

LEGISLATIVE REPORT #22-06

House Passes FY 2023 Operating Budget

- **Following consideration of close to 90 amendments last week, the House of Representatives adopted six amendments and voted 25-14 to send the state's \$7.7 billion operating budget to the Senate.** The House failed to pass the "reverse sweep," which if passed prevents certain funds from being moved to the Constitutional Budget Reserve on July 1. Failure to pass the reverse sweep negatively impacts a fund such as the AMHS System Fund. The reverse sweep can be addressed after a conference committee on the budget finalizes the differences between the two bodies and that version returns to the House for concurrence. Below provides highlights of interest.
 - **Forward funding for K-12 education--\$1.2 billion for the 2022-23 school year and \$1.2 billion for the 2023-24 school year, and an additional, one-time payment of \$57 million for K-12 if legislation (HB 272) to increase the Base Student Allocation fails to pass.**
 - **Close to \$50 million in supplemental school bond debt payments for FY 2022 and full funding of school bond debt reimbursement for FY 2023.**
 - **A Permanent Fund Dividend (PFD) and energy relief check totaling about \$2,500,** effectively using a 75/25 split from the Permanent Fund to pay for state services and the PFD.
 - **More than \$20 million in additional funding for the Alaska Marine Highway.**
 - **Adds \$7.1 million for more community assistance payments in current year, coupled with sufficient funds to allow annual distributions of \$30 million in FY 2023 and beyond.**
 - **Includes municipal debt reimbursement in FY 2023 for approved harbor projects.**
 - **\$409 million to buy back oil and gas tax credits held by drilling companies and their investors.**
 - **A deposit of \$2.2 billion to the state's savings account, the Statutory Budget Reserve.**

Governor Submits Infrastructure Bills to Legislature

- **Governor Dunleavy submitted legislation appropriating the federal funding the state will receive from the federal Bipartisan Infrastructure Law (BIL) during state fiscal year 2023.** Senate Bill 241 and House Bill 414 are scheduled for hearings next week in the respective finance committees. The funds will be directed to state agencies and some non-state organizations that will partner with the states, local governments, and Alaska Native entities to expend these funds. In a press release from the governor's office, the following items were highlighted:
 - \$560.2 million in additional federal funds for surface transportation, rural water and wastewater programs, veterans' services, and cybersecurity grants.
 - **\$25 million in additional funds for DOT/PF's Community Transportation Program.**
 - \$37.4 million for federal weatherization programs and the Alaska Low Income Home Energy Assistance Program.
 - \$28 million for investments in modernizing the electric grid, developing clean hydrogen and a research demonstration facility for Alaska's reserves of critical and rare earth minerals.
 - \$5 million to stand up the State of Alaska Infrastructure Office to coordinate and consolidate efforts with all recipients of BIL funds.
 - **\$4 million to construct housing for teachers and public safety personnel in rural communities not connected to the road system.**
 - \$2.5 million to the Alaska Federation of Natives to continue the navigator program, a joint effort with the state on securing all funding available from the BIL legislation.

Candidates File for Special Election to Fill U.S. House Seat

- A total of 48 candidates have filed to temporarily fill the U.S. House seat held by the late Representative Don Young.
 - The candidates include six Democrats, 16 Republicans, 22 nonpartisan/undeclared, two Libertarians, an American Independence Party member, and an Alaska Independence Party member. The list includes both experienced politicians and political newcomers. **For an overview of the candidates and their likelihood of advancing to the special general election, more detailed information and analysis can be found [here](#) and [here](#).**
 - **All 48 candidates will be on one ballot, which will be mailed out to voters. Sample ballots for each district can be found [here](#). There will also be absentee voting locations in select areas starting two weeks before the June 11 special primary election.** More information on those locations will be posted [here](#) later. The complete candidate list from the Division of Elections, which includes the candidates' contact information, can be found [here](#).
 - As mentioned in the last report (#22-05), **the top four candidates from the special primary advance to the special general election, which will be held on August 16**, the same day as the regular primary election. Voters will also vote in August for a candidate to fill the two-year term starting in January 2023. The top four candidates from the second vote then advance to the general election in November, which will be handled under the new ranked-choice system.

