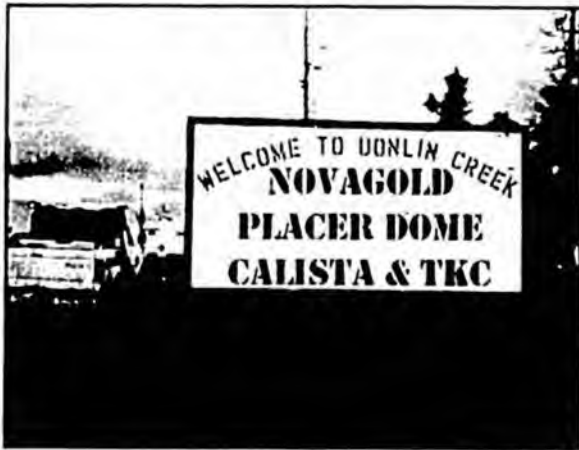


ALASKA LEGISLATURE

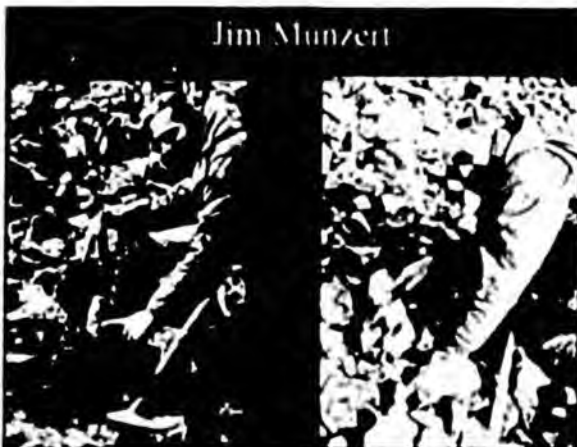
2759

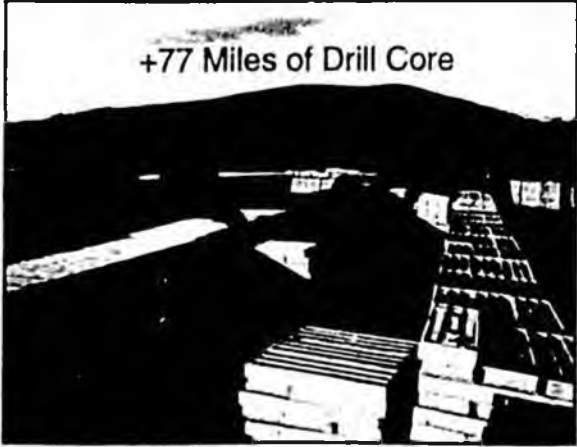
HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004



Project Expenditures

Calista	\$0.4M
WestGold	\$2.7M
Teck	\$0.3M
PDCS	\$31.7M
NovoGold	\$10.0M
NovoGold/Placer JV	\$3.3M
Total	\$48.4M





+77 Miles of Drill Core



Interim Updated 2002 Donlin Creek
Resource Estimates



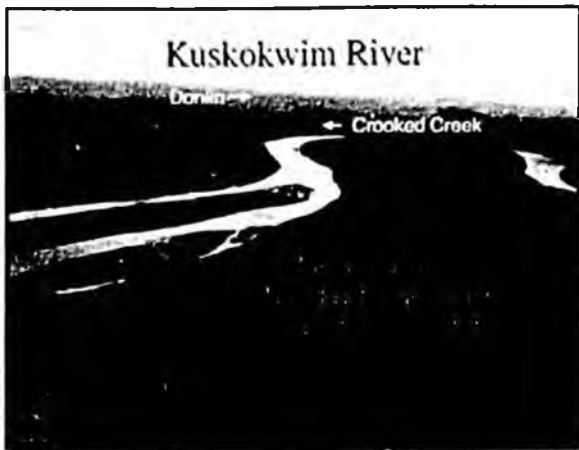
World's Largest Gold Deposits



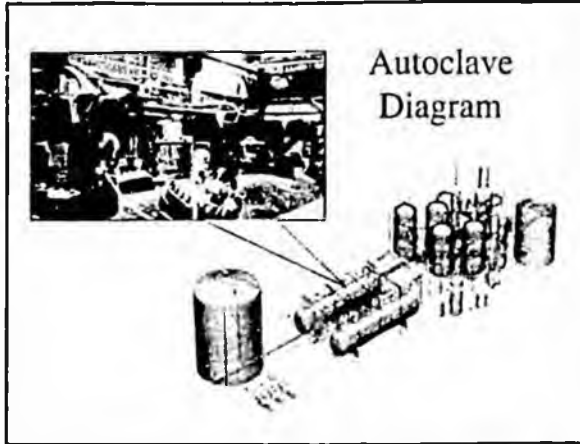


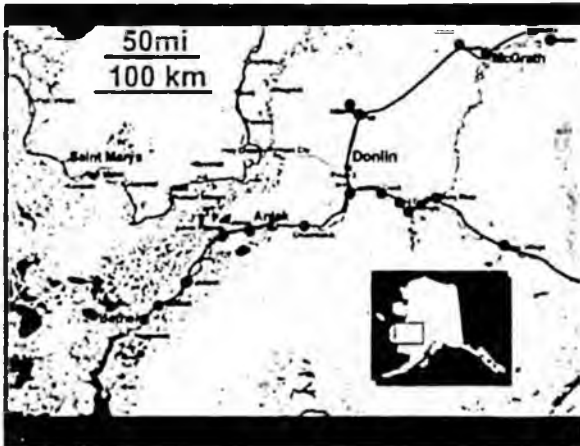














Local Shareholder Hire

50% improvement in at 60 people
65% Shareholders

Wassilie, Veda and George



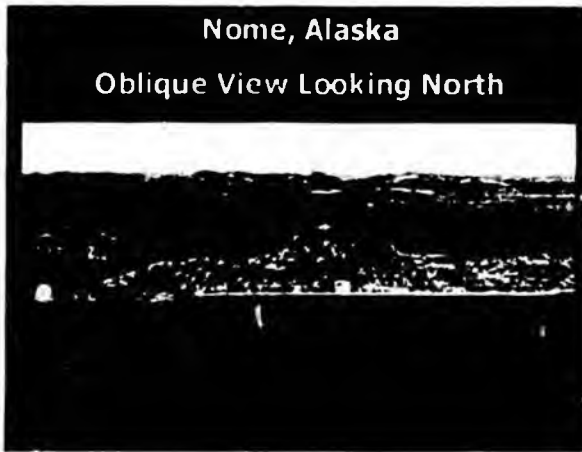








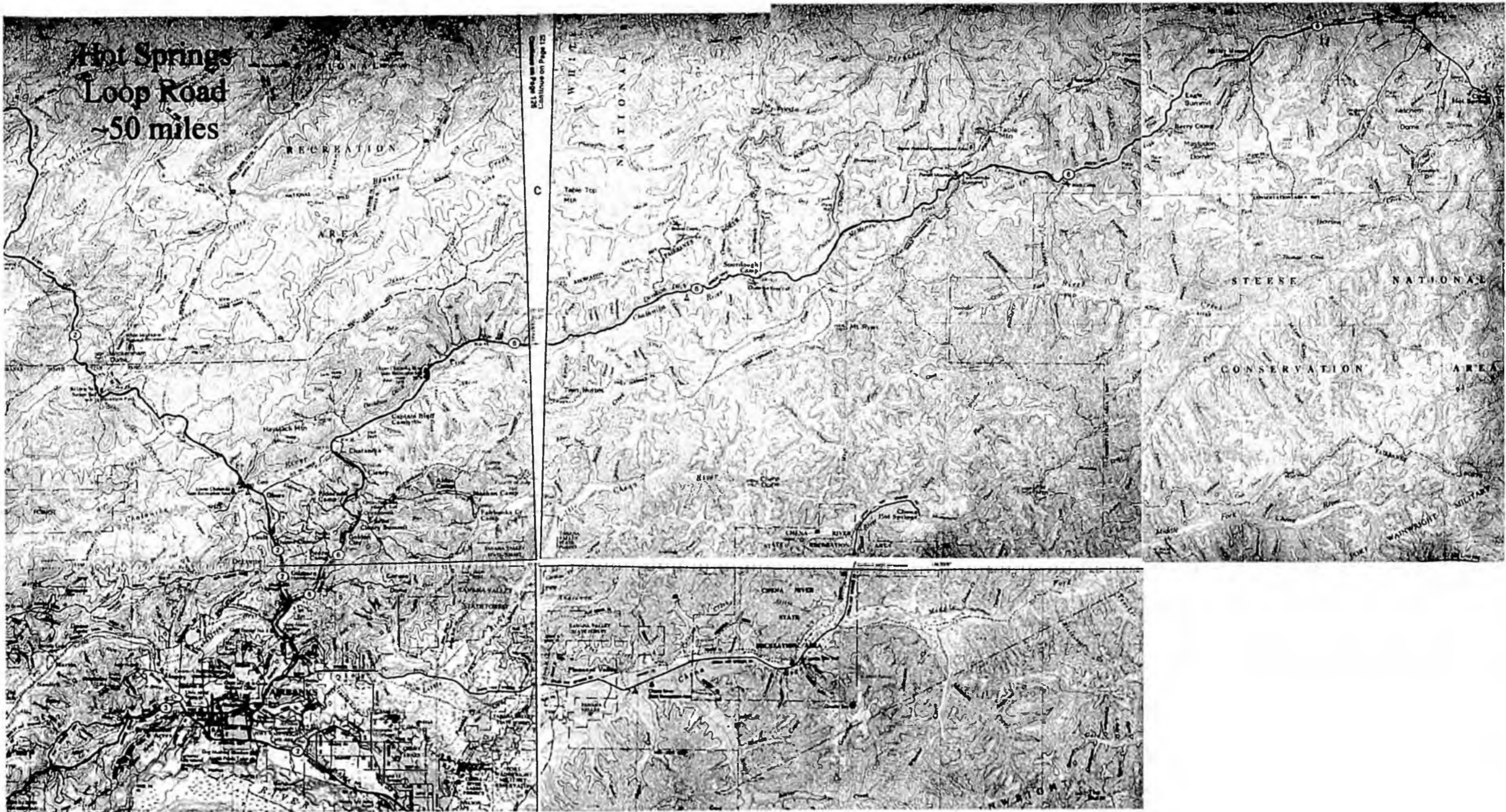






NovaGold Resources Inc.

Hot Springs Loop Road ~50 miles



U.S. GEOLOGICAL SURVEY
Geological Map of the United States
Continued on Page 125

W.H.I.T.E.

