

Representative Carl M. Morgan



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What is Percent of Market Value or POMV?

The Governor called the Conference of Alaskans together to make recommendations on how to manage the permanent fund into the future and to determine if it is time to spend some of the earnings for state programs.

As we all know the amount of our dividend checks has changed dramatically over the last few years. In 2000, the dividend was \$1963.86 and this year we received \$1107.56. Percent of Market Value (POMV) is a way to even out the payout. Currently, the value of the dividend is half of the average earnings for the past 5 years. Percent of Market Value will base the dividend not just on the earnings but also on the 5-year average value of the fund plus the earnings. This is a much greater amount and therefore the average is less susceptible to great swings in value. There are two other parts to the proposal .

1. Limit the spending by the legislature to a maximum of 5% of the fund, currently the legislature can spend as much as they want,
2. Retain 3% of the earnings for inflation proofing.

The goals of this proposal are to protect the fund for future generations, insure an annual and more stable permanent fund dividend check, provide a source of funding for a portion of state government.

State revenues have been insufficient to cover the expenses of state government and we have seen dramatic cuts in the past few years, particularly to rural communities with the elimination of municipal revenue sharing. It is the Governor's intention that resource development fill that gap, however that is years away.

In the meantime there are only three possible solutions.

1. Drastically reduce state spending,
2. Raise taxes and user fees,
3. Manage the permanent fund so there is money available for a sizable dividend check as well as for state government.

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Greetings!!

The second session of the 23rd Legislature is off to an interesting start. I will be paying close attention to the recommendations that will be coming from the Conference of Alaskans being held in Fairbanks on February 9, 10, 11, 2004. Learn about the proposals and let your opinions be known - all legislators and the Governor have the same address: State Capitol, Juneau, AK 99801. You can also track information on the conference at www.conferenceofalaskans.com

One of my most important jobs, as your representative, is to help the constituents in District 6 resolve any concerns that may arise. Please contact my staff using our toll free number 1-800-491-4527. If you are traveling to Juneau during the session, please stop by my office to visit, we always have a pot of coffee on.

This legislative session I am Chairman of the House Community and Regional Affairs Committee. This committee oversees issues having to do with local government and the government services in the unorganized borough. Mandatory borough formation and school consolidation are issues that are of great concern to me and will be coming before my committee. I do not support mandatory borough formation and will use my influence as a member of the majority to see that our communities are given the right to choose their form of government.

Best regards,

Millions of Dollars for the Interior

President Bush signed spending bills with millions of dollars earmarked for Interior Alaska. Some projects being funded include:

- \$10 million for work on a Yukon Kuskokwim road corridor.
- \$500,000 for Galena distance education program
- \$500,000 for the Yukon River Drainage Fisheries Association
- \$250,000 for Yukon Flats School District voc education
- \$400,000 to train Alaska Native psychologists
- \$600,000 for virus free seed potato research
- \$500,000 for research on new crops from northern species
- \$700,000 for Yukon River Chinook salmon research

Committee Assignments:

Chair, House Community & Regional Affairs

Member, House Rules Committee, Joint Armed Services Committee, Joint Salmon Industry Task Forces

Member House Finance subcommittees: Community and Economic Development, Transportation and Education