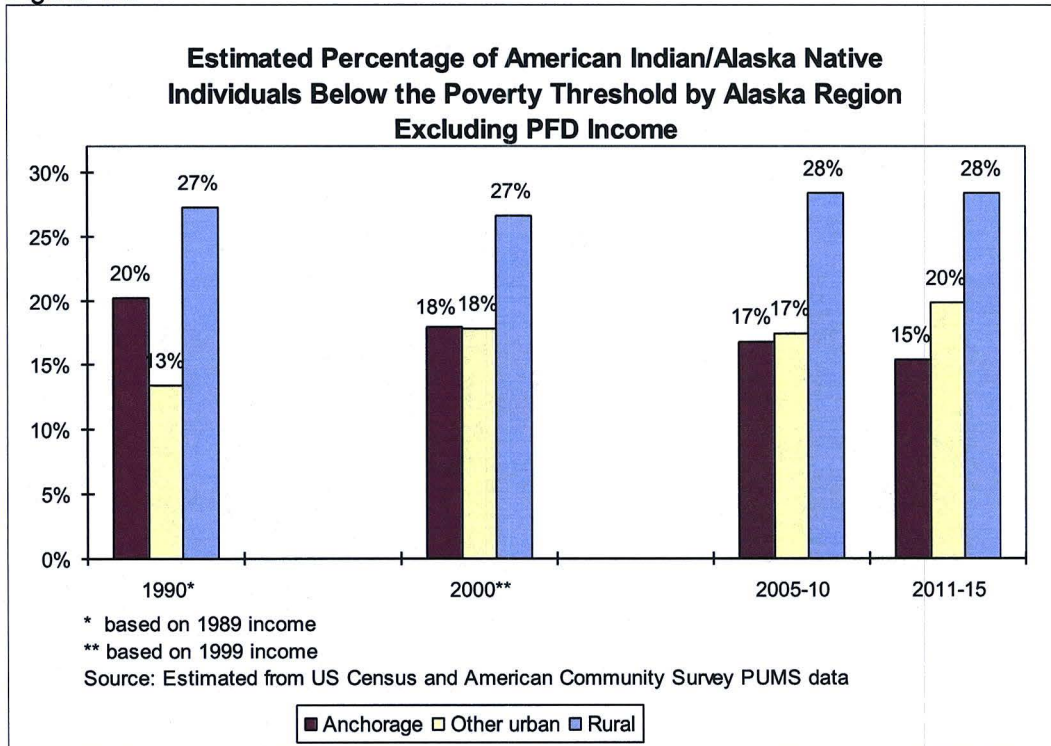


Source: Appendix A, Tables A3b, A5b, and A6b.

Effects of PFD for Alaska Native people

As Figure 4 shows, poverty rates for Alaska Natives have remained about 2.5 times those for non-Native Alaskans. The disparity does not appear to be diminishing over time. Without the PFD, Alaska Native poverty rates in rural Alaska would be especially high. On average over the past eleven years, 28 percent of rural Alaska Native people would have been below the poverty threshold without the PFD (Figure 10).

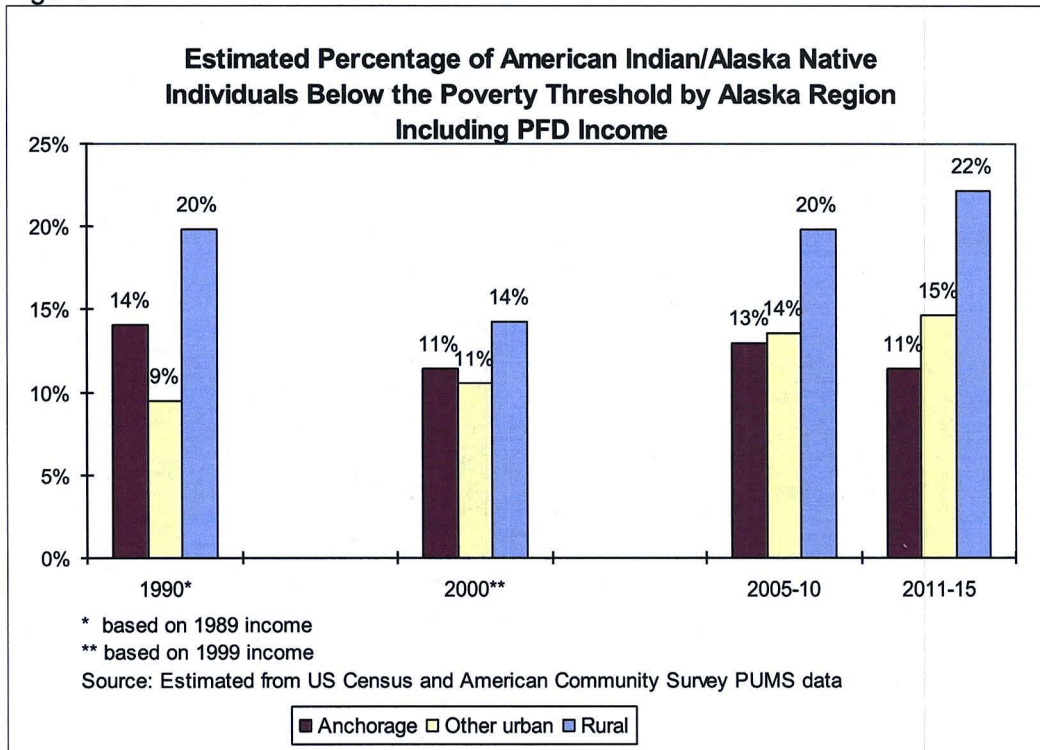
Figure 10.



Source: Appendix A, Table A13b.

The PFD has substantially mitigated poverty among rural Alaska Natives. However, the ability of the PFD to mitigate poverty for Alaska Natives living outside Anchorage has been declining (Figure 11).

Figure 11.

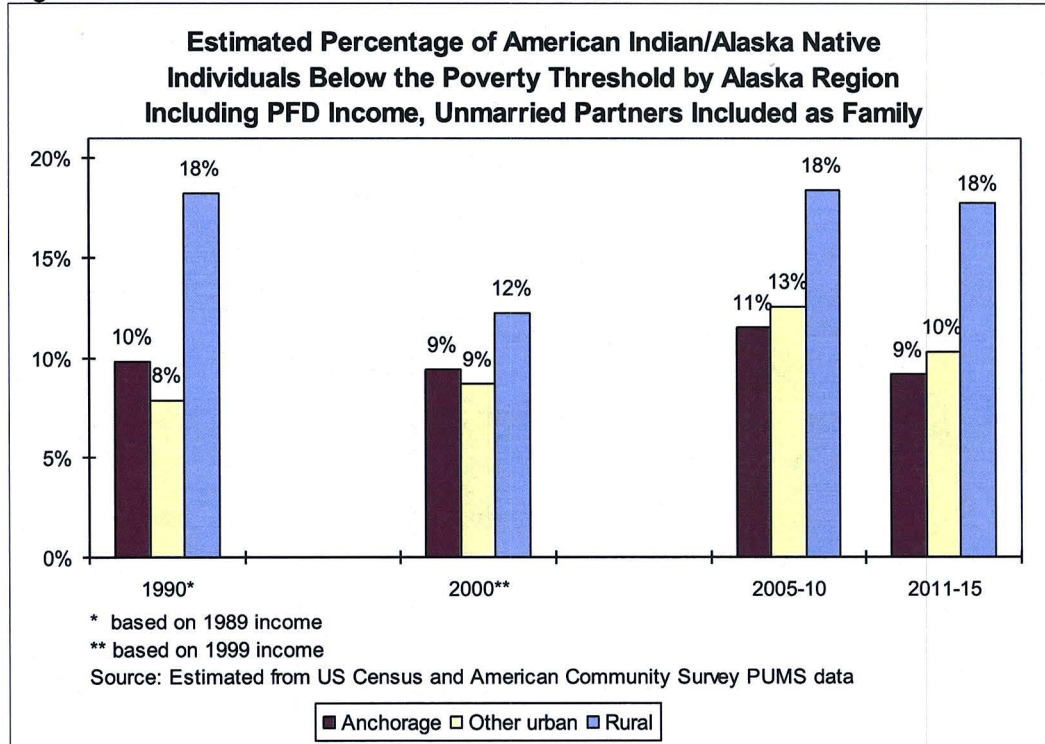


Source: Appendix A, Table A14b.

The main reason for the reduced effectiveness of the PFD in cutting poverty among rural Alaska Natives appears to be related to the increase in the number of unmarried partner households with children. The Census Bureau does not include unmarried partners (or their income) as family members for poverty calculations, even though in many cases the partner is a parent of the respondent's children.

If unmarried partners and their children were considered family members, the effect of the PFD on poverty would still be substantial for Alaska Native families, and poverty rates would not show an increasing trend (Figure 12). The beneficial effect of including unmarried partners as family members is especially strong for Alaska Native people living outside Anchorage—a reduction of four to five percentage points—where poverty rates are higher. Unmarried partners reduce poverty rates for non-Native Alaskans, too, but the effect is stronger for Alaska Native families. Appendix Tables A15 through A19 show the detailed estimates of poverty rates recalculated to include unmarried partners and their children as family members.

Figure 12.

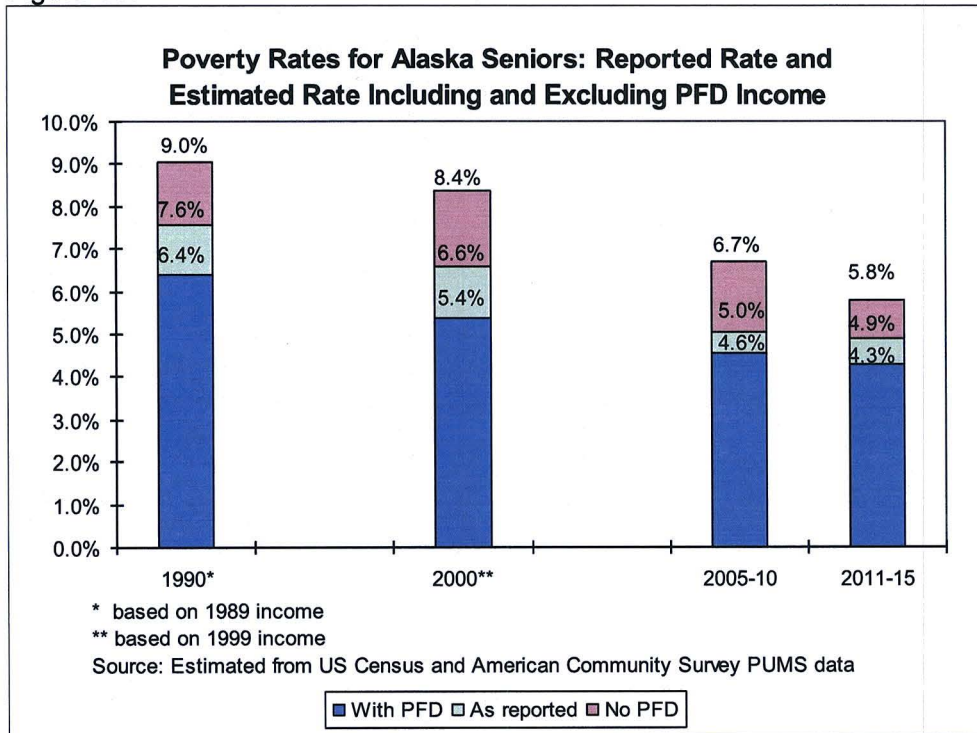


Source: Appendix A, Table A18b.

Effects on seniors and children

One of the interesting patterns that emerges from examining poverty rates over time in Alaska is the disparity between trends in poverty rates for seniors and children. Poverty rates for Alaska seniors have been declining steadily since 1990 (Figure 13). When PFD income is counted in a way we believe is accurate, poverty rates for Alaskans age 65 and older have averaged only 4.3 percent over the past five years. This represents a decline of about one third since 1990. The population of seniors in Alaska has increased more than threefold since 1990. Many Alaskans who have stayed after retirement have pensions that keep them well above the poverty threshold. Others have moved from other states to join family members already living here. Few of these migrants are poor, either. Without the PFD, poverty rates for Alaskans age 65 and older would increase by one-third, however. Many of the seniors who would be dropped into poverty by elimination of the PFD are rural Alaska Natives.

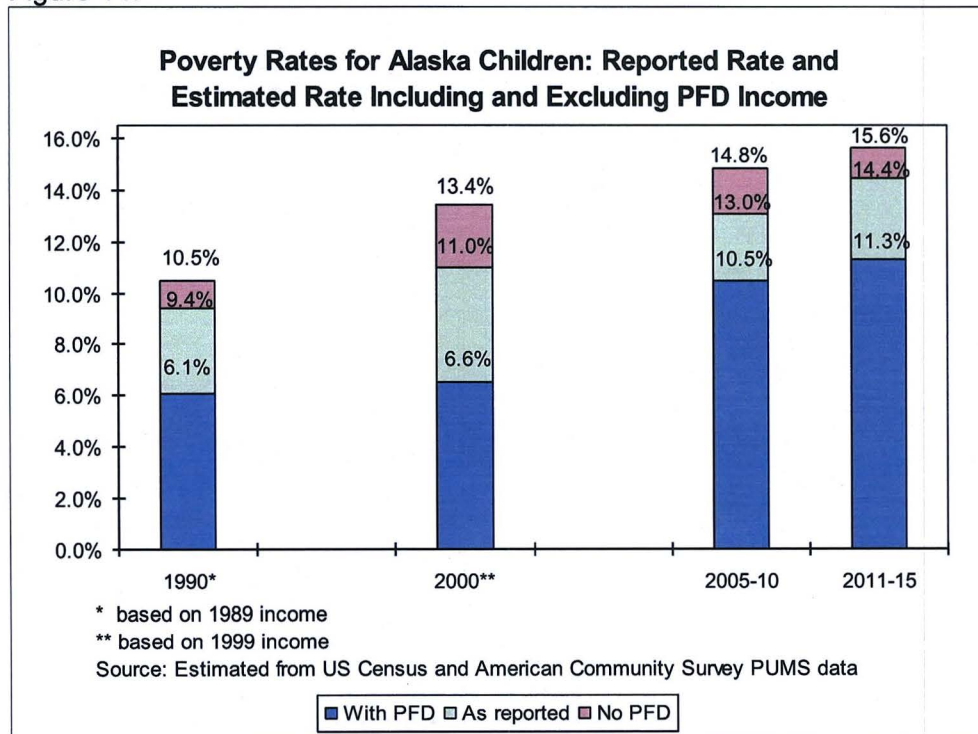
Figure 13.



Source: Appendix A, Tables A7b, 8b, and 9b.

Poverty rates for Alaska children show exactly the opposite trend (Figure 14). Taking account of estimated PFD income, poverty rates for children under 18 have increased by 85 percent since 1990. Without PFD income, poverty rates for Alaska children under age 18 would have increased by 50 percent since 1990. Between 1990 and 2000, the PFD mitigated the rise quite effectively. Since then, however, the PFD has been increasingly ineffective. The 11.3 percent average rate that we estimated over the past five years is nevertheless more than three percentage points lower than the official rate based on income reported in Census Bureau data. So while child poverty rates have indeed been rising, the true rate is substantially lower than the official rate. One might also note that if unmarried partners had been counted as family members, we estimate, as reported in Appendix A, Table A19b, that the child poverty would be 1.5 percentage points lower, or 9.8 percent rate averaged over the past five years.

Figure 14.



Source: Appendix A, Tables A10b, 11b, and 12b.

Conclusion

Our estimates show that the Alaska Permanent Fund Dividend has lifted 15,000 to 25,000 Alaskans out of poverty annually, depending on the size of the dividend and the state of the economy that year. We made our own estimates of income and associated poverty rates because we found strong evidence that PFD income has been systematically underreported in the Census Bureau data used to calculate official poverty rates. The PFD has been especially important in mitigating poverty among Alaska Native people. Without the PFD, one-third more Alaska Natives would have seen their income drop below the poverty threshold. The PFD has also played a major role in reducing poverty rates for Alaska children. Based on average rates over the past five years, we estimate that eliminating the PFD would increase the number of children living below the poverty threshold by more than one-third.