C

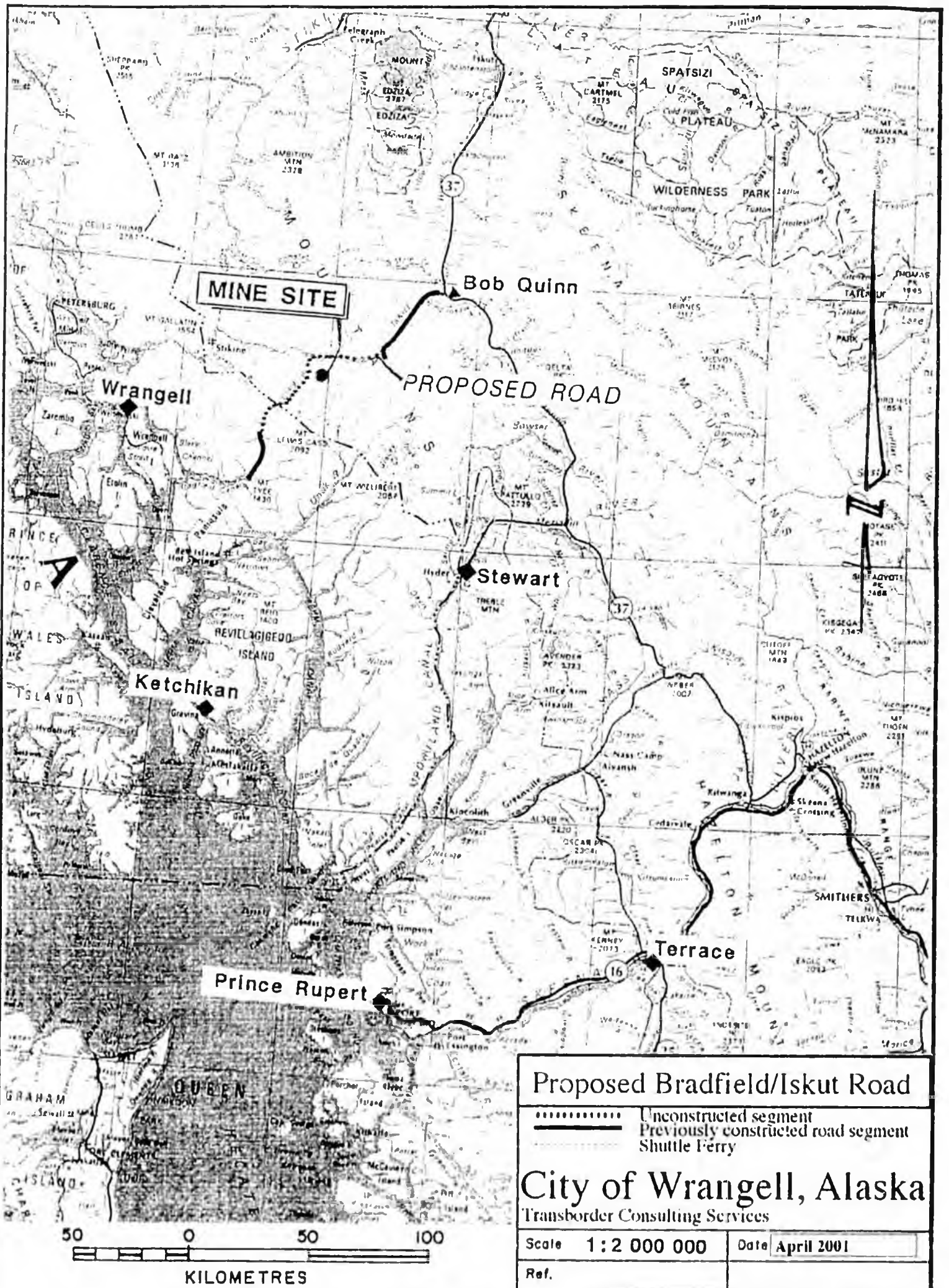
C

STEENSE NATIONAL
CONSERVATION AREA

CORNIA RIVER
STATE

RECREATION AREA

WANNAWAITE
MILITARY



Proposed Bradfield/Iskut Road

- Unconstructed segment
- Previously constructed road segment
- Shuttle Ferry

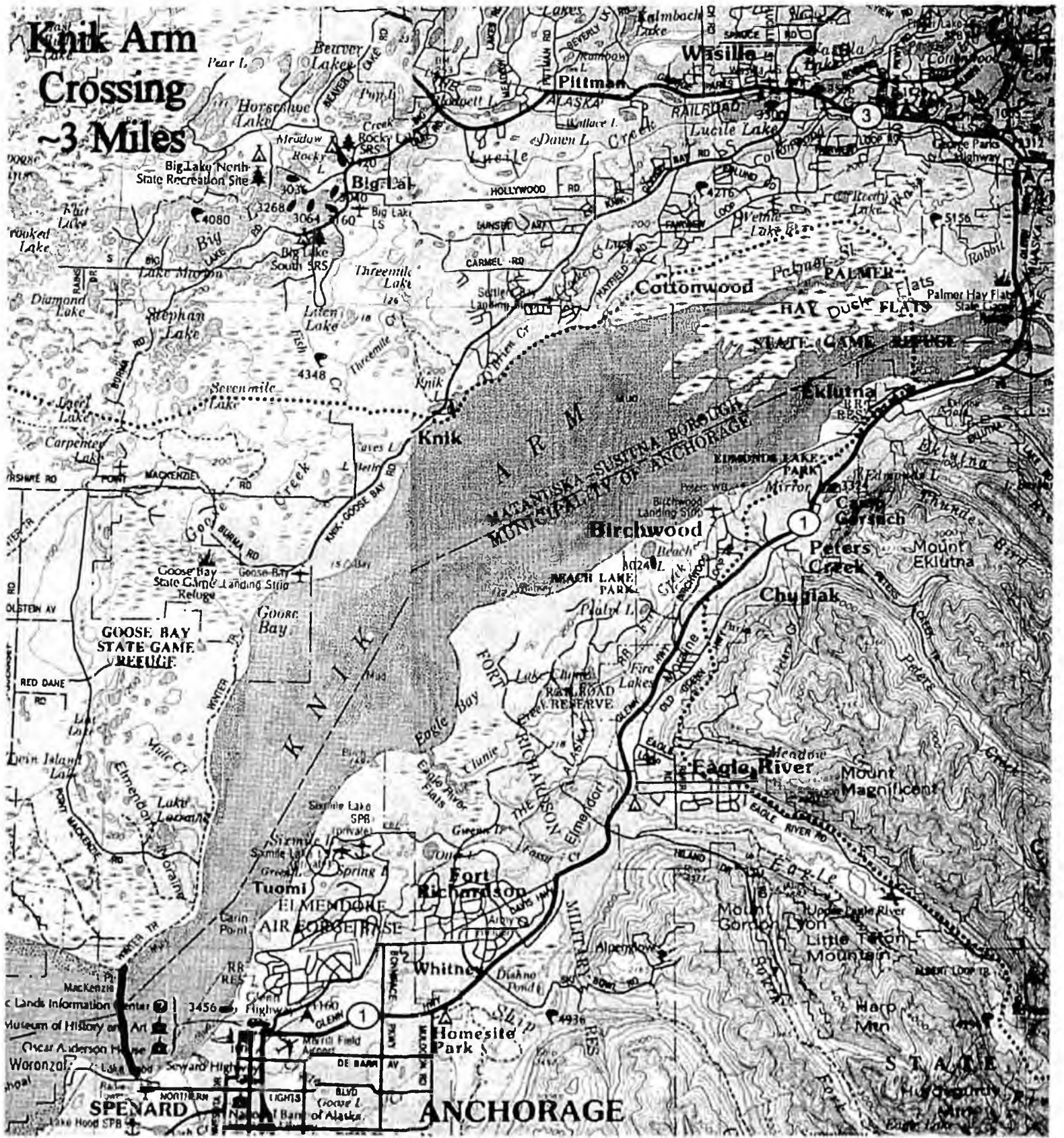
City of Wrangell, Alaska

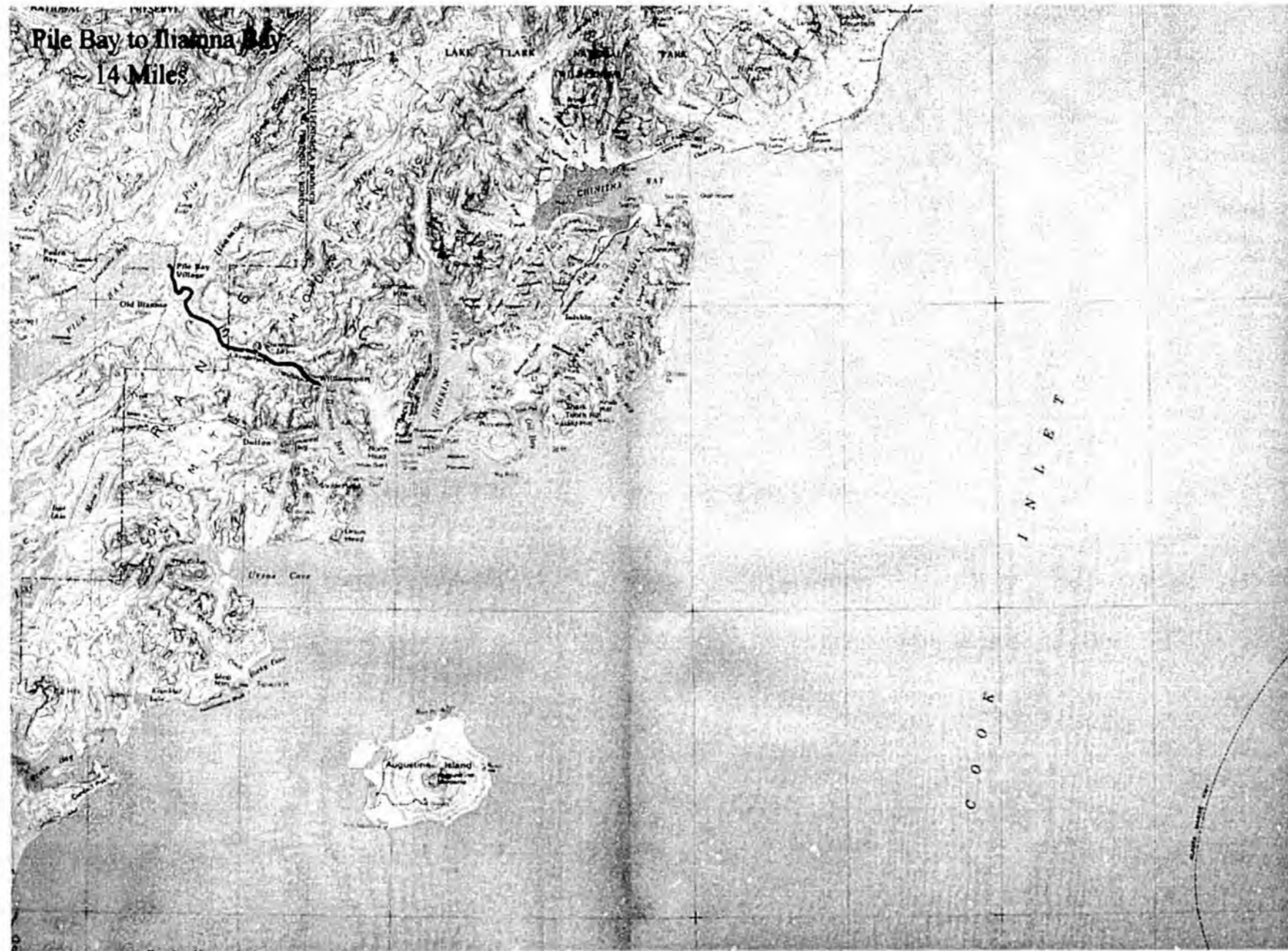
Transborder Consulting Services

Scale 1 : 2 000 000 Date April 2001

Ref. _____

Knik Arm Crossing ~3 Miles





GARY WILKEN

SENATOR
West Fairbanks

Interior
1851 Fox Ave
Fairbanks, Alaska 99701
Tel: (907) 451-4347
Fax: (907) 456-8163

Alaska State Legislature

Senate

During Session
State Capitol Building
Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator_Gary_Wilken@legis.state.ak.us

Senate Concurrent Resolution 1 Sponsor Statement

“Relating to economic development generated by new road construction and to the design and construction of the Hot Springs Loop Road to connect Chena Hot Springs and Circle Hot Springs. “

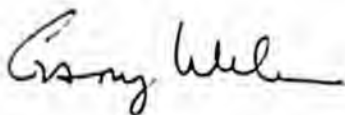
SCR 1 is submitted to advance economic development in Interior Alaska.

This resolution addresses the following:

- 1) There is considerable tourism activity at both Chena and Circle Hot Springs. Connecting these two sites will spur further tourism activity at both locations, and potentially at new sites established along the way.
- 2) Local residents also frequent these locations, not only to enjoy the hot springs' facilities, but also to access fishing, hunting, camping and hiking areas that intersect the routes to both hot springs. Extending the road to form a loop will extend and improve access to these Alaskan resources and pastimes.
- 3) The increased traffic along this Loop Road will lend itself to increased commercial and industrial activities, including resource extraction and entrepreneurial ventures, thus promoting job opportunities and long-term economic growth to the area and to the State.

Across Alaska there may be many worthwhile road construction projects currently under consideration to improve Alaska's highway infrastructure. However, SCR 1 does not intend to give preference to any one project. Instead, it aims to identify and evaluate one model project that would significantly improve the quality of life and potential for development in Interior Alaska and encourage further like discussions in other areas of our State.

I respectfully request your support.



Home of the
University of Alaska

GARY WILKEN

SENATOR
West Fairbanks

Interim
1851 Fox Ave
Fairbanks, Alaska 99701
Tel (907) 451-4347
Fax (907) 456-8163

Alaska State Legislature

Senate

During Session
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Tel (907) 465-3709 (outside Fairbanks)
Fax (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator_Gary_Wilken@legis.state.ak.us

Senate Concurrent Resolution 1

Sponsor Statement

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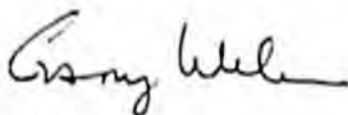
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FAIRBANKS
Daily News - Miner

"Independent in All Things ... Neutral in None"

Established in 1903

CHARLES L. GRAY
Publisher Emeritus

MARILYN ROMANO
Publisher

KELLY BOSTIAN
Managing Editor

DERMOT COLE
Columnist

ROD BOYCE
Assistant Managing Editor

If you build them ...

We're beginning to get a feel for this new kind of talk coming out of Juneau, and we like it.

People are talking about building things and the leaders of our state have not talked that way for some time.

Sen. Gary Wilken forwarded a resolution supporting construction of a road linking the Chena and Circle hot springs resorts, and the resolution made it through its first Senate committee on Tuesday. Other senators, following Wilken's lead, even added a few of their ideas to the docket.

Wilken said that he had, in fact, introduced the bill in the hopes it would become a wish list of road proposals for legislators to forward to the congressional delegation and to Gov. Frank Murkowski.

The state House voted late last week to forward a resolution urging the governor to encourage the Alaska Railroad Corp. to build an extension of the Alaska Railroad from its terminus at Eielson Air Force Base another 70 miles to Fort Greely to supply the missile defense facility under construction there. And on Wednesday, Gov. Murkowski said in a press conference that his cabinet is narrowing its proposals for new roads, with projects near Delta and on the North Slope rising to the top of the priority list. The cabinet has challenge revenue commissioner Bill Corbus to be innovative in searching for construction finances—beyond the millions available through federal highway funds.

We can thank the governor for this kind of talk; part of his campaign platform included proposals to expand Alaska's road system to spur development.

Our cautious side makes us want to know more details before we start bulldozing the countryside, but we know from experience that there is plenty of time for financial planning, design and environmental assessment. First, there must be a dream.

The Murkowski administration is encouraging leaders to think creatively about building infrastructure that will boost Alaska's prosperity. Any good entrepreneur first has a dream and sets goals. Then the plan comes together on how to make the dream into reality.

A quote in the News-Miner earlier this week from Sen. Wilken about his hot springs loop idea brought it home. "This resolution simply says, 'Let's look,'" Wilken said. "This is my seventh year here and this is the first year that we've had the opportunity to talk about building roads and have had some support."

Sen. Wilken and Gov. Murkowski and others who share these visions have our support.

February 16, 2003

Fairbanks Daily News-Miner

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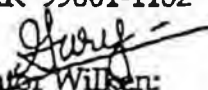
Fairbanks Daily News-Miner



250 Cushman St., Suite 2D, Fairbanks, AK 99701-4665
phone: (907) 452-1105, fax: (907) 456-6968
e-mail: staff@fairbankschamber.org
website: www.fairbankschamber.org

February 5, 2003

Senator Gary Wilken
State Capitol, Room 518
Juneau, AK 99801-1182


Dear Senator Wilken:

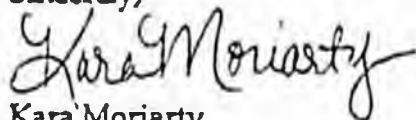
On behalf of the Board of Directors and over 750 business members of the Greater Fairbanks Chamber of Commerce, I would like to offer our wholehearted support for SCR 1, a resolution of support for the construction of new roads to stimulate economic development and for the design and construction of a scenic loop road connecting Chena Hot Springs and Circle Hot Springs.

This fall, the Greater Fairbanks Chamber of Commerce met with officials from the Fairbanks North Star Borough, the City of Fairbanks, the City of North Pole, and the Interior Delegation to discuss needed transportation projects for Interior Alaska. These groups agreed upon a list of thirteen projects consisting of long-term conceptual plans for transportation infrastructure and needed upgrade and maintenance projects.

