

Southeast Alaska Business Climate and Private Investment Survey

May 2019

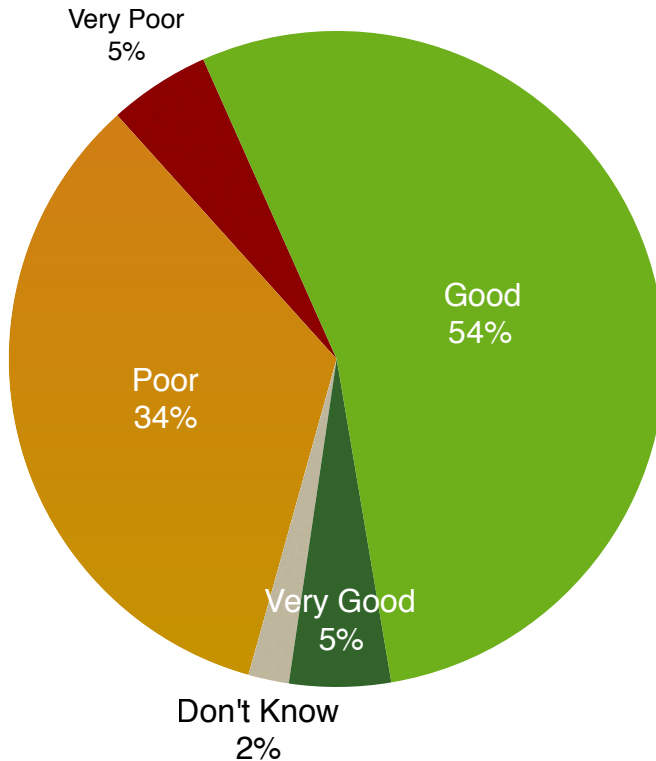


**SOUTHEAST
CONFERENCE**

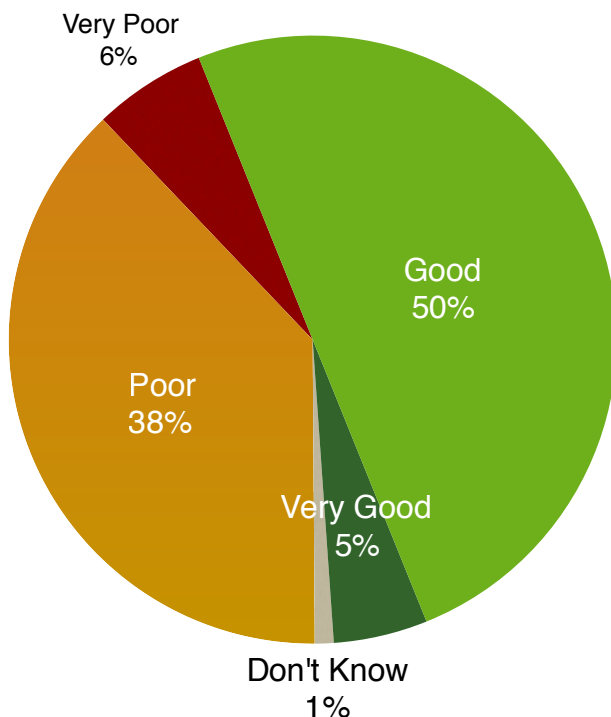
Prepared by Rain Coast Data

Southeast **Business** Climate Survey Results 2019

April 2019 Southeast Alaska: **How do you view the overall business climate right now?** +4%



April 2018 Southeast Alaska: **How do you view the overall business climate right now?**



Southeast Alaska Annual Business Climate Survey

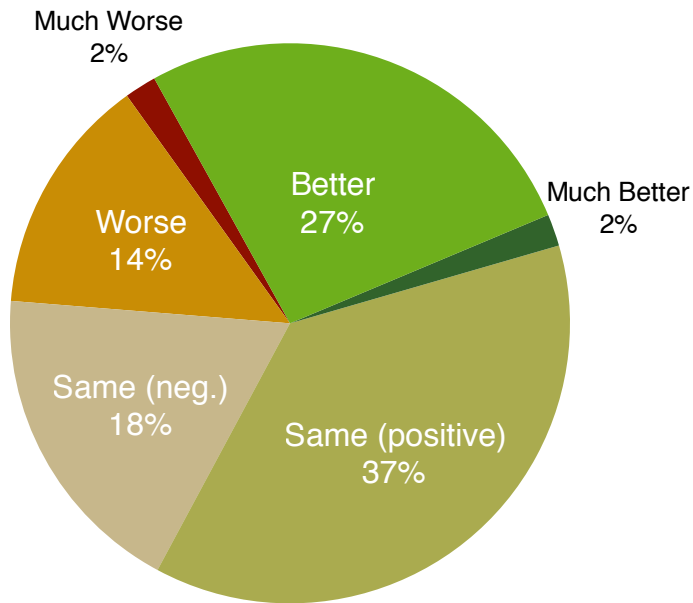
In April of 2019, 320 Southeast Alaska business owners and top managers from 25 communities responded to Southeast Conference's Business Climate and Private Investment Survey.

How do you view the overall business climate right now?

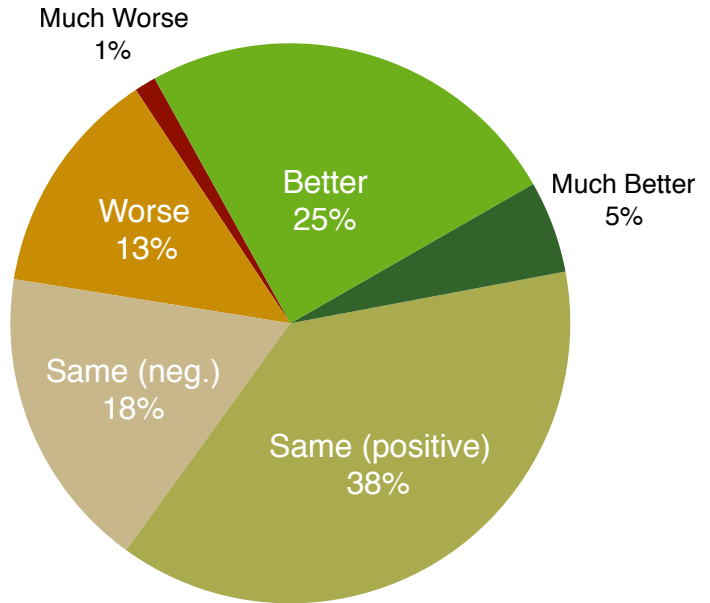
More than half (59%) of respondents were positive about the economy, calling the business climate "good" or "very good," an increase of 4% from last year. Just over a third (39%) of business leaders called the Southeast business climate "poor" or "very poor" in 2019 — an improvement from 44% in 2018. Those in the visitor industry were most likely to be positive about the current economic climate, with 69% calling it good or very good. Those in the health care and energy sectors were the least positive.

Southeast Economic Outlook

2018: What is the economic outlook for your business or industry?



2019: What is the economic outlook for your business or industry? **+1%**



Southeast Alaska Economic Outlook

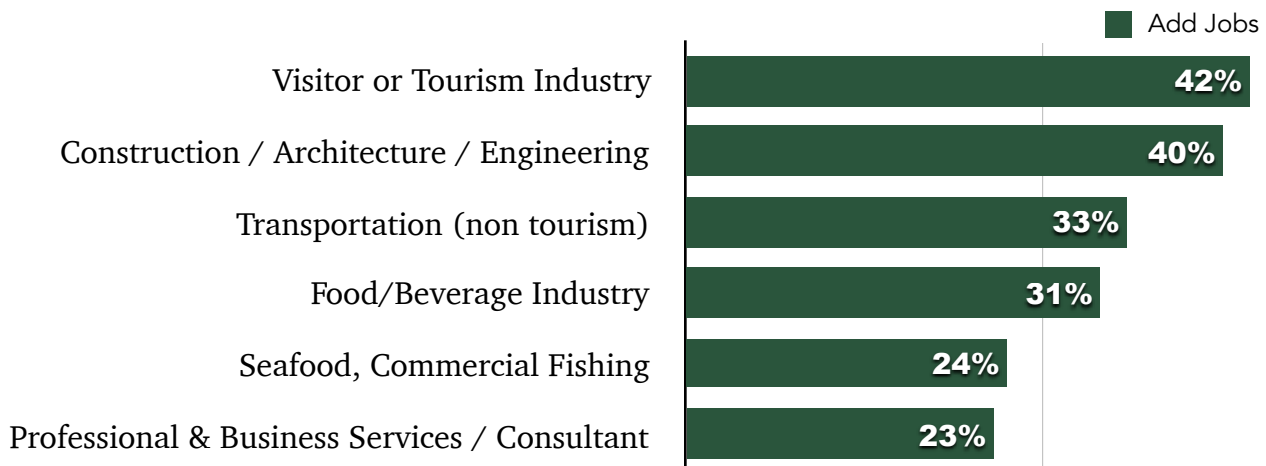
Southeast Alaska business leaders overall have a similar outlook looking forward than they did a year ago. More than half (56%) of survey respondents expect their prospects to remain status quo, 30% expect their prospects to improve in the coming year, and 14% expect decline. This represents a one percent increase in overall positive outlook over last year, but a three percent increase in those who feel the outlook is “much better” than it was the year before.

Businesses in Hollis, Gustatvus, Hoonah and Skagway reported the outlooks that are most likely to improve — more than 50% of business leaders in each of those communities said that they expect the economic outlook to be better or much better in the next 12 month. Petersburg leaders reported the most deteriorating economic outlook.

The timber, food and beverage, and tourism industries reported the most improving outlooks by industry, with more than 40% of respondents foreseeing improvement. The least optimistic sector was the health care industry; 43% of respondents expect that industry to worsen. Another industry with an increasingly pessimistic outlook is communications/information technology sector.