Despite the ameliorating effects of the PFD, poverty rates have been rising in Alaska, especially for children and for residents of urban areas. One reason the PFD has become less effective in stemming the increase in child and urban poverty is that more new Alaska residents are arriving in urban areas poor and not eligible to receive the PFD right away. But despite the recent rise in poverty in urban Alaska, poverty rates there remain far below rates in rural Alaska, where employment opportunities are fewer. Reducing or eliminating the PFD to help fill the budget gap will significantly increase the number of Alaskans below the poverty threshold. However, unless the Census Bureau revises its survey methods for collecting income data, official poverty rates will show a much smaller increase in poverty rates than will actually occur.

Appendix A. Permanent Fund Dividends and Poverty in Alaska: Reference Tables

Table A1. Alaska Permanent Fund Dividend Amount and Ratio to Per-Capita Income

Year	Permanent Fund Dividend Amount ^a	Per-capita income, BEA ^b	Ratio of PFD to BEA per-capita income	Per-capita income, Census ^c	Ratio of PFD to Census per-capita income
1982	\$ 1,000	\$ 19,150	5.2%		
1983	386	19,191	2.0%		
1984	331	19,391	1.7%		
1985	404	20,230	2.0%		
1986	556	19,969	2.8%		
1987	708	19,340	3.7%		
1988	827	20,066	4.1%		
1989	873	21,820	4.0%	\$ 17,610	5.0%
1990	953	22,863	4.2%		
1991	931	23,149	4.0%		
1992	916	23,938	3.8%		
1993	949	24,753	3.8%		
1994	984	25,404	3.9%		
1995	990	26,041	3.8%		
1996	1,130	26,565	4.3%		
1997	1,297	27,812	4.7%		
1998	1,541	28,771	5.4%		
1999	1,770	29,498	6.0%	22,660	7.8%
2000	1,963	31,651	6.2%		
2001	1,850	33,108	5.6%		
2002	1,541	34,271	4.5%		
2003	1,108	35,591	3.1%		
2004	920	36,791	2.5%		
2005	846	38,876	2.2%	26,310	3.2%
2006	1,107	40,845	2.7%	26,919	4.1%
2007	1,654	43,723	3.8%	28,891	5.7%
2008 ^d	3,269	47,791	6.8%	31,175	10.5%
2009	1,305	46,834	2.8%	29,504	4.4%
2010	1,281	48,614	2.6%	30,598	4.2%
2011	1,174	51,405	2.3%	31,405	3.7%
2012	878	52,638	1.7%	31,890	2.8%
2013	900	51,416	1.8%	32,474	2.8%
2014	1,884	54,582	3.5%	33,062	5.7%
2015	2,072	56,147	3.7%	34,352	6.0%
2016 ^e	1,022				

^a Source: Alaska Permanent Fund Corporation

^b Source: U.S. Bureau of Economic Analysis (BEA). BEA income includes in-kind income such as employee benefits, food stamps, and imputed rent from owner-occupied housing..

^c Source: U.S. Census Bureau. Census Bureau income is self-reported and includes only cash income.

^d The 2008 Permanent Fund Dividend was \$2,069. Governor Palin proposed and the Alaska Legislature agreed to add \$1,200 to the PFD payment appropriated from the state general fund.

^e Governor Walker's veto reduced the PFD in 2016 from an estimated \$2,052. Source: Nathaniel Herz, Walker's veto cuts Alaska Permanent Fund dividends to \$1,022. *Alaska Dispatch News*, September 23, 2016.

Table A2. Number and percentage of persons below the poverty threshold, income as reported by the U.S. Census Bureau, All Alaska

Year	Number of persons below the poverty threshold, as reported American Indian/ Alaska Native	Non-Native	All Persons	Percentage below the poverty threshold, as reported AI/AN	Non-Native	All Persons
1990*	16,652	25,144	41,796	19.1%	5.4%	7.6%
2000**	21,251	34,206	55,457	17.8%	6.7%	8.9%
2005	25,904	46,458	72,362	20.3%	8.8%	11.0%
2006	22,469	47,535	70,004	19.5%	8.6%	10.4%
2007	24,852	35,799	60,651	20.2%	6.4%	8.9%
2008	19,526	33,810	53,336	15.5%	6.0%	7.8%
2009	19,880	41,482	61,362	15.3%	7.3%	8.8%
2010	28,325	47,486	75,811	20.3%	8.3%	10.6%
2011	24,344	47,611	71,955	17.2%	8.2%	10.0%
2012	34,722	46,144	80,866	23.9%	7.9%	11.1%
2013	29,386	34,447	63,833	20.0%	5.9%	8.7%
2014	28,117	60,578	88,695	19.6%	10.2%	12.0%
2015	28,405	44,794	73,199	19.8%	7.5%	9.9%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table A3a. Number of persons below the poverty threshold, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	13,504	13,288	15,004	41,796
2000**	18,658	21,136	15,663	55,457
2005	22,851	33,107	16,404	72,362
2006	27,648	25,766	16,590	70,004
2007	21,848	22,518	16,285	60,651
2008	16,130	21,707	15,499	53,336
2009	23,150	22,072	16,140	61,362
2010	28,040	29,399	18,372	75,811
2011	17,271	35,152	19,532	71,955
2012	26,404	33,629	20,833	80,866
2013	18,073	23,875	21,885	63,833
2014	31,939	35,109	21,647	88,695
2015	25,145	30,307	17,747	73,199

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table A3b. Percentage of persons below the poverty threshold, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	5.9%	6.5%	12.9%	7.6%
2000**	7.2%	7.9%	15.5%	8.9%
2005	8.4%	11.3%	17.8%	11.0%
2006	9.9%	8.8%	16.9%	10.4%
2007	7.8%	7.3%	17.2%	8.9%
2008	5.8%	7.0%	15.8%	7.8%
2009	8.1%	7.0%	16.6%	8.8%
2010	9.6%	9.2%	18.2%	10.6%
2011	5.8%	10.9%	18.6%	10.0%
2012	8.8%	10.5%	18.5%	11.1%
2013	6.0%	7.4%	19.4%	8.7%
2014	10.6%	10.9%	19.0%	12.0%
2015	8.4%	9.4%	15.6%	9.9%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table A4a. Number of American Indian and Alaska Native persons below the poverty threshold, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	2,567	2,177	11,908	16,652
2000**	3,919	4,780	12,552	21,251
2005	4,401	7,612	13,891	25,904
2006	4,427	5,043	12,999	22,469
2007	5,152	5,595	14,105	24,852
2008	2,661	5,020	11,845	19,526
2009	3,744	4,174	11,962	19,880
2010	6,358	6,510	15,457	28,325
2011	2,717	6,377	15,250	24,344
2012	8,122	9,778	16,822	34,722
2013	4,468	7,050	17,868	29,386
2014	3,546	7,650	16,921	28,117
2015	6,019	7,542	14,844	28,405

* Poverty in 1990 based on 1989 income.

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table A4b. Percentage of American Indian and Alaska Native persons below the poverty threshold, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	16.0%	12.5%	22.2%	19.1%
2000**	15.0%	15.0%	20.5%	17.8%
2005	13.4%	22.7%	22.7%	20.3%
2006	15.4%	16.5%	23.3%	19.5%
2007	18.4%	15.0%	24.3%	20.2%
2008	9.4%	12.8%	20.4%	15.5%
2009	12.0%	10.6%	20.3%	15.3%
2010	17.2%	15.4%	25.8%	20.3%
2011	7.4%	15.1%	24.3%	17.2%
2012	21.8%	23.1%	25.6%	23.9%
2013	11.2%	17.1%	27.1%	20.0%
2014	10.3%	17.6%	25.8%	19.6%
2015	17.5%	17.3%	22.6%	19.8%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Note: In the 1990 U.S. census, respondents reporting their race could designate only one race. So 1990 figures for Alaska Natives are based only on those who identified themselves as Alaska Native. Beginning with the 2000 U.S. census, respondents could choose more than one race. So figures from 2000 and later are based on those who reported themselves as being Alaska Native as well as Alaska Native and some other race.

Table A5a. Estimated number of persons below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	15,007	14,703	18,346	48,056
2000**	21,337	25,460	19,743	66,540
2005	23,435	37,364	18,291	79,090
2006	28,342	28,160	19,561	76,063
2007	24,397	26,147	19,189	69,733
2008	18,892	26,703	20,470	66,065
2009	26,627	26,699	22,891	76,217
2010	31,120	31,305	20,599	83,024
2011	18,640	37,780	22,534	78,954
2012	29,490	35,130	23,466	88,086
2013	19,511	28,640	23,251	71,402
2014	34,243	36,922	23,616	94,781
2015	30,590	34,229	20,752	85,571

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A5b. Estimated percentage of persons below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	6.5%	7.2%	15.7%	8.7%
2000**	8.2%	9.6%	19.5%	10.6%
2005	8.6%	12.8%	19.8%	12.0%
2006	10.2%	9.6%	20.0%	11.4%
2007	8.7%	8.5%	20.3%	10.2%
2008	6.8%	8.6%	20.9%	9.6%
2009	9.3%	8.5%	23.5%	10.9%
2010	10.6%	9.8%	20.4%	11.6%
2011	6.3%	11.7%	21.4%	10.9%
2012	9.9%	11.0%	20.9%	12.0%
2013	6.5%	8.9%	20.7%	9.7%
2014	11.4%	11.4%	20.7%	12.9%
2015	10.2%	10.6%	18.2%	11.6%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A6a. Estimated number of persons below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	11,087	10,723	13,158	34,967
2000**	13,335	15,960	10,896	40,190
2005	22,812	32,348	15,952	71,112
2006	25,346	24,766	16,473	66,585
2007	16,892	19,920	13,764	50,576
2008	13,880	15,845	11,944	41,669
2009	20,869	21,124	13,814	55,807
2010	23,586	25,185	16,238	65,009
2011	16,099	32,674	18,020	66,793
2012	21,357	32,319	20,245	73,921
2013	16,369	25,196	20,897	62,462
2014	23,647	28,555	18,146	70,348
2015	22,362	23,715	14,229	60,306

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A6b. Estimated percentage of persons below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	4.8%	5.2%	11.3%	6.3%
2000**	5.1%	6.0%	10.8%	6.4%
2005	8.4%	11.0%	17.3%	10.8%
2006	9.1%	8.4%	16.8%	9.9%
2007	6.0%	6.4%	14.6%	7.4%
2008	5.0%	5.1%	12.2%	6.1%
2009	7.3%	6.7%	14.2%	8.0%
2010	8.0%	7.9%	16.1%	9.1%
2011	5.5%	10.1%	17.1%	9.2%
2012	7.1%	10.1%	18.0%	10.1%
2013	5.4%	7.8%	18.6%	8.5%
2014	7.9%	8.8%	15.9%	9.5%
2015	7.5%	7.3%	12.5%	8.2%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 7a. Number of persons age 65 and older below the poverty line, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	414	478	779	1,671
2000**	840	853	598	2,291
2005	812	1,910	920	3,642
2006	623	711	373	1,707
2007	747	1,191	370	2,308
2008	437	808	381	1,626
2009	745	654	226	1,625
2010	2259	609	559	3,427
2011	950	1,321	1229	3,500
2012	905	2,234	416	3,555
2013	2062	576	1088	3,726
2014	583	1,250	621	2,454
2015	708	1,117	677	2,502

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table 7b. Percentage of persons age 65 and older below the poverty line, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	5.2%	5.2%	15.7%	7.6%
2000**	6.2%	5.5%	10.5%	6.6%
2005	5.2%	9.8%	15.8%	8.9%
2006	3.4%	3.1%	6.5%	3.6%
2007	4.1%	5.3%	6.1%	4.9%
2008	2.1%	3.6%	6.4%	3.3%
2009	3.7%	2.6%	3.4%	3.1%
2010	10.6%	2.3%	8.0%	6.3%
2011	4.0%	4.7%	16.6%	5.9%
2012	3.9%	7.7%	4.7%	5.8%
2013	7.5%	1.9%	12.2%	5.5%
2014	2.3%	3.7%	6.8%	3.6%
2015	2.5%	3.3%	6.9%	3.5%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table 8a. Estimated number of persons age 65 and older below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	414	581	1,001	1,996
2000**	980	1,067	861	2,908
2005	812	2,103	1,326	4,241
2006	623	1,156	579	2,358
2007	1,727	1,416	687	3,830
2008	519	1,059	632	2,210
2009	874	941	937	2,752
2010	2,259	827	606	3,692
2011	1,042	1,378	1,608	4,028
2012	1,187	2,367	593	4,147
2013	2,062	1,128	1,205	4,395
2014	583	1,250	822	2,655
2015	708	1,811	1,089	3,608

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 8b. Estimated percentage of persons age 65 and older below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	5.2%	6.3%	20.2%	9.0%
2000**	7.2%	6.9%	15.1%	8.4%
2005	5.2%	10.8%	22.8%	10.3%
2006	3.4%	5.1%	10.1%	5.0%
2007	9.5%	6.3%	11.4%	8.2%
2008	2.5%	4.7%	10.6%	4.5%
2009	4.3%	3.7%	13.9%	5.3%
2010	10.6%	3.2%	8.7%	6.8%
2011	4.4%	4.9%	21.8%	6.8%
2012	5.1%	8.2%	6.6%	6.8%
2013	7.5%	3.6%	13.6%	6.5%
2014	2.3%	3.7%	9.0%	3.9%
2015	2.5%	5.3%	11.1%	5.0%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 9a. Estimated number of persons age 65 and older below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	339	379	697	1,415
2000**	691	713	431	1,872
2005	716	2,038	1,041	3,795
2006	623	711	379	1,713
2007	481	1,201	370	2,052
2008	253	640	304	1,197
2009	471	692	154	1,317
2010	1,647	551	559	2,757
2011	900	1,158	1,240	3,298
2012	905	2,183	473	3,561
2013	1,139	983	1,018	3,140
2014	215	1,060	386	1,661
2015	617	974	554	2,145

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 9b. Estimated percentage of persons age 65 and older below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	4.3%	4.1%	14.0%	6.4%
2000**	5.1%	4.6%	7.5%	5.4%
2005	4.6%	13.0%	17.9%	9.2%
2006	3.4%	3.8%	6.6%	3.6%
2007	2.6%	6.6%	6.1%	4.4%
2008	1.2%	3.1%	5.1%	2.5%
2009	2.3%	3.4%	2.3%	2.5%
2010	7.7%	2.6%	8.0%	5.1%
2011	3.8%	4.8%	16.8%	5.6%
2012	3.9%	9.5%	5.3%	5.8%
2013	4.1%	3.6%	11.5%	4.7%
2014	0.8%	4.1%	4.2%	2.4%
2015	2.2%	3.5%	5.7%	3.0%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 10a. Number of children under age 18 below the poverty line, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	4,973	4,970	6,240	16,183
2000**	6,907	7,366	6,486	20,759
2005	7,831	11,494	6,376	25,701
2006	11,711	8,015	6,555	26,281
2007	9,150	6,225	6,294	21,669
2008	5,604	7,495	6,477	19,576
2009	9,946	6,698	7,677	24,321
2010	10,023	9,371	6,983	26,377
2011	7,180	13,965	6,006	27,151
2012	10,078	9,186	9,234	28,498
2013	4,154	7,282	9,624	21,060
2014	12,011	9,360	8,299	29,670
2015	10,749	10,667	6,729	28,145

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table 10b. Percentage of children under age 18 below the poverty line, as reported by the U.S. Census Bureau, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	7.3%	7.7%	16.0%	9.4%
2000**	9.2%	9.3%	18.5%	11.0%
2005	10.0%	13.9%	20.0%	13.3%
2006	15.5%	11.1%	23.3%	14.9%
2007	12.5%	7.8%	21.4%	11.9%
2008	7.9%	9.5%	22.1%	10.9%
2009	13.4%	8.3%	26.9%	13.3%
2010	13.1%	11.2%	24.3%	14.0%
2011	9.5%	16.9%	20.6%	14.5%
2012	14.0%	11.4%	28.8%	15.4%
2013	5.5%	9.0%	29.8%	11.2%
2014	16.0%	12.0%	25.1%	16.0%
2015	14.5%	13.3%	20.9%	15.1%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: U.S. Census and American community Survey, Public Use Microdata Sample data