Of those projects, a loop road between Chena Hot Spring Road and Circle Hot Springs was listed as an identified project that would have long-term benefits for Interior Alaska. The proposed loop road would further enhance the tourism market to Chena and Circle Hot Springs, as well as attract more tourists in the winter for viewing of the aurora borealis.

Thank you for sponsoring SCR 1. We strongly encourage the passage of this resolution. If you have any questions, please feel free to contact me at 907-452-1105.

Sincerely,



Kara Moriarty
President/CEO

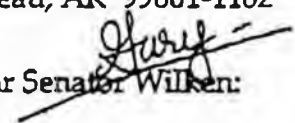
GREATER * FAIRBANKS
CHAMBER
OF COMMERCE

250 Cushman St., Suite 2D, Fairbanks, AK 99701-4665
phone: (907) 452-1105, fax: (907) 456-6968

e-mail: staff@fairbankschamber.org
website: www.fairbankschamber.org

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State Capitol, Room 518
Juneau, AK 99801-1182


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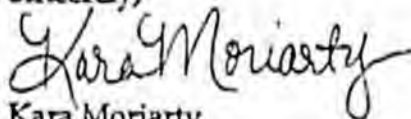
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Kara Moriarty
President/CEO

SENATE COMMITTEE REPORT

DATE: 2/12/03

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 2/18/03

Transportation Committee considered SENATE CONCURRENT RESOLUTION NO. 1

SCR 1 SUPPORT ROADS/HOT SPRINGS LOOP ROAD

Relating to economic development generated by new road construction and to the design and construction of the Hot Springs Loop Road to connect Chena Hot Springs and Circle Hot Springs.

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS SCR 1 (STA)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DOT	2/10/03		✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Thomas H. Wagoner</i> Wagoner			✓	
<i>Robert Theriault</i> Theriault	✓			
<i>David Olson</i> Olson			✓	
<i>Demetrius Lincoln</i> Lincoln			✓	
CHAIR: <i>John C. Anderson</i> Anderson	✓			

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 1/21/03

FURTHER: Transportation
Finance

DATE TURNED
IN TO OFFICE: 2/12/03

State Affairs Committee considered SENATE CONCURRENT RESOLUTION NO. 1

SCR 1 SUPPORT ROADS/HOT SPRINGS LOOP ROAD

Relating to economic development generated by new road construction and to the design and construction of the Hot Springs Loop Road to connect Chena Hot Springs and Circle Hot Springs.

and recommends:

- be replaced with CS SCRI (STA)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by Committee
- further referral to Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new SCR #

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	ENR
<i>Doty</i>	<i>2/10/03</i>		<i>0</i>	<i>1</i>

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero

APPROPRIATION - no fiscal note

SIGNATURES AND INITIALS	INITIATIONS:	DO PASS	DO NOT PASS	NO REC	ABSENT
<i>[Signature]</i>	<i>Caudery</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>[Signature]</i>	<i>Ryson</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>[Signature]</i>	<i>Gress</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>[Signature]</i>	<i>Hoffman</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>[Signature]</i>	<i>Taylor</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CHAIR					

SCR

6

SFIN

FILE

SCR 6

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

SCR

10

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

MAY 10 2003

DATE: 5/7/03

FURTHER: SENATE FINANCE
COMMITTEE

DATE TURNED
IN TO OFFICE: 5/12/03

Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 10

SCR 10 CHARTER SCHOOL TASK FORCE

Establishing the Joint Legislative Charter School Task Force.

and recommends:

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

be replaced with _____ CS SCR 10 (FIN)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
EFD	5/7/03	10.0		2
Senate HES Com.	4/30/03	10.0		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>Ben Stevens</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

REPORTED OUT

MAY 10 2003

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SCR 10
(S) Publish Date: 5/7/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title: A Resolution establishing the Joint Leg BRU _____
Charter School Task Force Component _____
Sponsor: Senator Dyson Component No. _____
Requester: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel	8.0					
Contractual	2.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	10.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	10.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Up to \$8,000 is allocated for travel for task force members to attend 4-8 meetings. Up to \$2,000 is available to contract temporary, part-time administrative assistance for the task force. These amounts will be supplemented by equal amounts from the Department of Education and Early Development pending receipt of federal funds from the United States Department of Education. These amounts will be used as caps because task force members are not yet assigned, and exact travel expenses cannot be computed.

Prepared by: Jason M. Hoolay, Senate H E S S Committee Aide Phone 907-465-2199
Division: Office of Senator Fred Dyson Date/Time 4/30/2003 4 00 PM
Approved by: Senator Fred Dyson, Chair Date 4/30/2003
Agency: Senate H E S S Committee

FISCAL NOTE

REPORTED OUT

MAY 10 2003

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SCR 10
(S) Publish Date: 5/7/03

SENATE COMMITTEE

Revision Date/Time (Note if correction): _____ Dept. Affected: EED
Title: Establishing the Joint Charter BRU: Teaching & Learning Support
School Task Force Component: Quality Schools
Sponsor: Senator Dyson
Requester: _____ Component No.: 2147

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel	7.0					
Contractual	3.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	10.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	10.0					
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	10.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
This fiscal note represents costs related to eight member Charter School Task Force that will be created by SCR 10. Task force members will meet face to face one time and will complete work through subsequent audioconferences. The result of these meetings will be a report of recommended legislative changes related to charter schools that will be presented to the legislature by March 1, 2004.

Prepared by: Barbara Thompson, Acting Director Phone: 907-465-8727
Division: Teaching & Learning Support Date/Time: 5/7/03 12:17 PM
Approved by: Karen Rehfeld Date: 5/7/2003
Agency: Department of Education

CS FOR SENATE CONCURRENT RESOLUTION NO. 10(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 5/7/03

Referred: Finance

Sponsor(s): SENATOR DYSON

A RESOLUTION

1 Establishing the Joint Legislative Charter School Task Force.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS Alaskans clearly believe in the value of quality education; and

4 WHEREAS school districts in Alaska and local school boards have implemented
5 innovations and programs that demonstrate a commitment to excellence in education,
6 including charter schools, district correspondence programs, boarding school programs, and
7 quality schools/quality students; and

8 WHEREAS the legislature has acted to rejuvenate Alaska public education by passing
9 legislation to implement standardized testing and other accountability measures; and

10 WHEREAS the legislature has provided for orderly, safe, disciplined, classroom
11 learning environments by mandating that each community establish and maintain its own
12 student behavior standards that, at a minimum, require respect and honesty; and

13 WHEREAS Alaskans have spent \$6,152,800,833 on public K-12 education over the
14 past five years (fiscal year 1998 through fiscal year 2002), averaging \$10,083 a student in
15 fiscal year 2002; on top of this expenditure, Alaskans have spent liberally to build school
16 buildings and pay debt service; and

ADOPTED

Amend #2
conceptual
23-LS05421S

1 WHEREAS the No Child Left Behind Act of 2001 makes unprecedented demands on
2 states and local school districts to raise academic achievement and to take direct action to
3 improve poorly performing schools involving increased public school choice including
4 charter schools;

5 BE IT RESOLVED that the Alaska State Legislature establishes the Joint Legislative
6 Charter School Task Force to review Alaska statutes related to charter schools and other
7 alternative public schools regarding the establishment, organization, operation, and funding of
8 alternative schools; and be it

9 FURTHER RESOLVED that the duties of the task force include

10 (1) recommending improvements or additions to the laws regulating charter
11 schools;

12 (2) researching ways to improve charter schools or how charter schools can
13 develop tools to meet requirements imposed under the federal No Child Left Behind Act of
14 2001;

15 (3) examining issues related to how charter schools meet the requirement of a
16 school term imposed under AS 14.03.030; and

17 (4) taking public comments on charter schools and on ways to improve charter
18 schools; and be it

19 FURTHER RESOLVED that the task force shall be composed of eight members as
20 follows:

21 (1) four members of the legislature, of which two members shall be from the
22 senate appointed by the president of the senate and two members shall be from the house of
23 representatives appointed by the speaker of the house of representatives;

24 (2) ^{Two} one member appointed by the Governor, ^{one of which is a school} administrator, superintendent, or

25 (3) one member appointed by the Association of Alaska School Boards; principal.

26 (4) the chair and secretary of the Alaska Charter School Association; and be it

27 FURTHER RESOLVED that the president of the senate and the speaker of the house
28 of representatives shall jointly appoint the chair and vice-chair of the task force; and be it

29 FURTHER RESOLVED that the task force may meet during the session and during
30 the interim between sessions and that task force members are entitled to per diem and travel
31 expenses; and be it

CS FOR SENATE CONCURRENT RESOLUTION NO. 10(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 5/7/03

Referred: Finance

Sponsor(s): SENATOR DYSON

A RESOLUTION

1 Establishing the Joint Legislative Charter School Task Force.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS Alaskans clearly believe in the value of quality education; and

4 WHEREAS school districts in Alaska and local school boards have implemented
5 innovations and programs that demonstrate a commitment to excellence in education,
6 including charter schools, district correspondence programs, boarding school programs, and
7 quality schools/quality students; and

8 WHEREAS the legislature has acted to rejuvenate Alaska public education by passing
9 legislation to implement standardized testing and other accountability measures; and

10 WHEREAS the legislature has provided for orderly, safe, disciplined, classroom
11 learning environments by mandating that each community establish and maintain its own
12 student behavior standards that, at a minimum, require respect and honesty; and

13 WHEREAS Alaskans have spent \$6,152,800,833 on public K-12 education over the
14 past five years (fiscal year 1998 through fiscal year 2002), averaging \$10,083 a student in
15 fiscal year 2002; on top of this expenditure, Alaskans have spent liberally to build school
16 buildings and pay debt service; and

1 WHEREAS the No Child Left Behind Act of 2001 makes unprecedented demands on
2 states and local school districts to raise academic achievement and to take direct action to
3 improve poorly performing schools involving increased public school choice including
4 charter schools;

5 BE IT RESOLVED that the Alaska State Legislature establishes the Joint Legislative
6 Charter School Task Force to review Alaska statutes related to charter schools and other
7 alternative public schools regarding the establishment, organization, operation, and funding of
8 alternative schools; and be it

9 FURTHER RESOLVED that the duties of the task force include

10 (1) recommending improvements or additions to the laws regulating charter
11 schools;

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13 develop tools to meet requirements imposed under the federal No Child Left Behind Act of
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16 school term imposed under AS 14.03.030; and

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18 schools; and be it

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22 senate appointed by the president of the senate and two members shall be from the house of
23 representatives appointed by the speaker of the house of representatives;

24 (2) one member appointed by the Governor;

25 (3) one member appointed by the Association of Alaska School Boards;

26 (4) the chair and secretary of the Alaska Charter School Association; and be it
27 (5) one member who is a school administrator or equivalent; and be it

28 FURTHER RESOLVED that the president of the senate and the speaker of the house
of representatives shall jointly appoint the chair and vice-chair of the task force; and be it

29 FURTHER RESOLVED that the task force may meet during the session and during
30 the interim between sessions and that task force members are entitled to per diem and travel
31 expenses; and be it

SENATE FINANCE COMMITTEE
1 / 2003 COMMITTEE ACTION

#2 AS
 amended

Bill Number	SCR 10		
Amendment	#2		
Motion	Amend		
<u>Motion by</u>	Wilken		
<u>Obiection by</u>	Taylor, 11		
Removed	YES		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Stevens			
Senator Taylor			
Senator Bunde			
Senator Hoffman			
Senator Olson			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Passes		

Sect. in #5
 Amend add "Appt. by the
 Gov."

SENATE FINANCE COMMITTEE

/ / 2003 COMMITTEE ACTION

Bill Number	SCR 10		
Amendment	#		
Motion	Amend #Amend #2		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	No obj		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Bunde			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASSES		

CS FOR SENATE CONCURRENT RESOLUTION NO. 10(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 5/7/03

Referred: Finance

Sponsor(s): SENATOR DYSON

A RESOLUTION

1 **Establishing the Joint Legislative Charter School Task Force.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** Alaskans clearly believe in the value of quality education; and

4 **WHEREAS** school districts in Alaska and local school boards have implemented
5 innovations and programs that demonstrate a commitment to excellence in education,
6 including charter schools, district correspondence programs, boarding school programs, and
7 quality schools/quality students; and

8 **WHEREAS** the legislature has acted to rejuvenate Alaska public education by passing
9 legislation to implement standardized testing and other accountability measures; and

10 **WHEREAS** the legislature has provided for orderly, safe, disciplined, classroom
11 learning environments by mandating that each community establish and maintain its own
12 student behavior standards that, at a minimum, require respect and honesty; and

13 **WHEREAS** Alaskans have spent \$6,152,800,833 on public K-12 education over the
14 past five years (fiscal year 1998 through fiscal year 2002), averaging \$10,083 a student in
15 fiscal year 2002; on top of this expenditure, Alaskans have spent liberally to build school
16 buildings and pay debt service; and

Amend # 1

FAILED

23-LS0542S

1 WHEREAS the No Child Left Behind Act of 2001 makes unprecedented demands on
2 states and local school districts to raise academic achievement and to take direct action to
3 improve poorly performing schools involving increased public school choice including
4 charter schools;

5 BE IT RESOLVED that the Alaska State Legislature establishes the Joint Legislative
6 Charter School Task Force to review Alaska statutes related to charter schools and other
7 alternative public schools regarding the establishment, organization, operation, and funding of
8 alternative schools; and be it

9 FURTHER RESOLVED that the duties of the task force include

10 (1) recommending improvements or additions to the laws regulating charter
11 schools;

12 (2) researching ways to improve charter schools or how charter schools can
13 develop tools to meet requirements imposed under the federal No Child Left Behind Act of
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16 school term imposed under AS 14.03.030; and

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22 senate appointed by the president of the senate and two members shall be from the house of
23 representatives appointed by the speaker of the house of representatives;

24 (2) one member appointed by the Governor;

25 (3) one member appointed by the Association of Alaska School Boards;

26 (4) the chair and secretary of the Alaska Charter School Association; and be it

27 FURTHER RESOLVED that the president of the senate and the speaker of the house
28 of representatives shall jointly appoint the chair and vice-chair of the task force; and be it

29 FURTHER RESOLVED that the task force may meet during the session and during
30 the interim between sessions and that task force members are entitled to per diem and travel
31 expenses; and be it

Amend #1
one from the majority and one from the minority of each house

SENATE FINANCE COMMITTEE
5 / 10 / 2003 COMMITTEE ACTION

Bill Number	SCR 10		
Amendment	# 1		
Motion	Amend		
<u>Motion by</u>	Bunde		
<u>Objection by</u>	Wilken		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Olson	—	—	—
Senator Stevens		✓	
Senator Taylor		✓	
Senator Bunde	✓		
Senator Hoffman	✓		
Co-Chair Green		✓	
Co-Chair Wilken		✓	
			✓
<u>Tally</u>			
Yea	2		
Nay	4		
Absent			
<u>MOTION</u>	FAILED		

Attention: Sheila

Of Senator _____'s office

RE: CS SAB 10 (FIN)

Date: Mon 5/12/03 Time: 8:20 AM

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be forwarded to the Senate Secretary.

