



CAPPING DIVIDENDS COST YOU DEARLY

by Jim Crawford

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For months, I've asked the Walker Administration to provide the statutory amounts of the 2016, 2017 and projected 2018 Permanent Fund dividends compared to the actual dividends paid. The public has a right to know their costs. Stonewalled, I reread the statute that's been in place since 1982. I calculated each year's dividend as the statute requires and compared that with the vetoed and capped amount actually paid in 2016 and in 2017 and proposed for 2018. The Legislature and Administration concurred on the capped dividends.

AS 43.23 requires dividends based on a rolling five year average earnings, reduced by unrealized earnings, inflation proofing and a few other reimbursements. How much is each Alaskan owed from their investment account?

2016 Dividend due per AS 43.23	\$3,172
2016 Dividend paid after veto cap by Governor Walker	\$1,022
Shortage	<u>\$2,150</u>
2017 Dividend due per AS 43.23	\$2,245
2017 Dividend paid after Walker/Legislators agree to cap	\$1,100
Shortage	<u>\$1,145</u>
2018 Dividend due per AS 43.23	\$3,212
2018 Dividend to be paid per Governor Walker's budget	\$1,200
Shortage	<u>\$2,012</u>

Permanent Fund Defenders is an Alaskan nonprofit focused on restoring the 2016 and 2017 PF Dividends to their statutory requirements, and paying out the full dividend this year and into the future under the protection of the Alaska Constitution. If shortages are restored and full dividends are paid this year, every qualified Alaskan man, woman and child will receive \$6,507 in October.

Legislators and the Administration agreed with stiffing you on your dividend. Unless we stop this raid, they will keep your money. The Alaska Permanent Fund and its earnings is your money. The state is just the bookkeeper. But, some cry, we need the money for education and public safety. The money taken from your dividends in 2016 and 2017 stayed in the Earnings

Reserve Account of the Alaska Permanent Fund. None of it was used or needed for operating expenses of the State General Fund.

A conservative friend who opposes the dividend asked, "So what?" What's at stake with this dividend decision is righting the economy of Alaska. We can end the recession by dividending the people's capital to them as the law requires. If a family of four got \$6,507 each, they would receive \$26,028, enough to put a down on a car or house or buy a snow machine for hunting. It's enough to fund your kid's college education at the University of Alaska. Enough to fund start up small businesses statewide in the tourism, fisheries, retail and restaurants. That private capital can jump start our economy with real, private sector long term jobs.

Pump the earnings of the Alaska Permanent Fund back into the economy of Alaska instead of sitting idle in some New York bank and light the economic engine and recovery of Alaska. Put people back to work. That was the economic genius of Governor Jay Hammond. He created a fiscal plan which connects and rewards all Alaskans for our frugality, funds but limits government expense and protects Alaskans from huge new income, sales or resource taxes. New taxes would kill job creation just as resource businesses revive and grow. The Alaska Permanent Fund is one piece of Alaska government that works as planned, churning out profits from conservative investments for the betterment of all Alaskans.

Legislators should follow the statute and enshrine that statute in the Constitution. Then kill the POMV which risks the PF principle. The people are paying full attention. The people are ready to vote.

The Walker Administration and Legislators have frittered away the people's trust by capping the people's dividend three years in a row. Sitting on the money to prove a political point breaks people's faith. Ignoring the people's dictate to protect their dividend is cause for outrage and uprising. Review the history of the earnings of the Permanent Fund. Can you spend your dividend more wisely than government? Then join our battle plan and share that fact with your Legislators.

Jim Crawford is the President of Permanent Fund Defenders, pfdak.com, an Alaska based educational nonprofit corporation based in Eagle River, Alaska. Jim is a third generation, lifelong Alaskan who co-chaired the Alaskans Just Say No campaign to stop the raid on the Permanent Fund in 1999. He also served Governor Hammond as a member of the Investment Advisory Committee which formed the investment and corporate strategy of the Alaska Permanent Fund Corporation in 1975.