Table 11a. Estimated number of children under age 18 below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	5,484	5,248	7,281	18,012
2000**	7,868	9,146	8,348	25,363
2005	7,831	12,880	7,017	27,728
2006	11,863	8,331	7,519	27,713
2007	9,660	7,360	7,484	24,504
2008	6,650	9,450	8,673	24,773
2009	11,340	7,666	10,430	29,436
2010	11,347	9,749	8,106	29,202
2011	7,658	14,694	7,002	29,354
2012	11,433	9,550	10,051	31,034
2013	4,154	8,354	10,176	22,684
2014	12,784	10,304	8,824	31,912
2015	11,344	11,635	7,592	30,571

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 11b. Estimated percentage of children under age 18 below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	8.0%	8.1%	18.7%	10.5%
2000**	10.5%	11.5%	23.8%	13.4%
2005	13.6%	7.7%	22.0%	14.4%
2006	14.8%	15.5%	26.7%	15.7%
2007	19.0%	8.0%	25.4%	13.4%
2008	14.3%	4.7%	29.5%	13.8%
2009	19.7%	11.1%	36.6%	16.0%
2010	20.3%	10.7%	28.2%	15.5%
2011	10.7%	9.2%	24.1%	15.6%
2012	27.9%	5.9%	31.4%	16.8%
2013	10.5%	1.9%	31.5%	12.0%
2014	18.8%	14.7%	26.7%	17.2%
2015	25.6%	7.3%	23.6%	16.4%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 12a. Estimated number of children under age 18 below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	3,158	3,018	4,346	10,522
2000**	3,814	4,828	3,748	12,390
2005	7,831	10,842	6,033	24,706
2006	10,124	7,423	6,163	23,710
2007	6,754	4,693	4,747	16,194
2008	3,998	2,845	4,153	10,996
2009	8,719	5,771	5,868	20,358
2010	7,247	6,766	5,659	19,672
2011	7,088	12,516	5,074	24,678
2012	7,191	8,411	8,718	24,320
2013	3,570	7,169	8,980	19,719
2014	6,400	5,271	6,423	18,094
2015	7,992	6,318	4,370	18,680

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table 12b. Estimated percentage of children under age 18 below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	4.6%	4.7%	11.1%	6.1%
2000**	5.1%	6.1%	10.7%	6.6%
2005	13.6%	7.7%	19.0%	12.8%
2006	10.1%	14.9%	21.9%	13.5%
2007	11.2%	7.0%	16.1%	8.9%
2008	7.9%	3.3%	14.1%	6.1%
2009	15.2%	8.5%	20.6%	11.1%
2010	10.5%	8.5%	19.7%	10.4%
2011	10.4%	8.2%	17.4%	13.1%
2012	16.9%	4.1%	27.2%	13.2%
2013	8.6%	1.9%	27.8%	10.5%
2014	8.6%	7.9%	19.4%	9.7%
2015	18.2%	5.0%	13.6%	10.0%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A13a. Estimated number of American Indian and Alaska Native persons below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	3,238	2,335	14,659	20,232
2000**	4,677	5,700	16,279	26,656
2005	4,401	8,897	15,544	28,842
2006	4,848	5,242	15,629	25,719
2007	6,267	5,801	16,836	28,904
2008	2,826	6,270	16,189	25,285
2009	4,836	4,714	18,110	27,660
2010	8,362	7,472	17,474	33,308
2011	2,978	6,718	17,600	27,296
2012	9,711	10,343	19,321	39,375
2013	4,468	9,167	18,936	32,571
2014	4,630	7,672	18,818	31,120
2015	6,429	8,257	17,582	32,268

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A13b. Estimated percentage of American Indian and Alaska Native persons below the poverty threshold excluding Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	20.1%	13.4%	27.3%	23.2%
2000**	17.9%	17.9%	26.7%	22.4%
2005	13.4%	26.6%	25.4%	22.6%
2006	16.8%	17.1%	28.0%	22.3%
2007	22.4%	15.6%	29.0%	23.4%
2008	10.0%	15.9%	27.9%	20.1%
2009	15.4%	11.9%	30.7%	21.3%
2010	22.6%	17.6%	29.1%	23.9%
2011	8.1%	15.9%	28.1%	19.3%
2012	26.0%	24.4%	29.4%	27.1%
2013	11.2%	22.3%	28.7%	22.2%
2014	13.5%	17.6%	28.7%	21.7%
2015	18.7%	19.0%	26.8%	22.5%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A14a. Estimated number of American Indian and Alaska Native persons below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	2,264	1,649	10,673	14,585
2000**	2,987	3,359	8,711	15,057
2005	4,401	7,037	13,240	24,678
2006	3,793	4,206	12,678	20,677
2007	3,640	4,680	11,522	19,842
2008	2,478	3,455	8,481	14,414
2009	3,895	4,301	10,879	19,075
2010	6,250	6,031	13,148	25,429
2011	2,261	4,836	13,428	20,525
2012	5,161	9,187	16,301	30,649
2013	4,224	7,101	17,080	28,405
2014	3,738	4,825	13,873	22,436
2015	5,421	5,201	11,540	22,162

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A14b. Estimated percentage of American Indian and Alaska Native persons below the poverty threshold including Permanent Fund Dividend income, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	14.1%	9.4%	19.9%	16.7%
2000**	11.4%	10.5%	14.3%	12.6%
2005	13.4%	21.0%	21.7%	19.4%
2006	13.2%	13.8%	22.7%	18.0%
2007	13.0%	12.6%	19.8%	16.1%
2008	8.8%	8.8%	14.6%	11.5%
2009	12.4%	10.9%	18.4%	14.7%
2010	16.9%	14.2%	21.9%	18.2%
2011	6.2%	11.5%	21.4%	14.5%
2012	13.8%	21.7%	24.8%	21.1%
2013	10.6%	17.2%	25.9%	19.3%
2014	10.9%	11.1%	21.1%	15.6%
2015	15.8%	11.9%	17.6%	15.4%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A15a. Estimated number of persons below the poverty threshold excluding Permanent Fund Dividend income, with unmarried partners considered as family, by Alaska region

	Anchorage	Other urban	Rural	Total
1990*	12,835	13,094	16,845	42,774
2000**	19,375	23,453	18,348	61,176
2005	21,091	33,070	15,803	69,964
2006	25,258	24,263	17,328	66,849
2007	20,731	21,551	16,228	58,510
2008	12,653	21,698	19,018	53,369
2009	23,738	23,805	20,630	68,173
2010	26,966	26,672	17,644	71,282
2011	16,564	33,088	19,727	69,379
2012	27,643	29,607	20,593	77,843
2013	16,503	22,597	20,619	59,719
2014	29,269	33,136	21,984	84,389
2015	21,938	17,944	14,122	54,004

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A15b. Estimated percentage of persons below the poverty threshold excluding Permanent Fund Dividend income, with unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	5.6%	6.4%	14.5%	7.8%
2000**	7.5%	8.8%	18.1%	9.8%
2005	7.7%	11.3%	17.1%	10.6%
2006	9.1%	8.3%	17.7%	10.0%
2007	7.4%	7.0%	17.2%	8.6%
2008	4.5%	7.0%	19.4%	7.8%
2009	8.3%	7.6%	21.2%	9.8%
2010	9.2%	8.3%	17.5%	10.0%
2011	5.6%	10.3%	18.7%	9.6%
2012	9.3%	9.2%	18.3%	10.6%
2013	5.5%	7.0%	18.3%	8.1%
2014	9.8%	10.3%	19.3%	11.5%
2015	7.3%	5.6%	12.4%	7.3%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A16a. Estimated number of persons below the poverty threshold including Permanent Fund Dividend income and unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	9,216	9,498	11,979	30,694
2000**	11,842	13,892	9,405	35,139
2005	20,548	27,118	13,664	61,330
2006	21,696	20,484	14,426	56,606
2007	13,781	16,384	11,799	41,964
2008	8,401	11,406	9,959	29,766
2009	18,020	18,233	11,830	48,083
2010	19,947	20,994	14,408	55,349
2011	14,753	28,000	13,855	56,608
2012	20,127	27,326	16,868	64,321
2013	13,361	19,935	17,915	51,211
2014	19,008	24,703	16,182	59,893
2015	15,398	8,303	8,160	31,861

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A16b. Estimated percentage of persons below the poverty threshold including Permanent Fund Dividend income and unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	4.0%	4.6%	10.3%	5.6%
2000**	4.6%	5.2%	9.3%	5.6%
2005	7.5%	9.3%	14.8%	9.3%
2006	7.8%	7.0%	14.7%	8.4%
2007	4.9%	5.3%	12.5%	6.1%
2008	3.0%	3.7%	10.1%	4.3%
2009	6.3%	5.8%	12.1%	6.9%
2010	6.8%	6.6%	14.3%	7.8%
2011	5.0%	8.7%	13.2%	7.8%
2012	6.7%	8.5%	15.0%	8.8%
2013	4.4%	6.2%	15.9%	7.0%
2014	6.3%	7.7%	14.2%	8.1%
2015	5.1%	2.6%	7.2%	4.3%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A17a. Estimated number of American Indian and Alaska Native persons below the poverty threshold excluding Permanent Fund Dividend income, with unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	2,662	1,931	13,637	18,230
2000**	3,948	5,014	15,216	24,178
2005	4,401	8,897	15,544	28,842
2006	4,848	5,242	15,629	25,719
2007	6,267	5,801	16,836	28,904
2008	2,129	5,117	14,802	22,048
2009	4,594	4,444	16,367	25,405
2010	7,541	6,657	14,776	28,974
2011	2,686	4,875	15,511	23,072
2012	9,350	8,697	16,730	34,777
2013	3,118	6,875	16,585	26,578
2014	4,002	6,475	17,734	28,211
2015	4,425	5,115	12,915	22,455

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A17b. Estimated percentage of American Indian and Alaska Native persons below the poverty threshold excluding Permanent Fund Dividend income, with unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	16.6%	11.1%	25.4%	20.9%
2000**	15.1%	15.7%	24.9%	20.3%
2005	13.4%	26.6%	25.4%	22.6%
2006	16.8%	17.1%	28.0%	22.3%
2007	22.4%	15.6%	29.0%	23.4%
2008	7.5%	13.0%	25.5%	17.6%
2009	14.7%	11.2%	27.7%	19.6%
2010	20.4%	15.7%	24.6%	20.8%
2011	7.3%	11.6%	24.7%	16.3%
2012	25.1%	20.5%	25.5%	23.9%
2013	7.8%	16.7%	25.1%	18.1%
2014	11.6%	14.9%	27.0%	19.6%
2015	12.9%	11.7%	19.7%	15.6%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A18a. Estimated number of American Indian and Alaska Native persons below the poverty threshold including Permanent Fund Dividend income and unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	1,573	1,366	9,793	12,732
2000**	2,461	2,762	7,474	12,697
2005	4,401	7,037	13,240	24,678
2006	3,793	4,206	12,678	20,677
2007	3,640	4,680	11,522	19,842
2008	1,138	2,304	6,561	10,003
2009	3,300	3,960	9,285	16,545
2010	5,429	5,216	11,575	22,220
2011	1,969	3,057	10,439	15,465
2012	4,800	7,541	13,227	25,568
2013	2,874	5,660	14,436	22,970
2014	3,660	3,650	12,432	19,742
2015	3,417	1,814	7,387	12,618

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A18b. Estimated percentage of American Indian and Alaska Native persons below the poverty threshold including Permanent Fund Dividend income and unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	9.8%	7.8%	18.2%	14.6%
2000**	9.4%	8.7%	12.2%	10.7%
2005	13.4%	21.0%	21.7%	19.4%
2006	13.2%	13.8%	22.7%	18.0%
2007	13.0%	12.6%	19.8%	16.1%
2008	4.0%	5.9%	11.3%	8.0%
2009	10.5%	10.0%	15.7%	12.7%
2010	14.7%	12.3%	19.3%	15.9%
2011	5.4%	7.3%	16.6%	10.9%
2012	12.9%	17.8%	20.2%	17.6%
2013	7.2%	13.7%	21.9%	15.6%
2014	10.6%	8.4%	18.9%	13.7%
2015	9.9%	4.2%	11.2%	8.8%

* Poverty in 1990 based on 1989 income

** Poverty in 2000 based on 1999 income

Source: Estimated from U.S. Census and American community Survey, Public Use Microdata Sample data

Table A19a. Estimated number of children under age 18 below the poverty threshold including Permanent Fund Dividend income and unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	4,472	4,354	5,983	14,809
2000**	3,641	4,419	3,169	11,230
2005	7,572	9,939	5,294	22,805
2006	8,414	6,467	5,478	20,359
2007	5,535	3,546	4,049	13,130
2008	1,752	1,678	3,512	6,942
2009	7,443	4,731	5,393	17,567
2010	6,452	5,918	5,235	17,605
2011	6,974	11,602	3,877	22,453
2012	7,301	6,584	7,323	21,208
2013	3,363	5,229	7,592	16,184
2014	6,304	3,954	5,614	15,872
2015	7,810	4,202	3,882	15,894

Table A19b. Estimated percentage of children under age 18 below the poverty threshold including Permanent Fund Dividend income and unmarried partners considered as family, by Alaska region

Year	Anchorage	Other urban	Rural	Total
1990*	6.5%	6.7%	15.3%	8.6%
2000**	4.9%	5.6%	9.0%	5.9%
2005	12.7%	7.7%	16.6%	11.8%
2006	5.3%	14.3%	19.5%	11.6%
2007	9.4%	5.6%	13.8%	7.2%
2008	1.9%	2.5%	12.0%	3.9%
2009	12.0%	7.9%	18.9%	9.6%
2010	9.7%	7.3%	18.2%	9.3%
2011	10.0%	8.2%	13.3%	12.0%
2012	16.9%	4.4%	22.9%	11.5%
2013	8.0%	1.9%	23.5%	8.6%
2014	11.0%	6.1%	17.0%	8.5%
2015	18.2%	4.6%	12.1%	8.5%