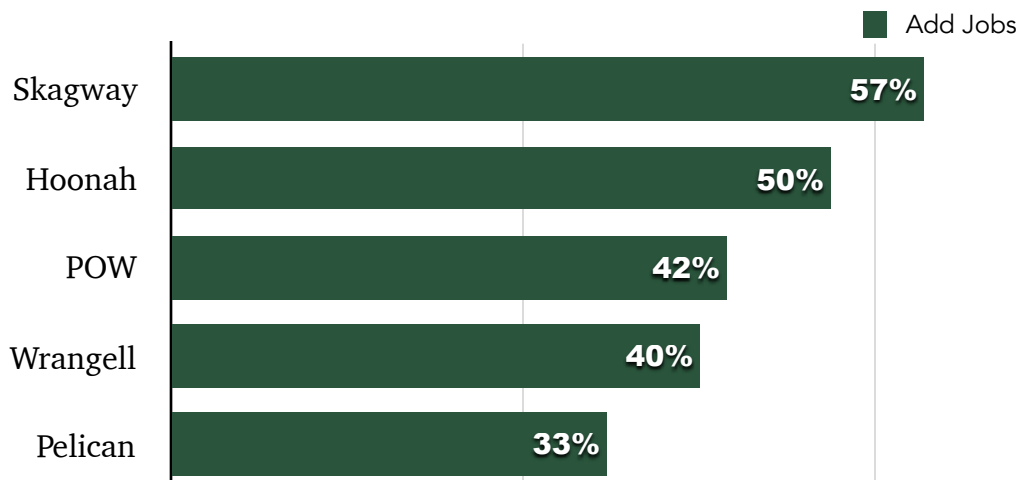
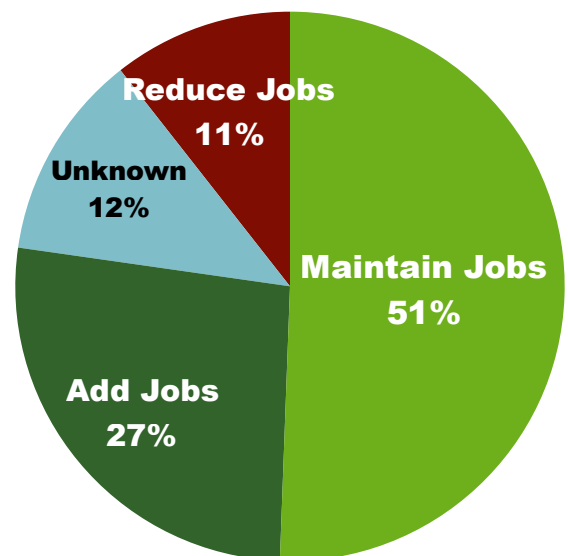
Adding Jobs in 2019 and 2020

Over the next year, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?



Hiring in the next year

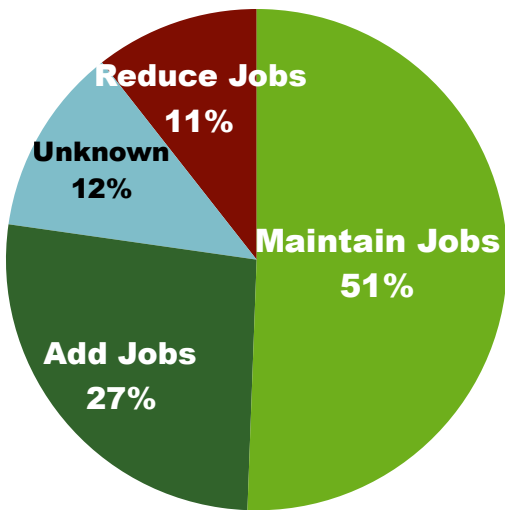
A new question added to the survey this year was regarding hiring expectations over the next year. More than a quarter of business leaders surveyed expect to add jobs to their businesses over the next 12 months, while 51% expect to maintain total jobs, and 11% expect to reduce total employees. The largest gains are expected in the visitor industry, where a staggering 42% of respondents expect to increase their total staff in up coming year. Skagway employers expect the most significant job gains. Juneau and Petersburg are the least likely to add jobs next year. A full community-by-community breakdown is on the following page.



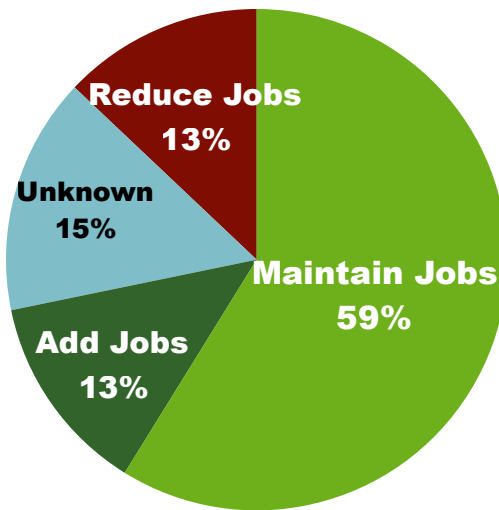
By Community: Adding Jobs in 2019 and 2020

Over the next year, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?