Opponents to Constitutional Convention Join Forces

- A campaign called “Defend Our Constitution” was launched by a [bipartisan group of Republicans, Democrats, and independents](#) to encourage voters to reject a constitutional convention. Every 10 years, including this November, voters are asked on the ballot whether a convention should be called to alter the Constitution of the State of Alaska.
- Historically, the option to call the convention has failed. However, a renewed interest in supporting one has grown. Those in support have expressed an interest in revising the constitution on a wide range of issues including, but not limited to, the adding a guaranteed PFD, abortion, guns, election of judges, subsistence rights, climate change, environmental regulations, and gay marriage.
- Supporters of the “Defend Our Constitution” campaign believe that a convention is **“not only unnecessary and expensive, but it would be dangerous for our state”** and that rural Alaska could be most impacted, if Power Cost Equalization, the Alaska Marine Highway System, and rural education funding are vulnerable to change in the constitution. Additional information can be found [here](#).

Other Capitol News

- Long-time Alaskan politician and [former state senator Arliss Sturgulewski passed away recently at the age of 94](#). She served in the Alaska Senate from 1979 until 1993 and was the first woman in Alaska to run for governor on a major party ticket in 1986 as the Republican candidate. Senator Sturgulewski had another unsuccessful run for governor in 1990. She was well respected by both Republicans and Democrats, known as a moderate and consensus builder. After her time in the Senate, she remained involved in public life as an advocate for numerous causes including the University of Alaska and tobacco control efforts. On a personal note, I found Arliss to be an outstanding legislator always open to listening and interested in solving problems. I have been proud to be able to call her a friend.

Summary of State Legislation



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. **The current list has been reduced to bills on the move or are viewed as still in play this year. New bills will be added as well.** 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 37 by Wool	Proposes an 80/20 distribution of permanent fund (PF) earnings between general fund and dividends. Reimposes a state income tax.	Pending Finance
HB 104 by Josephson	New Finance version is limited to an increase in the fuel surcharge from \$.0095 to \$.015 per gallon. Adding a one-year suspension of all motor fuel taxes is likely.	Pending Rules
HB 165 by Kreiss-Tomkins	Proposes a special appropriation of \$4.35 billion from the Earnings Reserve Account to the PF corpus.	Pending Finance
HB 189 by House Ways & Means	Reinstates state education head tax starting at \$50 per person up to a maximum of \$500 per head. Projected to generate \$60 million per year.	Pending Finance
HB 202 by Merrick	Replaces current PFD formula with use of 30% of all royalties and mineral leases.	Pending Finance
HB 259 by Spohnholz	Proposes 75/25 split of ERA PF draw with 75% for government services and 25% for PFD. Proposes use of 50% of government service piece to fund K-12.	Pending Finance
HB 260 by Snyder	Proposes adjustments to PFD formula to reduce 50% PFD amount for disasters or inflation impacts.	Scheduled W&M 4/14
HB 322 by House Transportation	Moves the AMHS Vessel Replacement Fund into a separate fund to insulate it from future budget sweeps.	Passed Finance 3/28
HB 350 by Drummond	Removes moratorium on school debt reimbursement program as of July 1, 2022. Changes match rates back to 70% (state)/30% (local) and 60%/40%.	Pending Finance
HB 395/SB 226 by governor	Separates both AMHS System and Vessel Replacement Funds from the general fund (like HB 322 & SB 224). Gives DOT/PF commissioner broad powers to spend funds without further legislative action.	HB 395 pending House FIN SB 226 pending Senate TRA

