



Representative Dan Ortiz

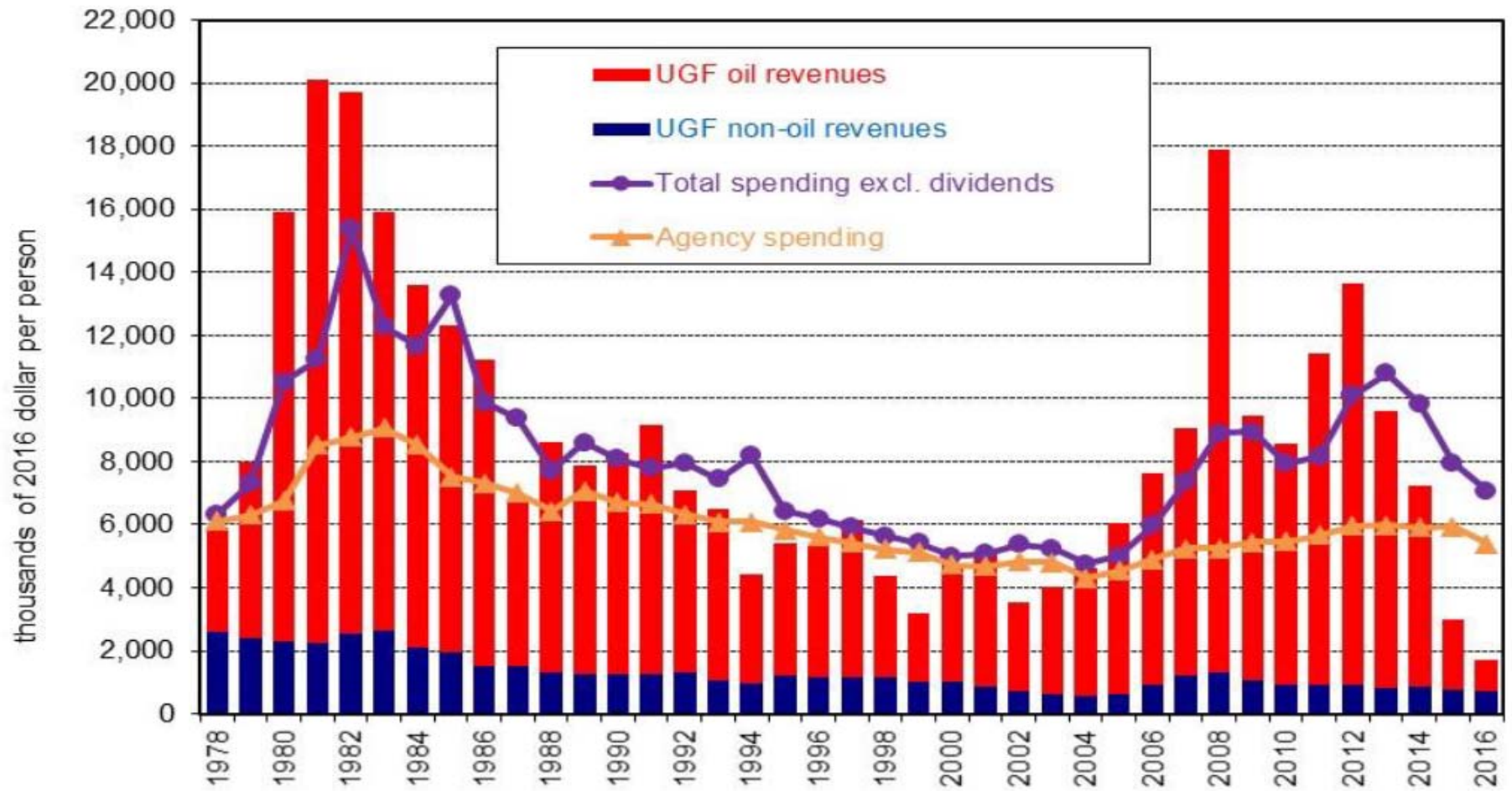
Government of the people, by the people, for the people