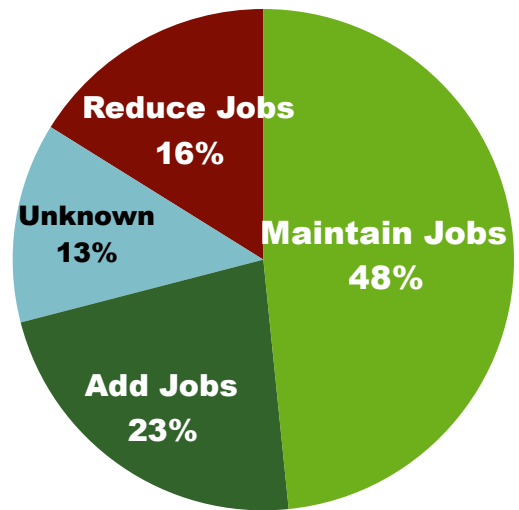
Southeast



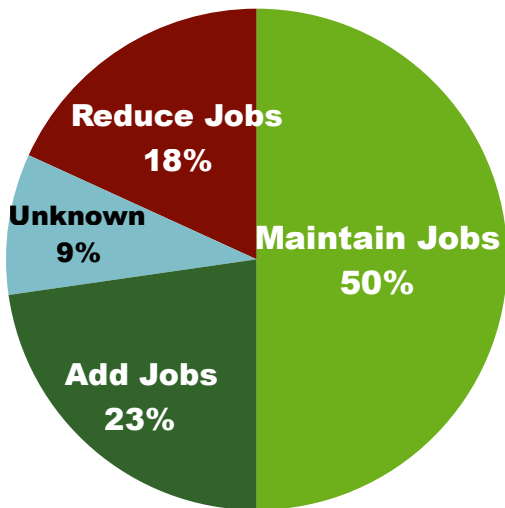
Juneau



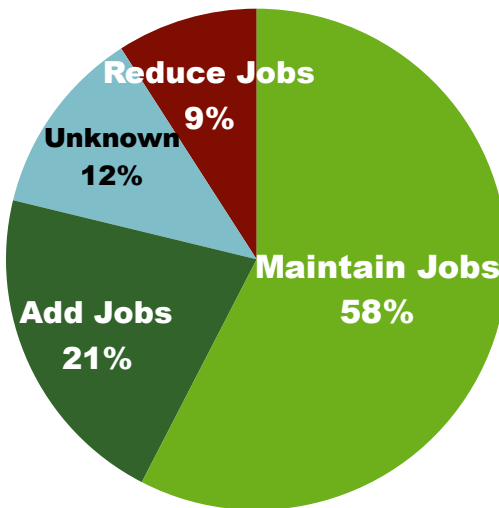
Ketchikan



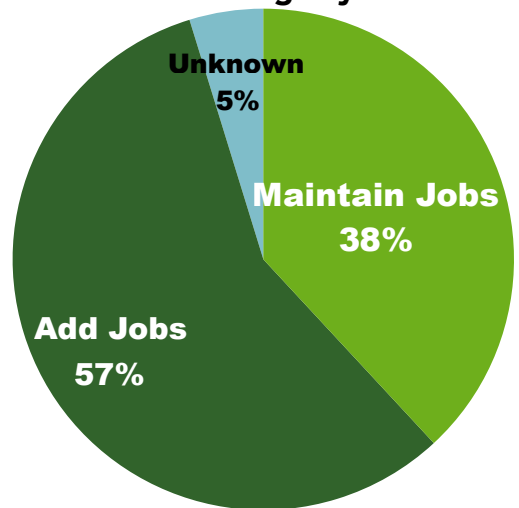
Sitka



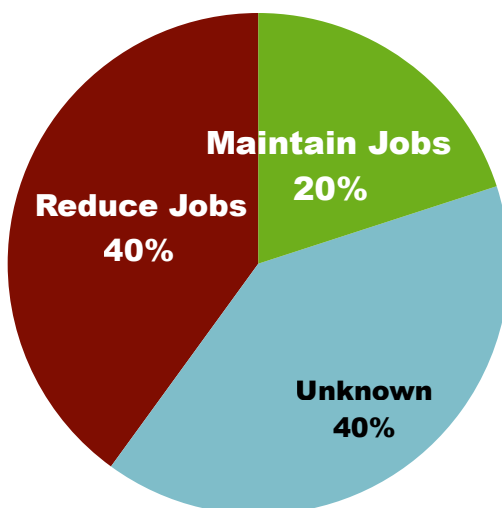
Haines



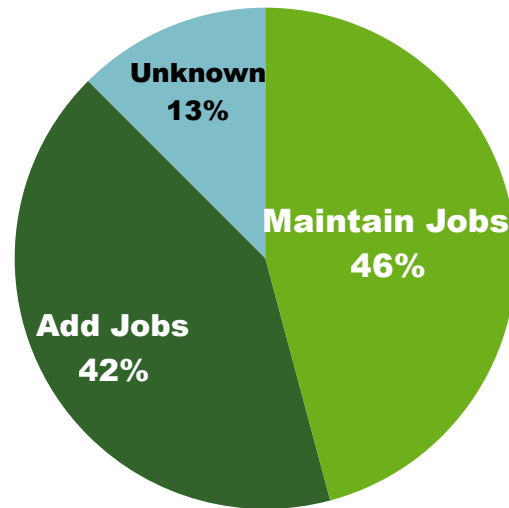
Skagway



Petersburg

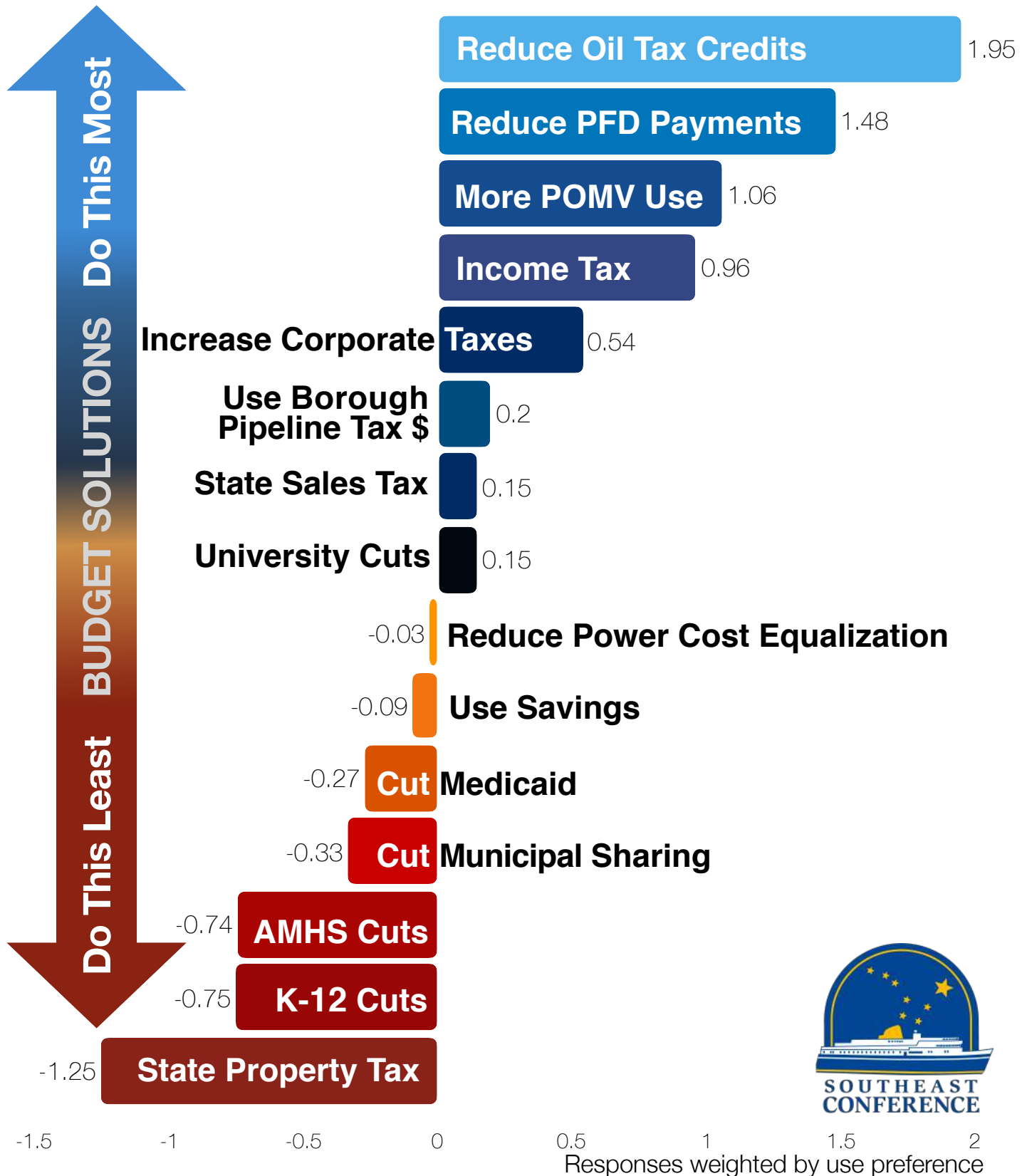


Prince of Wales



Southeast Businesses Budget Findings

Southeast Conference asked Southeast business leaders how they would like to see the state achieve a balanced budget. This is an overall ranking of their responses.



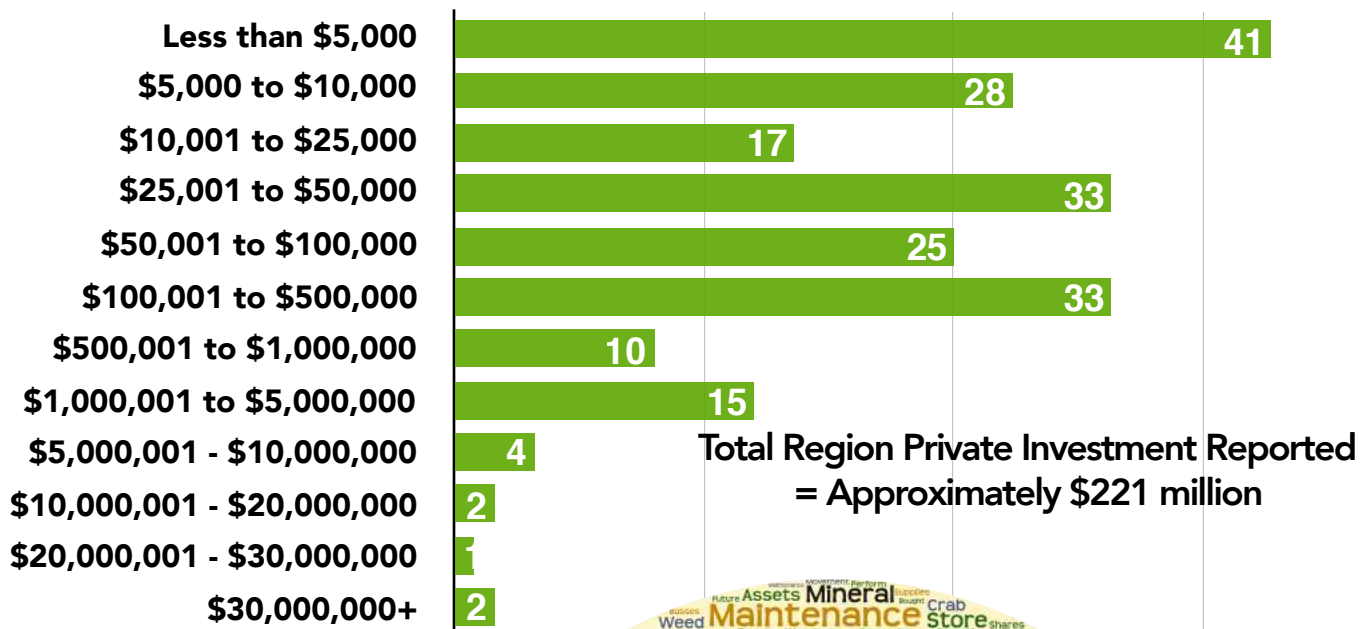
A detailed report of the responses to this question is below:

The State of Alaska has been struggling to develop a fiscal solution to the budgetary gap. Please rate your preferences regarding how you would like to see the state achieve a balanced budget.					
Budget Categories	Yes, to the fullest extent possible	Yes, in moderate amounts	Yes, but by a small amount	No, don't change this	Don't know
Reduce oil tax credits	38%	22%	17%	16%	7%
Reduce individual PFD payments	29%	31%	11%	24%	4%
Increase percentage of Permanent Fund earnings used to pay for state services	21%	27%	18%	28%	6%
Apply a state-wide income tax	26%	21%	16%	34%	3%
Increase corporate income tax	16%	18%	23%	37%	5%
Transfer pipeline property tax revenue from boroughs to the state	15%	11%	15%	41%	18%
Apply a state-wide sales tax	12%	17%	23%	45%	3%
Reduce University of Alaska funding	10%	21%	24%	44%	1%
Reduce Power Cost Equalization funding	9%	14%	25%	46%	6%
Use savings	4%	15%	31%	43%	6%
Reduce State Medicaid spending	12%	13%	14%	58%	3%
Reduce municipal revenue sharing	5%	12%	22%	45%	16%
Reduce AMHS funding	5%	12%	15%	66%	1%
Reduce K-12 funding	4%	12%	17%	66%	1%
Apply a state-wide property tax	3%	5%	11%	76%	5%

Southeast Conference surveyed 320 regional business leaders for the Southeast Alaska Business Climate Survey. The full survey results will be released shortly. Find out more at www.seconference.org.

Southeast **Private Investments**

Southeast businesses said they invested approximately \$221 million in their businesses last year. Investment is considered any expenditure beyond typical business and payroll expenses. Investments were most likely to fall into the \$25,000 to \$500,000 range.



Business leaders that made investments last year were asked to provide a short description of the purpose of these investments. The word cloud to the right is a visualization of the responses, with more frequently appearing words appearing more prominently.



Participant Overview

A total of 330 businesses in 25 Southeast Alaska communities responded to the private investment survey this year. Respondents came from 25 different regional economic sectors. Similar to past years, the highest number of respondents came from the visitor industry sector.

Which best describes you?

Answer Options	Response Percent
Owner, President, or CEO	40%
Self-Employed	36%
Senior Executive, Senior Official, Director, Vice President, or Manager	24%

Please identify the community in which your business is located.

