

LEGISLATIVE REPORT #25-01

Alaska State Senate & House of Representatives Organize

- **Senate:** Shortly after the November general election, nine Democrats and five Republicans of the 20-member Senate formed a bipartisan, majority coalition. Leadership from the 33rd Alaska State Legislature largely remains the same—Senator Gary Stevens (*R-Kodiak*) is the Senate President and Senator Cathy Giessel (*R-Anchorage*) is the Majority Leader. Finance Co-chairs are Senators Bert Stedman (*R-Sitka*), Lyman Hoffman (*D-Bethel*) and Donny Olson (*D-Golovin*). Senator Bill Wielechowski (*D-Anchorage*) chairs the Rules Committee. New to leadership are Senators Kelly Merrick (*R-Eagle River*) as Majority Whip and Elvi Gray-Jackson (*D-Anchorage*) as Legislative Budget & Audit Chair.
- **House:** Three days after the unofficial election results were released in late November, **a 21-member coalition, including 14 Democrats, five independents, and two Republicans, formed a bipartisan, majority coalition.** Members of the House in leadership include Reps. Edgmon (*I-Dillingham*) as Speaker, Chuck Kopp (*R-Anchorage*) as Majority Leader, Louise Stutes (*R-Kodiak*) as Rules Chair, and Calvin Schrage (*I-Anchorage*), Andy Josephson (*D-Anchorage*) and Neal Foster (*D-Nome*) as Finance Co-chairs. Rep. Mia Costello (*R-Anchorage*) serves as Minority Leader.
- **Detail on all committee assignments** in both bodies can be found [here](#). The **legislator contact list** can be found [here](#).

Governor's State of the State

- Governor Dunleavy delivered his 7th State of the State Address to a joint session of the members of the 34th Alaska Legislature. A full copy of his speech can be found [here](#) and a recorded livestream of the address can be found [here](#). **The governor highlighted progress in economic growth, education, public safety and energy, as outlined below:**
 - **Economic Growth and Job Creation:** Governor Dunleavy highlighted **Alaska's population growth to over 741,000 in 2024 and the addition of more than 6,000 new jobs last year.** He emphasized the state's faster job growth rate compared to the national average and projected the creation of another 5,300 jobs in 2025, aiming to surpass the all-time high in total number of jobs reached in 2015.
 - **Fiscal Responsibility and Investment:** **The governor reported that assets managed by the Department of Revenue increased by nearly \$600 million in 2024, marking the best performance in a decade.** He noted that the Alaska Permanent Fund has grown by nearly \$16 billion since 2020 and is projected to reach \$100 billion by 2031.
 - **Education:** The Governor **praised the success of public charter schools and advocated for greater school choice and accountability,** aiming to provide parents with more options for their children's education. Additionally, he **touted the early successes of the AK READS Act.** Indicating his position on supporting additional funding of public education, **Dunleavy asserted he will "talk to anyone about more money if the conversation is also about different approaches and better outcomes."**
 - **Public Safety:** Dunleavy addressed public safety as a key priority, noting **overall crime rates in Alaska have decreased by 20% since 2018,** with violent crime dropping by five percent in the last year alone. He also stated that the number of Alaska State Troopers and Village Public Safety Officers (VPSOs) has increased to better serve rural communities. Dunleavy also stressed the importance of continuing the fight against fentanyl and other illegal drugs, which have contributed to rising overdose deaths.
 - **Energy Development & Independence:** **The governor emphasized the importance of developing Alaska's vast energy resources,** including oil, gas, and renewable energy. He described continued efforts to expand production in the North Slope, advance LNG projects, and invest in alternative energy sources to ensure affordable and reliable power for Alaskans. He also expressed optimism that [federal policies under the Trump administration](#) would support Alaska's energy sector by rolling back restrictions and promoting resource development.