The CS is your copy.

*Senator
W. Lewis
Amend #2*

Thanks,

Senate Finance Secretary

Mindy #4935

Robin #2618

*looks good
MP*

*Thanks!
Robin*

Approved: _____

(please initial)

8:40

Return ASAP

Proof

23-LS0542U

CS FOR SENATE CONCURRENT RESOLUTION NO. 10(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR DYSON

A RESOLUTION

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 6 Charter School Task Force to review Alaska statutes related to charter schools and other
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 8 alternative schools; and be it

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 13 develop tools to meet requirements imposed under the federal No Child Left Behind Act of
 14 2001;

15 (3) examining issues related to how charter schools meet the requirement of a
 16 school term imposed under AS 14.03.030; and

17 (4) taking public comments on charter schools and on ways to improve charter
 18 schools; and be it

19 **FURTHER RESOLVED** that the task force shall be composed of nine members as
 20 follows:

21 (1) four members of the legislature, of which two members shall be from the
 22 senate appointed by the president of the senate and two members shall be from the house of
 23 representatives appointed by the speaker of the house of representatives;

24 (2) two members appointed by the Governor, one of which is a school
 25 administrator, superintendent, or principal;

26 (3) one member appointed by the Association of Alaska School Boards;

27 (4) the chair and secretary of the Alaska Charter School Association; and be it

28 **FURTHER RESOLVED** that the president of the senate and the speaker of the house
 29 of representatives shall jointly appoint the chair and vice-chair of the task force; and be it

30 **FURTHER RESOLVED** that the task force may meet during the session and during
 31 the interim between sessions and that task force members are entitled to per diem and travel

1 expenses; and be it

2 **FURTHER RESOLVED** that the task force shall submit a report of its findings and
3 proposed legislative changes to the legislature by March 1, 2004, and may make any interim
4 reports it considers advisable; and be it

5 **FURTHER RESOLVED** that the task force is terminated at 11:59 p.m. on May 15,
6 2004.



SENATOR FRED DYSON

SCR 10

Sponsor Statement

"A Resolution Establishing the Joint Legislative Charter School Task Force."

Updated: April 17, 2003

Contact: Senator Fred Dyson's office at (907) 465-2199

There are a few principles that are accepted in our society to be universal. Virtually all Alaskans agree completely that a quality education is one of the greatest gifts we can possibly give our children, our State, and ourselves. A quality education includes, at a minimum, adequate reading, computing, and writing skills. All Alaskans would be utterly delighted if we produced students with the highest National Assessment of Education Progress (NAEP) scores, or the highest Scholastic Aptitude Test (SAT) scores, or the highest score on any other national or international evaluation in the Nation.

It is clear that we must carefully re-evaluate the way we are currently doing business if we hope to, among other things, produce results that meet the minimum legal standards that have been laid down by the No Child Left Behind Act (NCLB).

Charter schools will be one part of Alaska's education future. They can provide new options for increased public school choice required for failing and at-risk schools. Charter schools may also be designed to provide supplemental services and alternative school governance, both of which are required by NCLB if schools continue to fail.

SCR 10 establishes a task force tasked to make legislative suggestions on how to improve our weak charter school law. The resolution is written to emphasize the need to consider recommendations for charter school laws in the context of the potential role charter schools can play in continued successful education reform.

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 4/16/03

FURTHER:

Date of 5-Day Notice: 4/17/03
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 5.7.03

Health, Education and Social Services Committee considered SENATE CONCURRENT RESOLUTION NO. 10

SCR 10 CHARTER SCHOOL TASK FORCE

Establishing the Joint Legislative Charter School Task Force.

and recommends:

be replaced with _____ CS SCR 10 (HES)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to SFIN Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
SHEs	4/30	x		1
EED	5/7	x		2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>		✓			
<i>[Signature]</i>		✓			
<i>[Signature]</i>		✓			
CHAIR: <i>[Signature]</i>		✓			

Guess
Wilken
Green

Dyson

SCR

101

SFIN

FILE

SCR 101

was referred to the
Senate Finance
Committee

Hearing(s) were held

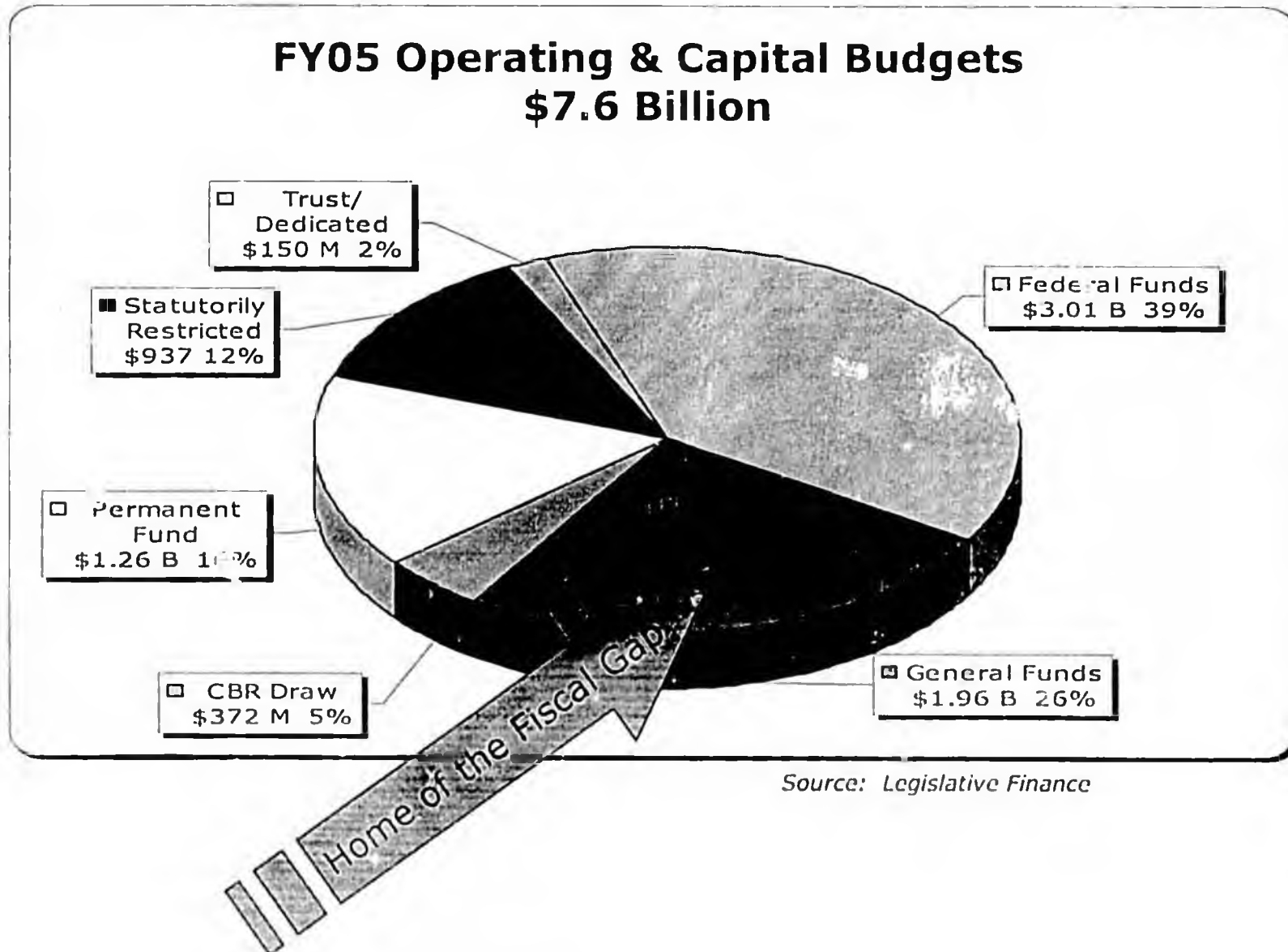
The bill did not move
from Committee

Building the Bridge

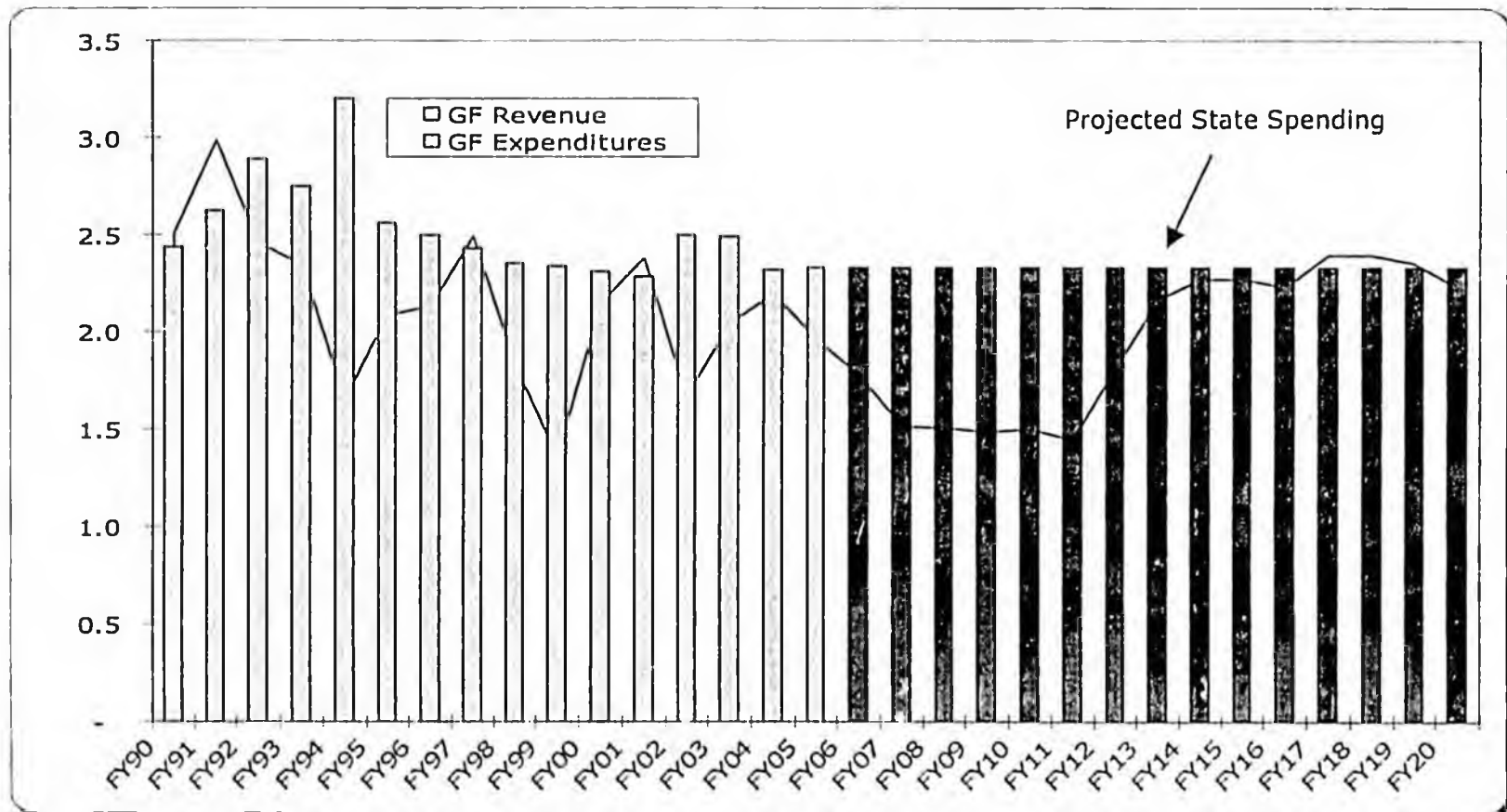
*The Power of
Earnings*

An Alternate Solution

So, where's the problem?



. . . and what's the problem?