Answer Options	Response
Angoon	1
Coffman Cove	1
Craig	16
Elfin Cove	1
Gustavus	6
Haines	37
Hollis	4
Hoonah	6
Juneau	95
Kake	1
Kasaan	2
Ketchikan	36
Klawock	9
Klukwan	1
Metlakatla	1
Multiple communities	10
Naukati Bay	3
Pelican	8
Petersburg	14
Sitka	28
Skagway	28
Tenakee Springs	1
Thorne Bay	1
Whale Pass	1
Wrangell	7
Yakutat	2

Which best describes the primary industry focus of your company?

Answer Options	Response
Visitor or Tourism Industry	72
Retail / Wholesale Trade	42
Seafood, Commercial Fishing	36
Professional & Business Services / Consultant	31
Construction / Architecture / Engineering	20
Food/Beverage Industry	16
Arts	14
Communications / Information Technology	12
Real Estate	11
Financial Activities	9
Health Care	7
Energy	6
Transportation (non tourism)	6
Mining	5
Timber and Forest products industry	5
Maritime Industrial	3
Education Sector	3
Maintenance/Janitorial	3
Agriculture	3
Other Nonprofit	3
Tribal Government	2
Manufacturing	2
Alaska Native Organization	1
Science	1
Other	7

Open Ended Responses

Generally, how have budget discussion/process impacted your industry or business? Or use this space for any additional state fiscal related comments.

- Economic uncertainty greatly affects people's discretionary spending. Everything we do/ sell in this business is not a necessity so will be cut first if people feel uncertain about the economy. The stated goal of this governor to balance the budget in one year cuts out many things that are essential to a prosperous future for this state. It also creates a climate that makes people not want to stay in or come to Alaska and makes it difficult for those of us getting ready to retire to sell our businesses. I am extremely worried about the future of our state unless our legislators can temper the aggressive proposals of this governor.
- If Medicaid continues to reduce reimbursement or limits treatment sessions, I will be forced to close my private practice. Since I am the ONLY licensed professional on the island, including no one at the schools and clinics, then our residents will have to travel for this service. That will cost more for the state. I provide all home/community-based therapy services. I do not get reimbursed travel. But patients have consistent weekly year-round service. Schools and clinics do not and cannot provide the service I do.
- There should be a statewide income tax to capture income from oil industry workers, miners and fishers who live outside the State pay for the services and benefits they receive from working in the State. There would be an increase in the corporate income tax instead of an industry by industry tax. There should be a statewide sales tax, increased during the tourist season, to have tourists and the tourism industry pay for the services they receive. Communities which have a sales tax would receive a credit such that the sales tax paid in that community would be the same as every other community. Communities with Title 29 authority would no longer receive municipal revenue sharing - if folks want a project, they could increase property taxes to pay for it. The Permanent Fund would pay whatever portion of the budget the previous taxes were insufficient to pay - up to 5% per year of the total value of the Fund. To the extent that the full 5% was not needed to pay for government it would be used to pay the dividend.
- I am in favor of taxation but can't speak to whether income or sales or corporate tax is the best way to go. I do believe that using some savings is the only way to come up with a budget that doesn't change drastically every year. Revenues will go up and down, and savings should serve as a buffer to deal with the ups and downs. Realistically, the government is not agile enough to make the necessary changes to prevent using savings this year. They will end up using savings. As for impact on our business, the cuts that have been proposed by the administration could be catastrophic to our business and I believe to the state as a whole, but in particular to Southeast Alaska. The long-term impacts of cutting education is like cutting off the oxygen supply for the state.
- A co-worker is losing her job. Travel to my 2nd home will not be possible without the ferry. Float plane is too expensive for getting to and necessary supplies to Southeast coastal communities. Paying back the PFD is the most absurd thing I ever heard. We have already sucked it up and made do without it, save that money and use it towards the budget gap.
- A freight monopoly exists in southeast Alaska, every time I make 1-3 Percent on my business another rate increase happens, that takes it from me. I also believe the state is systematically trying to take quota from my commercial fishing business in favor of moving fish to the charter

and sport sector. The troll fishery is over a 1000 strong and 85% resident. charter and lodge ownership largely out of state owned.

- All personal households and businesses must live within their means. Government is no different.
- Already lost income because of OWL grant.
- Any major change will affect our members as a nonprofit. All I have lessened to are doom scenarios that I don't think will take place. We are talking about the same amount of money either given to the people or given to the government. I tend to think the government is inefficient and the money will be better spent by the people. I also don't think cutting institution by large numbers over one year is a good idea. I would get behind a 3- or 4-year process where the PFD is lowered as three cuts are put in place over a period of time giving institutions time to come up with new ideas.
- As a self-employed bookkeeper I expect that the small business owners (plumber, blaster and retail owner) that I serve will have a difficult time this next year and my services will be one of the first places that expenses are cut. It may take a while, but the proposed budget will severely damage the already stagnant economy in rural SE Alaska.
- As my friend put it, we have been giving away our bread by the tons, but we have not been making any dough. We "knead" to slow down giving bread away, plus start making the dough. Once we are balanced again with enough dough and enough bread the state can start giving out its bread. BUT not by the tons.
- As we don't know what will happen, it is difficult to plan anything for the coming year. We are proceeding business as usual but are looking at where we can cut and still manage to do our jobs. There is a lot of fear and it doesn't seem like the Governor is listening to the people or inviting an interchange/discussion. It seems like he is following his own agenda and creating a fear fueled environment.
- As we talk about losing services, my inclination is to think about moving elsewhere. The loss of the AMHS hits the art market hard. Our independent travelers are often our best customers. The uncertainty of the current financial situation is making people less comfortable spending money on artwork.
- As you know SE Alaska is Government or Tourism related. Stop wasting time and money every year by a discussion of moving the capital as that would financially decimate Juneau and a non-trivial amount of Southeast Alaska. If you're going to spend \$\$\$\$ on improvements, or art please look at using Alaskan companies first. Call for more tax incentives for small businesses, so that they can grow in our great state before we simply move. Call for more tax incentives to small businesses, so that they can grow and in turn provide more jobs. Take a strong look at the ridiculous amount of regulations that prevent small business growth in Southeast Alaska, most especially with sport, commercial fishing and logging. At a local level many of the bed taxes are way too high and often wasted by the local government. My family has been in Alaska before we were a State. A Wally Hickel is the type of person along with Jack that we need again in leadership roles once again.
- Basically, the idea of reducing the funding for the ferry system is an absolute death knoll for many of the businesses in southeast which will exasperate the financial problems facing the state. Instead of reducing the funding go after the inefficiencies in the day to day operations and increase the fares. The management and the union workers need to be held more accountable. If there is a feasible way to turn over the system to a joint private/government partnership it should be explored. I would worry about the loss of federal government funding

if it was turned over to just private ownership. As it stands now, I believe it is considered part of the federal highway system.

- Build road into Juneau and refocus ferries to small communities
- Budget discussions haven't impacted my business. The real problem is that we are imbalanced in our short/long term thinking. The state should lead the way recreating our education system so that we build up the capacity of our people in the future. If we actually did this, we could see measurable improvements in less than ten years. Sucking the life out of the people through taxes has negative effects. We need to build the people up. The more we do this the more they will achieve and the better the ideas they have. If we are more educated, knowledgeable, skilled, and confident the more successful we all are. The "more ignorant" we are the less successful we all are. Short term thinking/planning yields sporadic results and long-term thinking/planning yields steady progress. Sporadic is what we have had for many years... If we only put together a solid long-term plan put it into action/stick to it, we will begin an adventure that will improve the future of our children and grandchildren. We are obviously currently all too ignorant to solve the issues, or it would have happened by now. Let's get educated.
- 1. There is no point in a PFD that gets taxed by US Gov., if we just turn around and get taxed on it by Alaska too. 2. Over 80% of our customer's revenue source is Fed, State, local, grant and pass through monies, to keep their agencies and divisions running. 3. A state income tax that applies an inverse tax rate to the annual earnings of a worker would make sense. As an example, if a worker in Alaska makes \$100,000 in two months, their rate should be higher (amount paid) as compared to a worker making \$100,000 in 12 months. Too many \$ are leaving the state completely untaxed, leaving residents to bear the annual brunt of local sales, property and PFD reductions.
- Business has started a decline prior to the governor once it was published the decline increased. Eliminate state student loan program, take a one-time write down on student loans that a go all the way back to the eighties and nineties it is near 35,000,000. Work with the Alaska Municipal Bank to refinance high interest school bond debt. Many boroughs chose not to for many reasons. Make high traffic state highways into toll roads. Reduce student transportation funding many districts are wasting these funds. All school districts must return surplus funds to the state based on the prior year's budget results. Re-evaluate State employees including supervisors by reducing the step increases and put a cap on maximum salaries for each position. State travel is still being abused eliminate all travel deviations for personal trips including all exempt and nonexempt state workers.
- Cautious and concerned
- Closing AMHS would be terrible for southeast's economy.
- Collapse economy make it impossible for a business that relies on AMHS to survive if closed
- Creates a pall of uncertainty. Need to get topic resolved one way or another.
- Current budget discussions create an environment that decreases our interest/desire in taking on new risk and making new private investment in Alaska's economy. Very concerned about the possibility of recession, and the difficulty of recovering existing investments if it occurs.
- Cuts to funding for housing programs will have a negative effect on the affordable/supportive housing sector. This could limit future development of any new housing units. Also, supportive housing programs that are working to get people housed in decent, safe housing and off the streets. These programs have resulted in large cost savings to local emergency services, hospitals, local police etc. The proposed cuts to the state budget, will negatively

affect much more funding in federal dollars that flow into the state. Really does not make any sense at all. It is time for a real solution, not just this fear mongering approach. Most of the explanations on the budget cuts from the Governor's staff are just plain wrong! They are spinning their version of what they want people to believe, not based in reality at all.