Permanent Fund Dividends and Poverty in Alaska

Matthew Berman^a

Random Reamey^b

Institute of Social and Economic Research, University of Alaska Anchorage

Anchorage Population and Economic Data Workshop

October 18, 2016

Anchorage, Alaska

^amatthew.berman@uaa.alaska.edu

^brjreamey@alaska.edu



The Alaska Permanent Fund

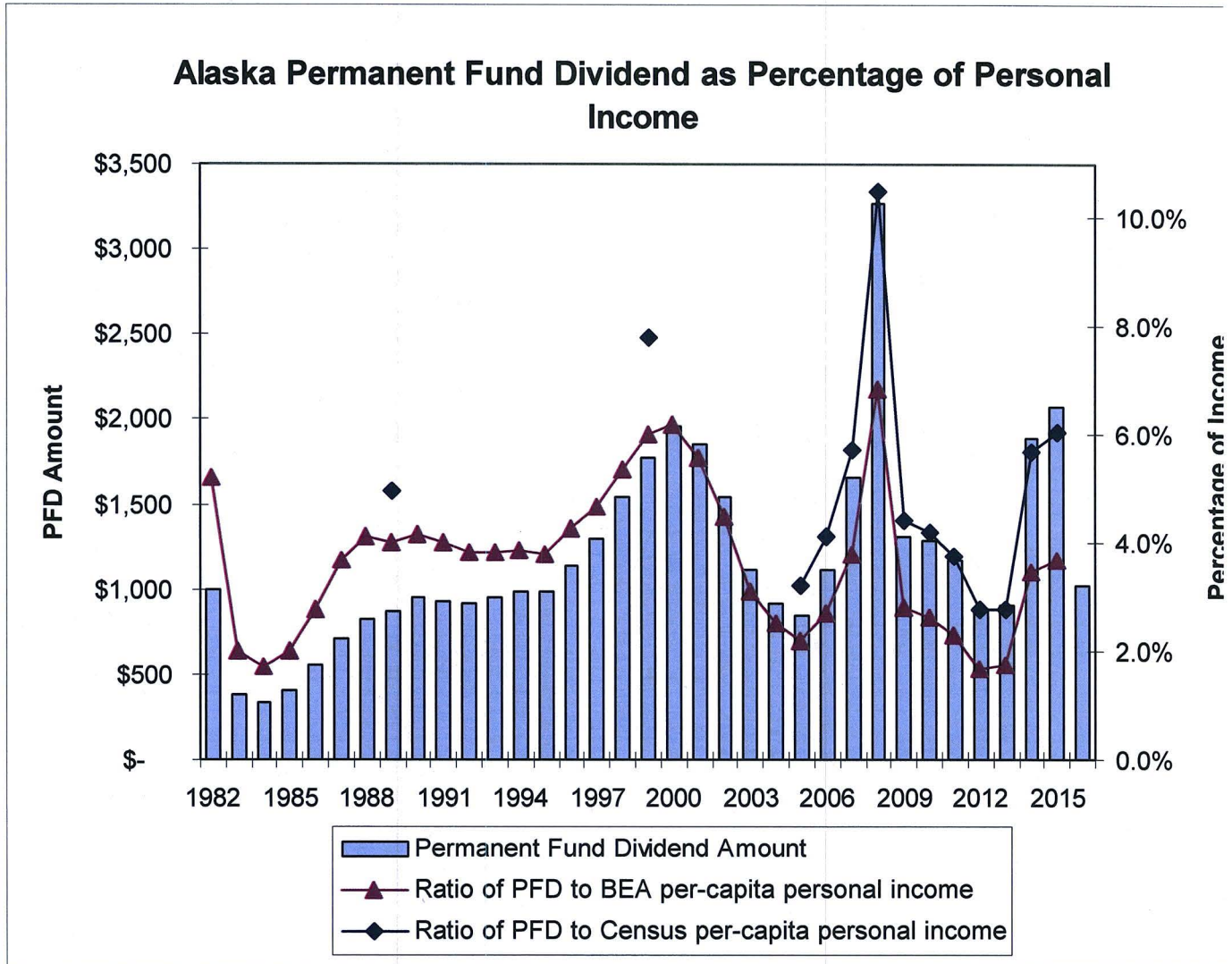
- Permanent Fund established in 1976 to save a portion of oil revenue for future public needs
- Permanent Fund Dividend program created as mechanism to build political support for conservative management of the PF
- PFD succeeded in its primary purpose. With conservative management, PF principal \$55 billion in 2016.
- With the drop in current and projected oil revenue, the time has come to consider using PF earnings for their original purpose. This requires reducing or eliminating the PFD.

Evaluating the Permanent Fund Dividend Prog

Beyond its success in protecting the PF principal

- A unique social experiment in providing “basic income” to entire population
- What has been the overall effect of the PFD on poverty reduction in Alaska?
- How has the PFD’s effect on poverty differed for different populations?
 - Alaska Native people
 - Urban versus rural Alaskans
- What would be the likely effect of reduction or elimination of the PFD on Alaska poverty rates?

PFD varies from year to year, but recent PFD a smaller percentage of per-capita personal income than in the 1990s



Note difference in 2015 per-capita personal income: BEA's \$56,000 vs. Census Bureau's \$34,000

Challenges for Assessing the Role of the PFD

Reducing Poverty in Alaska

- Official definition of poverty is complex and imperfect
 - Based on family living together in one household
 - Unmarried partners not counted
 - Different poverty thresholds for 47 different family configurations
 - Adjusted every year for inflation
 - Regional cost-of-living differences ignored

Size of family unit	Weighted average thresholds	Related children under 18 years						
		None	One	Two	Three	Four	Five	Six
One person (unrelated individual).....	12,071							
Under 65 years.....	12,316	12,316						
65 years and over.....	11,354	11,354						
Two people.....	15,379							
Householder under 65 years.....	15,934	15,853	16,317					
Householder 65 years and over.....	14,326	14,309	16,256					
Three people.....	18,850	18,518	19,055	19,073				
Four people.....	24,230	24,418	24,817	24,008	24,091			
Five people.....	28,695	29,447	29,875	28,960	28,252	27,820		
Six people.....	32,473	33,869	34,004	33,303	32,631	31,633	31,041	
Seven people.....	36,927	38,971	39,214	38,375	37,791	36,701	35,431	34,036
Eight people.....	40,968	43,586	43,970	43,179	42,485	41,501	40,252	38,956
Nine people or more.....	49,021	52,430	52,685	51,984	51,396	50,430	49,101	47,896

Source: U.S. Census Bureau. Poverty Thresholds, 2014

Challenges for Assessing the Role of the PFD Reducing Poverty in Alaska (continued)

- Data are limited
 - Information on income and detailed household characteristics need a representative sample of Alaskans
 - National Surveys such as Current Population Survey and Consume Expenditure Survey -- Alaska samples too small
 - Census Data (American Community Survey) provides large sample information on race and region of residence
- Limitations of Census Data
 - Income self-reported
 - Because of survey timing and wording of questions, many p forget to report PFD in census surveys
 - No information about income asked or recorded for childre under age 15

Reporting of Permanent Fund Dividends in the U.S. Census Long Form (2000) and the American Community Survey (2005-2014)

Data from 2014 ACS Public Use Sample

Percent of households reporting unearned income

	No other income	Some other income	Total
No interest, rent, dividends	30%	31%	60%
Some interest, rent, div.	22%	18%	40%
Total	51%	49%	100%

Regression equations for how amount of income reported varies with household size

Variable	Other income All households		Other income HH w. other inc.		Interest, rent, and dividends	
	Effect	p	Effect	p	Effect	p
Children under 15	\$ 211	0.03	\$ (3)	0.98	\$ (418)	0.06
Adults	\$ 1,216	0.00	\$ 1,282	0.00	\$ 1,126	0.00
Constant term	\$ (92)	0.68	\$ 1,772	0.00	\$ 1,154	0.02

Can we observe from ACS data if in PFD distributed income and poverty

Problem: Only about 10% of households report any "other income" category that shows the PFD, in 2014.

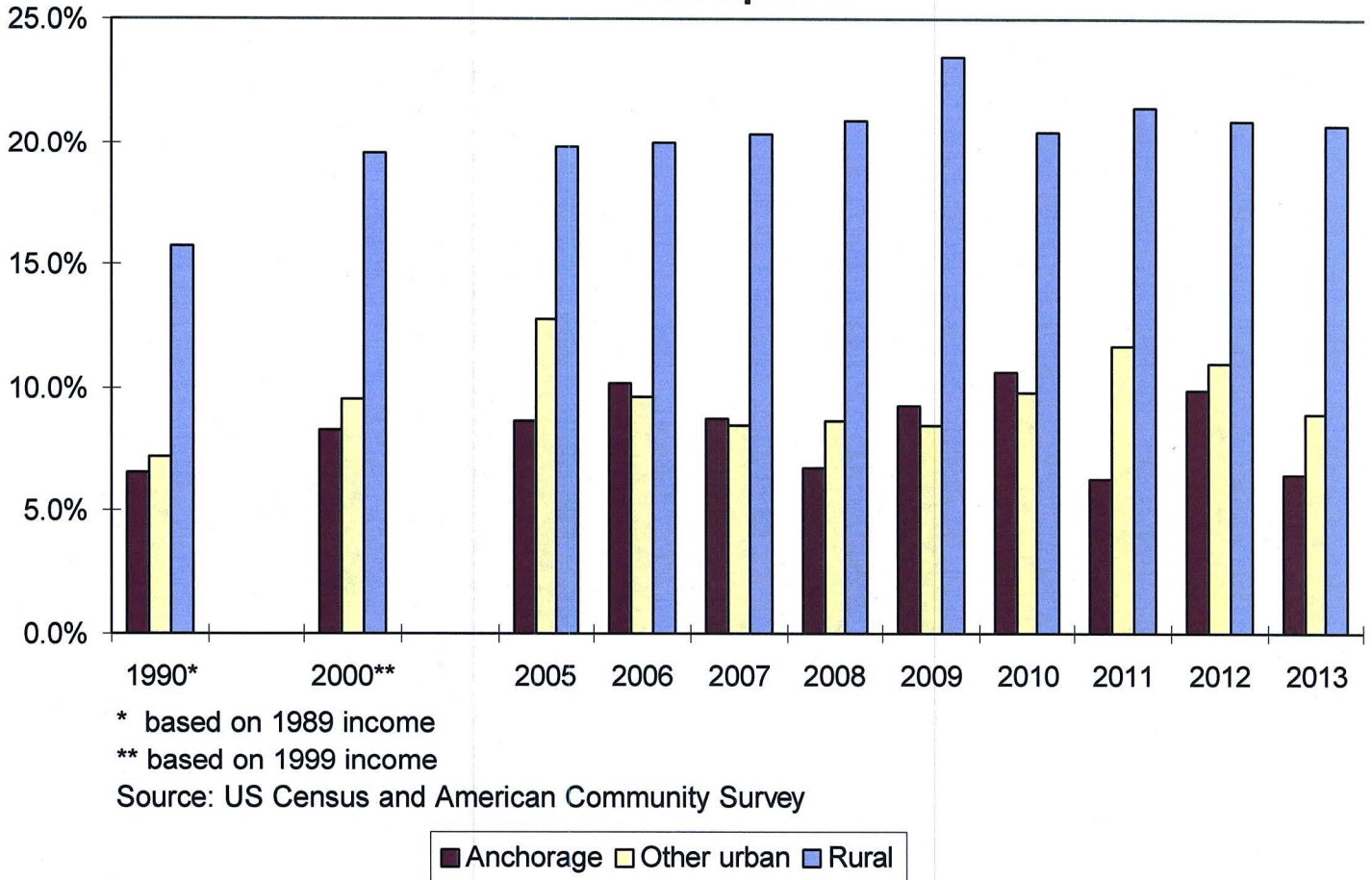
No questions ask about income of children. Child PFD payers receive dividends from Alaska that enrolled descendants are missing in the data. Evidence that adults reporting children's

Data and Methods

- Data sources
 - Public Use Microdata Samples (PUMS) for U.S. Census Long Form: 1!
 - Public Use Microdata Samples (PUMS) for American Community Sur since 2005
- Analysis steps
 - Calculate poverty threshold for each sample person in PUMS data
 - Replicate Census Poverty calculation for each person to check calcul against reported percentage of poverty line
 - Calculate individual and family income without the PFD
 - Find and remove PFD income from each person when reported
 - Compare income without PFD income to poverty threshold for that fam
 - Calculate individual and family income with the PFD
 - Add current year's PFD amount for eligible individuals to individ income without the PFD
 - Compare income with PFD income to threshold defined for that family

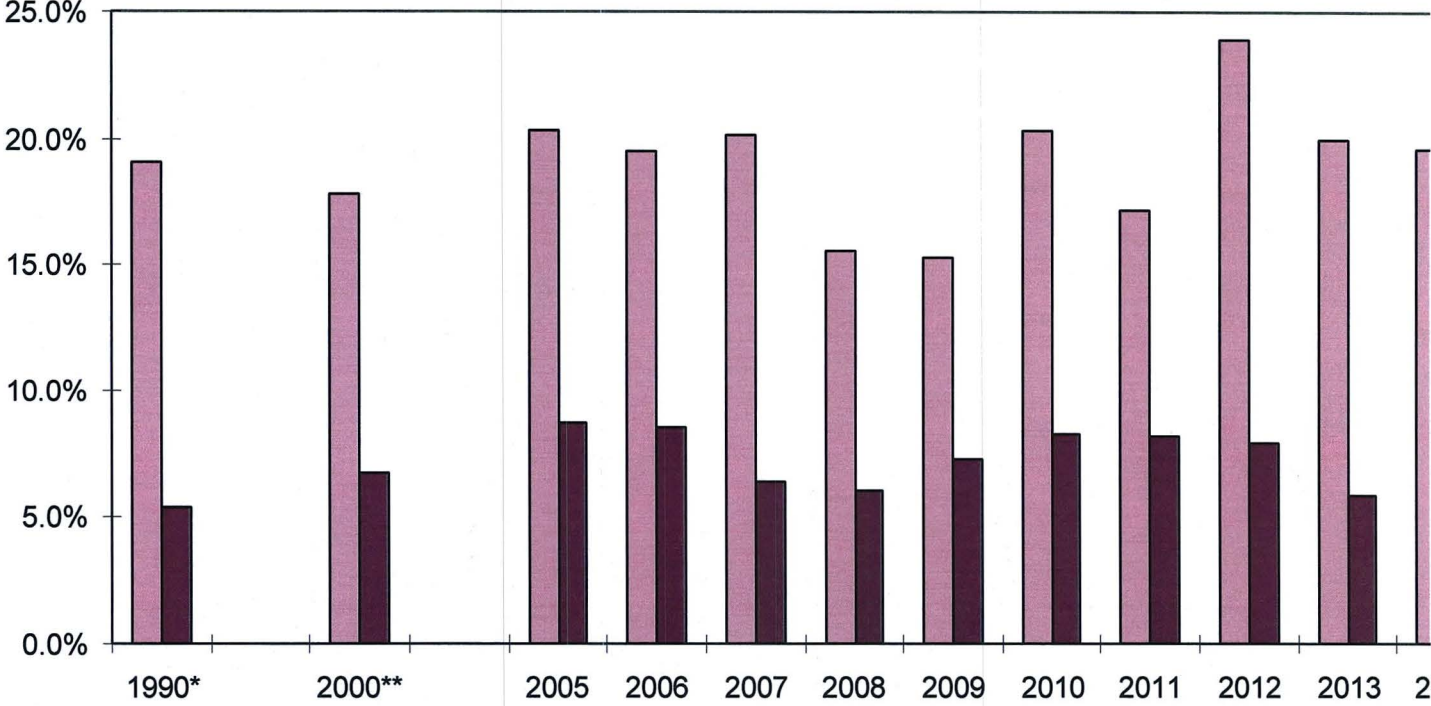
Official poverty rates are much higher in rural Alaska

Percentage of Individuals Below the Poverty Line by Region, Income As Reported



Alaska Native poverty rates are higher than non-Native ra

Percentage of Individuals Below the Poverty Line, American Indian/Alaska Native and Non-Native, Income As Reported



* based on 1989 income

** based on 1999 income

Source: US Census and American Community Survey

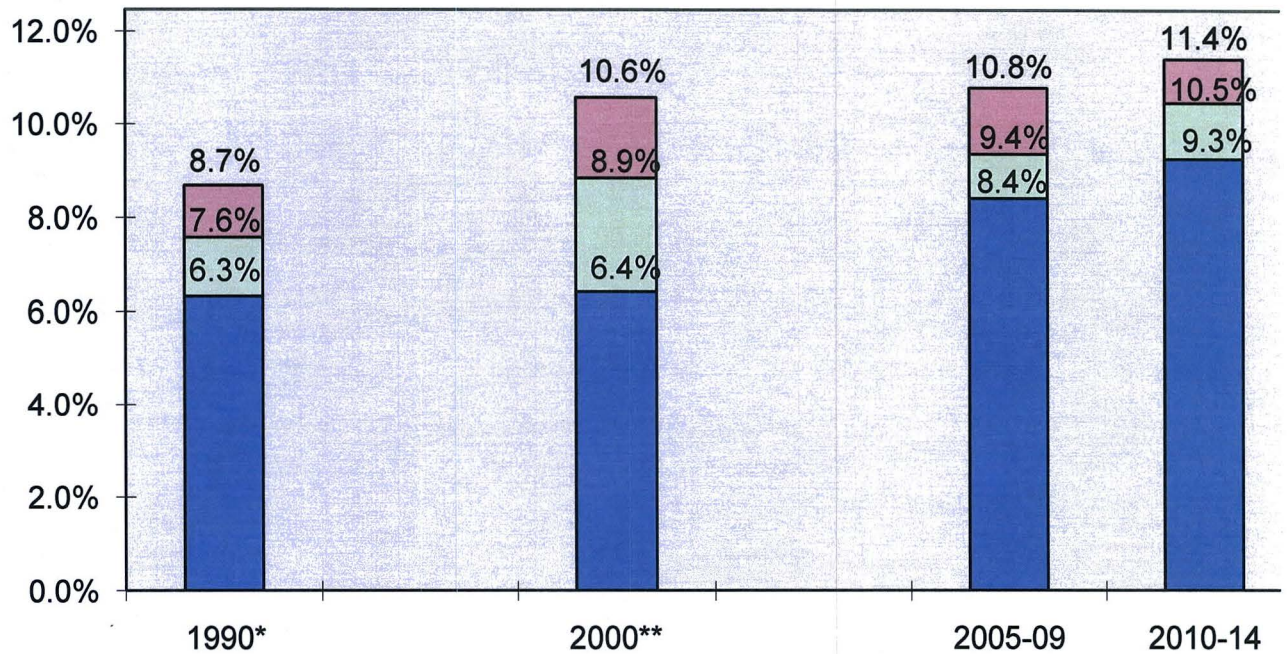
■ American Indian/Alaska Native ■ Non-Native



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UNIVERSITY of ALASKA ANCHORAGE

PFD reduces poverty by 20 percent (about 2 percentage points)
However, PFD increasingly less able to ameliorate poverty.