Legislation from my office:

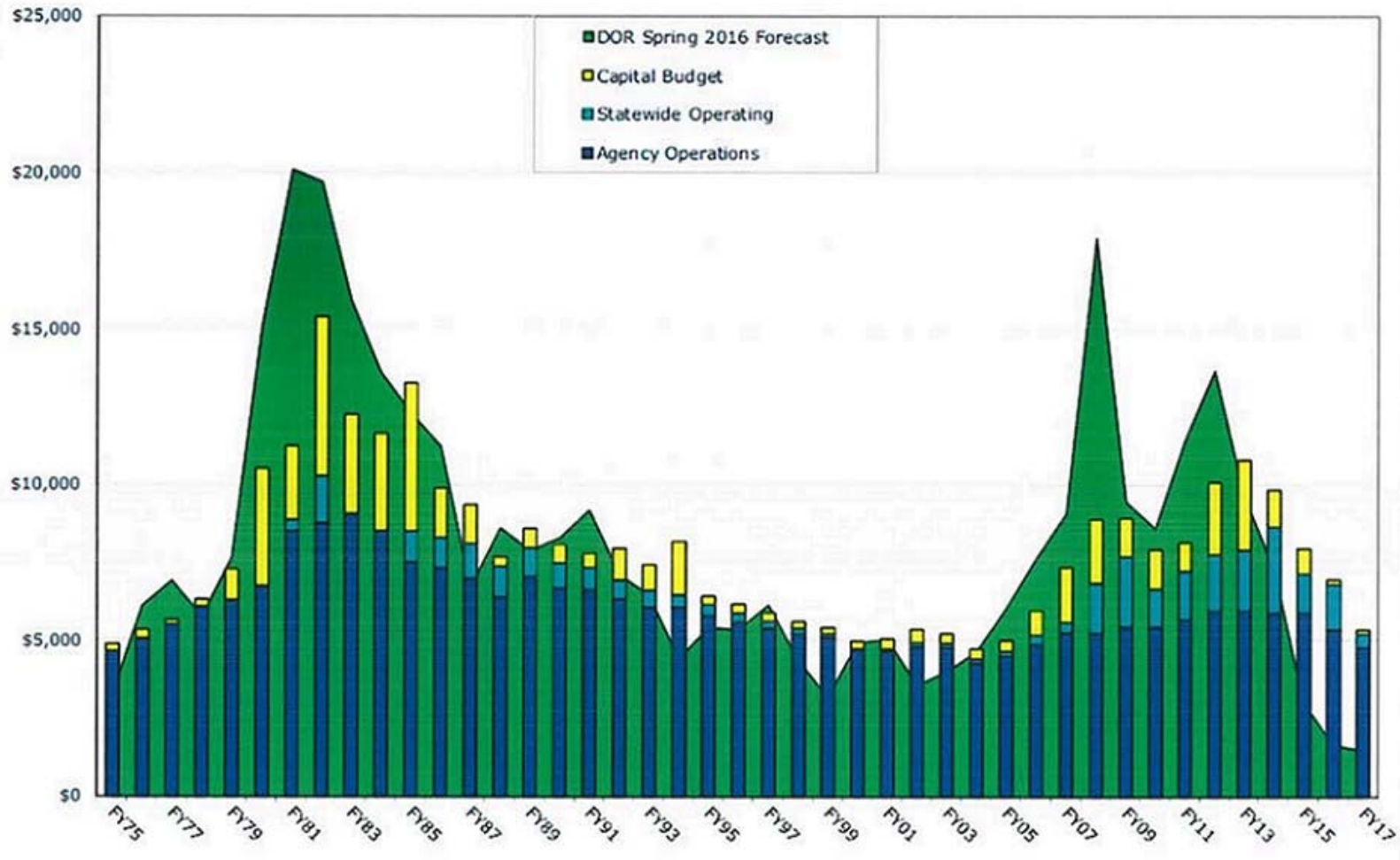
- HB 18 allows the **Ketchikan Chamber of Commerce** to obtain a race classic permit for the Race to Alaska, to fund economic development projects. *Passed the House floor, has one committee left on the Senate side*
- HB 56 raises the amount **Alaskan commercial fishermen** can borrow from a loan fund so they can afford a basic vessel, gear and safety repairs. *Passed the House floor, has one committee left on the Senate side*
- HB 76 fixes a seed-source bottleneck in **our growing mariculture industry** by allowing non-profits to jumpstart seed supply operations. The mariculture industry is forecasted to grow to a billion dollars in annual value within the next 30 years! *Has one committee left on the House side*