- Cuts to sustainable industry such as commercial fishing should not be implemented. Invest in the growing tourism industry and support our national parks that draw in tourists. There should be a movement toward using the Hammond 50/50 plan to support both the PFD and government services as well as a 2.5% flat income tax. We should balance the budget from those projections and not overspend like we have been in the past. The current level of government is unsustainable.
- Cutting essential services and pushing costs of two local governments while fattening up PFD distributions both current and retroactively makes no sense. Cutting budgets without establishing priorities or consideration of outcomes is lazy governing and lacks leadership our state has and deserves. Review ISER's Scott Goldsmith's Web Note 20, April 2015, The Path to a Fiscal Solution: Use Earnings from All Our Assets as a path to arriving at sustainable spending for the state.
- Cutting ferry would devastate Southeast. How about setting up toll roads in Anchorage and other large communities. We pay a pretty substantial toll for using the ferry. Anchorage/Fairbanks residents pay nothing for using their roads. Also, you should definitely take a look at reducing the price of ferry tickets to and from Bellingham. The current cost is keeping the vessels mostly empty. Empty boats don't make revenue! I don't know if subsidized private managing the ferry is doable but worth investigating. Thanks
- Deep concern for Southeast Alaska. We need to maintain the PCE endowment, keep the ferry system, and our kids shouldn't suffer with subpar education. I'm also concerned about Medicaid funding for the many who direly need it. I agree with budget cuts and efficiency measures, but it shouldn't be drastic or disabling to service providers. Maybe a 10% across the board cut to most agencies?
- Discussion has put everyone on a hold pattern does not help construction! Tax out of state workers!
- Do we really need the amount of State employees we have? Education, Roads, Police, everything else is extra.
- Drastic cuts to state services and funding would be bad for my business. Especially any further cuts to the ferry system. I don't mind smaller pfd's or an income tax to preserve services. I think oil tax credits should be the first revenue source tapped, followed by off cuts and an income tax.
- Every one of my customers has expressed major concern over the potential loss of the ferry system. I have yet to meet one person in the community who is in support of cutting ferries. The last thing any government should ever do is cut a budget for education. Especially with the major drug problem all across the state, education is our best bet and should always be at the forefront of any agenda. This is coming from someone with no children and no plan to have children.
- Every year my sector in Juneau Real Estate take a hit due to consumer confidence in the capital employment situation and any potential capital move discussions. My personal thoughts on the budget are this: Everything is sacred, so the band aids must be ripped off. The state has a responsibility to provide an environment that encourages commerce and manage our natural resources. I believe every organization has efficiency and wasted spending issues, but we

should fully fund: Transportation (Ferries and Roads) Resource Management (Fisheries, Oil, Forestry, Mining) Commerce K -12 (though I believe there is wasted spending in this sector, it needs to be carefully managed to make sure cuts actually improve our children's education. I believe we are working in a college ONLY model for our kids and we are doing the excellent academically focused students and our trade-oriented students' massive disservice) Anything lying outside of these parameters is EXTRA spending. UAS has many valuable programs but so much of it is luxury spending. Medicaid is wonderful... but much of it is luxury spending. Unemployment is a wonderful benefit, but I believe lots of reductions can be made there.

- ferries are everything..a first-class AMHS is absolutely necessary to the economic and social well-being of Southeast Alaska and the whole state..
- Get rid of all the useless positions created in Juneau. Cut all the wages in the capitol by a 1/3 and no more paid time off until it's fixed!
- Gutting the AK Marine Highway is very harmful. Crippling education is the dumbest think I have ever heard.
- Have not impacted my business as of yet. Maybe if we lowered the salaries of the people in power, it might help raise up the lower classes to be close to equal.
- Have to have FERRY service to survive. This is our HIGHWAY.
- I believe reduced PFD income for individuals have had a negative impact on small business, especially the service-related companies. I believe that if education and transportation services were cut or dipped into any further, it would strangle not only businesses but the individuals in Southeast Alaska specifically. In my first-hand experiences with my direct family and the people I come in contact with through my business, we already have an extremely difficult time affording food, housing, education, healthcare and transportation within and without Alaska. This directly affects our business. If people feel they cannot afford to maintain good nutrition, education, or healthcare, they will not spend money to have us help them maintain a clean work-space or home-living environment. As for increasing/adding various taxes listed, I do not have enough information to make a decision either way, however, properly regulated and moderated taxation generally improves the economic situation of the areas being taxed.
- I can't have everything I want. The same should be with government. If I want something, I save for it. The state should do the same.
- I don't believe it has.
- I feel strongly that State spending can be reduced by 5-10% and that Permanent fund earnings should be used to balance the state budget with the remainder used for PFD.
- I feel that to have the services Alaskans want there is no choice but to have an income tax. I also feel the state should not be paying the oil companies money for drilling in Alaska. That is ridiculous an income tax could be developed to be on a sliding scale depending on oil revenues
- I have lost quite a bit of business due to the threats from the gov and his proposed efforts to destroy coastal AK. Our community stands to lose the Marine Highway, possible loss of our 'rural airport', and a large portion of our Boroughs income by taking away our fish taxes. My business revolves around the commercial fishing industry. If we are unable to ship product out, then this community will fail. I should be looking to hire 2 or 3 more people full time as my business has grown but with the Dunleavy government so focused on robbing our part of the state, I simply cannot hire any more employees.
- I moved here from Dutch Harbor BECAUSE of the ferry system. I use the ferry annually. I have two summer vacation rentals (that I already pay property tax on) and my business will suffer

greatly if transportation services (the AMHS) are reduced or diminished. I taught high school here for 14 years and people move here all the time because they like the school and the transportation options. I am a licensed real estate agent. People want to live in a town with good schools, access to health care and good transportation options. If you cut off the oxygen, our state will die. Fund the schools, health care and transportation.

- I never see lottery as an option but think it needs to be considered and offered up to the people as an option to fix our budget shortfalls.
- I really do not support any new taxes as long as there is a PFD! For low income families in need replace the PFD with a state welfare program. My responses above would be different if the PFD entitlement was repealed. The reason Norway has a bigger Permanent Fund is Norway does not issue a PFD. In fact, Norway taxes its citizens and protects its fund should a future need occur that exceeds the sustainability of its current tax structure.
- I support strong and meaningful efforts to balance the state budget and reduce the state debt. Tax the hell out of us and cut whatever it takes to make it right. It is immoral to advocate we continue on this path to spend what we cannot pay for now. We are cowards to place the burden of debt on our children due to our selfishness and greed. I disagree with the radio add sponsored by the Juneau Chamber that challenge the proposed governor's budget reductions. I support all reductions as well as support higher taxes to get us out of the hole we are in. I am thankful we have a governor that is doing something.
- I use the AMHS to travel for my business as it is the safest and most cost-effective way to travel. I have written letters, called in to testify, and try to be as informed on all the proposed cuts as possible. As an artist, I have received two grants from the state funded Alaska State Council on the Arts and have grown my business for their support. I can't stress enough how important education and the Arts are to our state.
- I use the ferry system to travel with my product to other communities
- I would like to see the conversation include more discussion of how to increase existing revenue streams, like promoting development projects in oil, gas, mining, and logging.
- I would significantly cut the administrative positions in the universities. Professors and departments not necessarily, but there is so much redundancy in the admin staff, which could be divided up into other staff's workload.
- I've lost months of productivity to the budget discussions. The Dunleavy budget and the specter of his veto pen has taken a toll on the state's outlook. I foresee his line item veto's taking a great economic and spiritual toll on our community, region and state.
- I'm in the retail trade, people are afraid and spending less money. It's time to go on a diet. A money spending diet. It's time to reduce our spending, just like normal households. The gov't needs to cinch in their belts. Cities and towns need to cut back. Spend money... only where needed. Sell off some of the assets the state has and doesn't need. Creative revenue would be a bonus!
- If Governor Dunleavy's proposed budget is fully implemented it will destroy my business, and the economy in my region, as well as other areas of the state. I believe that the drastic cuts will have long lasting negative impact on the state as a whole. When you weaken one portion of the state, you place the burden on other regions of the state to fiscally support the other regions. Moving the legislature, cutting out the Alaska Marine Highway, cutting Medicaid creates more burden on other areas. When my daughter was 16, she had two suicide attempts within 6 months. We ended up needing to place her in a residential treatment program for 8 months. If we had not had the assistance of Medicaid, we would have gone bankrupt. Because

that safety net was in place, we were able to get her the help she needed. Since then she now owns her own home, holds down a job where she supports herself, and I have two wonderful grandchildren. At this point my husband and I own two businesses, as well as have 9 rental units, and employ up to 8 employees. None of that would be possible without that safety net.

