

Dianne Blumer

Lobbying and Governmental Affairs

MEMORANDUM

To: Vince Tutiakoff, Mayor
Erin Reinders, City Manager

RE: Legislative Report

Date: February 29, 2020

Overview:

The supplemental budget passed out of the House Finance on Wednesday. The bill approves spending \$298.6 million of unrestricted general funds and an overall total of \$526.2 million of state and federal money. This is said to be the largest spending increase of its kind in state history.

The supplemental budget includes:

- \$120 million of state funds and \$143.4 million of federal funds for Medicaid provider payments, spending necessary due to the governor's unsuccessful attempt to implement drastic reductions to the Medicaid program;
- \$110.5 million to pay for wildland firefighting costs incurred last summer and fall;
- \$8.6 million to restore Adult Public Assistance to ensure payments for low-income Alaskans, which the governor vetoed last year;
- \$8.3 million to restore the Adult Preventive Dental Program, which the governor vetoed last year;
- \$7.1 million for the Alaska Marine Highway System to avoid a reduction in the operating schedule for the spring and summer of this year; in addition to the \$5 million taken from the Alaska Marine Highway fund.
- \$6.7 million for the Department of Public Safety to address a shortfall within the Alaska State Troopers and Alaska Wildlife Troopers due to a lower than expected vacancy rate;
- \$6 million to help the Alaska Psychiatric Institute increase its capacity;
- \$3 million to address the severe damage caused in Anchorage, Kenai, and Mat-Su by the December 2018 earthquake;
- \$150,000 to re-open the District Attorney's Office in Utqiagvik.

The supplemental budget does not include the \$815 million requested by the governor to retroactively pay the reduced 2019 Permanent Fund dividend.

The supplemental budget now goes to the Senate where the same process will occur.

The operating budget was passed out of House Finance on Friday and is anticipated to be on the House floor for full debate and a vote on Monday. The House did not make major changes to the proposed budget put forward by the Governor, but there are some additional spending items.

- The Alaska Marine Highway System would see an additional \$18 million to get ferries back on the water for extra sailings.
- \$3.4 million would go to the Ocean Ranger program that was previously vetoed by the governor.
- \$1 million would go to public media after the governor vetoed \$2.7 million in 2019.
- \$400,000 would go to the Department of Corrections to aid in recruitment efforts.
- The 50 percent reduction to School Bond Debit Reimbursement was not restored in the House version of the operating budget.

Senate Bill 115, the motor fuel tax estimated to generate roughly \$30 million is in third reading in the Senate and will likely pass on Monday and will be moved over to the House.

Senate Bill 50, the education head tax- estimated to generate about \$13 million, which is intended to be used for the growing maintenance and construction needs of Alaska's schools was heard and held in Senate Finance on Friday.

House bill 236 was introduced this week by Rep. Story, it would increase the FY21 Base Student Allocation (BSA) by \$115 which incorporates the FY20 appropriation of \$30 million into the formula, while the FY22 adjustment reflects inflationary growth of 2.25% at a cost of approximately \$28.6 million. Overall, this reflects flat funding between FY21 and FY20, and inflation adjusted funding in FY22.

Weekly Schedule:

(H)TRANSPORTATION	Standing Committee*
Mar 03 Tuesday 1:00 PM	BARNES 124
+= HB 253	SALE, TRANSFER, OR DISPOSAL OF FERRIES
	-- Public Testimony --
+	Bills Previously Heard/Scheduled
(S)TRANSPORTATION & PUBLIC FACILITIES	Finance Subcommittee*
Mar 04 Wednesday 7:30 AM	SENATE FINANCE 532
	-- Rescheduled from 2/26/2020 --
+	Aviation - International & Rural Airports
(H)EDUCATION	Standing Committee*

Mar 04 Wednesday 8:00 AM

+ = [HB 236](#)

+

DAVIS 106

INCREASE BASE STUDENT ALLOCATION

-- Public Testimony --

Bills Previously Heard/Scheduled

Streamed live on AKL.tv

(S)FINANCE

Mar 04 Wednesday 9:00 AM

+

*+ [HB 234](#)

+

Standing Committee_

SENATE FINANCE 532

Legislative Finance Review of Governor's
Amendments

APPROP:SUPP; REAPPROP; CAP; AMEND; CBR

-- Public Testimony --

Bills Previously Heard/Scheduled

(S)FINANCE

Mar 05 Thursday 9:00 AM

+ = [SB 154](#)

+

Standing Committee_

SENATE FINANCE 532

APPROP: CAPITAL; SUPP; OTHER APPROP.
by Office of Management & Budget

Deferred Maintenance Update by:

- Office of Management & Budget

- Department of Transportation & Public
Facilities

Bills Previously Heard/Scheduled

Here is the link to more information about the committee hearings, at this time of year it is good to check daily if you are watching a hearing as they change frequently.