Alaska Poverty Rates: Reported Rate and Estimated Rate With and Without PFD Income



* based on 1989 income

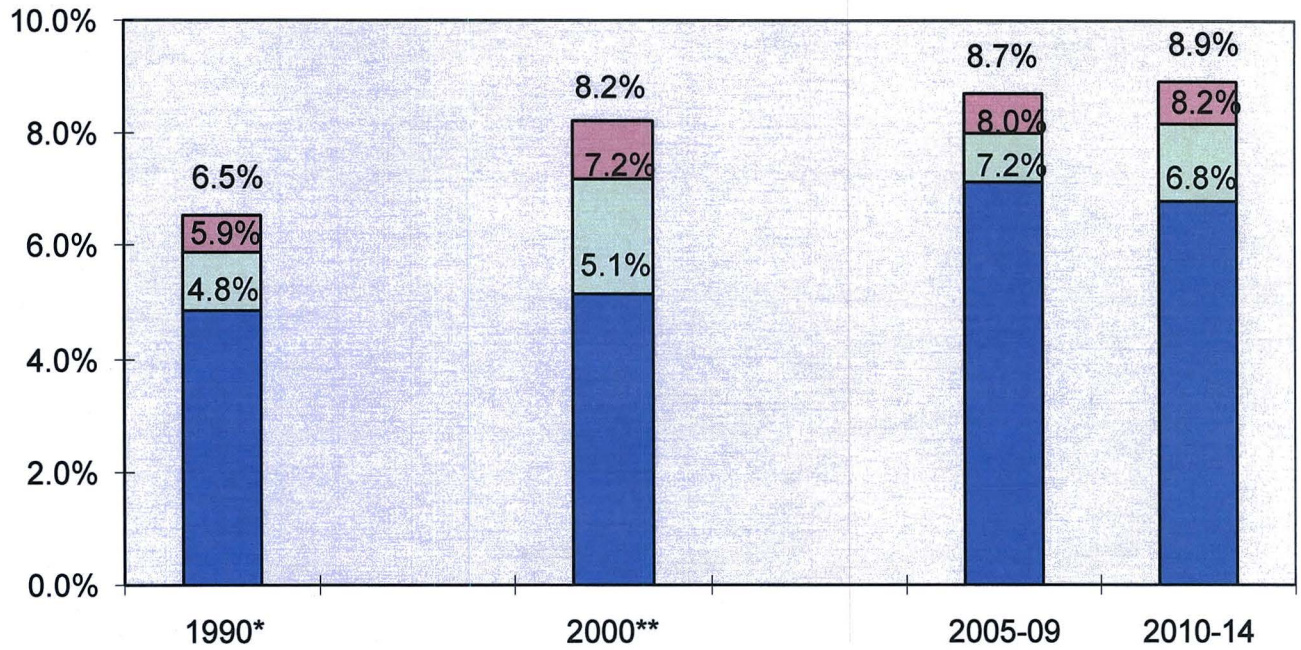
** based on 1999 income

Source: Estimated from US Census and American Community Survey PUMS data

■ With PFD ■ As reported ■ No PFD

Poverty rates excluding PFD income are rising in Anchorage
 Anchorage has welcomed about 1,800 foreign immigrants per year since 2005. By
 2005 and 2009, 45% poor (and not eligible for PFD the first year).

Anchorage Poverty Rates: Reported Rate and Estimated Rate With and Without PFD Income



* based on 1989 income

** based on 1999 income

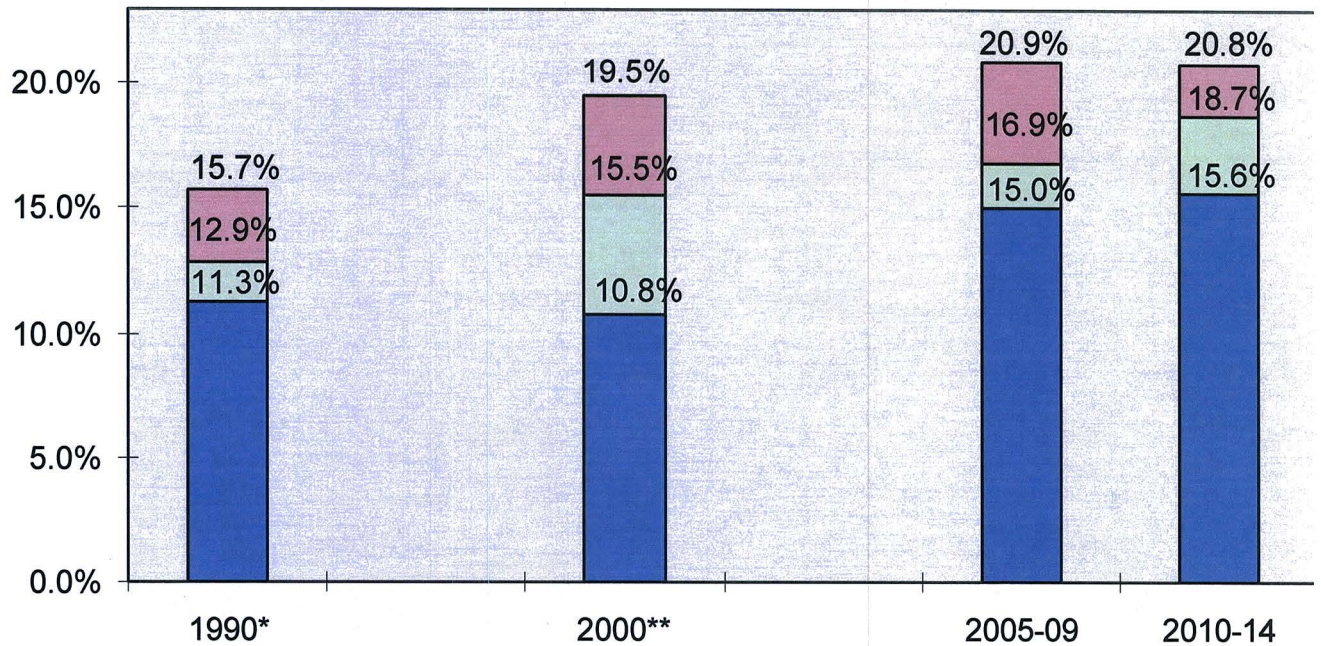
Source: Estimated from US Census and American Community Survey PUMS data

■ With PFD ■ As reported ■ No PFD

PFD much more important in reducing poverty in rural Alaska

Without PFD, more than one in five rural Alaskans poor.

Rural Alaska Poverty Rates: Reported Rate and Estimated Rate With and Without PFD Income



* based on 1989 income

** based on 1999 income

Source: Estimated from US Census and American Community Survey PUMS data

■ With PFD □ As reported ■ No PFD

Conclusions about the Alaska Permanent Fund Dividend and Poverty

- The PFD annually lifts 15,000-25,000 Alaskans out of poverty, depending on the size of the dividend.
- The PFD reduces the number of Alaska Native living in poverty one-quarter.
- Despite PFD, poverty rates are rising in Alaska, especially in urban areas.
- Reducing the PFD by \$1,000 will likely increase the number of Alaskans below the poverty line by 12-15,000 (2% of Alaskans).
- Unless the Census substantially revises its survey methods, Census data will show a much smaller increase in poverty rates than what actually occur.

The authors gratefully acknowledge support for this research from the National Science Foundation, award #1216399, and First Alaskans Institute.

ALASKA STATE LEGISLATURE

600 East Railroad Ave., Ste 1
Wasilla, Alaska 99654
(907) 376-3370



State Capitol
Juneau, Alaska 99801
(907) 465-6600

Mike Dunleavy
Senator

AGENDA

Senate State Affairs Committee

January 28, 2017
10:00am – 2:00pm

Welcome: Senator Mike Dunleavy

SB 1 & SB 2: Invited Testimony
Dr. Vernon Smith
Rick Halford (Former Alaska State Senator)
Dr. Jack Hickel
Clem Tillion (Former Alaska State Senator & Rep.)

Public Testimony
Time Limit of Three Minutes

Next Meeting: Tuesday, January 31st at 3:30 pm
SB 1: Approp: 2016 PFD Supplemental Payment
SB 2: 2016 PFD Supplemental Payment
SB 5: Political Contribution Limits / Prohibition

Letters of Support
SB 1 & SB 2

From: Randy Van Sickle [<mailto:vansrw@yahoo.com>]
Sent: Tuesday, January 17, 2017 12:35 PM
To: Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>
Subject: Permanent Fund

I am not from your district but I applaud your efforts to restore the public's dividend.

I also have a suggestion or thought on future dividends that I am hoping you may consider. A couple of time in the past bills have been proposed to cash out the dividend and I believe in 2000 it may have even been voted on by the public.

I have been receiving the dividend since its inception other than the period of 2006 thru 2010 when I was working for a private contractor in Iraq, and although everything I owned, my house and residency was in Alaska I was unable to collect my dividend.

With the current status of Alaska's budget and the oil industry I believe consideration of proposing a cash out of the dividend maybe a proposal that has merit.

Should that not hold any interest to you maybe the idea of a provision of anyone at the age of 60 or over be given the opportunity to cash out their dividend.

respectfully,
Randy Van Sickle
vansrw@yahoo.com

From: D RILEY CHADWELL <onelonedolphin@yahoo.com>

Sent: Monday, January 23, 2017 1:23 AM

To: Alaska Senate Majority

Subject: Re: We'd like to hear from you

Pete,

I think you guys better get hot on returning our stolen PFD's including each residents portion of the interest those funds are gathering in their undisclosed location!

Dr Di

On Jan 22, 2017, at 12:31 PM, Alaska Senate Majority <senatemajority@akleg.gov> wrote:

We want to know what you think about many of the decisions facing Alaska. Please take a moment to answer our annual start-of-session survey:

<https://www.alaskasenate.org/poll>

Thank you for taking the time to provide your thoughts.

Pete Kelly

Alaska Senate President

January 25, 2017

Senate State Affairs Committee:

Subject: SB1 and SB2

Senators:

The use of the Permanent Fund earnings to supplement the general fund in 2016 by the governor was, in effect, a regressive tax on the poor. The loss of \$1,000 to someone who earns \$100,000 is only one percent, but to take away \$1,000 from someone who earns only \$10,000 is ten percent. Those Alaskans who are using their child's Permanent Fund Dividend to save for college are taxed at an uncalculable rate as the children have no other income.

If there is a need to find a source of money for the state budget, the method should be fair, not a tax that affects the rural and the poor disproportionately.

Mindful that the state is in a financial crunch, but also mindful that taxes should be fair, I support SB1 and SB2.

These bills are good for Alaskans and Alaska. This additional payment from the Permanent Fund Division will help our Alaska residents who are most in need, and will help many of our youngsters finance their college education, and that can only be good for the state. Taking money from the poorest of Alaskans only adds to the cost of social services when these people need to survive in the harsh reality of rural Alaska.

Thank you,

Nicholas Barshay

Cordova AK 99574

Voter: 9083327

Christa McDonald

From: Susan Carver <ssncrvr@yahoo.com>
Sent: Thursday, January 26, 2017 1:48 AM
To: Senate State Affairs
Subject: SB1 & SB2

Attn: Chair of Senate Affairs Committee

As an Alaska citizen, I strongly encourage you to support these bills, and expedite their passage to bring financial relief to those most affected by the loss off 1/2 of their PFD and suffering due to this loss. Every eligible Alaskan was adversely affected by this financial loss. It's appropriate this matter be handled first and with all due speed.

On behalf of myself and my fellow Alaskans, Respectfully yours, Susan Carver, Wasilla

Sent from my iPhone

From: Mike Prax [<mailto:gmprax@gmail.com>]
Sent: Wednesday, January 25, 2017 2:40 AM
To: Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>
Cc: Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. George Rauscher <Rep.George.Rauscher@akleg.gov>; Rep. David Eastman <Rep.David.Eastman@akleg.gov>
Subject: SB 1 & 2 Restoring PFD

Senator Dunleavy;

I see that you have sponsored bills to restore the amount of the dividend that the governor vetoed from last year's appropriation bill.

My advise on this bill is to proceed cautiously.

I am, on the one hand, glad that you introduced the bill, because it would take money out of the state treasury and spread the benefit of resource income to individual Alaskans.

On the other hand, I am concerned that this bill plays into the administration's narrative that the dividend amount and transfers of P-Fund earnings are not driven by statute and therefore require an annual appropriation - which are subject to executive line-item veto.

I was very disappointed that the legislature did not recognize that Governor Walker exceeded his authority when he reduced the dividend amount last year and override his veto.

Instructions for calculating the dividend amount and dispersing the funds are unambiguously spelled out in statute and therefore do not require an annual legislative appropriation. The record clearly shows the legislative intent when the statutes were established and the unique nature of the Permanent Fund and the effect of the statutes was acknowledged by the State Supreme Court in *Hickel v. Cowper*.

Legal opinions from the AG's office and Leg-Legal attorney's insinuating that annual appropriations are required served a political purpose, but were unsound legal advise. Unfortunately, prior legislators followed this unsound advise and established the practice of mimicking what was established in statute in annual appropriation bills. They did not foresee the possibility that a person with the cavalier approach to governing that our current governor displays would rise to power .

I applaud Mr. Wielechowski for petitioning the state court to do what the legislature should have done to resolve the matter. That petition is now under advisement with the Supreme Court. Hopefully, the court will render a decision that overturns the Governor's veto soon. If that happens, these bills becomes moot.

I suppose these bills could be viewed as insurance against an adverse decision by the Court; But it is poor insurance, because there is no question that the governor has the authority to veto either bill should they pass and little doubt that we would exercise that authority.

The intent of these bills could also be accomplished within the annual appropriation bill. The only downside to this would be a delay in payment - if the appropriation survived the governor's veto - which it probably won't.

The question before the court is essentially whether the governor has the authority to veto an existing statute. If the court rules he can, the the very idea of a republican form of government seems to be lost - which is far more costly to society than the loss of part of the PFD.

This bill appears to be a political solution to what is a constitutional problem. Although I support the economic intent of the bill, it seems to weaken the argument against the governor before the court and there seems to be almost no chance of it resulting in an economic benefit.

My recommendation is to put this bill on hold and wait for the court's decision.

The legislature can appropriate any additional amount above that which is calculated by statute in the appropriation bill. Doing so will not compromise the legal argument before the court.

Thank you for your consideration.

Mike Prax

(907) 378-5667

Christa McDonald

From: Full Name <tigressden@excite.com>
Sent: Thursday, January 26, 2017 4:25 PM
To: Christa McDonald
Subject: Fwd: RE: SB1 SB2

-----Original Message-----

From: Full Name [mailto:tigressden@excite.com]
Sent: Tuesday, January 24, 2017 11:22 AM
To: Sen. Shelley Hughes <Senator.Shelley.Hughes@akleg.gov>
Subject: SB1 SB2

Dear Senator Shelley Hughes ,

I would like to encourage you to vote yes to support SB1 and SB2 to restore the PFD.