- If the ferry budget is slashed, it would probably ruin me and my town, financially.
- If you reduce K-12 education un-cap local communities' contributions so they can choose what level of education they want to support locally. I would rather see a small income and small (2%) sales tax in combination with a reduced PFD so workers and visitors as well both urban and rural residents are contributing to running the state. However, it must be in conjunction with a spending cap to protect from constant increases in spending to require more taxes and fees. If we do not get a clear path forward business outlook will decrease from flat to lean negative.
- Implement a Statewide sales tax, with a provision that a municipality can opt out if they implement a Local Sales tax...
- In small town Alaska, state and federal workers are among the few people who have disposable income to shop in local shops. People making minimum wage don't have the luxury of shopping. The minute the President does a federal shutdown, or the Governor starts talking job cuts, our local shoppers disappear. I don't know who the Governor thinks is paying rents/ mortgages, buying groceries, shopping for clothes, shoes, books, tools...but those are GOVERNMENT workers. Making such drastic cuts in one year would be DEVASTATING for local business.
- It affects some state funded engineering and geophysical projects. Mostly unaffected as the majority of our work is private
- It doesn't.
- It has caused sales to drop because there is uncertainty in our community!
- It has frozen growth and planning efforts as we expect reductions in Medicaid and state support for efforts, but don't know yet what the final outcome will be. Spending time on partnerships with municipalities and boroughs as we expect them to receive cuts that will then require them to cut local funding to senior and health care services. Many of the services my business provides don't just help the community, but also provide for long-term cost savings to everyone (keeping seniors and the vulnerable healthy and independent is less expensive than emergency room visits, hospitals and nursing homes!). But it's a tough thing for the state and cities to invest in when there is a dire financial crisis that they are facing right now in the moment. I see that the Governor's proposed budget seems to be addressing the short-term financial crisis, without thought to the long-term impacts on the economy. Businesses freeze waiting to see what the outcome of budget cost containment will be, if there will be ferries to support travel and business growth, how many will be laid off from state, health care, social service businesses that will no longer have money to spend (or may even leave the state looking for new work). And if proposed cuts to municipal revenue sharing and school bonds are eliminated, the ripple effect of these cost containment will hit local economies even harder as city services and contracts dry up in response. We need smart long-term economic planning, not just in-the-moment, knee-jerk, slash and burn thinking with a giant PFD payout and no thought for a thriving Alaska 5, 10 or 20 years from today.
- It has not affected my business yet, and will most likely not affect it much

- It is ridiculous that we are basically paying the oil companies to take our oil - that is so messed up. An income tax would capture revenue from seasonal workers so that they help contribute to the State too.
- It seems like the governor is dead set on destroying my community and business. I cannot say it strongly enough that his proposed budget is hurtful and destructive to Alaskans, truly a vision of a sicker and dumber Alaska where robber barons ship cash home by the boatload. I'm questioning whether to abandon Alaska to make sure my kids have good schools and opportunity, I never thought I would consider this, but the regime in charge has me thinking it every day.
- It seems that the state and the municipalities do not communicate. For instance, in Ketchikan, we have the state DOT come through and pave beautiful new roads, only to be ripped up for the city to lay new pipes a month later... how about we reduce costs for both overall and talk about these projects together? It seems like it's time for a clean slate of legislators to come in, and a clean slate of elected local officials - perhaps ones who paid attention to what was going on at large and in their area.
- It WILL SERIOUSLY impact my business as well as POW Island in entirety if AMHS & IFA ferry aid is deleted/decreased. We need the transportation for everyday life as well as business industry, bringing tourists in and out is essential to our life. Educating/equipping/preparing our children to work and life in this life is everything. I understand that U of A attendees are diminishing so perhaps slightly decreasing funding is necessary- I don't know.
- It's not affecting us now, but it may in the future. The state needs to live within its means just like we have to as small business owners who are trying to survive. There is a lot of waste and inefficiencies that can be changed and streamlined. The AMHS needs to be restructured to run more efficiently and as a community that relies on ferry service, we can see that. Consistency is the key and there is no consistency in the AMHS. Day ferries could be the answer.
- Jobs have been eliminated, citizens and employees are looking for jobs in the lower 48 rather than risk losing a job due to the State and local government funding. Local businesses have delayed or eliminated expansion plans due to the expected budget reductions. The people I have spoken to feel the quality of life will decrease, and people will move out.
- Letter of support for the Alaska Department of Natural Resources Division of Agriculture. My business has grown in part due to the programs and resources provided by the Division of Agriculture. Namely, their Alaska Grown Program has helped my marketing, their Plant and Materials Center has offered for sale certified, disease free, potato seed for my operation, and they have offered numerous On-Farm Food Safety Workshop training sessions that I have taken to ensure our farm to table food product is safe. The existing programs and staff within the Division of Agriculture are essential in order for agriculture to continue to grow flourish in our great State. In my opinion, if programs are cut from the Division of Agriculture, the future of Alaska's Agriculture industry would suffer greatly. For example, the lack of training to optimize "best farm practices" could lead to food borne illness in our population, the diminished presence of the Alaska Grown program may lead to economic hardship due to reduced marketability of existing and new operations, and the lack of oversight in the plant materials entering and being used in the State could lead to disease that would impact our existing important agriculture crops. With our climate changing to a warmer state, our agriculture industry stands to grow in a positive direction if we have the programs to support it. For example, in Juneau today (20 March), the temperature is predicted to hit 60 deg F, which is 20

deg F above the normal for this date. We need to be prepared to adapt to this change with a healthy, intact Division of Agriculture ready to move Alaska forward into a growing future.

- Loss of the ferry would be very detrimental to our town.
- Mandatory Regressive tax policy, deregulation, and privatization as a political platform has a logical outcome: The decimation of the middle class by the transfer of its wealth to millionaires and billionaires; and the defunding of government to the point of state failure, which itself is a de facto unilateral abrogation of the social contract. The social contract is fundamental to a sustainable civil society and social justice. A stable, sustainable revenue stream arising from sufficient taxation proportionate to wealth is a precondition to the social contract. Without a social contract and assurances of public education, affordable health care, transportation systems and public utilities, government agencies regulating in the public interest, there is no point of functioning as a business entity in such an antisocial, antigovernment, political environment.
- Many employees fearful of their jobs - have already seen people leave State service to private sector purely due to impending threat of job losses. Employee morale extremely low. Customer outlook very low - prices going up and service is down and unreliable. Long term planning impossible; hard to hire qualified individuals. Applicants hesitant to make commitment. Entire outlook very dim.....
- Many state services are at minimum levels to allow our industry to grow as anticipated. Economic development is dependent on continuing with the minimum level of services. The marine highway system is a necessary piece of infrastructure for our industry.
- Most folks are in a holding pattern wondering what the new Governor is going to do. Please adopt a State Income tax.
- My biggest hurdle is the ethical comments that government officials bring to my industry.
- My business depends a lot on ferries scheduled to Sitka. Also, the ability to visit other S.E. communities at a reasonable cost and shop for items that are not available in Sitka. Also, the ability to be able to do commerce with Anchorage, and other areas on the interior. The ferry service is supposed to be our highway system at a reasonable cost. I bet if the highway was blocked off in Anchorage the legislators would get their butts kicked, along with the Governor!
- My business does not receive public funds directly from the government. Rarely does the state of local government purchase digital ads with my small local business - preferring social media which is more costly. In cases where the state has purchased ads, it is difficult to collect payment. An ongoing problem for years.
- My industry is heavily impacted by the budget reductions, and general anti-government sentiment. There is a lot of time and energy wasted providing context for these poorly developed cuts. Refusal to bring federal funds, which are a significant part of the state's budget, into the state, results in businesses like mine, which primarily are contracted with using federal funds, to suffer. The impacts of the cuts also greatly undercut the work of many of my clients and will ultimately result in worse outcomes for children and families in Alaska. We need a vision for this state that goes beyond developing oil and gas fields that have been declining for decades and builds a new stream of income. There may not be one industry that saves us but many small ones growing because people want to be here & Alaska has a strategic location. Small, innovative industries are stymied constantly whether they are the film industry, dairy and agriculture, or tech fields. We have to build a livable state that supports new growth and can make Alaska an economic powerhouse given its strategic location as the US's only Arctic state and at cross-roads to Asia.

- Need healthy capital budget. Need to extend roads in southeast and have shuttle ferries.
- No impact at this time; but if ferries are cut will affect us greatly. Also, if education funding is cut will trickle down to our business.
- Not having a ferry in Southeast Alaska will severely and negatively impact my business as I depend on it to travel with my products and sell in other communities than my own.
- Not that much yet as there seems to be no real agreement as to how to proceed.
- Our businesses may be affected by marketability to business partners that bring capital and investment into the state unless Dunleavy keeps the stomach to hold our state fiscally responsible. State Government must be re-envisioned. Current Bureaucracies in most departments like Education, Health, DOT/Ferries will require a reboot and redesign from the bottom up for our state to survive feasibly even with a moderate-income tax and state sales tax. Those additional taxes will cripple the private sector and further reduce the cost of living in our state and especially rural areas. Taxes are probably inevitable, but they must not occur without a restructuring of government. Public Charter schools, constitutional amendment to allow for education vouchers for public and private education organizations. Unions embedded in our state government and our local and state institutions are the elephant in the room that are driving state functionality into fiscal oblivion. A bill abolishing unions in state and local governments would be a good start. This is not a conspiracy theory this is a fact. Look no further than Juneau's school district and the ferry system. The people of the state do not run those organizations. Give the UA system to become self-sufficient without any state funding operating as a land grant university as intended and as created initially. They have not been granted all their lands nor have they developed their lands. Maybe they should be given the state land that the Pebble Mine sits on.
- Our services have been greatly reduced.
- Are the above-mentioned subjects really the only areas to cut the budget or add income? Seems like there should be multiple other possibilities. Don't ask me what, I don't know. The reason I am opposed to cutting the PFD isn't that I feel I'm owed the money, because I'm not, it's because I don't have any faith in the state being able to responsibly spend that extra money after taking it from us. The same can be said of the state income tax, but I also feel that we, as Alaskan residents, aren't really paying our fair share into the coffers.
- Our State spends way more per capita than most states, we simply cannot continue down this path. Substantial cuts across every State department needs to happen before ANY taxes are implemented. Not this shell game that the Legislature plays each year. That said, a sales tax would be my first choice. It's expensive to live here, we get it, but don't put it to a point where those that have the means to get out will.
- Out of state residents who work in Alaska should pay income tax.
- People are apprehensive about the future. Time for all Alaskans to put a little skin in the game. Modest income tax captures the 25+% of nonresidents working and earning income in Alaska. Mining, fishing, visitor industry employees should all contribute. Research history of Rainy-Day Account voted on in 1978 and remember why we created the now known as Permanent Fund. It was not created to solely pay dividends for breathing. It was to pay for government services as oil declined.
- People are not buying as much at the retail level, they seem to hold back.
- People do not know if they will have a job, so their spending has been reduced. When the Governor comes out with a budget like he proposed, even though it may be a scare tactic, many people are not informed and do not understand it as that.

