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## **City of Unalaska Legislative Report** **2/19/23**

The Governor delivered his amendments to the state budgets, bringing \$117 million of new spending that goes to areas such as public defenders, Medicaid match and some other targeted grants.

The additional spending is anticipated to bring the state's anticipated budget deficit to more than \$400 million for the upcoming fiscal year.

### **Some of the bigger ticket items are:**

- \$8.3 million for the Public Defender Agency and the Office of Public Advocacy, which would bring the same 20% pay raise that other state attorneys already received in last year's budget.
- \$9 million for the Division of Public Assistance to continue work on its backlog as well as \$54 million—\$17 million of which is state funds—to modernize the state's eligibility determination system.
- Cobble together three different funds to meet the roughly \$105 million match to secure nearly \$300 million in federal funds for the Alaska Marine Highway System
- \$7.5 million for a Department of Public Safety patrol vessel replacement
- \$10 million (\$5 million each) to Alaska Seafood Marketing Institute (ASMI) and Alaska Travel Industry Association (ATIA)
- \$7.5 million for Alaska Energy Authority (AEA) Renewable Energy Grants
- \$8 million for wildfire suppression
- \$24.4 million for Medicaid rates and match
- \$5 million for State assumption of Section 404 Permitting Primacy
- \$2.8 million for 10 more VPSOs and housing allowances
- \$250,000\* to assign a dedicated Alaska State Trooper to investigate in-custody inmate deaths and reported felony and misdemeanor criminal cases within the correctional facilities.



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The budget amendments did not include any additional funding for public schools, childcare or retention issues beyond the most pressing ones raised by the Public Defender Agency. Those issues may be addressed through later legislation or legislator-driven amendments to the budget.

Legislators are digging into the Governors carbon plan this week with more hearings, on the underground carbon storage proposal, HB 50 and the forest land carbon credit program in HB 49. On Monday, the Senate Resources Committee will take up the forest carbon credit part of the proposal.

The big issues in the Legislature are well known. They're about workforce and education. For workforce it's about competitive pay and benefits for public sector workers and helping private employers find help. With education it's about making up years of flat-funding in an inflation cycle

Discussion of workforce shortages, and noncompetitive pay and retirement for public workers dominated the Labor and Commerce Committee meetings as senators consider one partial solution, for public employees and teachers, of a change to make the state's retirement system more competitive. The push is for a return to a "Defined Benefits" (traditional) pension option from the current "Defined Contribution" or 401(k) type of retirement savings.

Have a great week.

### Upcoming Schedule

Description	Date, Time & Location
SENATE FINANCE 532 -SENATE FINANCE  Overview of Governor's Budget Amendments Neil Steininger, Director, Office of Management and Budget += SB40 APPROP: OPERATING BUDGET/LOANS/FUND; SUPP TELECONFERENCE += SB41 APPROP: CAPITAL/SUPPLEMENTAL TELECONFERENCE += SB42 APPROP: MENTAL HEALTH BUDGET TELECONFERENCE += SB54 APPROP: SUPPLEMENTAL; REAPPROP; AMENDING TELECONFERENCE + Bills Previously Heard/Scheduled TELECONFERENCE	Mon 2/20/23 9:00 AM



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Description	Date, Time & Location
SENATE FINANCE 532 -SENATE FINANCE  Fiscal Position with Governor's Budget Amendments Alexei Painter, Director, Legislative Finance Division += SB40 APPROP: OPERATING BUDGET/LOANS/FUND; SUPP TELE- CONFERENCED += SB41 APPROP: CAPITAL/SUPPLEMENTAL TELECONFERENCE += SB42 APPROP: MENTAL HEALTH BUDGET TELECONFERENCE += SB54 APPROP: SUPPLEMENTAL; REAPPROP; AMENDING TELE- CONFERENCE + Bills Previously Heard/Scheduled TELECONFERENCE	Tue 2/21/23 9:00 AM
GRUENBERG 120 -HOUSE FISHERIES + Presentation: 2022 Final Report by AlaskaBycatch TELECONFERENCE Review Task Force + Bills Previously Heard/Scheduled TELECONFERENCE	Tue 2/21/23 10:00 AM
BARNES 124 -HOUSE TRANSPORTATION  -- Testimony -- + Presentation: TELECONFERENCE - Department of Transportation and Public Facilities - Federal Programs &Infrastructure and Jobs Act Funding by James Marks,Director, and Adam Moser, Transportation Planner,Statewide Program Development; and Judy Chapman,Division Operations Manager, Statewide Planning Office **Streamed live on AKL.tv**	Tue 2/21/23 1:00 PM
SENATE FINANCE 532 -SENATE FINANCE  PERS/TRS Tier Comparisons Ajay Desai, Director, Division of Retirement and Benefits Kevin Worley, Chief Finance Officer, Division of Retirement and Benefits + Bills Previously Heard/Scheduled TELECONFERENCE	Thu 2/23/23 9:00 AM
SENATE FINANCE 532 -SENATE FINANCE  Update on Broadband Equity, Access, and Deployment (BEAD) in Alaska Thomas Lochner, Director, Alaska Broadband Office + Bills Previously Heard/Scheduled TELECONFERENCE	Fri 2/24/23 9:00 AM