Measure	Summary	Status
HB 414/SB 241 by governor	New spending bill in response to Bipartisan Infrastructure Law (BIL). Appropriates funds expected to be received by the state during the next fiscal year.	HB 414 sched. H FIN 4/15 SB 241 sched. S FIN 4/13
SB 162 by governor HB 281 by governor	FY 2023 Operating Budget: Provides flat funding for K-12 and pupil transportation. School debt reimbursement funded at 100%. House version includes \$57M in one-time K-12 money and K-12 forward funding for FY 2024.	SB 162 heard/held S FIN 4/7, 4/8; sched. 4/14 HB 281 passed House 4/9
SB 199 by Senate Finance	Modified version of Senate Finance CSSB 53. Proposes 50% PFD/50% government services split contingent on \$700 million in new taxes.	Pending Finance
SB 200 by Senate Finance	Alternative approach to SB 199, proposing a 25% PFD/75% government services split for use of earnings from the Alaska Permanent Fund.	Pending Finance
SB 224 by Senate Finance	Moves AMHS system fund and higher education investment fund into separate funds to insulate them from future budget sweeps.	Pending Finance

General Municipal Issues

Measure	Summary	Status
HB 17 by Josephson; SB 149 by Gray-Jackson	Expands duties of State Commission for Human Rights to prohibit discrimination based on sexual orientation or gender identity. Applies to political subdivisions.	HB 17 passed H JUD 4/4 SB 149 pending Senate State Affairs
HB 55 by Josephson	Allows firefighters and peace officers to join a defined benefit retirement plan. Establishes medical benefits eligibility requirements and payment for past service.	Heard & held Senate L&C 4/4
HB 113/SB 93 by governor	Establishes an all-payer health claims database (APCD) collecting health care claims data from a variety of health care payers, including insurers and providers.	HB 113 pending House L&C SB 93 pending Senate FIN
HB 123 by Zulkosky SB 108 by Olson	Proposes state law formally acknowledging federally recognized tribes in Alaska. If enacted, the proposed initiative would not appear on the fall ballot.	HB 123 heard/held Senate STA 3/31 SB 108 pending Senate STA
HB 127 by LeBon	Prohibits the Alaska Municipal Bond Bank Authority from assisting the University of Alaska (UA) to fund heating or energy projects, while increasing maximum bonding amounts for other UA or regional health entity projects.	Pending Senate Finance
HB 220 by Hopkins	Proposes new defined benefit retirement system for PERS and TRS members. Gives existing DC members a choice between DC or DB plan.	Scheduled Finance 4/14 **PUBLIC TESTIMONY**
HB 309 by Kreiss-Tomkins	Exempts municipal candidates and officeholders in municipalities with a population of 15,000 or less from state financial/business interest reporting requirements.	Pending State Affairs
HB 363 by Edgmon	Establishes the office of broadband in the Dept. of Commerce, Community, & Econ. Development, the broadband parity adjustment fund, and the Statewide Broadband Advisory Board.	Heard & held Finance 3/30, scheduled 4/15 **PUBLIC TESTIMONY**

Measure	Summary	Status
HB 411 by House CRA	Allows municipalities to provide property tax exemptions as economic incentive within service areas.	Scheduled CRA 4/12, 4/14
SJR 12 by Wielechowski	Resolution urging Congress to repeal the Windfall Elimination Provision and the Government Pension Offset of the Social Security Act.	Pending Senate Rules
SB 9 by Micciche	Omnibus bill relating to the manufacture, distribution, licensing, possession, and the sale of alcoholic beverages. Provides only the ABC Board may issue, renew, transfer, relocate, suspend, or revoke a license.	Heard/held House FIN 3/30, scheduled 4/12
SB 26 by Wilson	Repeals the certificate of need (CON) program for health care facilities.	Pending Finance
SB 41 by Hughes	Omnibus health insurance reform bill that includes provision to preempt municipalities from regulating disclosure and reporting of health care information.	Pending Labor & Commerce
SB 81 by Olson HB 313 by Zulkosky	Requires background checks for Village Public Safety Officers (VPSO) and rewrites the VPSO statute.	SB 81 pending Senate Rules HB 313 heard/held H FIN 4/4
SB 136 by Myers HB 179 by Tilton	Significantly limits state or municipal regulation of firearms during a disaster declaration.	SB 136 pending House CRA HB 179 pending House CRA
SB 148 by Holland	Amends boating safety education course requirements and adds age and safety education requirements for boat operators of a certain age.	Pending Finance
SB 152 by Shower	Proposes locating the first regular legislative session in Juneau and the second regular session in Anchorage.	Pending Finance
SB 166 by governor HB 285 by governor	Proposes \$325 million in general obligations bonds for numerous transportation and infrastructure projects.	SB 166 pending S TRA HB 285 pending House FIN
SB 170 by Senate Transportation	Establishes a public corporation to manage AMHS using a seven-member board.	Heard/held TRA 4/4, sched. 4/12