<http://w3.legis.state.ak.us/index.php?tab2=type%3DAll%26com%3D%26startDate%3D04%2F22%2F2019%26endDate%3D04%2F27%2F2019%26chamber%3D#tab2>

Bills of Interest:

BILL	SHORT TITLE	PRIME SPONSOR(s)	CURRENT STATUS	STATUS DATE
HB 6	DISPLAY OF STATE AND NATIONAL MOTTOS	RAUSCHER	(H) STA	02/20/19
HB 7	SEX EDUCATION	RAUSCHER	(H) EDC	02/20/19
HB 11	PEACE OFFICER RETIREMENT BENEFITS	RAUSCHER	(H) L&C	02/20/19
HB 17	REPEAL CERTIFICATE OF NEED PROGRAM	RAUSCHER	(H) HSS	02/20/19

HB 23	SNOWMOBILE REGISTRATION FEES	NEUMAN	(H) FIN	04/17/19
HB 24	LIMITED TEACHER CERTIFICATES; LANGUAGES	KREISS-TOMKINS	(H) L&C	04/05/19
HB 25	PRIVATE POLICE ORGANIZATIONS	SULLIVAN-LEONARD	(H) CRA	02/20/19
HB 27	REGULATION OF FLAME RETARDANT CHEMICALS	TARR	(H) L&C	02/07/20
HB 28	EQUAL PAY & MINIMUM WAGE ACT	TARR	(H) STA	02/20/19
HB 39	APPROP: OPERATING BUDGET/LOANS/FUNDS	RLS BY REQUEST OF THE GOVERNOR	CHAPTER 1 FSSLA 19	06/28/19
HB 40	APPROP: MENTAL HEALTH BUDGET	RLS BY REQUEST OF THE GOVERNOR	CHAPTER 2 FSSLA 19	06/28/19
HB 41	SHELLFISH PROJECTS; HATCHERIES; FEES	ORTIZ	(S) FIN	05/06/19
HB 42	OUTDOOR ADVERTISING SIGNS	RAUSCHER	(H) TRA	02/20/19
HB 46	APPROP: ERA FOR PAYMENT OF PFD	RLS BY REQUEST OF THE GOVERNOR	(H) STA	02/20/19
HB 47	PFD SUPPLEMENTAL PAYMENT	RLS BY REQUEST OF THE GOVERNOR	(H) STA	02/20/19
HB 61	REPEAL DEBT REIMBURSEMENT: CAP. PROJECTS	RLS BY REQUEST OF THE GOVERNOR	(H) EDC	02/20/19
HB 64	ALCOHOL TAX: APPROP TO COMMUNITY ASSIST.	RLS BY REQUEST OF THE GOVERNOR	(H) HSS	02/20/19
HB 65	FISH TAX: REPEAL MUNI REFUNDS/REV. SHARE	RLS BY REQUEST OF THE GOVERNOR	(H) FSH	02/20/19
HB 66	REPEAL STATE DEBT REIMBURSE. FOR SCHOOLS	RLS BY REQUEST OF THE GOVERNOR	(H) CRA	02/20/19
HB 69	REPEAL AK PUBLIC BROADCASTING COMM.	RLS BY REQUEST OF THE GOVERNOR	(H) CRA	02/20/19
HB 79	PEACE OFFICER/FIREFIGHTER RETIRE BENEFITS	KOPP	(H) FIN	04/03/19
HB 84	WORKERS' COMP: POLICE, FIRE, EMT, PARAMED	JOSEPHSON	(H) L&C	04/26/19
HB 138	NATIONAL RESOURCE WATER DESIGNATION	KOPP	(H) RES	04/17/19