- HB 155 is the companion to Senator Stedman's SB 88. Senator Stedman and I worked together to facilitate a land swap for the Mental Health Land Trust so **Deer Mountain is protected**. *This bill has one House vote left*
- HJR 9 protects our watersheds and **our fish** by urging the federal government to investigate long-term, region-wide downstream effects of Canadian development. *This bill has one floor vote left*
- HB 128 creates a framework to manage shellfish enhancement projects, safety standards and permit issuance. This is part of my effort to facilitate a **mariculture industry**. *This bill has one committee left on the House side*

Alaska Total Per Capita Revenues & Spending, excl. PF Earnings & Dividends
(adjusted for inflation)



Real Per Capita Unrestricted General Fund Revenue/ Budget History (2015 dollars Per Person)



August 2016

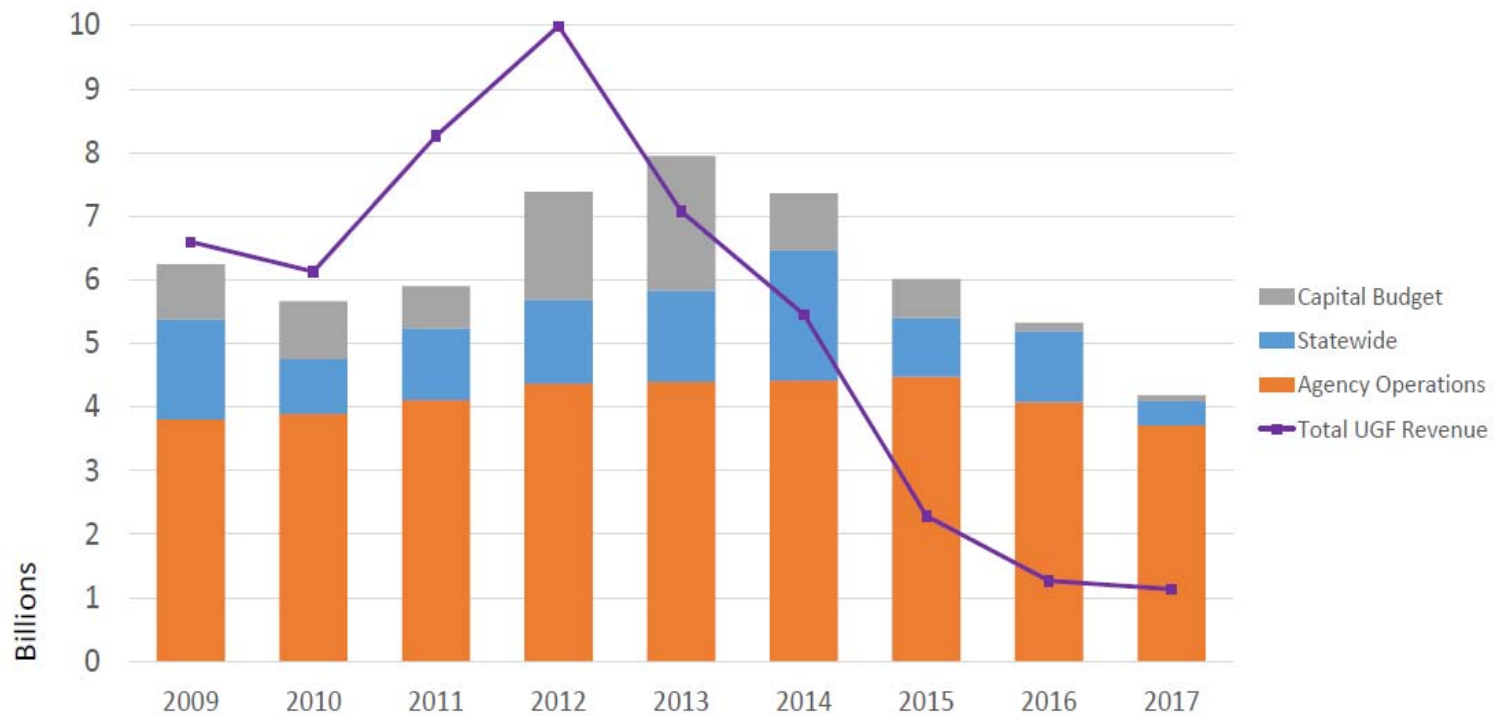
Legislative Finance Division