I am a senior citizen here in Palmer Alaska each year my PFD is used to supply myself with food and heat through out the winter months. This year with out my full PFD I am hungry and behind in my ever increasing heating bills. I already live below poverty status as it is. Its difficult enough ,with out loosing more money from my PFD .Our Constitution reads for the people by the people. You where put in office to represent the people. I know I do not stand alone. Many of Palmer Seniors are going hungry and are cold. Along with many other Alaskan's family's.

When Governor Bill Walker was elected to office he said "I will not touch the PFD or instill a state income tax" Alaskan's are outraged by his actions to cut the Pfd in half. He lied to the Alaskan people. The Alaskan state government gets plenty of money from the PFD with out taking it from the people.

If Bill walker can not balance his check book shame on him. he should know that to save money you don't spend money; ie his new campaign manger John Henry Heckendorn.

Please I encourage you to vote yes for SB1 and SB2 Vote for the people at and by the people who elected you.

If the state needs to balance the budget bring in a state lotto and or legalese gambling. Other states do not have a PFD and they do not have a budget problem.

Sincerely
Kim Alman

From: Jacqueline Fries [mailto:jfries@acsalaska.net]
Sent: Wednesday, January 25, 2017 5:52 PM
To: Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>
Subject: Fwd: SB1 and SB2 Written Testimony Submission

Senator Dunleavy - Thank you for supplying this information. My submission isn't as well written as I would like because I have been quite ill. I wanted to supply my input, however, so it is what it is.

I did forward your e-mail to several friends.

Thank you again - Jacqueline Fries

----- Forwarded Message -----
Subject: SB1 and SB2 Written Testimony Submission
Date: Wed, 25 Jan 2017 17:44:51 -0900
From: Jacqueline Fries <jfries@acsalaska.net>
To: Senate.State.Affairs@akleg.gov

I ask that the balance of the 2016 PFD be restored. I am a 70-year-old who has worked all her life. I pay all my bills without assistance. Through no fault of my own, I find myself in a position where the additional \$1000 would be a God-send.

I cared for my terminally ill husband for many years. That was a 24-hour a day job. I worked full-time until I had a mild coronary. Since my husband passed away, some serious health issues have become apparent. Years of caring for my husband and the outlandish drain on finances have put my in a position of being on a fixed income. It is a major struggle.

- Rents increased.
- Car/renters insurance increased. Even though I have had no accidents or tickets, I am paying for the uninsured drivers, horrendous number of accidents and auto thefts and also claims for stolen property.
- Enstar and ML&P increased, and then there are also AWWU, phone and garbage.
- Food costs increased drastically. When the store director at Fred Meyer asked me how I was doing and if I needed help finding anything, I told him I was going to have to get a mortgage to buy groceries.
- Supplemental medicare and drug coverage increased; health care and drug costs increased.
- Everything has increased except Social Security.

Unfortunately, mine is not a unique situation in the senior citizen community. I recently read where there is a huge group of senior citizens - growing daily - that have been labeled "Elder

Orphans". We have outlived our family and have been isolated by illness of a loved one. I am a college educated, intelligent woman seeking employment - constantly told I am over-qualified.

I make homemade chicken soup, so generally only purchase chicken when on sale, carrots, celery, onions. I make my own bread to save costs. I have a comfort dog and spend the bulk of money I have for food to provide her with a healthy diet and on her health care. She is a rescue dog who was thrown away; she adopted me and is my soul-mate. She has saved my life as I deal with depression at loss of spouse and daily survival struggles. Trying to survive is exhausting.

I am not throwing money away on wide screen TVs and toys. Clothing is purchased in second hand stores.

Please restore the vetoed portion of the 2016 dividend. There are many other means of cost saving and raising income in Alaska. Pot shops should be flooding the coffers with dollars.

Thank you for the opportunity to submit my input and please take my situation and thoughts seriously. There are many of us out there - many unable to get our and testify or to submit an e-mail.

Jacqueline Fries - P.O Box 140632 - Anchorage, Alaska 99514-0632

Christa McDonald

From: Jacqueline Johnson <nwwoman2000@yahoo.com>
Sent: Thursday, January 26, 2017 6:14 PM
To: Senate State Affairs
Subject: Restore the PFD

I want to advocate for my clients and all other people in the Yukon Kuskokwim Delta who rely on the PFD for their yearly financial income, yes, that is right. They don't have enough income from any other sources to rely on except that. They buy fuel, furniture, 4 wheelers, sno gos. kids clothes, pay up the rent or electric, to make it through to the next year

Many people are low education, unable to understand how to advocate for themselves, or culturally bound so they do not advocate for themselves, not wanting to go against cultural values. I am asking that these people, who are the highest numbers in our region, be considered first and foremost when you continue to deny these residents their permanent funds.

Christa McDonald

From: Tru Gypsy <java.babe@live.com>
Sent: Thursday, January 26, 2017 10:13 PM
To: Senate State Affairs
Subject: PFD

Greetings to you,

I doubt you will listen to a word any of us in this state have to say.

However, I have been a property owner and a contributing member in the Alaskan economy since 1982.

Greed in the government is inexcusable. After 30 years of marriage and faithfully serving him and raising *all ten* of his children and educating each one at home with excellence, AND volunteering my time and their time to help out at political events and serving our community in countless ways, I have found my ex-husband of 30 years had been living a double life.

He bankrupted our family with his escapades and I found myself completely homeless with my youngest two children, here in Alaska, living on the streets from Sept 2010 until April 2011, one of the coldest, windiest winters I have endured since I moved here.

The father of my children, who also works for the government as a contractor, drained our bank accounts, committed horrible acts against each of us, and left us with no provision whatsoever. We had no food, no shelter, no help and

even the governor's office refused to help us.

I have struggled and have made my way. As I learned of the different methods of help available to us, I used them temporarily, worked my way off of those programs and today, I am assistant free and am providing for my remaining two children.

The laws of this state perfectly facilitate abusive men and helps to line their pockets with lots of income and perfectly leaves good, devoted women who have sacrificed their own careers and lives to BUILD OUR FAMILIES FULL TIME, homeless, penniless, and without restitution for themselves and their children.

In my career, I was enlisted in the United States Air Force as an aircraft mechanic, and at the end of my hitch, I set my own career aside and gave my life to be a full time mother. I gave 30 full years of my life and educated ALL TEN-CHILDREN myself. I have worked tirelessly!

In my court case, my ex, made me agree to forego retirement, allimony and he even got out of a large portion of the child support he owed to us, in order for us to be safe and to live without ongoing horrendous abuses, I signed the agreement and am starting all over. That ex, stole both of my inheritances and he stole \$598,000 in pfd dividends from our whole family over the course of 30 years.

Every year, we use our dividends to buy new shoes, coats and clothing for my growing boys and we buy food which lasts through the year. Children who endure the type abuses that my children had to endure until I led them out of our personal hell, often turn to a life of crime as a result of living in utmost poverty. That being the case, I use the dividends each year to meet their very simple, real needs and to buy them the simple things that children

need to live a basically happy childhood.

governor Walker, you have fortified yourself with plenty while stealing from very needy children and those of us who have been screwed in this state by our abusers while they happily skip off leaving us to live in poverty. You have taken away what my children and the children of countless other mothers need to simply keep the basic needs met to give these children a good childhood. Shame on you.

Balance your budget, cut back, and be responsible.

You cannot balance the state budget if the abandoned women and children are increasing and the need for state aid continues to increase! The number of abandoned families living on state programs such as food stamps, medicaid, ATAP etc, increases the state deficit. The number of fathers who are NOT REQUIRED TO PAY CHILD SUPPORT to those needy families, increases the deficit.

Give us back our dividends and help mothers stabilize their personal economies and lessen the need for public assistance programs. The dividends **are not yours** to use at your disposal.

We take that money and circulate it right back into the economy of Alaska and as in our case, we use the dividends for much needed provision.

I am getting on with making a living AND keeping the emotional and educational needs of my family **balanced and on track**. In spite of POVERTY! You made my youngest cry when he learned we could not get some of the things we needed this year because our governor decided to take it.

He watched the newscasts and being a homeschooled student, he researched it himself and realized you really took it.

-----Original Message-----

From: Joel Randrup [mailto:jkrandrup@gci.net]

Sent: Friday, January 27, 2017 8:29 AM

To: Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>

Subject: senate bills and tax

Dear Senator Dunleavy,

Thank you for your bills to provide the supplemental payment of the 2016 permanent fund dividend which was vetoed last session. My wife and I have been in the private economy our entire working careers and felt the effects of the lost revenue. I believe the veto of that portion of the permanent fund dividend had the greatest negative impact to the overall economy and was hardest on the poorest part of Alaskans.

Also, thank you for your efforts to help inform and educate the public on other revenue sources which were discussed in yesterdays committee hearing. Income, property, and sales tax, if spread across the entire population in such forms as Mr. Walczak presented may be accepted by Alaskans as another revenue source for the state budget. The earnings from the permanent fund, I hope, are the last to be discussed as a part of the budget revenue.

Thank you,
Joel Randrup
Petersburg, AK

Christa McDonald

From: Meghan Nelson <timegnelson@gmail.com>
Sent: Friday, January 27, 2017 8:53 AM
To: Senate State Affairs
Subject: In Support of SB1 and SB2

Dear senators,

I am writing in SUPPORT of SB1 and SB2.

The PFD belongs to the people and should only ever be adjusted by vote of the people.

The governor's veto broke precedence (previous governors have respected the will of the people) and redefined the fund and how the money for distribution is appropriated. This was a move that is out of line with the law and the people's will. Additionally, this veto has negatively affected thousands across the state who use these funds to prepare for the harsh winter months and has directly impacted our economy during a recession. A restoration of the PFD would flood our state with much needed money.

Please stand for the Alaskan people.

Thank you.

Sincerely,

Meghan Nelson
5905 Churchill Way Lot 72
Juneau, Alaska 99801

Christa McDonald

From: Judi Burris <jab0490031@gmail.com>
Sent: Friday, January 27, 2017 10:32 AM
To: Senate State Affairs
Subject: PFD restoration act SB1 and SB2

I am Judith Weier I live in Fairbanks Alaska. I have lived in Alaska since 1970 or 47 years. I was here when Governor Hammond and his legislative team enacted the PFD. I support giving the Alaskans the balance of our PFD . This is just not responsible for the Governor to take this money that helps so many Alaskans and their communities. If you need to contact me I am at 007-799-5520 or you can mail to: 4464 Condor Court Fairbanks, Alaska 99709. Thank you for allowing me to testify on SB1 and SB2.

Sent from my iPhone from Judi

Christa McDonald

From: Rick Ellis <spike9542003@yahoo.com>
Sent: Friday, January 27, 2017 11:24 AM
To: Senate State Affairs
Subject: PFD restoration act

Request you pass this legislation, reinstate our PFD to it's full value and please prevent governor Walker from raiding the Permanent Fund to fund government shortfalls. The PFD was and is, intended to share the natural resources wealth of our state with the residents of Alaska and NOT to fund general government.

Thank you.

Rick C. Ellis
341 S. Gastman Ct.
Wasilla, AK 99654

Sent from Rick's iPhone

Christa McDonald

From: Katherine Hicks <akhix49@gmail.com>
Sent: Friday, January 27, 2017 12:32 PM
To: Senate State Affairs
Subject: SB 1 and SB 2

I guess Senate State Affairs will be hearing testimony on these Bills this Saturday. I urge all of you, except the 2 nay votes last year, to listen to the people, not this governor. Before stealing the PFD, exacting new taxes, or any other scheme you can come up with to keep spending, you need to seriously cut spending. How can you expect us to pay for offices all over the world for Walker's pipe-dream yet take food and heat from many Alaskan's? This is shameful, and I think it should be evident on a bi-partisan basis.

I hope State Affairs passes these bills soon and that the rest of the Legislature joins in. I'm sure you heard the same from your constituency. No taxes until you cut spending.

Katherine Hicks

Christa McDonald

From: Gabby Hodges <gabbyhodges05@gmail.com>
Sent: Friday, January 27, 2017 3:50 PM
To: Senate State Affairs
Subject: PFD

Please let the citizens of Alaska the right to vote on the PFD issue prior to letting our leaders take it. I am a disabled grandmother trying to raise my autistic grandson. Each year the first thing I use my PFD on is getting school clothes, winter gear and all his needs for the year met. Next I pay all bills then stock my home up with groceries. Receiving half this year put my beautiful family in critical need. I am now having to visit food banks for groceries. It shames me to do that but without our PFD we struggle. I realize you are trying to do the best you can for our beautiful state but please, I urge you to consider the thousands of us that struggle financially to remain in Alaska. If my health were better this wouldn't be an issue for my household but this is my reality Thousands more in my boat through no fault of our own.

Thank you for serving our state and I pray you make the right decision.

Sincerely
Carol Hodges

Christa McDonald

From: Jonette G Jones <jaye.gjaye24@gmail.com>
Sent: Friday, January 27, 2017 5:46 PM
To: Senate State Affairs

i support restoring the PFD with SB 1 and 2!

Christa McDonald

From: jolene watkins <jolenewatkins@hotmail.com>
Sent: Friday, January 27, 2017 6:21 PM
To: Senate State Affairs
Subject: TAKING WHAT BELONGS TO ALL ALASKA RESIDENTS DOES NOT FIX THE SPENDING PROBLEM IN THE GOVERNMENT! Responsible spending, prioritize needs and stick to a budget!

Christa McDonald

From: Bridget Chance <randyjchance@aol.com>
Sent: Friday, January 27, 2017 7:05 PM
To: Senate State Affairs
Subject: My PFD

Dear Sirs,

We are so blessed to live in this state. Our fellow Alaskans live, work and die here and sometimes get injured here. As an Alaskan my family and I have receive a PFD every year. We invest that PFD by spending that money here in our community and State. However, this year my family was hit hard financially and we counted on our PFD's to help with medical bills and dental bills. What the Governor did was wrong. He took that money from so many families that count on their PFD's to get them through the coldest months, food, heating, medical and dental bills and other things. You hurt us, you hurt your fellow Alaskans, those who can no longer work due to injuries, those making minimum wage, those who have high deductibles, those who can't find a job those who are going to school and need a little extra cash. Just in my family you took \$3000.00 from us. You hurt us and My Fellow Alaskans!

Respectfully

Bridget Chance

Christa McDonald

From: skconn@mtaonline.net
Sent: Friday, January 27, 2017 11:09 PM
To: Sen. Mike Dunleavy
Subject: SB1 & SB2

Dear Senator Dunleavy,

Thank you for introducing SB1 & 2 to restore the Permanent Fund Dividend to its original amount. Governor Walker should have never capped the dividend last year, and I am glad that you are working to correct this.

Please stand strong and keep all taxes and restructuring of the PFD at bay. Until the budget is decreased, the people of Alaska should not be expected to bail out massive overspending.

Thank you,

Shannon Connelly

11427 E. Cienna Ave.

Palmer, AK 99645

(907)745-7046

Sent from [Mail](#) for Windows 10

Christa McDonald

From: Sally <sallymac@ak.net>
Sent: Friday, January 27, 2017 11:33 PM
To: Senate State Affairs
Subject: Stolen Money

My name is Sally McMahan Pollen and I'm here to ask for my money back. That would be the \$1000 that Governor Walker and a complying legislature skimmed from my Permanent Fund Dividend check last year. I understand its sitting in an account waiting to be returned to its rightful owners. I also understand that the stolen millions would not even make a dent in Alaska's huge budget crisis, so it might as well be circulating in the economy of Alaska, which is officially in recession.

Please, no taxes of any kind and no scheming to take more of the people's money in years to come until we see deep cuts to the fat pig called state government. Governor Walker, don't lead the legislature on another heist this session. Legislators, be united and don't cave in to what you know is wrong.

Sincerely,
A life-long Alaskan

WRITTEN TESTIMONEY FOR;

COMMITTEE: SENATE STATE AFFAIRS;

Chair, Senator Mike Dunleavy & all Committee Members

BILL: SB 1 & 2

SPONSER:

DATE & TIME: 01/28/2017 @ 10:00 AM

My name is DENNY KAY WEATHERS, I live on Hawkins Island in Prince William Sound. For the record I **SUPPORT** both SB 1 & 2 as written.