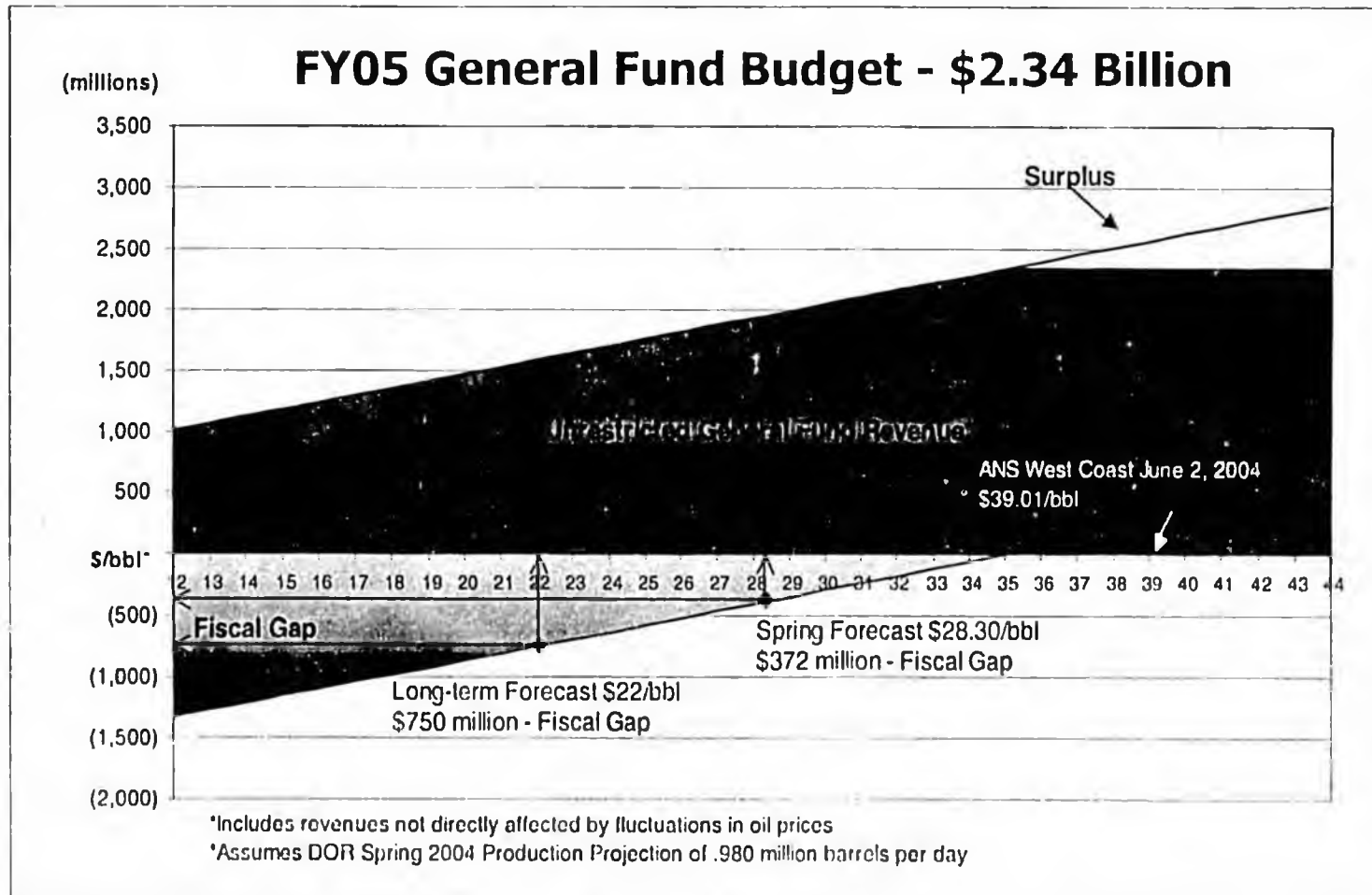


Source: Legislative Finance

General Fund revenue is less than General Fund expenditures.

. . . but things can change quickly

"For the Good or for the Bad"



Source: Legislative Finance

. . . and they have

**ALASKA CONSTITUTION
ARTICLE IX**

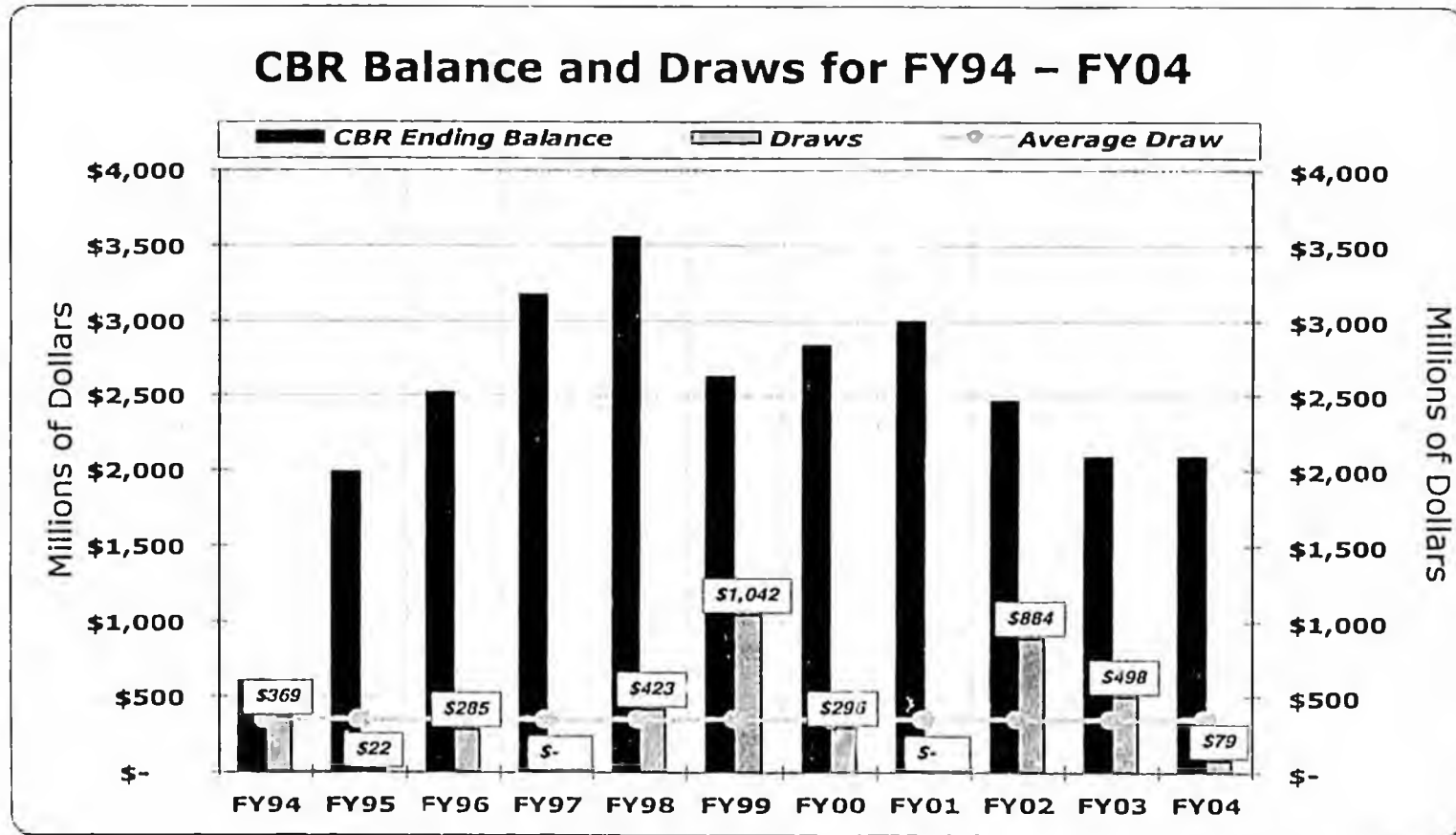
Section 17. Budget Reserve Fund (a)

There is established as a separate fund in the State treasury the budget reserve fund. Except for money deposited into the permanent fund under Section 15 of this article, all money received by the state after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a State or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments of bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund. . . . Money may be appropriated from the fund only as authorized under (b) or (c) of this section.

Voters approved amendment in 1990.

- The CBR has been used to fill the fiscal gap.
- Approximately \$5.5 billion has been withdrawn.
- The state has deposited \$5.6 billion and earned \$2 billion in interest.

... for example



Source: Legislative Finance

- Draw 9 out of 11 years
- Average draw \$350 M
- Current balance \$2.1 B

. . . but Alaska is a resource state

"Alaska has about 22 percent of the nation's "known" oil reserves and 19 percent of the country's known natural gas."

Governor Murkowski, 12/14/2003

"TransCanada submits application to state, says 2012 start-up possible"

Petroleum News, 6/6/04

"Alaska officials consult bankers on gas pipeline"

Bond News, May 27, 2004

"\$53.9 million in NPR-A bids offered"

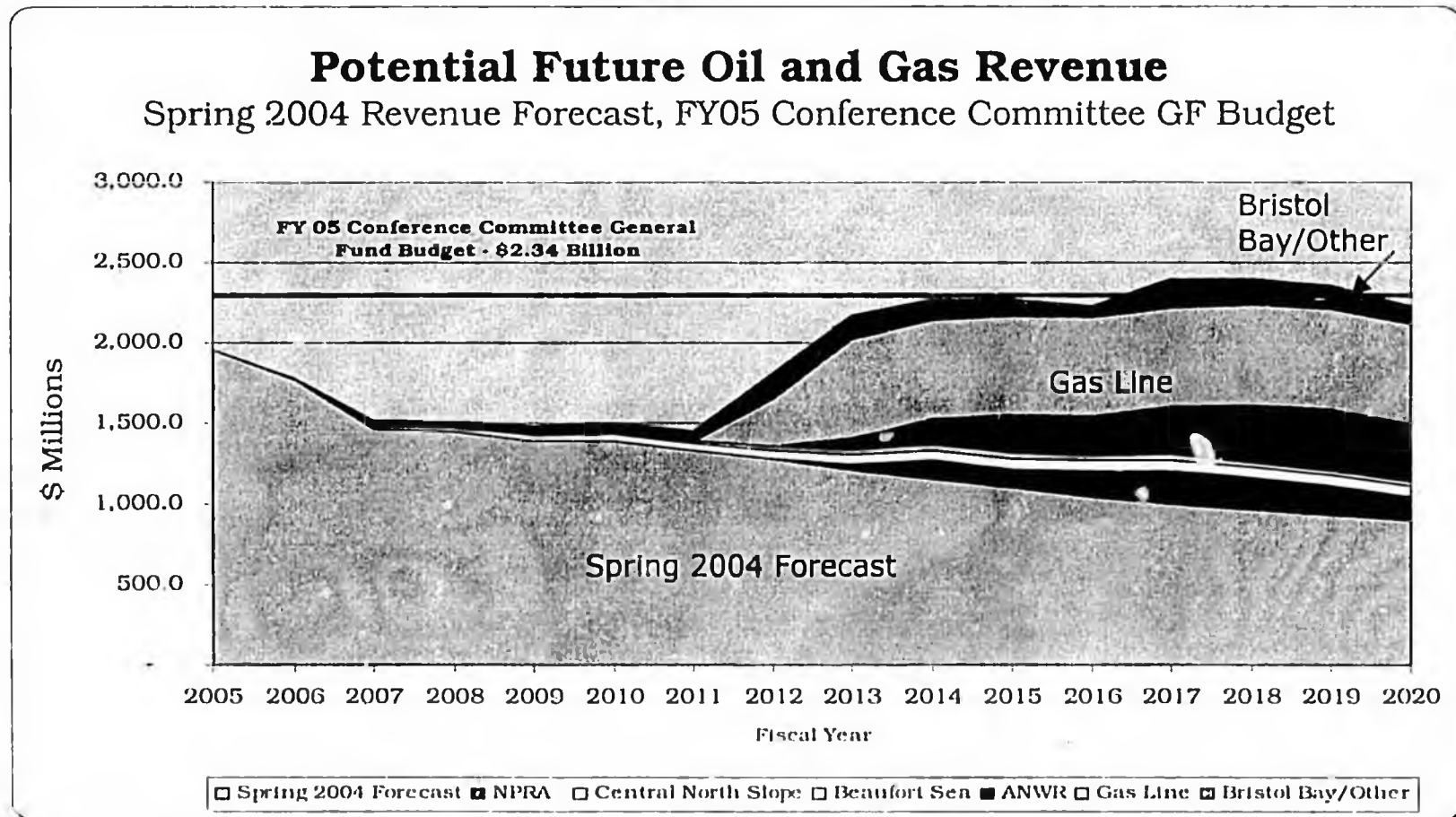
Fairbanks Daily News-Miner, 6/3/04

Federal land managers proposed giving oil drillers access to a forbidden chunk of the North Slope national petroleum reserve."

Anchorage Daily News, 6/10/04

... and a bridge is needed

From Today to Development



Source: Office of Management and Budget

Several Pots of Money



Reduce State Spending
(Save a \$\$, Earn a \$\$)

Income Tax
(\$600 M)



Corporation Tax
(\$50-\$100 M)



Other Revenue
(varies)



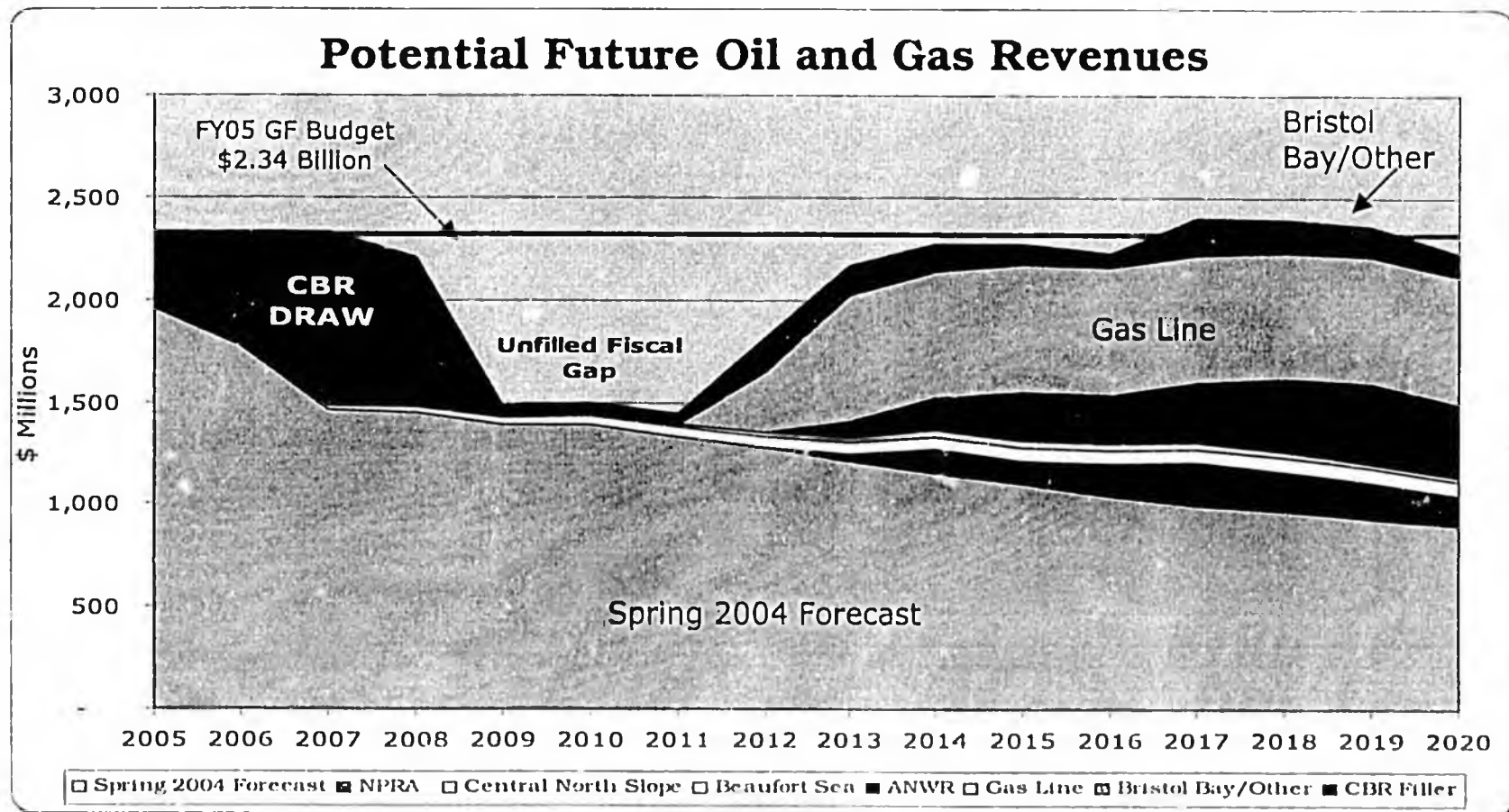
Sales Tax
(\$200-\$300 M)