Governor Introduces Proposed FY 2026 Budget

- **Governor proposed his FY 2026 operating and capital budgets in mid-December.** Major features can be viewed [here](#). Below is a summary of key highlights.
 - **Full funding of school and harbor debt reimbursement** for FY 2026.
 - **Full funding of K-12 funding but no additional money.** Governor is willing to consider adding more money if legislature addresses his agenda related to charter schools and correspondence study program.
 - **Full funding of PCE payments** - unclear if earnings will support future community assistance transfer.
 - **FY 2026 Community Assistance payments reduced by up to 20%.** Legislature likely to plus up the fund back to same \$30 million level funded in FY 2025. No additional money proposed to re-capitalize the fund.
 - **Full funding of state raw fish taxes sharing with municipalities.**
 - **Proposes a PFD dividend payment of nearly \$3,900 per person.** Impact to funding operating budget with remaining PF earnings is severe. Creates a \$1.5 billion deficit in FY 2026 without use of limited state savings or budget cuts.
 - **Flat funding for Alaska Marine Highway System operations in calendar year 2026.** Proposes forward funding two years but on a fiscal year basis.

Increasing K-12 School Funding, Possible Policy Changes

- **Both the Senate and House majorities are indicating passage of a significant increase in the Base Student Allocation (BSA) is a top priority this session.** The House majority is already at work on *House Bill No. 69* by Rep. Himschoot (*I-Sitka*), which [includes automatic inflation-proofing annually and an additional increase in the BSA](#) of \$1,808 spread over three years.
- **An omnibus education policy and funding bill (*HB 76/SB 82*) was introduced by Governor Dunleavy on January 31.** His bill expands who can authorize public charter schools, sets up a statewide open enrollment system, and bans personal mobile communication devices. While not increasing the BSA, his proposal provides \$120 million in new funding for the first year, and \$180 million in subsequent years for more correspondence study money, rural teacher bonuses, more pupil transportation money, and new reading incentive payments. **This bill extends the moratorium on the school bond debt reimbursement program until 3030.** More details can be found [here](#).

Other Capitol News

- **Joint Legislative Seafood Industry Task Force:** This group release a [draft report](#) on January 9 evaluating the problems and challenges facing Alaska's seafood industry. It contained numerous "policy recommendations" on financing, federal policies, insurance and risk pooling, tax credits, and state fishery taxes. **The group met this week and approved a [draft final report](#), adopting 29 recommendations** identified as near-term (2025), mid-term (2026-2027) and long-term (after 2027). Legislation is expected this session to address many of the near or mid-term ideas.
- **Elections Legislation Prioritized:** The House, Senate and Governor have introduced [many pieces of legislation](#) to address a variety of election-related concerns early this session. **Two bills receiving immediate attention include:**
 - *Senate Bill No. 64* by the Senate Rules Committee proposes a package of election reforms to ensure all eligible votes are counted, allows same-day voter registration, updates Alaska's voter registration lists to remove ineligible voters, report election results faster, and improve the security and transparency of Alaska's elections. **It repeals the requirement for a witness signature on absentee by-mail ballots and allows for voters to "cure" or correct mistakes, both of which would otherwise cause the ballots to be rejected, an outcome that is disproportionately high in rural Alaska.**
 - Governor Dunleavy's proposal (*Senate Bill No. 70*) would repeal the provision allowing voter registration through PFD applications, end early voting five days before Election Day, authorize by-mail voting for communities with populations under 750, provide postage return envelopes for absentee ballots, shorten the time required for absentee ballots to be returned to the Division of Elections, and allow the Division of Elections to begin the counting of absentee ballots earlier.

Summary of State Legislation



Inside Reichstag Dome, Berlin

Below is a list of legislative measures of interest, divided into six main topics: fiscal measures, general municipal issues, education measures, fishery & resource issues, energy matters, and election & voting issues. House measures are described first, followed by Senate measures. Companion bills (measures in both bodies) are listed together. **Priority focus will be on those likely to get traction. Happy to address other measures if asked.** More information about these measures can be found at [Alaska Municipal League Legislative Tracker](#) or [Alaska State Legislature](#).

Check out what your legislators are doing. New bills are in BLUE, change in status in RED, and passed bills in GREEN.

Fiscal Measures

Measure	Summary	Status
HB 53/SB 56 by governor	FY 2026 Operating Budget: Both versions propose flat funding with no added one-time money for K-12. Funds school debt reimbursement at 100%. Flat funding for the Alaska Marine Highway System.	HB 53 referred to House Finance SB 56 referred Senate Finance
HB 54/SB 57 by governor	FY 2026 Capital Budget: Minimal proposal at this point. No money included for K-12 major maintenance projects.	HB 54 referred House Finance SB 57 referred Senate Finance
SJR 2 by Claman	Proposes constitutional amendment to change veto override threshold from 3/4ths to two-thirds of legislature.	Referred State Affairs, Finance
SJR 5 by Kaufman	Proposes constitutional amendment to convert the Permanent Fund to a single account with a maximum 5.5% POMV allowed. Places dividend in the constitution with formula subject to voter approval.	Referred Judiciary, Finance
SB 24 by Stevens HB 49 by Hannan	Proposes state retail tax of 25% on e-cigarette products and changes the age to use tobacco from 19 to 21 for possession.	SB 24 referred Senate L&C, FIN HB 49 scheduled House L&C 2/5

