



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE

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February 28, 2017

The Honorable Pete Kelly
President of the Senate
State Capitol, Room 111
Juneau, AK 99801

The Honorable Anna MacKinnon and the Honorable Lyman Hoffman
Alaska State Senators
Co-chairs, Senate Finance Committee
State Capitol Rooms 516 and 518
Juneau, AK 99801

Dear Senate President Kelly and Senate Finance Co-Chairs MacKinnon and Hoffman:

There seems to be some concern over comments I made that were interpreted as critical of SB70 at Representative Grell's town hall meeting on February 25. To the best of my recollection I did not discuss SB70 during my brief presentation. I did discuss the level of expenditure reductions already made, the difficulty and collateral effects of additional large scale cuts, and the danger of permanent fund depletion due to leaving a structural deficit in the budget.

The discussion on these issues is consistent with the testimony I provided in one or both the Senate State Affairs Committee and House Finance Committee as well as at several public forums over the last month. None of the discussion was directed at SB70 or meant to imply that the administration was critical of the proposed legislation. To the contrary SB70 meets all of the "must haves" the administration sees as necessary to a durable restructuring of the use of Permanent Fund Earnings. We look forward to working with the Senate to move SB70 forward and apologize for any misunderstanding that my comments may have caused.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randall Hoffbeck".

Randall Hoffbeck
Commissioner