Alaska Perm Fund Financial Projections
April 30, 2004

CBR
(\$2.1 B)

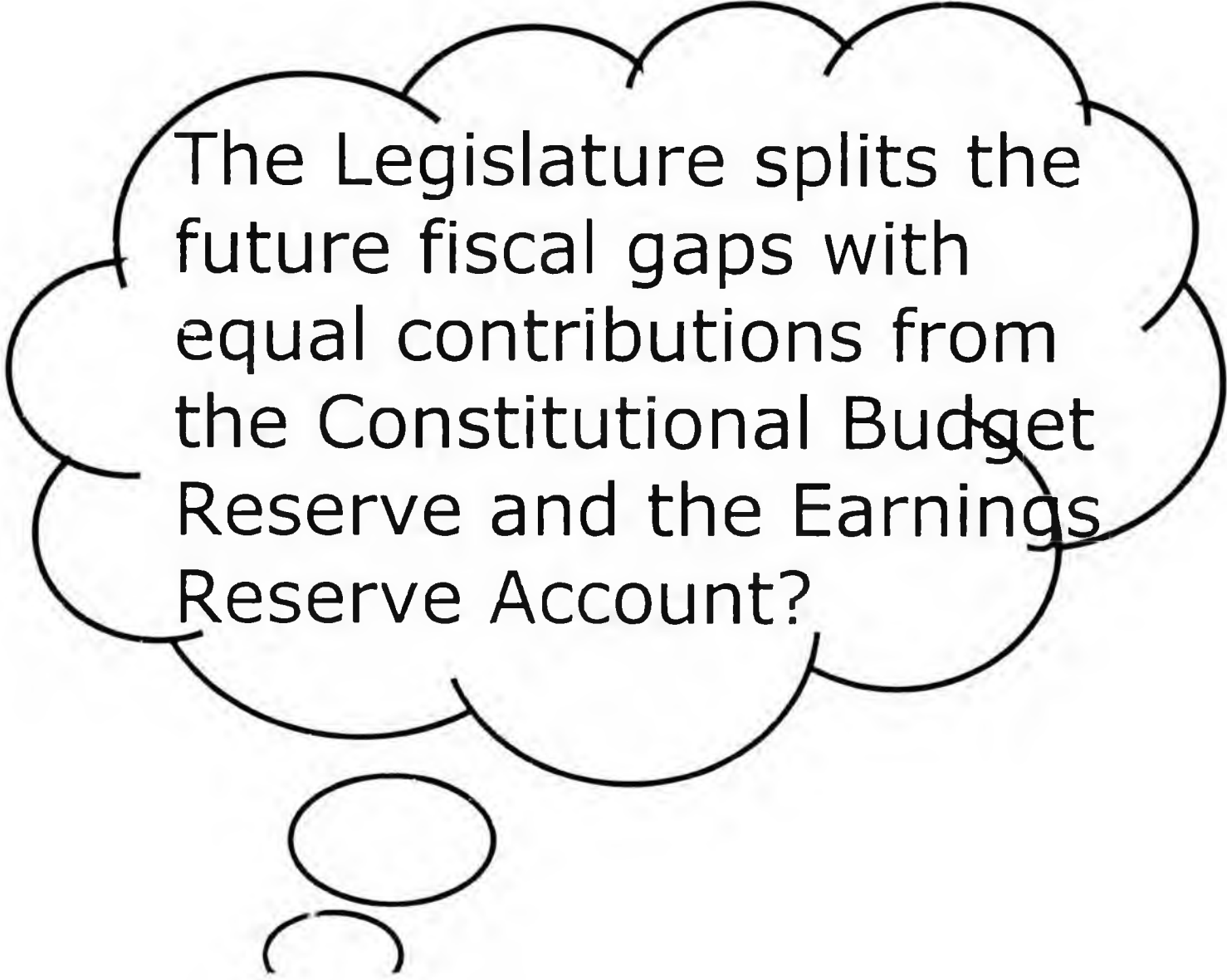


... and why not just the CBR?



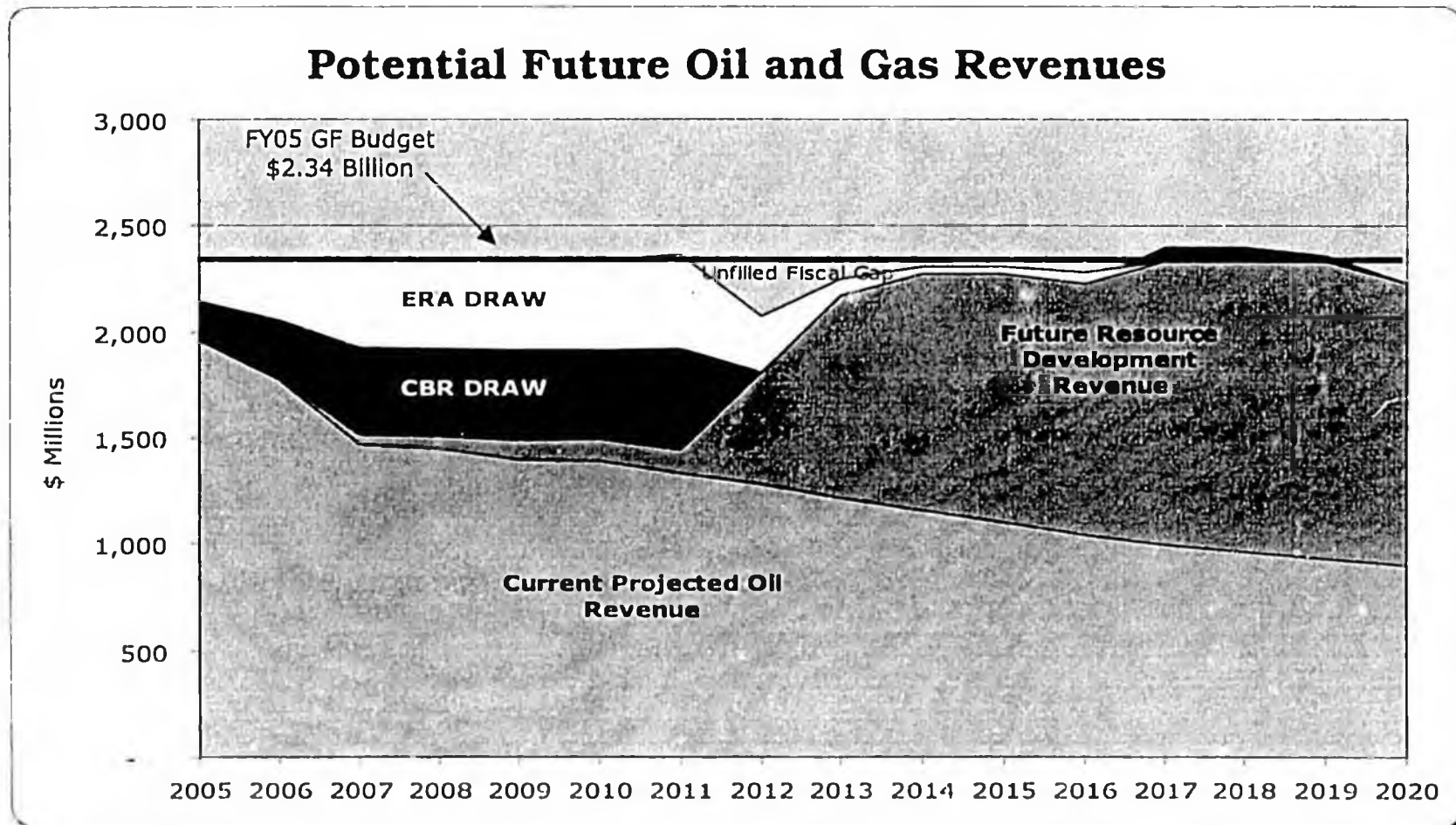
Source: Legislative Finance and OMB (Based on Spring 2004 Revenue Forecast)

. . . but what if . . .



The Legislature splits the future fiscal gaps with equal contributions from the Constitutional Budget Reserve and the Earnings Reserve Account?

... and we build a bridge



Source: Legislative Finance and OMB (Based on Spring 2004 Revenue Forecast)

. . . but can we?

***An Alaskan's
Guide to the Permanent Fund***

The Fund would help create an investment base to continually generate future income. When oil ran out, Alaska would still have a major source of state revenues. Alaskans could use these revenues to pay the costs of basic government services, or for whatever purposes future generations of Alaskans decided.

Each year, the Fund would channel a significant portion of the oil revenues away from the legislature. Less state income reduces the opportunity for excessive state spending.

The Fund would transform non-renewable oil wealth into a renewable source of wealth for future generations of Alaskans.

Yes, We Can!!!!!!

The Earnings Reserve Account, a result of wise investment of our Permanent Fund, has been and is still available to the legislature by a majority vote of 21-11.

PF financial projections say . . .

ALASKA PERMANENT FUND FINANCIAL PROJECTIONS 2004-2014

Long-term projections for the next 10 years based on historical data and market conditions

FY	Reserved Fund Balance						Unrealized Gain (Loss)		Increased Fund Balance					Realized Earnings Accr		TOTAL FUND BALANCE	
	FY Begin Contrib. Balance	Dedicated Appropriations	State Revenues	Inflation Premium	FY End Balance	FY End Change	FY End Balance	FY End Balance	Asst. Net Income	Statutory Net Income	Distributions of Statutory Net Income			General Fund	Net Change		FY End Balance
											Inflation Premium	General					
27-01	0	4,734	4,200	0,933	10,017	3,971	3,971	22,484	29,482	14,003	7,000	0,000	1,999	244	1,300	1,300	27-01
02	16,017	41	100	300	16,014	(400)	3,041	22,842	2,140	2,044	1,045	300	3	1,301	2,640	27-02	
03	16,014	344	370	423	16,014	(121)	3,029	23,043	2,349	2,222	1,172	423	1	602	2,972	27-03	
04	20,014	0	310	600	21,007	(2,140)	1,300	22,410	(924)	1,100	1,110	600	4	(600)	2,304	27-04	
05	21,007	(23)	200	402	21,004	(674)	300	22,300	(617)	207	206	400	0	(1,240)	1,100	27-05	
06	21,004	306	191	197	22,000	601	1,100	24,004	943	300	301	300	0	(1,000)	1,000	27-06	
07	22,000	0	307	170	22,000	(2,107)	(1,001)	22,491	(1,000)	602	331	170	0	0	161	22,491	10%
08	22,300	0	343	170	22,810	(407)	190	23,000	100	604	600	170	0	200	397	23,000	10%
09	22,800	13	343	170	23,514	201	1,407	24,901	1,702	1,370	600	170	0	640	740	24,901	10%
10	23,000	17	343	170	23,610	1,407	2,407	26,000	2,307	1,820	620	170	0	1,120	1,230	26,000	10%
11	23,800	31	343	170	23,822	2,407	2,727	27,000	6,000	2,137	600	170	0	1,400	1,010	27,000	10%
12	24,014	14	101	010	24,002	210	1,000	24,103	1,021	1,000	010	0	0	0	1,000	24,103	10%
13	24,400	17	170	040	24,371	332	1,017	25,304	2,000	1,017	070	040	0	0	0	25,304	10%
14	24,371	10	200	000	24,370	247	1,104	26,004	2,174	1,010	740	000	0	0	0	26,004	10%
15	24,370	24	201	000	24,143	(247)	2,420	26,000	2,301	2,010	624	000	0	404	2,704	26,000	10%
16	24,143	33	100	710	24,113	(247)	2,400	26,013	2,410	2,122	1,007	710	0	400	3,101	26,013	10%
17	24,113	25	107	700	24,071	(247)	2,300	26,007	2,400	2,200	1,000	700	0	400	3,024	26,007	10%
18	24,071	31	100	701	24,002	(100)	2,200	23,200	2,400	2,200	1,114	701	0	400	4,003	23,200	10%
19	24,002	30	102	700	24,000	(100)	2,100	24,001	2,700	2,400	1,170	700	0	400	4,070	24,000	10%
20	24,000	34	170	010	23,904	(100)	2,000	24,000	2,523	2,100	1,320	010	0	0	610	23,904	10%
21	23,904	29	160	010	23,900	(100)	2,000	23,907	2,072	2,000	1,000	010	0	0	600	23,900	10%

Assumption	Total Return - Inflation	Total Real Return	Realized Return
10%	0.36%	2.78%	0.62%
20%	0.00%	2.29%	1.20%
30%	7.30%	2.04%	1.00%
40%	11.07%	2.20%	1.00%
50%	21.03%	2.29%	1.05%
2000-2014	7.61%	2.41%	0.77%

- (1) General fund and earnings reserve appropriations to principal, settlement earnings transferred to principal as of 10/1/03; (2) equity settlement earnings, and other miscellaneous appropriations
- (3) Impairment loss on title of an equity case
- (4) \$110 of FY 2004 proposed inflation premium of \$124 was refunded in FY 2004
- (5) Statutory net income is the remaining \$170 million on June 30, 2004
- (6) Assuming net income is statutory net income plus the net 2004 inflation premium (2004) and net income is statutory net income plus realized earnings less settlement earnings and is used to calculate the budgeted surplus
- (7) Total fund balance reserved for 2004 plus the realized earnings account
- (8) Based on 2003 Census report on net income plus a range of expected returns based on the probability of the return outcome
- (9) Based on 2003 Census report on net income plus a range of expected returns adjusted to account for inflation

Additional information on the financial projections 2004 - 2014

A. The projections for the current fiscal year show a range of expected returns and fund values based on market volatility and current statutory language for the dividend calculation and the appropriation for FY04 inflation premium.

