ALASKA STATE LEGISLATURE

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Mike Dunleavy
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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.