Education Measures

Measure	Summary	Status
HB 19 by Kreiss-Tompkins	Expands scope for teachers fluent in an Alaska Native or foreign language to allow teaching other subject matter if done in Native or foreign language.	Pending Senate Finance
HB 47 by Story SB 109 by Olson	Renames Alaska Native Language Preservation and Advisory Council and adds two seats.	HB 47 pending Senate STA SB 109 pending Senate STA
HB 48 by Story	Expands eligibility requirements for the Alaska performance scholarship program.	Pending Finance
HB 53 by McCarty	Requires school districts to consider children of active-duty military/National Guard as district residents.	3 rd reading, Senate floor 4/11
HB 60 by Claman SB 80 by Gray-Jackson	Directs Board of Education & Early Development to develop guidelines for instruction in mental health in consultation with the HSS department.	HB 60 pending House FIN SB 80 passed Senate 4/4, referred House FIN

Measure	Summary	Status
HB 108 by McCarty	Allows public secondary school students, over 14 years of age, to participate in concurrent vocational education, training, and on-the-job trade programs.	Heard & held L&C 4/4
HB 114/SB 94 by governor	Amends education and supplemental loan programs by clarifying residency eligibility requirements, eliminating loan maximums, and allowing for early repayment of consolidated loans.	HB 114 pending H Rules SB 94 pending Senate FIN
HB 132 by House Labor & Commerce	Enacts new proposal titled the "Alaska Apprenticeship Expansion Act". Establishes new concurrent vocational education, training, and on-the-job trade experience programs for secondary school students.	Scheduled Senate EDC 4/11, 4/13
HB 147 by Zulkosky	Expands teacher education loan forgiveness program to any rural community not connected by road or rail to Anchorage or Fairbanks.	Pending Education
HB 173 by Tarr	Establishes the "School Climate and School Connectedness Improvement Committee" as an advisory committee in DEED. Requires school districts to develop a plan related to these topics.	Pending Finance
HB 272 by Story	Proposes \$223 increase in BSA for FY 2023, and another \$55 increase in FY 2024.	Heard & held Finance 4/6, scheduled 4/13
HB 273 by Story	Adds automatic inflation adjustment component to the BSA starting in FY 2025.	Heard & held Finance 4/6, scheduled 4/13
SB 20 by Stevens	Amends teacher certification reciprocity provisions for out-of-state teachers. Finance CS requires these teachers to complete specified training requirements within 90 days. Still get 2 yrs. for 2 required courses.	Pending House Finance
SB 32 by Stevens	Establishes new middle college program for public school students at U of A.	Pending House Rules
SB 34 by Stevens HB 351 by Zulkosky	Allows establishment of public schools through state-tribal compacts. Latest version authorizes a five-year demonstration for not more than 5 schools. Additional legislation will be needed before implementation.	CSSB 34 passed Senate 4/4, sched. House TRB 4/14 HB 351 pending House EDC
SB 72 by Stevens	Adds civics exam requirement to graduate from secondary school. CS removes requirement to achieve a passing grade.	Pending House Education
SB 111 by Senate Education HB 164 by Tuck	Omnibus education reform bill titled the "Alaska Academic Improvement and Modernization Act." Creates early education & K-3 reading programs.	SB 111 sched. S FIN 4/11 HB 164 pending House EDC
SB 140 by Hughes HB 230 by McKay	Requires school districts to designate sports team as male, female or co-ed and bars transgender girls from participating in female sports.	SB 140 passed S EDC 4/6 HB 230 pending H EDC
SB 174 by Wilson HB 312 by Tarr	Prohibits school districts from adopting a dress code prohibiting hairstyles associated with race.	SB 174 sched. H L&C 4/11 HB 312 pending H L&C
SB 196 by Reinbold	Requires public schools to publish info about all teaching materials and curriculum. Prohibits all forms of compelled speech for students.	Heard & held Education 4/4, sched. 4/13
SB 225 by Senate Education	Omnibus training and apprenticeship legislation creating a teaching residency program, amending teacher certification requirements, and proposing a new teacher registered apprenticeship program.	Passed Education 3/30, scheduled L&C 4/11

