

BLUMER AND ASSOCIATES

City of Unalaska Legislative Report

1/23/22

The 32nd Alaska State Legislature has reconvened in Juneau. The Capitol Building is open to the public with Covid Mitigation mandates, masks are required, and Legislators and Staff must submit to regular testing.

Lawmakers, again, have many important issues that still need to be resolved this year. Because it's the second year of a two-year legislature, leadership and committee roles remain largely the same. It also means that any legislation pending before this legislature must be resolved this year, because any unpassed bills will expire when this session ends. That means the pressure is on for lawmakers to get their priority bills over the finish line before it lapses.

The big issues facing the Legislature this session remains unchanged: the FY23 budget, and what to do with the Permanent Fund and the associated dividend. While higher-than-expected oil prices and market investments have provided temporary relief, time remains short for the State to find ways to either find additional revenue streams or cut costs, or some combination of both.

The discussion began this week with officials from the Department of Revenue presenting the State's revenue forecast, which reflect increased revenue from a prolonged period of higher oil prices. The Department of Natural Resources gave an update on the department's oil production forecast, which should give an indication of how much oil the state can plan for in the near-term. Followed by the Office of Management and Budget presenting the governor's 10-year fiscal plan.

Here is a short summary of the items included in Gov. Dunleavy's proposed budget that the legislature must consider this session:

- 2022 PFD Payment & 2021 PFD Remainder Payment
 - \$1.7 billion for a 2022 PFD payment of \$2,564 to all eligible Alaskans. The amount reflects the governor's proposed 50/50 dividend plan
 - \$795.6 million to fund the remainder of the 2021 PFD using the 50/50 plan.
- Public safety initiatives
- Statehood defense to respond to undesirable federal policies
- General Obligation Transportation and Infrastructure Bond of \$325.5million
- Transportation projects
- Resource development projects
- K-12 Education: School bond debt reimbursement and full funding for the Base Student Allocation (BSA)
- University funding
- Energy: Full funding of the Power Cost Equalization program and other energy projects
- Baseline Capital Budget of \$157.4million

The main takeaways from the presentations this week, the State is working with more funding than it has had these last few years. While the budget is “balanced”, it does use one-time federal funds which, has raised serious concern with many Legislators on both Finance Committees.

NOTE: in order to narrow the focus on the Legislative Reports this year, I will not be including all the finance committee meetings, unless there is specific relevance to the client. Similarly, I have removed all the standard finance bills from tracking to reduce the size of the report. I will include budget information in the summary. If you need additional budget information please let me know.

Weekly Schedule

(H)LABOR & COMMERCE Jan 26 Wednesday 5:15 PM += HB 220 += HB 159 +	Standing Committee* BARNES 124 -- Please Note Time Change -- RETIREMENT SYSTEMS; DEFINED BENEFIT OPT. CONSUMER DATA PRIVACY ACT -- Public Testimony -- Bills Previously Heard/Scheduled
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Below 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%3D01%2F23%2F2022%26endDate%3D01%2F31%2F2022%26chamber%3D#tab2>

Bills of Interest

Bill	Short Title	Prime Sponsors	Current Status	Status Date
HB 16	Search And Rescue Surplus State Property	JOHNSON	(H) CRA	2/18/21
HB 28	Registration Of Boats: Exemption	HOUSE FISHERIES	(S) RES	5/17/21

Bill	Short Title	Prime Sponsors	Current Status	Status Date
HB 30	Workers' Comp: Death; Perm Partial Impair	JOSEPHSON	(H) FIN	4/7/21
HB 55	Peace Officer/firefighter Retire Benefits	JOSEPHSON	(S) L&C	1/18/22
HB 56	Power Cost Equalization	FOSTER	(H) CRA	2/18/21
HB 64	Fishery Development Assoc.; Assessments	STUTES	(H) FIN	4/21/21
HB 75	Employer Contributions To Pers	RULES	(H) FIN	5/1/21
HB 88	Equal Pay & Minimum Wage Act	TARR	(H) STA	2/18/21
HB 135	Geothermal Resources	RULES	(H) RES	3/10/21
HB 225	Municipal Property Tax Senior Exemption	GILLHAM	(H) CRA	1/18/22
HB 227	Muni Energy Improvemnt Assessment Program	SCHRAGE	(H) ENE	1/18/22
HB 247	Power Cost Equalization Fund	THOMPSON	(H) ENE	1/18/22
HJR 13	Urge Exemption For Cruise Ships	ORTIZ	(H) TRA	3/1/21
SB 6	Rip For Public Employees/teachers	KAWASAKI	(S) FIN	4/19/21
SB 9	Alcoholic Beverage Control; Alcohol Reg	MICCICHE	(S) FIN	4/14/21
SB 11	Community Property Trusts	BEGICH	(H) L&C	5/18/21
SB 15	Open Meetings Act; Penalty	COSTELLO	(S) FIN	4/21/21
SB 17	Energy Efficiency & Policy: Pub. Bldgs	BEGICH	(S) FIN	5/3/21
SB 37	Teachers & Pub Employee Retirement Plans	KIEHL	(S) L&C	1/25/21

Bill	Short Title	Prime Sponsors	Current Status	Status Date
SB 100	State Income Tax	BEGICH	(S) STA	3/10/21
SB 170	Marine Highway Corporation	SENATE TRANSPORTATION	(S) TRA	1/21/22