I believe Gov. Walker was wrong when he vetoed half of Alaskans' Permanent Fund dividend checks last June instead of reducing government as he had promised during his campaign. After listening to the public testimony last session regarding Gov. Walker's decision to raid the PFD it seems like an overwhelmingly majority of voters felt the same way. My thoughts were confirmed on October 7, 2016 when it was reported by pollster Ivan Moore in an article titled; "Alaska Gov. Walker's popularity dives sharply following PFD veto, new survey shows" (**see copy**). With that said; I also believe the Senate was wrong for not taking legislative measures to try to stop the Governor's veto within the proper timeframe.

I do not know how many of you keep old documents like I do; but I just pulled up a copy of the October 11, 2014 article "Bill Walker answers questions about the issues in 2014 election for Alaska governor" and question 7 asked "The state's savings is being depleted. How low should the savings go before you begin to seriously discuss implementing a widespread tax, such as a sales or income tax, or reducing Permanent Fund Dividend checks to help pay for services? Bill Walker's response: "I have no intention to implement a statewide tax or paying for state government by reducing Permanent Fund dividend checks. If we properly develop our natural resources and put in place a sustainable budget that should not be necessary." (**see copy**). Apparently Gov. Walker forgot what he said or just plain lied to get votes.

As for Why Alaskans created the PFD; during construction of the Pipeline in the 1970's oil companies' flooded the state coffers with \$900 million and the Legislature spent it all within a few years. Alaskans knew they had to do something to safeguard the robust income forthcoming from the pipeline. Alaskans voted in 1976 to amend the constitution to put at least 25% of the oil money into a dedicated fund. The constitutional amendment was designed to keep the government from spending the oil wealth recklessly. (**see copy**). Alaska does not need any new taxes nor do we need to surrender the PFD. What is needed to stop the shortfall is to **CUT GOVERNMENT** and stop the **OVERSPENDING**.

There are many places that government could be cut, here is just one;

The Alaska Marine Highway System has said in an Associated Press article that the fleet size of 11 ferries needs to downsize (see copy). The ferry with the most operating weeks (49.9) according to the Operating plan (see copy) is the MV Lituya which exclusively provides shuttle service twice a day, five days per week year-round between Ketchikan and **Metlakatla** only 8 nautical miles. Metlakatla is a federal Indian Reservation **OUTSIDE** the **Alaska state jurisdiction**. Annette Island is federal with NO Alaska State Jurisdiction and the Alaska State ferry is homeported there. The DOT website states that this is the only ferry dedicated to a single route (see all 3 copies). WHY ARE ALASKANS PAYING FOR Metlakatla's "exclusively" "dedicated" ferry service? It is time to pull that service, Alaskans should not have to pay for an exclusive ferry system for a non-Alaskan Community. The State of Alaska could offer to sell the MV Lituya to Metlakatla or the federal Government first before listing openly for sale. if they would like to purchase the MV Lituya fine if not sale it. Vancouver, BC likes that style.

Thank you for your time. Any questions call me at 907-253-3745 or email me at alaskanortherngirl@gmail.com

DENNY KAY WEATHERS
c/o PO Box 1791
Cordova, Alaska

SENATE STATE AFFAIRS COMMITTEE

SB 1 AND 2 HEARING

1/28/2017

Submitted by Juanita Cassellius

17606 N. Eagle River Lp. Eagle River, Ak 99577

Permanent Fund Defenders group

I support SB1 and 2.

The PFD cut and the Legislators' failure to override the Governor's veto are serious mistakes that may be remedied by passing these bills.

On my Facebook page called "Permanent Fund Defenders" over 3,000 Alaskans have joined this group that supports a public vote for decisions on changes to the PFD and Permanent Fund. This petition was recently posted online to support SB1 and 2 with 700 signers.
<https://www.change.org/p/defend-our-pfd-and-fund-now>

It is important to recognize why the PFD veto is wrong.

The pending lawsuit on this issue will clarify the Governor's authority in this matter and discussion will continue on the right of government to overrule the Alaska citizens' shareholder rights in this way.

Restore the PFD to correct the following damaging problems:

1) The major problem with this PFD veto is blocking Alaskans' ownership rights and right to consent on changes to the Fund and PFD.

Here is a quote from "An Alaskan's Guide to the Permanent Fund" (1998) by the Alaska Permanent Fund Corporation.

The Permanent Fund Belongs to Alaskans

"The Permanent Fund comes from the oil owned by the State of Alaska. Like oil, the Fund belongs to the people of Alaska collectively. The Alaska Constitution (Article 8, Sec. 2) requires that all natural resources belonging to the state be used, developed and conserved for the maximum benefit of the people. In short, the Fund is a Constitutional right, not a gift bestowed by a generous government."

In 1999, Governor Tony Knowles strongly supported Alaskans' right to vote on Permanent Fund and PFD issues. He said, "I recently received a copy of the petition you signed voicing your opposition to use of the Permanent Fund earnings without a vote of the people. I couldn't agree with you more. In my first State of the State speech, I pledged there should be no changes to the Permanent Fund or dividends without a vote of Alaskans. In the budget discussions during this past legislative session, I continued to insist on a public vote.

Whether this plan goes into effect is up to you. Because Alaskans created the Fund at the ballot box back in 1976, Alaskans should have a say in using it."

Governor Knowles rationale stands today, though he has abandoned this truth. There is no excuse of an "emergency" for this usurping of the People's right to consent. Alaska has a deficit but still has an "A" credit rating and assets that are the envy of every state in the Union. And, most Alaskans don't agree with donating their PFD for a government budget that is the highest per capita in the nation and a government structure that needs reform.

2) Another important reason to pass SB1 and 2 is that the PFD cut is a regressive tax imposed on low-income Alaskans. The ISER and Rasmuson Foundation studies on this have been shared with the Legislature already and this is detailed in the Basis notes on these bills. Please remedy this unfair action and return the Peoples' money to them and boost the Alaskan economy.

3) This PFD veto has endangered the Permanent Fund system. The PFD connected to the Fund performance makes Alaskans the guardians and watchdogs of the Fund. Improve on the Permanent Fund system, don't dismantle it this way!

I support your work to create a fair budget plan that Alaskans approve, brings reform and leaves the Permanent Fund system

intact to protect it for current and future generations.

Restore the PFD and the Permanent Fund system. Improve upon it, don't be a part of it's destruction. Thank you for passing SB1 and 2 and confirming Alaskans' shareholder rights in the Owner State.

Christa McDonald

From: beth@bethsvalleyviews.com
Sent: Saturday, January 28, 2017 6:30 AM
To: Senate State Affairs
Subject: Public Hearing - Saturday 1/28/2016 - Permanent Fund

Honored Members of the Alaska Senate Affairs Committee,

I am not able to testify today as I am working, so I appreciate your full consideration of my written testimony.

First, please remember that withholding 1/2 of Alaskans' Permanent Fund Dividends did nothing toward making this money available for state spending. AS 43.23.025 Amount of Dividend - leaves undistributed funds in the Dividend fund for distribution the next year.

I understand that some in the Legislature believe that Alaska needs more revenues. But many in the communities you serve have been studying the subject at least as deeply as we hope you have, and have come to the conclusion that this is just not so.

Obviously, we were not in a financial crisis (unable to pay our bills) when the Governor first declared one two years ago. The wise cuts in spending you have made have not caused government to dissolve. Some bureaucrats have decided to cut their budgets where they do the most damage to the public, but services are still being provided.

There are realignments where savings can still be achieved. These include continued elimination of positions that have not been filled in 6 or more months; reforming our 54 school districts to under 30; recalculating some of the formula funding; looking at former grant-required programs that are no longer being federally financed to ensure that they are still providing necessary services; and realigning resource development permitting into a one-stop-shop as was done in the past (per former legislator Beth Kertula).

Many of you fully support and desire to keep funding every wish and dream at the University, yet you do not pay attention to one of the University's most publicly valued resources, its Institute for Social and Economic Research (ISER). Please remember that ISER has reported for almost a decade that we have not had sustainable budgets, and the the worst thing the legislature and governor can do, in times of recession, is to 'play' with the Permanent Fund structuring, funding formulas and Dividends.

I beg you to pay attention to Senator Dunleavy's 50/50 Plan for accomplishing what many of us in the fiscally conservative arena have been saying during this stalemate. That is cut the budget over 3-4 years, don't do anything to the Permanent Fund Corporation, structure, funding or Dividend, and no new or increased revenues (taxes, fees and fines) until the budget is sustainable.

Thank you for your attention.

Sincerely,

bethf

Beth Fread

Associate Broker

907-354-7759

Beth@BethsValleyViews.com

Lee Realty, LLC

550 E Dunbar Dr., Suite F

Wasilla, AK 99654

"Bill and Beth take that value-added extra step in all they do!"

Call us today with your family and/or friend referrals for our extra-step professionalism.

Christa McDonald

From: winforhim@aol.com
Sent: Saturday, January 28, 2017 7:52 AM
To: Senate State Affairs; Sen. Mike Dunleavy; Rep. Cathy Tilton; Rep. David Eastman; Sen. Shelley Hughes
Subject: PFD Restoration Bills

Dear Elected officials,

“We the people!” There are no more powerful words in our society than these words. The people’s voice is the cornerstone to every part of our society regardless of money or stature of a person. We are not like other countries in the world where the people simply accept what government gives them and hope the government is generous. The people of our nation stand on liberty and freedom individually instead of dictatorship or socialism. Our state since the first governor (William Egan), has demanded that the people of Alaska know that their government was nothing like any other state in the nation. When our state drafted our constitution, and approved that document, it is clear that the people’s voice would always echo from the lands of this state and have the ultimate authority how our state supports Alaskans. I wished I could say that our state is honoring that commitment today, but I simply cannot see that occurring any longer; especially with the PFD and the spending of this state over several decades that has driven people away from this great state and generated those left as forgotten and ignored.

I speak the words above first as a platform to my email today to the senate body of our state in regards to the PFD (SB 1 and SB 2). The people of this state should be heard and the government should be trusted to act on the voice of the people not simply appease in public forums but in action. I could simply write about the adverse conditions that Governor Walker’s reduction of the 2016 PFD has made on individual household funding, economy, stealing, or even placing some areas in this state on the brink of collapse. I could dig deeper in these areas and I know the senate and house have heard all of these in great detail in committees and in public town hall meetings across this state. Personally, I have heard the outcry of the PFD at my place of employment, social media, church, restaurants, and other places that my family are exposed. It simply has been a tragedy in the voice of the people in which I interact on a routine basis and a majority of them have no idea why the reduction happened, why the reduction occurred with little notice, and how one person has the power to remove all Alaskans from the role of their individual PFD. It simply has been disappointing to my circle of influence that our state government would turn their backs, close their eyes, and plug their ears of the people they serve.

Breaking the backs of Alaskans to balance an unsustainable budget in government is not what our founding leaders of this state would have tolerated or accepted. Alaskans have always been a free-spirited people and we always side on liberty and freedom that this great land has provided each one of us in so many ways. The PFD is simply a reflection of the commitment that was made to Alaskans many years ago, that we would always come first regardless of the circumstances we found ourselves. The word Permanent in that name of PFD is simply not a slogan or passive identifier. Rather it signifies a deep understanding between the people and government that we are in this together and everyone will always benefit from the resources of our state. To unilaterally take that commitment from the people makes it clear that government no longer wants to walk beside the people of Alaska but rather remove its commitment in a divorce without any ballot box cast from the other side. The PFD reflects our values of this state more than just money. It reflects who we are and what

we are like no other state in the union. The PFD stands as a reminder that all Alaskans matter regardless of who you are, where you live in this state, or what your ethnic identification. The PFD unites Alaskans like no other issue and it assures the next generations that common ground can be found if we desire to reach across. The PFD is too large to be decided in the halls of Juneau and must be taken to the streets, the villages, the cities and towns of this state. Every voice in this state must have a say on something that truly speaks to everyone in this state. The PFD must be restored to its full glory before Governor Walker's pen touched the lives of so many. It must be restored because the money of the people, by the people, and for the people was never heard or considered. This issue is about restoring confidence in our government and the people witness that government does not have the final say, we do!

Like so many Alaskans before me, I stand and shouting from the Matsu of my home in a state that I love hoping that our elected leaders will once again turn around and open their eyes, open their ears, and open their voice to advocate for the most precious resource we have in this state and that is life. The life of people is the heartbeat and backbone to this state. Please restore our faith and hope that government is truly for the people of all Alaskans and your commitment to us is first priority.

Thank You,

Greg Pugh

District 12

Christa McDonald

From: themays@mtaonline.net
Sent: Saturday, January 28, 2017 8:05 AM
To: Senate State Affairs
Cc: Representative.Shelley.Hughes@akleg.gov
Subject: Permanent Fund

I support SB 1 & 2 to restore Alaskans PFD.



This email has been checked for viruses by Avast antivirus software.
www.avast.com

Christa McDonald

From: Conley Marcum Jr. <marksman000@hotmail.com>
Sent: Saturday, January 28, 2017 9:02 AM
To: Senate State Affairs
Subject: Senate bills

I support Senate Bill 1 and 2

Conley Marcum Jr.
Cell 907-317-8174

Christa McDonald

From: Mike Coons <mcoons@mtaonline.net>
Sent: Saturday, January 28, 2017 9:31 AM
To: Senate State Affairs
Subject: Support SB 1 and SB2

My name is Mike Coons, from Palmer and speaking for myself

I fully support SB1 and SB2 for a very simple reason. The economy. In a recent e-mail from Senator Mia Costello she says that Alaska is now in a recession. This is based on economic testimony given to her committee. A recession is not caused by one thing only, but in this case the removal of roughly 7 hundred thousand dollars from the economy had a real impact.

AS 43.23.025 Amount of Dividend - leaves undistributed funds in the Dividend fund for distribution the next year. Governor Walker tried to lie to us that keeping half the PFD it would help reduce the budget. That was a flat out lie and continues to be.

The real reason for this recession, when other States are full bore ahead, is a combination of not paying the oil industry the credits that are in statute, thus a strong reason for loosing 6,800 jobs last year and another expected 7,000 this year as well as the uncertainty of our State economy.

We have a Governor who is a tax and spend Governor, while those States booming are run by Conservative Republican Governors whom are less government, less taxes, less regulation, the hallmark of our Republic.

Pass SB1 and SB2, put \$700 thousand dollars back in our pockets and into the economy, stop spending Other Peoples Money (OPM), meaning mine vs cutting the budget to sustainable levels like Senator Dunleavy's 50/50 plan will do. Stop this Governor and his liberal supporters from taking our state to a new low while other States flourish. We have a new President that is for economic growth and prosperity whom may very well this year open ANWR and stop EPA, Interior actions that have been another cause of our recession. Governor Walker is working against the fulfillment of our States destiny that President Trump will be helping up achieve! Give us back our full PFD, no more restructuring of the PFD, no new taxes and no more violating existing law and promises made to the oil industry!

Mike Coons
5200 Dorothy Drive
Palmer, AK 99645

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Using Opera's mail client: <http://www.opera.com/mail/>

Christa McDonald

From: Linn McCabe <linn.mccabe@gmail.com>
Sent: Saturday, January 28, 2017 9:44 AM
To: Senate State Affairs
Subject: PFD

Senators,

Please reinstate the full dividend as designed by the legislature and Governor Hammond. This money belongs to the people and must not be allocated for any other purpose(s). We do not own the mineral rights to our own property and the PFD was created in recognition of this reality. At some point you may need to access the Permanent Fund, but before this can be justified, you **MUST CUT THE OPERATING BUDGET!** We cannot afford the current levels of irresponsible spending. For starters, the gas offices recently created in Texas and Japan must be closed. The gas line is not viable and this governor insists on throwing (OUR) good money after bad. There is a plan which must be reviewed which was created by United For Liberty and Alaska Policy Forum, posted at MissionCriticalAlaska.com. We will be watching and waiting for our Senators and Representatives to represent the wishes of the people.

Thank you!