Fishery & Resources Issues

Measure	Summary	Status
HB 26 by House Fisheries	Allows members of the Board of Game or Fisheries to deliberate and participate on matters if they or a family member have a personal or financial interest.	Pending Rules
HB 28 by House Fisheries	Exempts commercial fishing vessels with valid licenses from numbering and registration provisions.	Pending Senate Finance
HB 41 by Ortiz SB 64 by Stevens	Relates to management of enhanced stocks of shellfish, authorizes certain nonprofits to engage in shellfish enhancement projects, and increases salmon hatchery permit fees from \$100 to \$1000.	HB 41 pending Senate RLS SB 64 pending Senate Rules
HB 64 by Stutes	Proposes regional associations to encourage new fisheries, modeled after SE AK Regional Dive Fisheries Association. Members self-assess tax to fund surveys.	Pending Rules
HB 120 by governor SB 97 by governor	Allows an Alaskan to nominate up to 20 acres of state land to be used for commercial purposes. Lands must be within federally designated Qualified Opportunity Zones or determined as appropriate for commercial use.	HB 120 pending House RES SB 97 pending Senate FIN
HB 365 by Kreiss-Tomkins	Makes setting of the optimum number of commercial fishing entry permits for a fishery discretionary. Ties the buy-back program to setting an optimum number.	Pending Fisheries
SB 29 by Micciche	Establishes Cook Inlet buy-back program for set net entry permits and provides for a vote by permit holders whether to be included. Broadens CFEC authority to establish management areas.	Scheduled Finance 4/12
SB 33 by Stevens HB 188 by Stutes	Add pollock and cod to the product development tax credit up to 50% of the taxpayer's tax liability. Extends date to take credit for property first placed into service by Dec. 31, 2025.	SB 33 passed House Finance 3/29 HB 188 pending House Finance
SB 204 by Revak	Expands competitive auctions or raffles for hunting permits and big game tags. Adds harvest permits for emperor geese.	3 rd reading, Senate floor 4/11
SB 219 by Micciche	Allows for the transfer or modification of personal use cabin permits on state land under certain circumstances.	Scheduled Resources 4/13
SB 227 by governor	Expands state law related to state's ownership of submerged lands and authority over navigable waters. Focus is on water bodies within/adjacent to federal lands.	Scheduled Resources 4/15
SB 228 by governor	Specifies a Tier III water designation as an "Outstanding Natural Resource Water" can only be done by statute.	Scheduled Resources 4/15
SB 230 by Senate Resources	Sets fee to construct or use a trapping cabin on state land at \$25 and exempts permittees for such use from additional land use fees.	Pending Resources