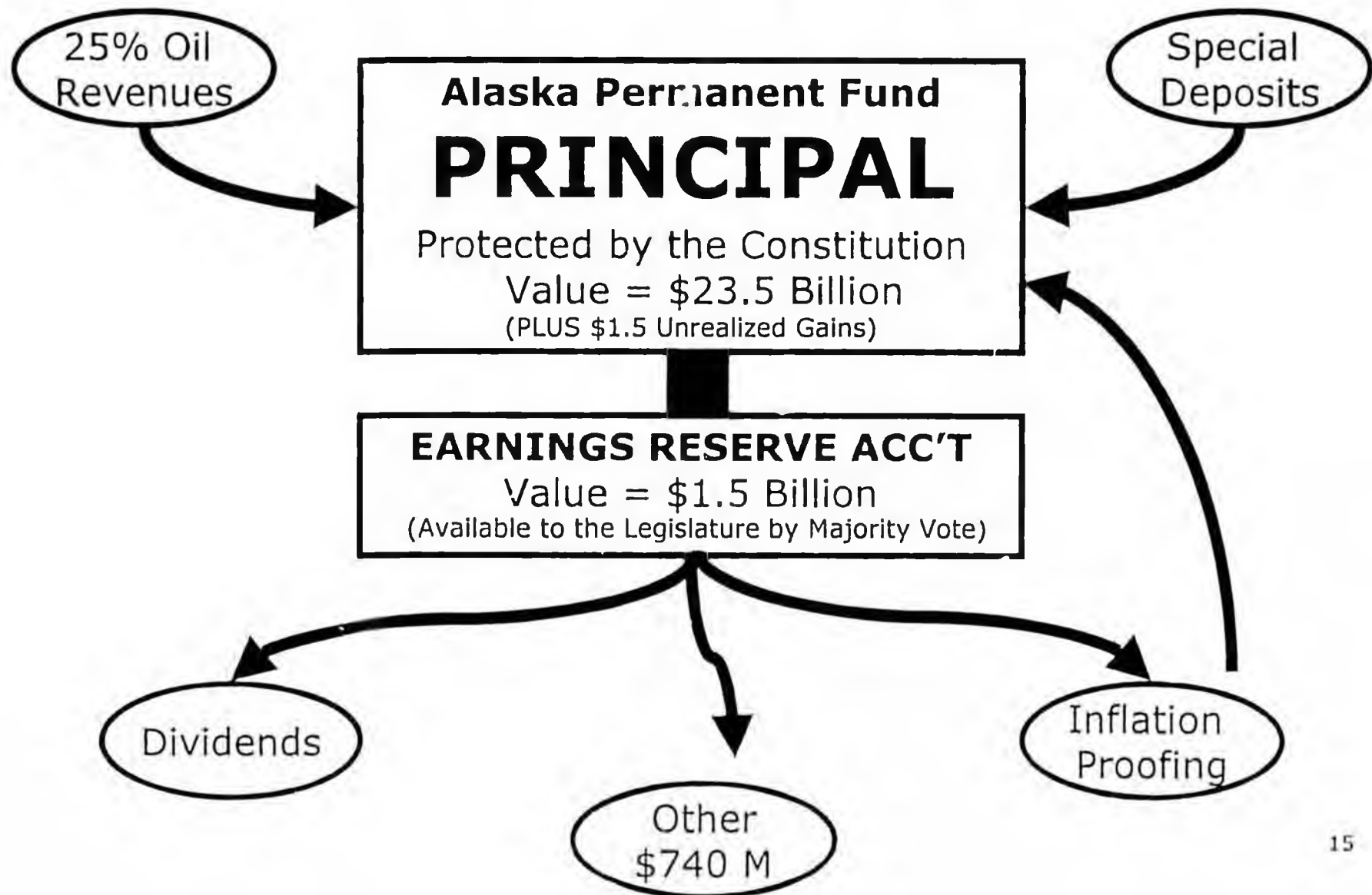
B. The FY04 center line represents the median case of possible outcomes. As the values move away from the center they become less likely to occur.

C. All subsequent fiscal year-end values (FY05 - FY10) are calculated using the median expected rate of return and the current dividend and inflation premium formulas as outlined in AB 07.11.140 and 141.

Source: <http://www.dfa.state.ak.us> and other reporting

Note: The APFC is changing the format of our projection sheet beginning next month, May 2004. The new look is shown above and the original format is attached for your reference. The main difference is the presentation of the current fiscal year activity, which will use beginning values and annual assumptions to provide a range of expected fiscal year end results. The Fund's values are subject to market volatility and projected future returns, which are unknown. Historically, there have been times when the Fund experienced large short term market swings, as evidenced by the September 2002 quarterly fund return of -7.45% and the June 2003 quarterly return in excess of 10%; both occurring in the same fiscal year. The fundamental point is that short term market swings can dramatically affect fiscal year end results, and a range of expected outcomes more accurately represents our projections for the current fiscal year.

... our Fund and our Earnings



. . . the Earnings Reserve

"the Crown Jewel of Alaska's Fiscal Future"



- Only legislature in America deciding how to manage \$27 billion for 640,000 people

- Every minute, every hour, every day, the world helps build Alaska by
 - Investing in corporate America
 - Investing in America's society
 - Investing in America's future

- The Earnings Reserve Account is an abutment to our Bridge to Development

... but what about my check

If you use the Earnings Reserve?

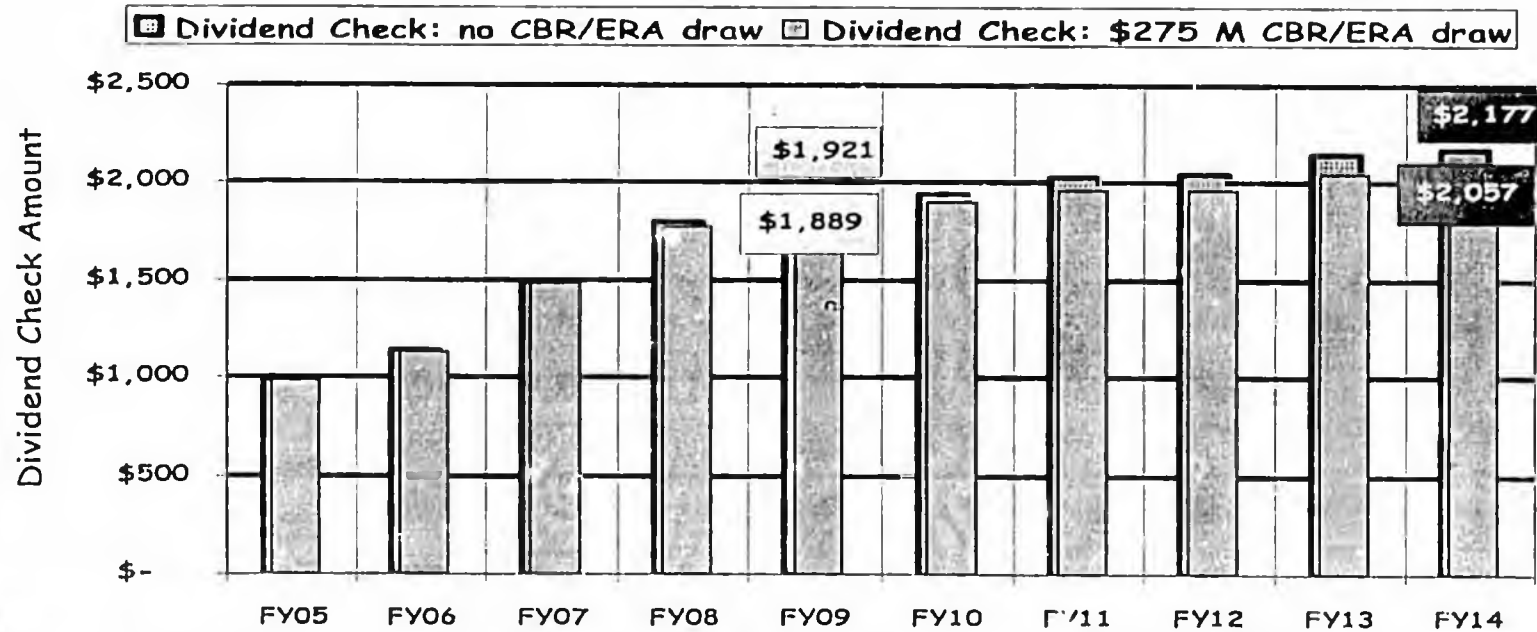
Fiscal Gap (millions)	ERA Draw (millions)	<i>Fiscal Years Ahead</i>									
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
\$ 200.0	\$ 100.0	\$ -	\$ 1	\$ 3	\$ 7	\$ 12	\$ 18	\$ 24	\$ 30	\$ 37	\$ 44
\$ 300.0	\$ 150.0	\$ -	\$ 2	\$ 5	\$ 10	\$ 18	\$ 27	\$ 36	\$ 46	\$ 55	\$ 66
\$ 400.0	\$ 200.0	\$ -	\$ 2	\$ 7	\$ 14	\$ 24	\$ 36	\$ 48	\$ 61	\$ 74	\$ 87
\$ 500.0	\$ 250.0	\$ -	\$ 3	\$ 9	\$ 17	\$ 29	\$ 44	\$ 60	\$ 76	\$ 92	\$ 109
\$ 550.0	\$ 275.0	\$ -	\$ 3	\$ 10	\$ 19	\$ 32	\$ 49	\$ 66	\$ 84	\$ 102	\$ 120
\$ 600.0	\$ 300.0	\$ -	\$ 3	\$ 10	\$ 21	\$ 35	\$ 53	\$ 72	\$ 91	\$ 111	\$ 131
\$ 700.0	\$ 350.0	\$ -	\$ 4	\$ 12	\$ 24	\$ 41	\$ 62	\$ 84	\$ 106	\$ 129	\$ 153
\$ 800.0	\$ 400.0	\$ -	\$ 5	\$ 14	\$ 28	\$ 47	\$ 71	\$ 96	\$ 122	\$ 148	\$ 175
\$ 900.0	\$ 450.0	\$ -	\$ 5	\$ 16	\$ 31	\$ 53	\$ 80	\$ 108	\$ 137	\$ 166	\$ 197
\$ 1,000.0	\$ 500.0	\$ -	\$ 6	\$ 17	\$ 35	\$ 59	\$ 89	\$ 120	\$ 152	\$ 185	\$ 218

Source: Legislative Finance (Based on 7.6% rate of return, Perm Fund Financial Projections, April 30, 2004)

Given a projected draw, what is the reduction to your PFD? 17

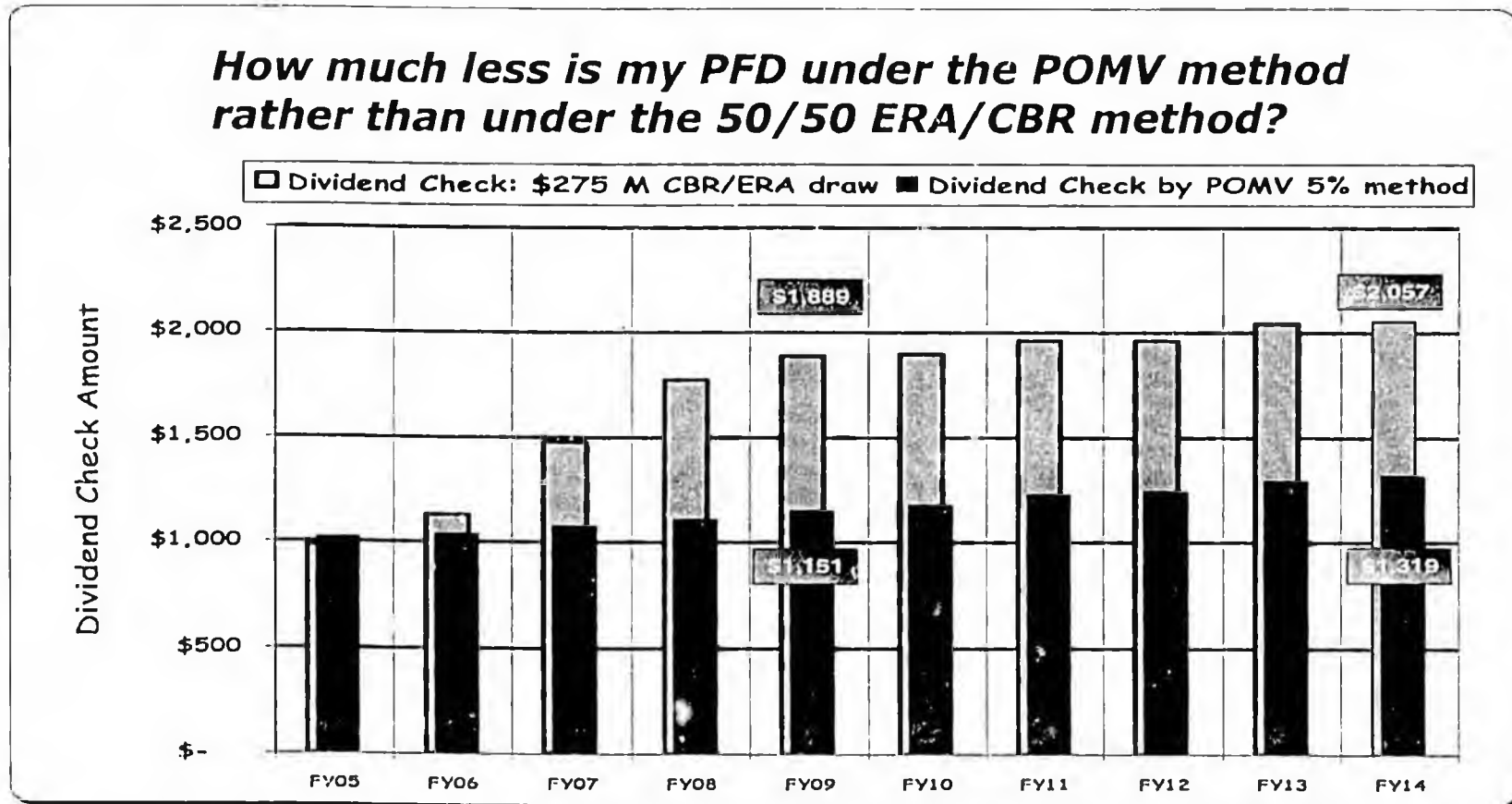
. . . how does this compare to the status quo?