General Municipal Issues

Measure	Summary	Status
HB 3 by Rauscher	Moves regular sessions of the Alaska State Legislature from Juneau to Anchorage.	Referred CRA, STA, FIN
HB 13 by Gray	Permits a municipality to exempt or partially exempt from taxation a structure converted from a short-term to long-term rental unit.	Referred CRA, Finance
HB 29 by Vance SB 5 by Hughes	Allows municipalities and school district to join state's health insurance program.	HB 29 referred House EDC, L&C SB 5 referred Senate EDC, L&C
HB 41 by Allard SB 26 by Merrick	Places Alaska permanently on daylight saving time if federal law changes are enacted by Congress.	HB 42 referred House STA, FIN SB 26 referred Senate CRA, STA
HB 42 by Allard	Eliminates moratorium on ability to issue new debt using the school bond debt reimbursement program.	HB 42 referred Education, Finance
HB 60/SB 67 by governor	Increases purchase price differential for required in-state purchases of food & fishery products by the state, municipalities & school districts.	HB 60 scheduled House FSH 2/6 SB 67 scheduled Senate RES 2/7
SJR 3 by Claman	Proposes constitutional amendment to limit regular sessions of the legislature to 90 days.	Referred Judiciary, State Affairs
SB 10 by Dunbar	Requires state to procure a family leave insurance plan. Political subdivisions may elect to join.	Referred L&C, Finance
SB 21 by Wielechowski	Creates Alaska Word & Save Program for employees who are not part of a qualified retirement plan.	Referred L&C, Finance

Measure	Summary	Status
SB 27 by Kiehl	Allows teachers & other public employees a choice between a defined benefit (DB) pension versus the current defined contribution (DC) plan.	Referred L&C, Finance
SB 28 by Giessel HB 78 by House Finance	Provides defined benefit plan for all new public employees, and a choice for current employees between the new DB option versus current DC plan.	SB 28 referred Senate L&C, FIN HB 78 referred House Finance
SB 34 by Giessel	Repeals 90-day session limit.	Referred STA, Finance
SB 42 by Gray-Jackson	Omnibus law enforcement reform bill adding required municipal police officer standards and reporting of incidents of use of force.	Referred CRA, Judiciary
SB 50 by Dunbar	Amends state law to require a housing plan under the comprehensive plan requirement for first and second class boroughs.	Scheduled CRA 2/4
SB 53 by Gray-Jackson	Imposes accreditation standards for law enforcement agencies in Alaska including a municipal police department.	Referred STA, Judiciary
SB 55 by Stedman	Increases TRS employer contribution rates from 12.56% to 14.56% (DB) or 7% to 9% (DC). Requires all TRS/PERS employers to participate in SBS system for those not in social security.	Referred L&C, Finance
SB 63 by Cronk	Changes makeup of Local Boundary Commission to require one member from unorganized borough. Requires members from each judicial district to live and vote in that district.	Referred CRA, STA
SB 81 by Stedman	Imposes contribution requirement on TRS/PERS employers to cover past service liability. Likely contradicts current requirement for state to cover.	Referred L&C, Finance