Energy Matters

Measure	Summary	Status
HB 135 by governor SB 104 by governor	Expands the jurisdiction and authority of the Oil & Gas Conservation Commission (AOGCC) over geothermal resources, currently held by the Dept. of Natural Resources.	HB 135 pending House FIN SB 104 pending Senate FIN
HB 170 by governor SB 123 by governor	Creates new “Alaska Energy Independence Fund” at AIDEA to make loans and provide other forms of financing for sustainable energy development.	HB 170 pending House FIN SB 123 pending Senate FIN
HB 223 by Kaufman	Proposes repeal of numerous funds including the fuel emergency fund, rural electrification revolving loan fund, and the Alaska affordable energy fund.	Pending Ways & Means
HB 227 by Schrage	Expands Property Assessed Clean Energy (PACE) program by allowing new construction financing, resiliency projects, C-PACE refinancing, and considering market values rather than assessed values.	Passed House 4/4, sched. Senate CRA 4/12
HB 247 by Thompson	Amends formula for distribution of excess earnings from the power cost equalization fund to increase funding for renewable energy projects. Protects priority for distribution of up to \$30 million to community assistance.	Pending Energy
HB 358 by Edgmon SB 202 by Revak	Extends authorization of the Renewable Energy Grant Fund and Recommendation Program setting a new sunset date of June 30, 2033.	HB 358 pending House FIN SB 202 pending Senate FIN
SB 17 by Begich	Provides funding to conduct energy audits, improve energy efficiency in public buildings (including public schools), and creates a “rapid economic recovery office” to oversee related audits and projects.	Pending Finance

Election & Voting Issues

Measure	Summary	Status
HB 66 by Tuck	Omnibus voting bill allowing same-day registration, ballot curing, increased pay for poll workers and earlier absentee ballot counting.	Scheduled State Affairs 4/12
HB 157 by Rasmussen	Requires identification of individual, groups and nongroup entities expending money for state referendums or recall elections.	Scheduled Senate Judiciary 4/11
HB 234 by Schrage	Establishes higher campaign contribution limits in response to court action striking down current limits. HB 234 allows individual contributions of \$2,000 and group contributions of \$4,000 or more per year.	HB 234 heard/held S STA 4/7, scheduled 4/12
HB 375 by Shaw SB 205 by Revak	Establishes a digital absentee voting system for overseas or special needs voters.	HB 375 pending House STA SB 205 sched. Senate STA 4/14

Measure	Summary	Status
SB 23 by Revak HB 174 by Merrick	Requires any court change to language in a ballot initiative to trigger restarting signature gathering.	SB 23 pending Senate JUD HB 174 pending House JUD
SB 39 by Shower HB 196 by Vance	New CS will be presented. Result of coordinated effort with Rep. Tuck. Will monitor and report further.	SB 39 sched. S JUD 4/11, 4/13 HB 196 pending House JUD
SB 43 by Hughes	Prohibits anonymous donations to ballot measure campaigns and amends process to assist completion of an absentee ballot.	Pending Judiciary
SB 82 by governor HB 95 by governor	Adds new authority for Attorney General to investigate alleged election violations as a civil matter and allows fines up to \$25,000 per violation.	SB 82 pending Senate STA HB 95 pending House STA
SB 83 by governor HB 96 by governor	Omnibus elections bill to limit vote by mail to smaller communities (750 or less) and increase voter verification for absentee ballots. Includes many features contained in <i>HB 23</i> , <i>SB 39</i> and introduced version of <i>SB 43</i> .	SB 83 pending Senate STA HB 96 pending House STA
SB 129 by Myers	Broadens type of information included in the Alaska Official Election Pamphlet related to judge retention.	Pending Rules
SB 142 by Shower	Adds new provision asserting state sovereignty to not conduct elections for federal officials if federal law requires actions in conflict with state provisions.	Pending Rules
SB 167 by governor HB 286 by governor	New omnibus "elections integrity" bill with numerous changes. Eliminates automatic registration for PFD applicants, allows ballot curing and amends process to maintain voter rolls.	SB 167 pending Senate STA HB 286 pending House STA



Probably not constructed as a result of a Bipartisan Infrastructure Bill!