We made significant cuts, but still have a deficit

Recent Budgets and Revenue

Since FY2013, we cut the combined operating and capital budgets by 44%

\$1.1 billion came from the operating budget alone



Job Losses per \$100 Million of Deficit Reduction

Option	Public	Private	Total
Spending Cuts	504	754	1258
Dividend Reduction		892	892
Income Tax		786	786
Spend Savings			0

There are 2,500 fewer state jobs today than in 2014, and that number will grow as we cut.

This number doesn't include the hundreds of private sector jobs that are harmed by cuts.

A Snapshot of State Spending in Ketchikan: Department of Fish and Game

Ketchikan Projects / Management: 2,946,500
Ketchikan Monitoring / Research: 1,175,000
Pathology for Commercial Fisheries: 400,000

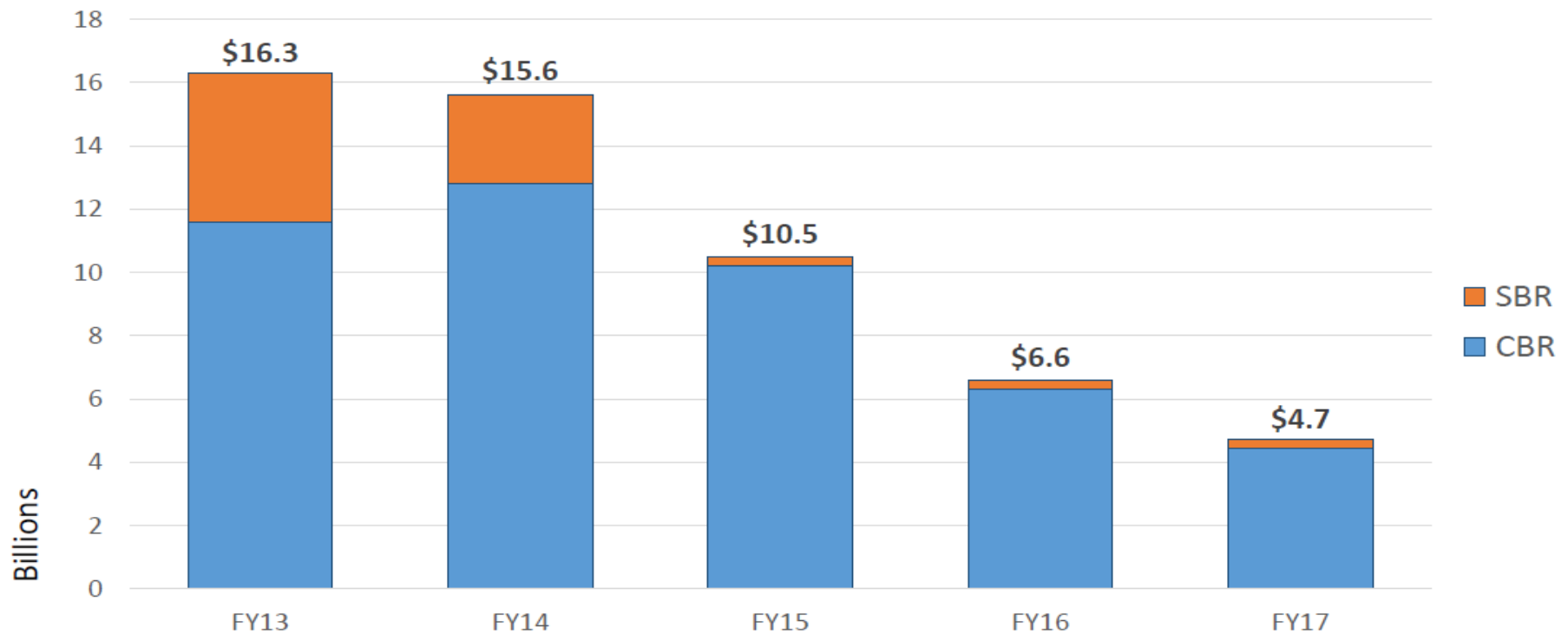
State of Alaska's Department of Fish and Game will invest
\$4,521,500
in the immediate Ketchikan area in FY18.