Education Measures

Measure	Summary	Status
HJR 5 by Bynum	Resolution urging Congress to reinstate the Secure Rural Schools & Community Self-Determination Act.	Scheduled EDC 2/5
HB 9 by Carrick	Requires schools to provide children with disabilities with medically necessary services at school.	Referred Education, Finance
HB 12 by Dibert	Requires school districts provide free breakfast and lunch subject to appropriation.	Referred Education, Finance
HB 17 by Rauscher	Removes PERS retirement eligibility restrictions for disabled veterans with service-connected condition.	Referred M&VA, Finance
HB 28 by Story	Establishes a student loan repayment pilot program at the Commission on Postsecondary Education.	Referred Education, Finance
HB 38 by Saddler	Allows SBS participation by TRS employees for those not in social security.	Referred L&C, Finance
HB 39 by Allard SB 8 by Gray-Jackson	Requires DEED to establish a centralized program for deaf students with residential services.	HB 39 referred House EDC, FIN SB 8 referred Senate EDC, FIN
HB 40 by Allard	Districts must designate sports team as male, female or co-ed & bars transgender girls from female sports.	Referred Judiciary, Education
HB 57 by Fields SB 18 by Wielechowski	Requires DEED to adopt policy prohibiting use of nonschool-issued wireless telecommunication devices at public schools with some exceptions.	HB 57 scheduled 2/5 SB 18 referred Senate Education
HB 59/SB 66 by governor	Establishes a five-year pilot program for state-tribal education compact schools working with five tribes.	HB 59 referred House TRB, EDC SB 66 referred Senate EDC, FIN
HB 69 by Himschoot	Increases BSA by \$1,808 spread over three years. Adds inflation-proofing starting July 1, 2025.	Scheduled bill markup 2/3 Scheduled Finance 2/6
HB 76/SB 82 by governor	Omnibus education bill on charter school approval, cell phone bans, allowing open enrollment and several funding initiatives outside the BSA.	HB 76 referred House EDC, FIN SB 82 referred Senate EDC, FIN
SB 3 by Hughes	Requires school districts to allow arming of individuals if requested subject to various requirements.	Referred Education, Judiciary
SB 6 by Gray-Jackson	Requires education in history & contributions of Asian Americans and Pacific Islanders in the U.S.	Referred Education, Finance
SB 10 by Dunbar	Requires state to procure a family leave insurance plan. Political subdivisions may elect to join.	Referred L&C, Finance

Measure	Summary	Status
SB 20 by Gray-Jackson	Requires DEED to develop and implement education of public students with hands-on CPR training.	Referred Education, Finance
SB 22 by Wielechowski	Requires school districts to provide all high school students a financial literacy education course.	Referred Education, Finance Scheduled EDC 2/5
SB 23 by Stevens	Adds civics exam requirement to graduate from secondary school.	Referred Education, Finance Scheduled EDC 2/5
SB 41 by Gray-Jackson	Directs DEED to develop guidelines for mental health instruction in consultation with the Health department and others.	Referred Education, Finance Scheduled EDC 2/3
SB 46 by Claman	Changes K-12 education funding mechanism by eliminating the public education fund. Proposes other foundation formula changes.	Referred Education, Finance

Fishery & Resources Issues

Measure	Summary	Status
HB 31 by Stutes	Exempts commercial fishing vessels with valid licenses from numbering and registration provisions.	Scheduled Fisheries 2/6
HB 33 by Stutes	Allows members of Game or Fisheries Boards to deliberate and discuss matters if they or a family member have a personal or financial interest.	Referred Fisheries, Resources
SB 29 by Bjorkman	Adds executive director for Big Game Commercial Services Board.	Referred Resources, Finance Scheduled Resources 2/3

Energy Matters

Measure	Summary	Status
SB 16 by Myers	Provides a simplified rate filing procedure for utility rate adjustments subject to Regulatory Commission of Alaska approval.	Referred L&C, STA
SB 61 by Tobin	Establishes an electronic products stewardship program. Includes electronics recycling advisory council and grant program authority.	Referred RES, Finance Scheduled RES 2/5

Election & Voting Issues

Measure	Summary	Status
HB 16 by Schrage	Establishes schedule of campaign contribution limits for individuals & groups. Includes inflation adjuster.	Referred State Affairs, Finance
HB 21 by Story	Allows voter preregistration for minors at least 16 years of age and keeps the registration confidential.	Referred State Affairs, Judiciary
HB 43 by Schrage	Omnibus reform bill allowing same day registration, ballot tracking & curing, postage-paid absentee ballots and other reforms.	Referred State Affairs, Finance
HB 63/SB 70 by governor	Numerous changes including repeal of PFD voter registration, reducing early voting period, and requiring receipt of absentee ballots by election date.	HB 63 referred House STA, FIN SB 70 referred Senate STA, FIN SB 70 scheduled Senate STA 2/4
SB 64 by Senate Rules	Senate majority reform bill includes same day registration, ballot tracking & curing, postage-paid absentee ballots, and repeal of signature verification.	Referred State Affairs, Finance Scheduled State Affairs 2/4