HB 185	REGISTRATION OF BOATS: EXEMPTION	STUTES	(H) FIN	02/26/20
HB 194	SCHOOL DISTRICT CONSOLIDATION	VANCE	(H) CRA	01/21/20
HB 232	MUNICIPAL TAX CREDITS	HOPKINS	(H) L&C	02/21/20
HB 234	APPROP: SUPP; REAPPROP; CAP; AMEND; CBR	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	02/28/20
HB 236	INCREASE BASE STUDENT ALLOCATION	STORY	(H) EDC	02/05/20
HB 249	MARINE HIGHWAY CORPORATION	STUTES	(H) TRA	02/17/20
HB 253	SALE, TRANSFER, OR DISPOSAL OF FERRIES	KREISS-TOMKINS	(H) TRA	02/17/20
SB 1	REPEAL CERTIFICATE OF NEED PROGRAM	WILSON	(S) FIN	04/10/19
SB 5	PERM. FUND CORP TO MANAGE MUNI ASSETS	STEVENS	(S) CRA	01/16/19
SB 6	PRE-K/ELEM ED PROGRAMS/FUNDING; READING	BEGICH	(S) FIN	02/17/20
SB 19	APPROP: CAPITAL BUDGET; SUPPLEMENTAL	RLS BY REQUEST OF THE GOVERNOR	CHAPTER 3 FSSLA 19	07/08/19
SB 20	APPROP: OPERATING BUDGET/LOANS/FUNDS	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	02/13/19
SB 26	EQUAL PAY & MINIMUM WAGE ACT	BEGICH	(S) L&C	01/18/19
SB 50	EMPLOYMENT TAX FOR EDUCATION FACILITIES	BISHOP	(S) FIN	01/31/20
SB 57	REPEAL MUNI LEVY OF O&G TAX/CREDIT	RLS BY REQUEST OF THE GOVERNOR	(S) CRA	02/13/19
SB 59	REPEAL DEBT REIMBURSEMENT: CAP. PROJECTS	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	02/13/19
SB 62	ALCOHOL TAX: APPROP TO COMMUNITY ASSIST.	RLS BY REQUEST OF THE GOVERNOR	(S) CRA	02/18/19
SB 63	FISH TAX: REPEAL MUNI REFUNDS/REV. SHARE	RLS BY REQUEST OF THE GOVERNOR	(S) CRA	02/18/19
SB 64	REPEAL STATE DEBT REIMBURSE. FOR SCHOOLS	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	04/19/19

SB 74	INTERNET FOR SCHOOLS	HOFFMAN	(H) RLS	02/14/20
SB 103	PFD APPROPRIATIONS; EARNING RESERVE	FINANCE	RETURNED TO (S) RLS	05/02/19
SB 104	APPROPRIATION LIMIT	FINANCE	(S) FIN	04/05/19
SB 130	SEAFOOD PRODUCT DEVELOPMENT TAX CREDIT	STEVENS	(S) RES	01/21/20
SB 136	STATE-TRIBAL EDUCATION COMPACT SCHOOLS	STEVENS	(S) EDC	01/21/20
SB 145	REGISTRATION OF BOATS: EXEMPTION	MICCICHE	(S) FIN	02/26/20
SB 204	STATE LAND SALES; PLATS; RIVERS	RLS BY REQUEST OF THE GOVERNOR	(S) RES	02/19/20
SB 205	SUPPLEMENTAL PFD FOR 2019 RECIPIENTS	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	02/19/20

Resources:

In order to testify, it is best to go to a Legislative Information Office (LIO) if you have one close to you or call one of the numbers below.

Link to LIO offices <http://akleg.gov/lios.php> - for addresses and phone numbers.

Off net:

Juneau - 586-9085 - for all phone numbers originating in Juneau

Anchorage - 563-9085 - for all phone number originating in Anchorage

Other, 1-844-586-9085 - for all phone numbers not originating in Juneau or Anchorage

Please note that if you are in an "Other" community and your phone number originates in Juneau or Anchorage, the 1-844-586-9085 will not work. You must use the Juneau or Anchorage number.

Here are a couple of links to websites that report on Juneau activities which you may find interesting:

- Governor's office press releases.
<https://gov.alaska.gov/newsroom/>
- Majority Press Releases
 - House – akhouse.org
 - Senate - <http://www.alaskasenate.org/>
- Minority Press Releases
 - House - <http://alaskahouserepublicans.org/>
 - Senate - <http://alaskasenedems.com/>