- poor economy benefits reductions
- Reduce the bureaucracy and special interest spending
- Reduce the reliance on the government. Schools are currently expensive and are relatively ineffective. More money is not equaling a better education.
- Reduce the size of the dysfunctional house and senate until they can work to actually get something done. Maybe have "Lawmakers" every other year instead of the yearly waste of time and money.
- Reduced ferry service huge negative impact my business. Have property in Skagway and Gustavus, with most business in Haines and jet service only to Juneau. No ferry service in upper Lynn Canal will make it very difficult to conduct business. Need vehicle access since my work uses test equipment in remote sites. Difficult and expensive to fly with test equipment and get to site for field evaluation.
- Reduced incentives to grow, expand, and invest
- Reorganize the operation of the state ferry system to a private/public model and look at additional revenue sources. Affordable freight shipping options, small shipping pods could be considered.
- Seasonal Sales Tax! State Income tax with large deductions for Alaska residents! Reduce State Bureaucracy! POW Island School District has over 4 staff per student, many of the staff are not as smart or have less education then the grade school students THEY ARE TEACHING!!!
- Skagway will lose a lot of business and revenue if we lose the state ferries.
- somewhat.
- Southeast needs the ferry system!! That is our (marine) highway.
- State budget has had little impact on my business this far. However, federal tax law changes have about doubled my taxes this year while the business environment has halved my revenues. My industry is not in a position to increase rates, so my belief is that any additional taxes will push my business into closing its doors quickly.
- State income tax to foster public concerns and public attention to States mismanagement over spending. Don't tax basic food, i.e. meat, fruit, vegetables, bread, but tax junk food, pop, candy, etc. Cut Everyone the percentage required to balance the budget. Perm Fund cap, not taxed, at 1000-1500 with rest to balance budget. Set limit of minimum taxable income at reasonable level, \$40,000? Look at rates we charge gold and mining. Look at rates charged to charters and fishing, especially the giant processing ships! Implement the Powerball and Mega Millions lottery and use it to ADD funding to education ONLY. Don't play games with the funding!! If Cooper's perm fund for education had been implemented, funding there would not be an issue! Fund extra for Perm fund for education and as teachers in tier 1 die of, use that extra to implement a retirement teacher would want to come here and work for! Stop the bleeding!
- State jobs are critical to Juneau. With anticipated job cuts we see reduced demand for real estate
- State services, education, university and ferry system are hugely important. More important than getting a PFD. I am afraid that if we reduce state services too much, people will leave the state and then it will be a downward spiral. Thank you for creating an opportunity for feedback.
- Stop overspending on contracting
- Taxed too much and pay the City way too much along with the state.

- The AMHS is a road we depend on for sustained and future growth potential. It is more akin to toll roads which are partially self-funded as opposed to most roads that are zero revenue generating. There is no reason to expect AMHS to turn a profit when no other road in the US does. The ability to expand mining potential is going to tie directly to good access to Southeast Alaska communities. My business needs growth in mining and related industries to spur our own growth in Southeast Alaska.
- The budget proposed by the governor had the immediate impact of causing libraries to cut back on services because the OWL grants fund most of the local share of Erate services. Impact to our business was an immediate reduction of more than 50% of income; and resulting poorer service to rural libraries already ill served as compared to cities. This circumstance cannot be undone as the contracts were solidified on March 15 as per Erate and USAC rules. So, we've sustained about a \$60,000 loss already, that cannot be corrected. Simply revoking SB21 would help matters immensely. If oil so low per barrel that the energy companies have to cry poor mouse, leave it in ground until it is worth more. And GCI's funding of Alaska Futures to guarantee their huge and excessively profitable state contracts would be paid is an issue that should be addressed. We are contracted with a construction location where we would have been able to do the install for less than \$2000 but were required by the state to follow a GCI stipulation for a large, unnecessary dish which jacked our cost to \$8000 or so. GCI bid the same contract for nearly \$100,000. GCI and the Energy companies get all these dividends any eventually, as people in the remote villages have to have telecom and fuel. Seems to me these people are so greedy as to want the money before the villagers even touch it.
- The budget proposed by the Governor has put us in a holding pattern this spring. When one of our staff resigned to move to Washington we decided to wait until the budget is settled before filling the position or adding new staff. In general, our employees and customers are uneasy, worried about the future of our state economy, and whether their quality of life and children's education will be provided for adequately. So many positions and jobs would be impacted by the long-term effects of the budget cuts - it is impacting many of our vendors, customers, and employees. The short-term economic gains of a larger PFD, where much of it would go to the federal government in taxes, or to out of state spending, it would leave a deficit for a decade or more.
- The current budget proposal is ridiculous. Cutting funding to school and essential services is not acceptable if the oil industry doesn't have to pay its share. We are giving to the rich and constantly taking from everyone else. Get outside influences out of state politics and keep things Alaskan. Koch Brothers need to leave AK alone and stay out of our state politics. The state needs to figure out how to produce revenue but not at the expense of the villages and the rest of the state/middle class. The very wealthy need to pay their fair share. If it means capping the amount of Permanent Fund, so be it, but make the Oil companies, energy companies pay their share as well.
- The current debate over funding for AMHS is worrying. Pelican relies on our once per month ferry to transport large amounts of freight that otherwise currently have no other way of being moved. If we lose our ferry service, it will impact every business in the area.
- The current manner in which the governor is addressing the budget issue is wholly irresponsible.
- The current proposed budget from the governor will devastate Southeast Alaska. The cuts to critical transportation services, all levels of education, Pioneer Homes, and healthcare will cripple our economy and endanger the lives of the most vulnerable Alaskans: children, rural

families, and our elders. Everyone agrees that a reduction in spending is prudent, but we also need to raise revenues. We have been living in an artificially high revenue environment, exposed to the risks of the price of oil, for three decades. It is time to diversify the revenue streams, and not just by stealing income opportunities from cities and boroughs. A balanced budget can be achieved through a moderate statewide income tax and a reduction in oil tax credits. The cuts alone will not fix this issue and will harm our state.

- The cutting of fish and game positions could impact my fisheries business, and the same with DEC and other state agencies that I deal with. In addition, the potential ferry cut backs could impact my transportation of product to markets down south. That will have a major impact on me.
- The failings and de-funding of the Alaska Marine Highway threatens to destroy the - very vulnerable - tourism industry in SE AK.
- The fear factor fueled by social media and liberal leaning print media is causing sleepless nights for some residents. I think if we cap the dividend at say 500.00 until there is a long-term improvement in oil revenues. Cut state travel and use teleconference for all training/meetings. The shovel ready road linking Juneau to the rest of the highway system should get the green light. That would be one of the best things the Governor and State could do to spur development, create jobs, and will ultimately save the ferry system. Go to a shuttle system with one 12-hour crew per ship, rather than the current heavily subsidized 24-hour crew boats. As the boats reach the end of their effectiveness, build shuttle ferries to replace them. Let's see if the private sector can provide marine passenger services between the outlying towns and villages to provide them with better service cost effectively.
- The Ferry cutbacks will affect tourism the most and local employees and citizens needing to travel. I strongly oppose these cutbacks as well as those to education as children are the future of Alaska.
- The ferry cutoff proposal has added extreme anxiety to rural SE. This is not a viable option.
- The ferry system cut would have the most impact on SE Alaska in my opinion. The State has to use the perm fund, there is no other solution at this point.
- The gov. proposals are ridiculous. I see no sense in giving a dividend to each person and then having to reduce essential service. Cities and boroughs that have a tax base produce the non-oil revenue and then his proposals only pass the states revenue problems on those taxed entities and those in unorganized governmental areas pay little to support the state services.
- The Governor's budget eliminates the State Council on the Arts - which grants operating support to the sector with matching funds from the National Endowment for the Arts, as well as grants for artists in the schools, it administers the Silver Hand program, and it supports individual artists in Alaska. by eliminating the State Arts Council, the Governor refuses those matching funds from the NEA, he erodes the support for arts and culture in the state and he destabilizes small artists' businesses. As history shows us any reduction in education budget eliminates the arts and cultural opportunities in the schools, and the Governor's extreme reduction will surely do the same. This will obviously have an adverse effect on the school system's ability to provide a well-rounded education, but also to provide critical culturally relevant experiences of Alaska's youth by artists and culture bearers. The reduction in need for artists and culture bearers in schools will add to the minimized work opportunities. Additionally, the Governor has suggested eliminating public radio all together. Public Radio in many communities serves as a partner for the arts sector in promotion and explanation of arts and culture experiences. The humanities of community members speaking to community

member thru a non for profit, unaffiliated venue will change how Alaska interacts and treats each other. The budget as proposed will, and in fact has already adversely affected us. We have already had an employee of the AMFS call and cease their membership because they don't know if they are going to have a job in the next few months and so they are moving out of Alaska. A long term, fiscally responsible budget is imperative for Alaska, but it cannot come at the expense of the well-being of the people and culture of the State.