State spending is a kitchen table issue

We can no longer rely on savings

Depletion of Savings Buffer

CBR + SBR Legislative Finance (July 2016 report)



The House's Comprehensive Fiscal Plan:

- Continue to find smart reductions and efficiencies. We reduced this year's operating budget by another **\$82 million dollars**.
- Reform the current **oil tax credit** system by passing HB 111.
- Restructure how we manage the Permanent Fund. Drawing a **POMV from the Earnings Reserve** allows us to pay PFDs, inflation proof the fund, and help fund essential services.
- Establish a **broad based tax** that would generate at least \$650 million annually once fully implemented, including \$80 million from non-resident seasonal workers.

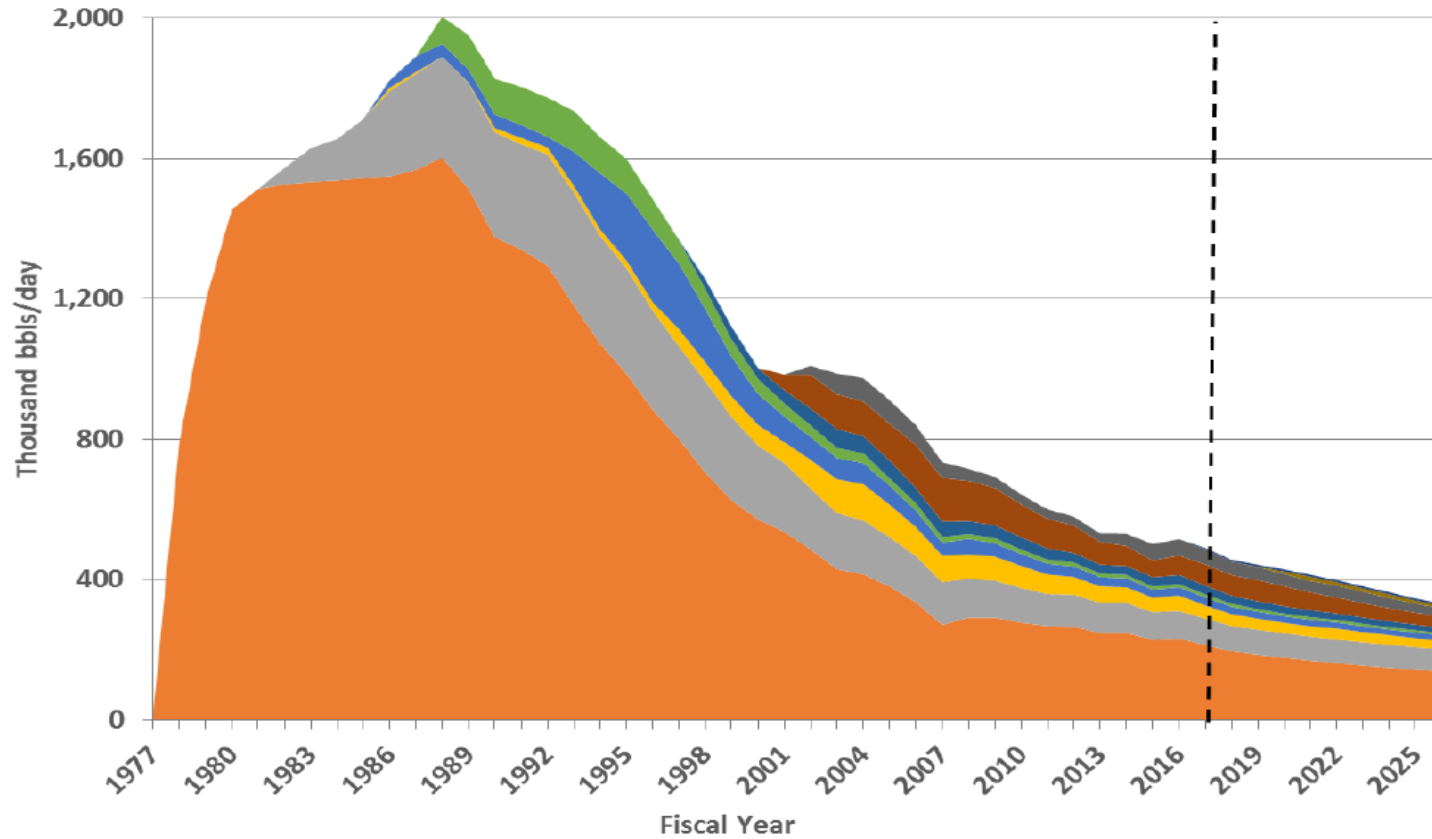
HB 111: Oil and Gas Tax Reform

HB 111 will increase Alaska's revenue by \$100 at prices between \$40 and \$100. For FY 18, we expect approximately \$20 million in revenue.

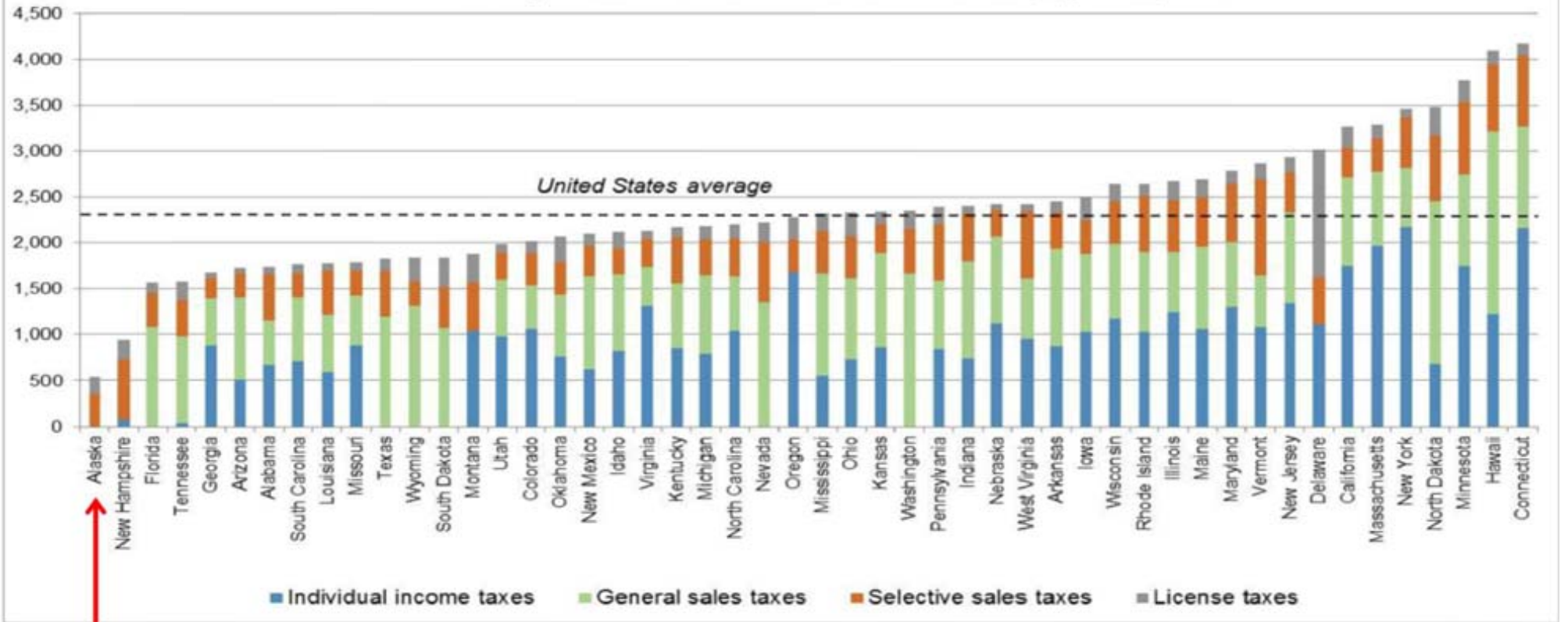
More important than a small increase in revenue is protecting ourselves from future oil subsidy payments that have piled up over the years:

- Eliminates North Slope purchasable tax credits
- Allows 100% of Net Operating Losses to carry forward to production, and reduces them by 10% each year after 7 years
- Repeals sliding scale per barrel credit
- Lowers the tax rate from 35% to 25%, and adds 15% bracketed supplemental tax
- Hardens minimum floor

What's different today?



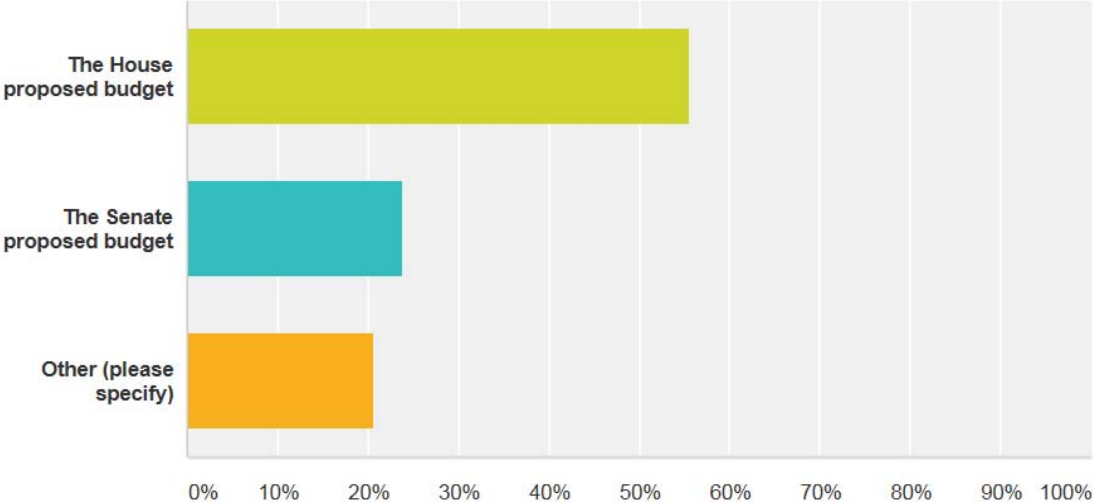
Per-Capita Broad-Based State Tax Revenues, by State, 2014



Alaska

Of the proposed budgets, which would you prefer the legislature adopt?

Answered: 155 Skipped: 5



Please fill out a survey. Your response is important to me.

Surveys are available in the commons, on the cookie table.

Answer Choices	Responses	
▼ The House proposed budget	55.48%	86
▼ The Senate proposed budget	23.87%	37
▼ Other (please specify)	20.65%	32
Total		155

Thank you for listening. Next, we will hear from Director Pitney.

Director Pat Pitney

Office of Management and Budget

Office of the Governor

State of Alaska