Respectfully,

Linn McCabe
PO Box 520248
Big Lake, AK 99652
Ph: (907)242-9474

Sent from my iPhone

Christa McDonald

From: Cynthia Goodwin <outstanding64@live.com>
Sent: Saturday, January 28, 2017 9:47 AM
To: Senate State Affairs
Subject: Regarding the REST of the PFD

Hello, I have tried to think of what to say here. However, all that keeps going through my mind is "You took money slated to come to me, now give it back!" Is it "my" money? Well, that little portion via the rules and regulations were slated to come to me, so yes the portion that Governor Walker "took" was my money.

If the state needed it that bad they should have at the MINIMUM put the whole issue up for a vote before the people and made their case as to why they needed it more than people who live in a high cost of living state with very little industry jobs do.

I don't know what else to say...Governor Walker acted as sole owner of the PFD. Is he??

If so, then why I guess we should all go and grovel at his feet for a portion of the PFD every year if we want it...and maybe he will give us ten bucks.

But, Governor Walker is NOT the owner of the PFD and should not have acted so. He ran on the premise that he would not touch the PFD. I actually (in hind sight stupidly) voted for him because of that "promise".

Evidently Governor Walker does not think of "the people", it's about "*his pipeline*" and "*his legacy*". He should take a queue from what just happened with the presidential election as to what people think about him now and will regarding his legacy.

There is so much more to say, but it's not worth getting upset over or my time. The Governor has set himself as the know all and end all, meaning he knows what's best for us and will do what he feels is right regardless.

I wonder how many are leaving the state as I write this. Like it or not the dividend is a factor for many that live here.

Thank you for reading my email. And no I won't vote for Governor Walker again, no one I know will.

Cynthia L. Goodwin

Registered Voter

907-707-3210

Christa McDonald

From: Brandi Wadkins <beathangel@gmail.com>
Sent: Saturday, January 28, 2017 9:49 AM
To: Christa McDonald
Cc: Sen. Peter Micciche; Sen. Mike Dunleavy; Sen. Bill Wielechowski
Subject: SB1 and SB2 testimony

Good Day.

My name is Brandi Wadkins, I'm from Soldotna, I represent a family of five with four minors unable to vote. It is their voices I want you to hear today.

Our household is in support of restoring the withheld 2016 PFD amounts. We would like to be able to put back a fuller portion of the PFD into each child's savings account, as we do each year. This is a modest tithe of the PFD amount since we are a very low income earning family for 2016. Without any PFD funds we surely would have faced dire circumstances, perhaps even being homeless. Since we did receive a partial PFD we were able to maintain our home, but all discretionary spending was halted. I even had friends purchase holiday gifts for my children so they would not go without.

I share this information to give a face and reality to the statistics that are represented by ISER research regarding the economic harm done to low income families by Gov. Walker's choice to withhold half of our PFD. We are not just numbers. We are Alaska's real future. We are the next generation.

We support the efforts of Senator Dunleavy and the other sponsors of restoring our rightful dividend from 2016. We also support efforts to protect our current methods of PFD distribution, as outlined by Statute Law, from further molestation.

We thank you for your time and for hearing our voices.

Future voters: Rachel, Caleb, Hannah and Michael

Brandi Wadkins

beathangel@gmail.com

Christa McDonald

From: Mike Coons <mcoons@mtaonline.net>
Sent: Saturday, January 28, 2017 10:37 AM
To: Senate State Affairs
Subject: Revised Support SB 1 and SB2

My name is Mike Coons, from Palmer and speaking for myself

I fully support SB1 and SB2 for a very simple reason. The economy. In a recent e-mail from Senator Mia Costello she says that Alaska is now in a recession. This is based on economic testimony given to her committee. A recession is not caused by one thing only, but in this case the removal of roughly 70 hundred million dollars from the economy had a real impact. Last I heard this was \$1.50 per PFD dollar into the economy

AS 43.23.025 Amount of Dividend - leaves undistributed funds in the Dividend fund for distribution the next year. Governor Walker tried to lie to us that keeping half the PFD it would help reduce the budget. That was a flat out lie and continues to be.

The real reason for this recession, when other States are full bore ahead, is a combination of not paying the oil industry the credits that are in statute, thus a strong reason for loosing 6,800 jobs last year and another expected 7,000 this year as well as the uncertainty of our State economy.

We have a Governor who is a tax and spend Governor, while those States booming are run by Conservative Republican Governors whom are less government, less taxes, less regulation, the hallmark of our Republic.

Pass SB1 and SB2, put \$700 million dollars back in our pockets and 1.5 Billion into the economy, stop spending Other Peoples Money (OPM), meaning mine, vs cutting the budget to sustainable levels like Senator Dunleavy's

50/50 plan will do. Stop this Governor and his liberal supporters from taking our state to a new low while other States flourish. We have a new President that is for economic growth and prosperity whom may very well this year open ANWR and stop EPA, Interior actions that have been another cause of our recession. Governor Walker is working against the fulfillment of our States destiny that President Trump will be helping up achieve! Give us back our full PFD, no more restructuring of the PFD, no new taxes and no more attacks to Alaskans for standing against the Governor and for the legislature.

Mike Coons
5200 Dorothy Drive
Palmer, AK 99645 Using Opera's mail client: <http://www.opera.com/mail/>

Christa McDonald

From: Joel Randrup <jkrandrup@gci.net>
Sent: Saturday, January 28, 2017 10:44 AM
To: Senate State Affairs
Subject: Support SB1 and SB2

To Senate State Affairs Committee,

I strongly support SB1 and SB2 to restore that portion of the permanent fund dividend that was vetoed by the Governor. Cutting the PFD has a negative effect on the overall economy and disproportionately hurts low income Alaskans as well as those at or near the poverty line. It is the single most harmful action that could have been done and it is adding to the problems for an Alaskan economy in a recession.

I humbly ask the legislature to look at further reductions in the unsustainably large public sector created by previous larger budgets including the oil and gas tax credits. These reductions will also have a negative effect on the overall economy. However, many public sector programs are too large and expensive to be sustainable. Only after these cuts should we look to new revenues such as taxes, and use extreme caution in the exploration of any use of the earnings from the permanent fund to support a sustainable budget.

A big thank you to senators and representatives and their staff that take the time to answer emails. This helps immensely and lets me believe that you are listening even if we have different views on issues.

Thank you,
Joel Randrup
Commercial Fisherman
Petersburg, AK

Christa McDonald

From: Destiny <scoutredneckfluffy@yahoo.com>
Sent: Saturday, January 28, 2017 11:53 AM
To: Senate State Affairs
Subject: SB 1 and SB 2 support

Hello,

My name is Destiny Sanders and I live and vote here in Ketchikan and want to write in my support of SB 1 and SB 2. Not only is the PFD such an important aspect of our economy that almost every family counts on it year to year, but we have already seen the negative effects of capping the PFD payment.

By capping the PFD, more families were put below the poverty line, resulting in more need for government assistance. The Pick, Click, Give program saw a huge drop in donations and likely a sharper drop this year with all the uncertainty regarding the PFD.

Restoring full payment won't bring back the skimpy Christmas my family was able to have. It won't bring back the first birthday party for my daughter that we weren't. However, restoring the illegitimately stolen money to the hands of the people it belongs to may fix our cars enough to get them through another winter. It may help stock the freezer for a future of sparse times ahead, and most importantly, it will show the citizens of this wonderful state that they still have a say in their government. That their government does hear from them and won't just steal from them in the night.

My support of SB 1 and SB 2 aren't for the people who don't need it, or who are misinformed and think of it as free money. My support is for every Alaskan family just toeing the poverty line, the ones who missed important celebrations because times are tough, and the Alaskans whose faith in their governor was first shaken and then shattered by this betrayal. Jay Hammond created this fund for every citizen, not just members of government who can't get their spending under control.

Sincerely,
Destiny Sanders
561 D2 Loop Road Apt. A
Ketchikan, AK. 99928

Christa McDonald

From: William Reiner <wreiner@gci.net>
Sent: Saturday, January 28, 2017 12:45 PM
To: Senate State Affairs
Subject: SB1 & SB2

I approve of SB1 & SB2 as currently written with out amendments.
I request a yes vote on SB1 & SB2 by this body and passage of these two bills.

Thank you.

William Reiner

Alaska voter

#01468049

Christa McDonald

From: Todd Smoldon <toddsoldon1@gmail.com>
Sent: Saturday, January 28, 2017 12:46 AM
To: Senate State Affairs
Subject: SB1 Testimony

To the Alaska Senate Affairs Committee,

When Governor Walker vetoed one-half of the permanent fund dividend payout in the summer of 2016, I was very disappointed and frustrated. I believe that this was a foolish decision that hurts private businesses and was a regressive income tax on households in the state.

As you know, the veto of the PFD was not really a cost savings or a reduction in the budget. The money that was not paid out sits in the permanent fund earnings reserve account rather than circulating throughout the private economy. During a time when Alaska is experiencing low economic growth and the highest unemployment rate in the country, it is unwise to withhold nearly 700 million dollars from the private economy. The private economy creates jobs and wealth. It is from the private economy, that the public sector is able to draw wealth. A full payout of the 2016 PFD will strengthen the private economy, which also strengthens the state and local governments.

The governor's veto of the 2016 PFD was also a significant tax on the people of Alaska. The average Alaskan household income was approximately 70,000 dollars last year. For a family of four in Alaska, this veto by the governor was essentially a tax of nearly 7%. For the working poor in Alaska, this veto could have resulted in the loss of as much as 10 - 20% of their overall income. For many of these poor Alaskans, this means less food on the table, more difficulty with paying bills, and also less money for education and training. While many communities generally do not mind taxing citizens progressively, This is a regressive income tax that significantly hurts the poor in our state.

To conclude, the veto of the 2016 PFD payout in full was a demonstration of the inability of Governor Walker to make hard choices about the appropriate size of government in our state. It is a fact that our state spends significantly more per citizen than any other state in the United States. When looking at the numbers over the last decade, it is clear that our state government spending has increased significantly higher than the rate of population growth and inflation. The governor and legislature should be looking for ways to spend more efficiently, not finding more efficient ways to extract money from the citizens of Alaska. I urge you to support the private economy and the families of Alaska by voting to move this bill to the floor for a vote.

Sincerely,

Christa McDonald

From: amy caskey <ainnerarity76@hotmail.com>
Sent: Saturday, January 28, 2017 2:24 PM
To: Senate State Affairs
Subject: SB1, SB2

Mr. Coghill,

Please support SB1 and SB2.

Thank you
Amelia Caskey

Sent via the Samsung Galaxy S7, an AT&T 4G LTE smartphone

Letters of Opposition

SB 1 & SB 2

Christa McDonald

From: Jim Dube <dubej@mac.com>
Sent: Thursday, January 26, 2017 11:23 AM
To: Christa McDonald
Subject: SB1 & SB2 Statement

Hello,

I am a resident of King Salmon, AK (99613) and wanted to go on the record indicating my opposition to these measures. I understand that the PFD is an important source of income for many individuals and families, but I also appreciate the fact that our state is in a dire budget situation. I would much rather have schools, clinics, law enforcement, roads & bridges than another \$1,000 each for my family of six. We need to think long term.

Thanks,

Jim Dube
King Salmon

From: Art [mailto:northart@mtaonline.net]
Sent: Tuesday, January 24, 2017 8:13 PM
To: Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>
Subject: Alaska PFD

Hello Mike,

Your email proclaims, that gov't , meaning you as a member of the Alaska Legislature, is unable to have a balanced budget and live within your means.

This is like saying the parents of a household are splurging beyond their means and ask their children, to take over.

The current dividend provides, money for everyday expenses, such as fuel, repairs to home and autos,etc. so people recognize where the wealth comes from.

The PFD was/is never meant to provide luxury vacations, out of state, out of country, unnecessary recreational vehicles, etc.

The PFD was never meant to have the kid's PFD, taken away by the parents and spent.

From my perspective, it is better to have a balanced budget, both in personal lives, and in gov't.

Right now I see the frequency of DOT snow removal on the Parks Hwy, is lacking. I see others complaining about Alaska State Troopers bring cut. Unless the populations decrease like back in 1986 recession, the number of Troopers should not be cut.

There should be seasonal layoffs in the different agencies, not maintaining a payroll of workers on welfare projects. Just to keep them busy till needed. Sadly but the Capital projects list must be pared. The Power Cost Equalization Program providing fuel subsidies for the Bush needs to be cut.

Now that the Native Corporations are healthy and reaping huge profits, they need to assume some of the benefits provided to Native villages, by the State. The North Slope Borough Bond Indebtedness, needs to be capped by law.

State of Alaska Gov't needs to be contained to a sustainable level. Giving greater dividends to the citizens , to squander, is not prudent. You have the power Mike, to do something in the Legislature, to balance the budget. Get rid of this Sunshine Public Transit for starters. A total waste of money !

Regards, Art Wettanen
Talkeetna

From: Con Bunde [<mailto:con.bunde@yahoo.com>]
Sent: Wednesday, January 25, 2017 6:46 AM
To: Sen. Mike Dunleavy <Sen.Mike.Dunleavy@akleg.gov>
Subject: Re: Help me help you

I couldn't disagree more. stop blowing smoke up the skirts of the PFD fanatics. Use the PF earnings as the were designed to be used, support states services when other there is a lack of other funds. Use the PFD to pay for state services before new taxes.
Con

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: SB 2
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB002-DOR-PFD-1-20-17
Title: 2016 PFD SUPPLEMENTAL PAYMENT
Sponsor: DUNLEAVY
Requester: (S) State Affairs Committee

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Permanent Fund Dividend Division
OMB Component Number: 981

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 656,903.3 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Sara Race, Director	Phone: (907)465-4785
Division: Permanent Fund Dividend	Date: 01/20/2017 01:00 PM
Approved By: Jerry Burnett, Deputy Commissioner	Date: 01/20/17
Agency: Department of Revenue	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. SB 2

Analysis

The proposed legislation requires a supplemental payment to be made to all individuals that were deemed eligible and paid a 2016 dividend. Implementing this supplemental payment is unique and will require system programming to allow for an additional payment to be made to all eligible 2016 dividend recipients. The request of a supplemental appropriation, in the amount of \$656,903,336, is being requested as it is implied that payments will be made in this fiscal year.

In order to properly implement and execute a second mass payment, similar tasks to our original mass payment will need to be followed. These steps include an initial planning session with the multiple other State agencies that are involved in our payment, which includes Finance, the Print Room, the Mail Room, DOR Fiscal, and DOR Cash Management. Outside of the state, we will need to work with US Bank, as well as Key Bank to ensure proper funding distribution occurs. In order to ensure that, we will need to pre-note all direct deposit accounts. Due to the amount of time that has passed from the initial mass payment in October of 2016, we feel it would be extremely important for us to pre-note all accounts to be sure we aren't ending up with a large amount of rejects from the banks. For the 2016 PFD, we had roughly 86,000 individuals choose to be paid by paper warrant (check). We would need to ensure that enough warrant stock exists to cover that number. Mailing addresses for individuals also change often, which would have negative implications on our Division as we receive the returned warrants through the USPS system. Our initial thought would be to advertise this upcoming payment with the hope that individuals who received the 2016 PFD via paper warrant would contact us if their mailing addresses changed. This would also be a significant cost in postage for us to mail out these warrants. We will be required to send out 1099s, which will also have paper and postage needs.

This will directly affect the process that we are making on the current 2017 season as we anticipate this to drive a significant amount of public contact. Our hope is to have effective messaging in a variety of venues, however, based off of the public response at the announcement of the 2016 PFD, we believe this will affect our division greatly.

Total supplemental appropriation:

Dividends	656,625,000
Bank costs	11,000
Postage	209,965
Warrant Stock	9,371
Contractor	48,000
Total	656,903,336

Detail:

- Amount needed to pay dividends (637,500 x 1030 = \$656,625,000)
- Pre-note \$4,000
- Other bank charges including returns \$7,000
- Postage for warrants (warrant count 82,933 x postage .44 = \$36,491)
- Warrant stock (warrant count 82,933 x stock .113 = \$9,371)
- Mailed paper 1099s, letters (paper 1099s requested 394,260 x .44 = \$173,474)
- Programming hours* (300 x 160= \$48,000)

*On the low end, we expect this change will take a least three hundred hours of programming time. Depending on how and when payment is to be distributed, as it is imperative that the 2017 dividend is distributed timely, contracting time will more than likely be necessary.