- The health industry is being impacted by the fiscal state of the state and the nation. The goal should be not to lose important services that help a community survive in these tough times.
- The impact is psychological. Thanks to the Governor's proposed budget, people are scared and unsure if this will be a good place to raise families. We've got a bunch of wealthy, "I got mine" libertarians who don't understand what 'Community' means, and that's got folks worried if we'll even have a state in four years. Oil companies need to pay more, the PF needs to be used to pay for government, and we need a state income tax.
- The Legislature has been so busy with the budget, that they haven't had time to pay enough attention to SB52. This bill needs to pass in order for my business to grow to its full potential, as the current Title IV is archaic and difficult to maneuver. Additionally, it favors out of state producers.
- The majority of our revenue is grant revenue, so we are directly impacted by the reduction of social services. We also rely heavily on the AMHS to transport goods and services throughout SE Alaska.
- The massive change in policy and uncertainty has been hugely impactful. It creates an unknown on all fronts.
- The opinions above reflect individual opinion, not the perspective of the business I work for. We have seen an overall decrease in State related travel, but because of the ferries, we have seen an increase in inter-regional travel for Southeast Alaska.
- The overall economy has stagnated due to the lack of funded projects and programs and the uncertainty generated by the inability of the legislature to come to grips with reality over the last 5 years. Compounding this with the governors promises of mana to the downtrodden and completely disregarding any thought of fleshing out his ridiculous budget proposals is sending people and businesses scurry for cover. I wish I could go back and change my vote.
- the potential of losing the jobs in Juneau, and basically having an inexperienced governor has put several projects on hold waiting the legislature to take the reins to make some sound decisions.
- the present administration is nothing more than a hack for big oil. The governor disgusts me. I understand the need for fiscal discipline and support the concept. What he is doing is simply passing the burdens on to those who can least afford to bear them. At the same time big oil continues to reap the benefit of tax credits and a host of other financial gifts at the expense of the people of the State of Alaska.
- The proposal to slash the operating budget by \$1.6 million, keep dividends are absurdly high levels, and even to pay additional money for prior years' reduced dividends is unrealistic and needs to be abandoned. While there are still cuts that can be made to the State's operating budget, it is time for a broad-based state tax of some sort, and an income tax makes them most sense. Without an income tax, most Alaskans will continue to take for granted the services provided by government and not have a necessary level of personal investment in what these services cost. The budget proposal has certainly started a robust conversation, but we have to move to a more mature and adult place where we are all willing to pay for the services we

receive. Trying to say that the right amount of spending is determined by the amount of oil revenues is arbitrary and capricious. The right amount of spending should be determined by our collective sense of what Alaskans need without waste, redundancy, or other unacceptable expenditures.

- The proposed budget cut to the AMHS has greatly affected the growth of our business. All our product, materials, equipment, supplies and food are shipped on the ferry system. The budget turmoil has set our business planning back a year. We cannot plan to expand production if we can't ship product affordably. The ferry has allowed us to reduce shipping costs, to better compete with companies on the barge line system. Privatization of our shipping increases cost to an uncompetitive rate. We need time to plan, with the state having a definitive decision with enough notice to change our business model. It should also be mentioned, the raw fish tax received by the City of Pelican helps them support our growth and infrastructure, it's not the total budget, but it is a necessary piece!
- The proposed cut in Medicaid and the ferry system would limit me from operating my business significantly. It would also likely prevent me from growing my business and may result in lay-off or reduction of hours for my existing employee. Not only that, I am certain the proposed Medicaid cuts would actually increase costs overall for the state. I am certain my community-based services especially for mental illness and orthopedic injuries provide a cost savings to the state. For most of my patients I have significantly reduced re-hospitalization or frequency of hospitalizations allowing SEARHC to reduce spending on IHS patients. The proposed cuts are likely to force the hospitals to close what limited services are already available. Having worked in the daily lives of residents of many of the other rural communities I can attest to the reduced health outcomes and increased costs to address them that would result if the ferry cuts limit folks from Angoon or other outlying communities to access healthy and fresh food. What is available in their local groceries and the prices charged does not allow for healthy diets to be maintained. As a healthcare provider working in our educational systems for the last 15 years and conducting developmental screenings across at least 6 SE communities I am also gravely concerned with the proposed elimination of early childhood education funding. The later the intervention, the more expensive and longer it takes our special education programs to support these students. Lack of teacher retirement incentives to recruit or retain qualified professionals is also a huge concern and the refusal of the legislature to consider proposals such as Jesse Keihls to overhaul teacher retirement pay is of grave concern for our children. If we fully fund education, particularly early intervention for ages 0-5, we will see reduced need for other expensive social services. This is a well researched and documented and most other states are moving toward free PreK and Community College because they make fiscal sense. We should be doing the same and taxing the oil companies to pay for it.
- The proposed State budget is creating great uncertainty in all Southeastern communities. Certain aspects of the proposed budget; including the reductions to education, local government revenue sharing and the drastic cuts to the Marine Highway System will devastate our economy if implemented in the manner conceived by the Donnelly Administration.
- The state and individual boroughs need to sell more land in large parcels and invest the income to create continuous income streams. The state needs to tap in to Federal funding dollars for infrastructure programs. The state and boroughs need to stop allowing interference of economic programs by environmental special interest groups.
- The State capital reductions have had a profound effect on local economy. The AMHS is a highway and should in no way be considered optional. Get rid of the fast ferry's and abandon

the "day boat" concept as both failed miserably. Force Fed's to allow DOT funding to also be used for ferry operations. The PFD and PCE are both vitally important in rural communities.

- The state needs to look for efficiencies and reduce programs and spending. We need to live within our means and not burden the private sector with covering "all" of the shortfall. It is going to take a group effort. AMHS needs to change. Roads where possible and day boats are a must.
- The talk about shutting down the Alaska Marine highway has caused much concern in SE Ak. If the ferry system is shut down with no exit plan SE Alaska will be a mess. It will hurt the entire state but especially se
- The threat to the AMHS has caused us to shelve plans to build a new house in downtown Pelican. This construction would have put more housing available and another structure on the property tax roll. Privatization of service is not the answer, just as it would not be the answer for the highway system. Appropriately sized vessels for the remote communities would allow more efficiency in operating costs including labor.
- The uncertainty of AMHS Ferry funding is making us wary of investing more in our business here and considering moving it out of state.
- There is so much concern about cuts people are moving
- There is uncertainty and a demonstrated lack of commitment to the future and investments in our state.
- This is an insane circus. We can't continue to pay for everything for everyone without increasing revenue.
- Though it would only be a small dent, why not take the permanent fund money from those who live in ferry communities to pay for them?
- Uncertain education funding makes it hard for us to count on continuing education in our workforce. It makes it more difficult to recruit out of town hires whose spouses work in education or who have kids in K-12.
- Uncertainty about the ferry makes it hard to invest in expanding our business. The ferry system is critical to our economy.
- Uncertainty in markets and workforce create turnover and difficulty in recruitment.
- Uncertainty is harming property values.
- Uncertainty over fiscal sustainability of local government in light of governor's attempt to cut off funding to schools and local governments is having depressing effect on value of local businesses.
- unknown at this point
- Very concerned over current governor's position and the impact his cuts will have on the State of Alaska economy. We cannot cut our way to a balanced budget and still have services necessary for a viable economy and attract people to work in the State. Some of the cuts will be devastating to our industry or to the support industries that work with our industry.
- Very slow January and February compared to previous years
- Very stressful to get employees to stay for entire season in Skagway -- they are afraid to come up when they hear that the ferries won't be funded past Oct 1.
- We are horrified by the effort to remove our ferry system. Our business depends upon the ferry.
- We are very worried about the loss of the ferry service in the upper Lynn canal in the winter months. The availability and dependability of this alternate mode of transportation is the lifeblood of these small communities. It feels unfair that gas taxes and other subsidies that the

roads enjoy are not counted as part of our budget for these ferries. I have two business open in the winter months in Skagway. No ferries - mean no extra traffic (Customers) and also means the loss of local residents who cannot thrive in a community that is isolated from key cities like Juneau. Don't make our only choice a ride in a small airplane- expensive and often unavailable because of weather.

- We are waiting to see what happens. We cannot cut expenses anymore in our business. If new taxes are introduced or existing taxes are raised and the ferry system is gutted, we are done. It just won't pencil out and we will look to move to a more business friendly state with NO income tax.
- We have not seen a change in our business, however as a credit union our members who are in the education field will be greatly impacted and many jobs will be lost at the K-12 and university level. We will lose fish tax revenue, harbor funding, school bond debt reimbursement, and the matching grant program. Our city cannot supplement these programs due to repayment of bond interest and principle from the Blue Lake Dam project and would have to increase property taxes and utilities in order to fund these deficiencies. This passes the costs onto residents who already have a high cost of living and are living paycheck to paycheck.
- We have seen a reduction in state business
- We haven't seen an impact to our business. Truthfully, the impact on other industries have redirected positive attention on the success and stability of the tourism industry. For years we have been taken for granted and now they are turning their attention to all the economic strengths we bring to Juneau and to the state.
- We need a graduated approach to reductions.
- We need ferry service in S.E. Alaska Consolidate Public Radio Stations, small towns like Petersburg, Wrangell, Haines don't need their own exclusive stations.
- We need the ferry to bring our independent tourists. Without a real advertising campaign independent traveler will not come to Southeast. Cruise ship passengers to not benefit small hotels, B@B's or vacation rentals. The cruise ship industry will run out of first-time travelers and soon very few passengers will get off the ships and then even more small businesses will be in trouble.
- We receive a large grant from our municipality. The uncertainty of continued State funding as caused that municipality to pull back their funding of our program to use the funds they allocate to us for something that now will potentially need funding that the State usually does.
- We should not expect to live for free or off the backs of corporations, oil, or business owners.
- We stand to lose our public ferries and airport subsidies, making transportation of people and goods more difficult and more expensive. Massive budget cuts will reduce the available workforce, making it more difficult to hire qualified staff. State offices are losing personnel, making state government and agency work less efficient and resulting in a backlog preventing Alaskans from accessing state services. I don't want to see PFDs reduced, because that disproportionately affects low income and rural Alaskans who depend on the PFD. Sales tax also disproportionately affects low income Alaskans. I'm all for a graduated state income tax and taxing the oil companies.
- We're in limbo. Decisions need to be made.
- With oil at \$60 a barrel we cannot afford a full permanent fund dividend and a functioning state government

- Work in multiple communities is facilitated by travel on the AMHS. This summer is business as usual but what happens after that? The ferry is a lifeline to coastal communities including business activities.
- Worried about losing job and taxes on the municipal level going up and greater cost of doing business
- Wrangell is an Island Community. Drastically reducing or cancelling ferry service would devastate our community.