How much less is my PFD if the Legislature draws \$275 M (1/2 the average annual fiscal gap) from the ERA every year for 10 years?



Answer: In five years, it's 32 less.
 In ten years, it's \$120 less.

... and to the suggested POMV method?



Answer: In five years, it's \$738 less.
In ten years, it's \$748 less.

. . . but is this the best way?

Let's compare other revenue sources.



Married, Two Children

Income Tax
Raise \$275 Million
Cost \$1,059
(\$57,000 Adj. Gross Income)

Source: Department of Revenue



Married, Two Children

Sales Tax
Raise \$275 Million
Cost \$1,035
(\$57,000 Adj. Gross Income)

Source: Department of Revenue (2.75% Sales Tax)



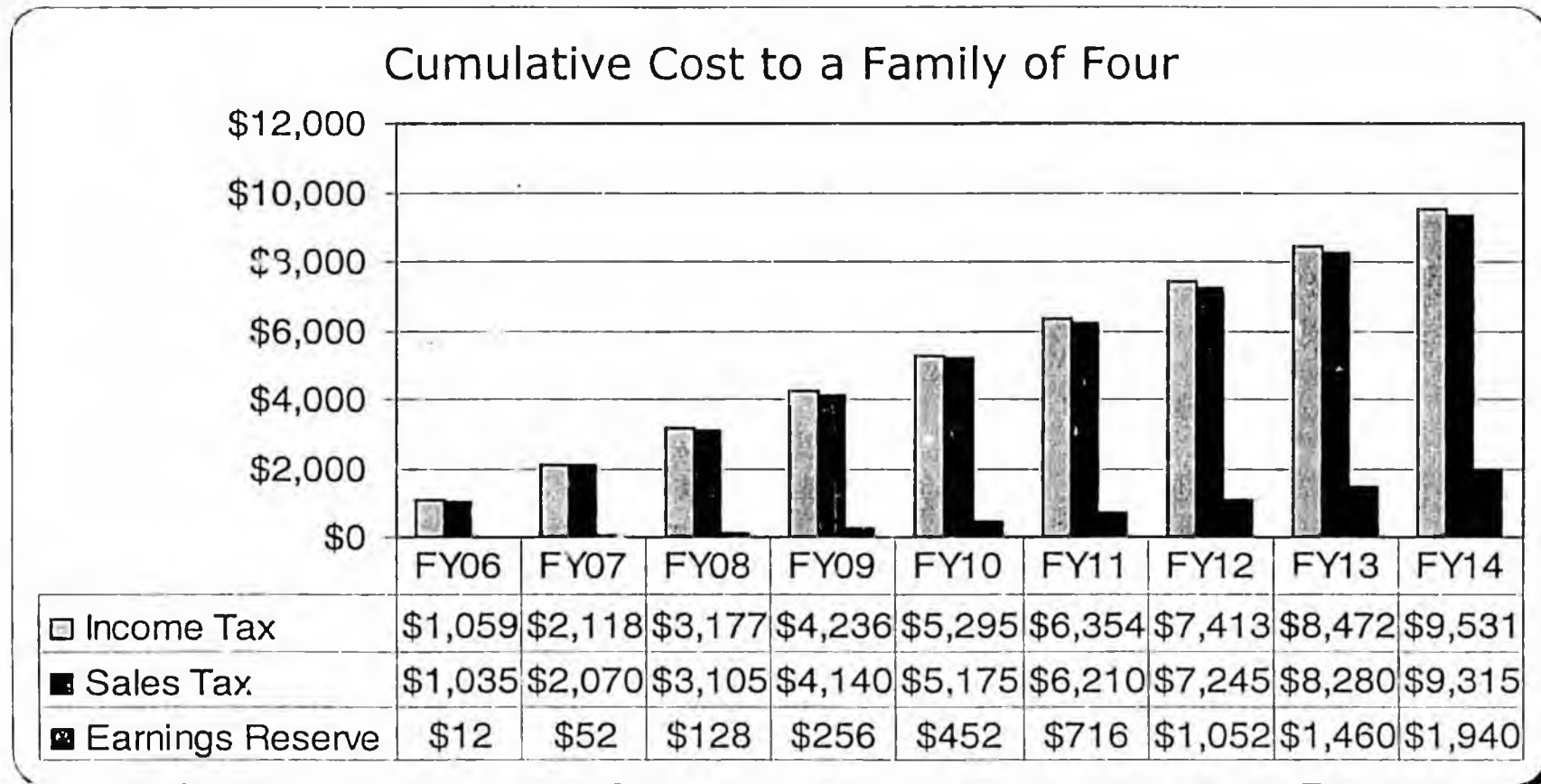
Married, Two Children

Earnings Reserve
Raise \$275 Million
Cost \$12

Source: Legislative Finance

Under the Build the Bridge Plan, all Alaskans share the Power of Earnings.

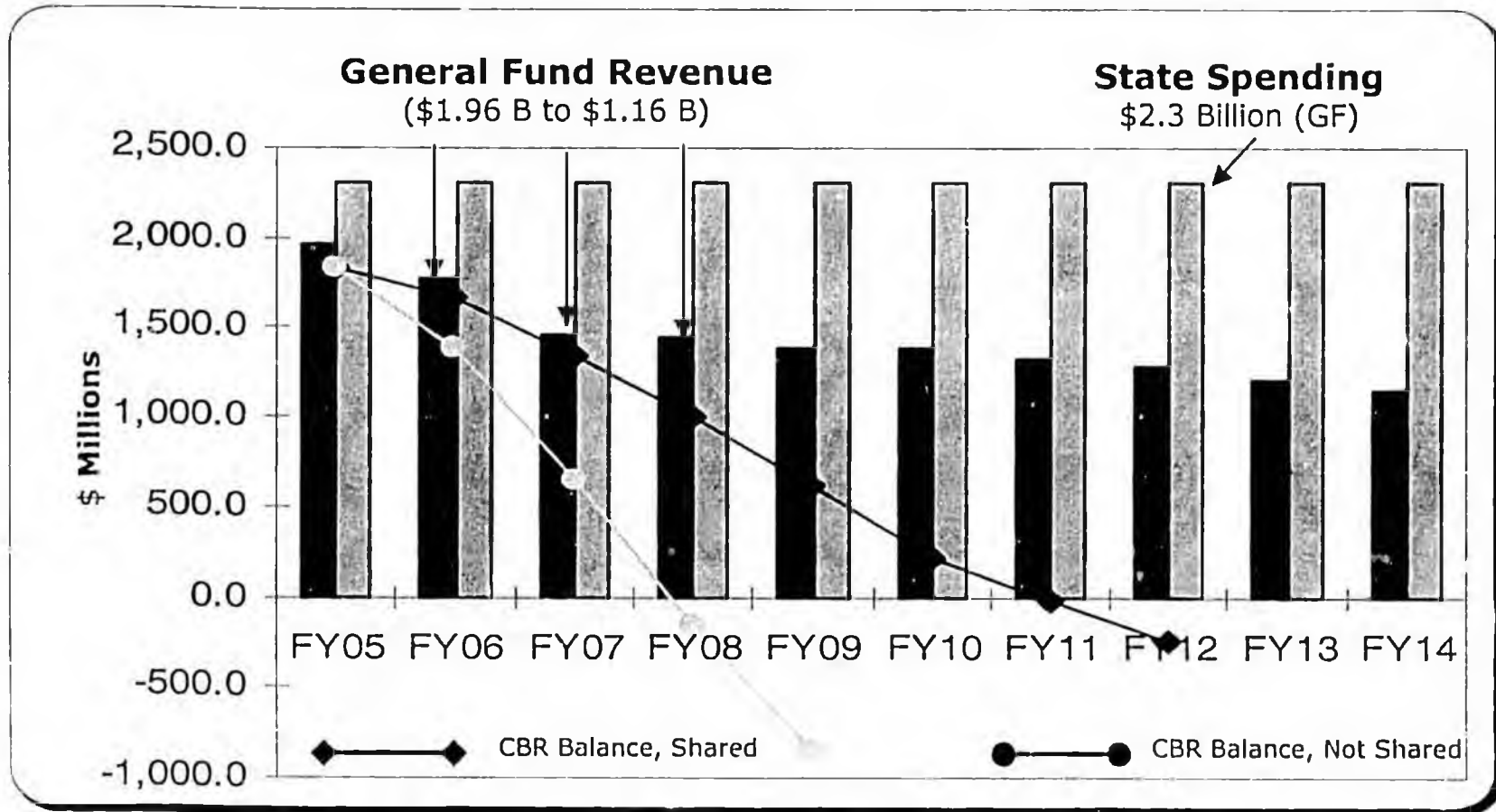
... and what about over time?



Source: Department of Revenue and Legislative Finance

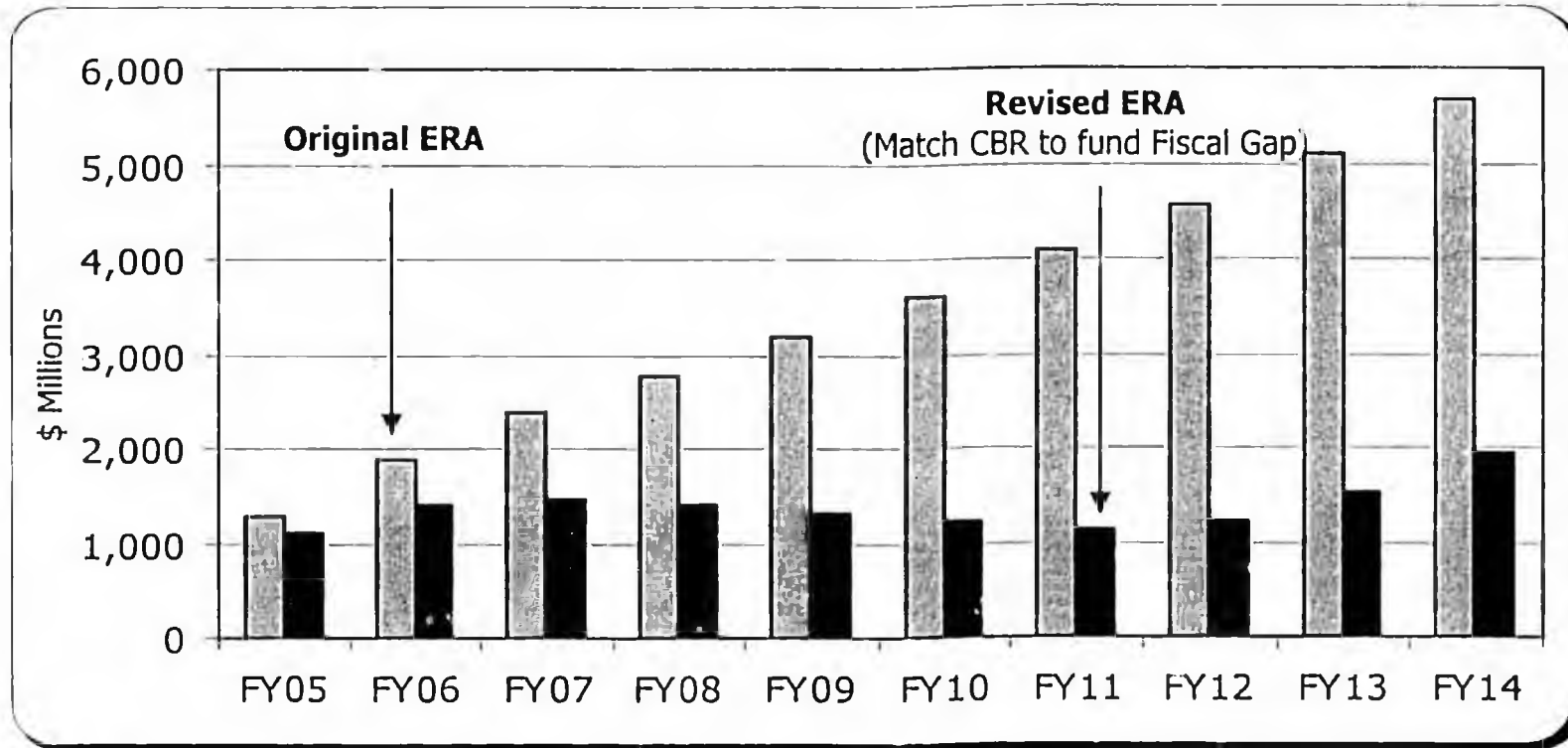
Cost to fill \$550 fiscal gap: \$275 M from CBR and \$275 M from one of three options.

... but does this help the CBR?



Source: Legislative Finance - expected CBR return @ 4.7% plus expected settlements

... and what about the ERA?



Source: Permanent Fund Financial Projections, April 30, 2004

- Balance after dividends & inflation proofing
- After funding state services, the ERA maintains a steady, even growing balance.

. . . A brief comparison...

POMV Method

Build the Bridge

1. Amount of PFD more predictable	1. Amount of PFD follows the market
2. More negative impact on your PFD	2. Less negative impact on your PFD
3. Perm Fund principal may be impacted	3. Perm Fund principal protected
4. Perm Fund draw for state services is automatic	4. Earnings used only if necessary for state services

. . . let's use it only when we need
it...

- Build the Bridge Plan demands spending accountability because . . .
- the Earnings Reserve Account is the people's money and . . .
- each legislator must answer to the public on how much was spent from the Earnings Reserve to fund state services.
- For example . . .

. . . let's summarize . . .

The Build the Bridge Plan



Recognizes Alaska's natural resource potential and opportunity for jobs



Recognizes the power of the Earnings Reserve – *the crown jewel of a fiscal plan*



Bridges the State of Alaska revenue needs until development can occur



Establishes accountability by forming a spending partnership with all voters