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Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
<a href="#">HB 18</a>	Fishery Development Assoc.; Assessments	STUTES	(H) REFERRED TO FISHERIES (1/19)	

The state would help create nonprofit regional fishing cooperatives intended to develop new fisheries in the state. These would be funded by fees paid by fishermen in the area.

<a href="#">HB 21</a>	School/university Employee Health Insur	VANCE	(H) REFERRED TO EDUCATION (1/27)	
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Local governments and school districts would be able to join the state's health insurance program.

<a href="#">HB 22</a>	Peace Officer/firefighter Retire Benefits	JOSEPHSON	(H) REFERRED TO STATE AFFAIRS (2/15)	
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The state would create a pension program for police and firefighters.

<a href="#">HB 54</a>	Approp: Supplemental; Reapprop; Amending	RULES	(H) REFERRED TO FINANCE (2/1)	
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<a href="#">HB 63</a>	Repeal Workers' Comp Appeals Commission	RAUSCHER	(H) Heard & Held (2/17)	
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House Bill 63 is suggested to save \$433,000 per year by repealing the Alaska Workers' Compensation Appeals Commission. HB 63 will return jurisdiction over appeals of Workers' Compensation Board decisions to the Superior Court. Currently the Appeals Commission handles these cases, and their decisions can be appealed to the Supreme Court.

<a href="#">HB 69</a>	Reclassification Of First Class Cities	CRONK	(H) REFERRED TO EDUCATION (2/10)	
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1. Notwithstanding AS 29.04.040, a first class city with a population of less than 400 persons based on the most recent decennial census conducted by the United States Bureau of the Census may be reclassified as a second class city if the council submits a written request to the Local Boundary Commission.

<a href="#">HB 70</a>	Municipal Property Tax Exemptions	TO-MASZEWSKI	(H) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (2/13)	
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This bill would include the following to the properties exempt from general taxation:

(11) a parking lot owned by an organization incorporated under state law that is exempt from



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taxation and used for parking or another use as long as the parking or other use is permitted without charge;

(12) real and personal property of a store operated by an organization incorporated under state law that is exempt from taxation under 26 U.S.C. 501(c) if the store deals exclusively in donated inventory that is distributed without cost as part of a program to provide needy persons with food, shelter, clothing, or health care without charge or sells merchandise below market value to support a literacy program or a program to provide needy persons with food, shelter, clothing, or health care without charge.

<a href="#">HB 74</a>	Geothermal Resources	RULES	(H) ENERGY at 10:15 AM BARNES 124 (2/23) 02/23/23 10:15 AM in BARNES 124	
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This bill removes obstacles for exploration and development of Alaska's geothermal resources. The bill updates the definition of "geothermal resources" to allow for modern uses. The bill also increases the time available for exploration from three years to five years.

<a href="#">SB 14</a>	Rip For Public Employees/teachers	KAWASAKI	(S) Heard & Held (2/10)	
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School districts would be able to create incentive programs to encourage employees to retire early in order to cut staff.

<a href="#">SB 35</a>	Peace Officer/firefighter Retire Benefits	KAWASAKI	(S) REFERRED TO LABOR & COMMERCE (1/18)	
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The state would create a pension program for police and firefighters.

<a href="#">SB 39</a>	Disclosure Of Wage Information	DUNBAR	(S) REFERRED TO LABOR & COMMERCE (1/18)	
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An employer would be required to post the wage, salary or salary range of a job when they advertise a vacancy and seek to hire someone.

<a href="#">SB 69</a>	Geothermal Resources	RULES	(S) REFERRED TO RESOURCES (2/15)	
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This bill removes obstacles for exploration and development of Alaska's geothermal resources. The bill updates the definition of "geothermal resources" to allow for modern uses. The bill also increases the time available for exploration from three years to five years.