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Lobbying and Governmental Affairs

MEMORANDUM

To: Vince Tutiakoff, Mayor
Erin Reinders, City Manager

RE: Legislative Report

Date: February 8, 2020

Overview:

Governor Dunleavy introduced a supplemental budget this week requesting an additional \$262.5 million. It is said to be the largest supplemental that folks can remember. If approved, it will allow access to \$225 million in federal matching funds bring the total to \$507.9 million.

Big ticket items:

- \$110.5 million in State funds to cover last summer's wildfire damage in Southcentral and the Interior
- \$3 million in State funds for infrastructure repairs due to the earthquake
- 128 million in State funds for Medicaid services
- \$6.7 million to hire new troopers, wildlife troopers and trooper equipment
- \$1.0 million in State funds for Pioneer Homes Payment Assistance Programs
- \$6 million in State funds to reach full capacity for the Alaska Psychiatric Institute
- 12.5 million in Marine Highway Receipts for the Alaska Marine Highway System

The Department of Transportation announced this week that Alaska Marine Highway System's (AMHS) mainline services will be completely shut down due to eleven out of twelve boats being in yard status or broke down. The committee hearings generated many uncomfortable or unanswerable questions for the AMHS leadership. The 12.5M in the supplemental will primarily be used for last year's shortages or unforeseen costs, it does not contain funding for expansion of services. There are many communities struggling to resolve how to get their residents basic life services.

The House finance subcommittee directed AMHS leadership to come up with two scenarios to reduce service gaps by 50 percent and by 100 percent. In the scenarios provided, an additional 7.3M would reduce gaps by 50 percent and 23M reduce gaps by 100 percent. I have included the presentation for your review.

Senator Stedman and Representative Stutes have been appointed to the Governor's AMHS work group.

School Bond Debit Reimbursement continues to be a topic of conversation. Most Legislators seem to be in support of ensuring the State's contribution is covered at 100 percent. As with all things, the question becomes how do we pay for it? In meetings, the conversations continue to hammer on impacts and cost shifting which seems to get folks thinking more about creative solutions.

However, next Friday Senate Finance will be taking up HB 106, former Rep. Tammie Wilson's bill which extends the moratorium on school bond debit reimbursement for 5 years. This could be problematic, particularly, since at this time there is no funding for school construction or major maintenance in the Governor's budget.

Senator Hoffman's SB 74 internet for schools had two hearings in House Finance this week, there seems to be potential for passage this session.

SB 115, Senator Bishop's motor tax fuel bill was up for public testimony in Senate Finance this week, while industry associations such as Alaska General Contractors and Alaska Trucking Association offered support, a handful of individuals testified in opposition. This bill also seems to have traction for passage this session.

Representative Hopkins introduced HB 232- Municipal Air, Tax Credit incentives. This bill focuses on air quality improvement by allowing municipalities to provide property tax credits for existing structures that have improved in a way that aids air quality and new construction that provides for energy efficiency.

In the House this week they will be focusing on finance sub-committee close outs.

Weekly Schedule:

(H)RESOURCES	Standing Committee*
Feb 10 Monday 1:00 PM	BARNES 124
+ = HB 138	NATIONAL RESOURCE WATER DESIGNATION
	-- Public Testimony --
+	Bills Previously Heard/Scheduled
(H)ENERGY	Special Committee*
Feb 11 Tuesday 10:15 AM	CAPITOL 17
	-- Teleconference <Listen Only> --
*+ HB 232	MUNICIPAL TAX CREDITS
+	Bills Previously Heard/Scheduled

<p>(H)FINANCE Feb 11 Tuesday 1:30 PM += HB 205 += HB 206 + +</p>	<p>Standing Committee* ADAMS ROOM 519 APPROP: OPERATING BUDGET/LOANS/FUNDS APPROP: MENTAL HEALTH BUDGET FY21 Dept. Budget Overviews: - Dept. of Law - Dept. of Commerce, Community & Economic Development</p>
<p>(S)FINANCE Feb 13 Thursday 9:00 AM + +</p>	<p>Standing Committee* SENATE FINANCE 532 PRS/TRS Update by Ajay Desai, Director of Division of Retirement & Benefits Bills Previously Heard/Scheduled</p>
<p>(S)FINANCE Feb 14 Friday 9:00 AM + += HB 106 +</p>	<p>Standing Committee SENATE FINANCE 532 School Construction Funding Overview SCHOOL BOND DEBT REIMBURSEMENT Bills Previously Heard/Scheduled</p>
<p>(H)RESOURCES Feb 14 Friday 1:00 PM += HB 138 + +</p>	<p>Standing Committee* BARNES 124 NATIONAL RESOURCE WATER DESIGNATION -- Testimony <Invitation Only> -- Bills Previously Heard/Scheduled</p>
<p>(H)FINANCE Feb 14 Friday 1:30 PM += HB 234 + +</p>	<p>Standing Committee* ADAMS ROOM 519 APPROP: SUPP; REAPPROP; CAP; AMEND; CBR -- Public Testimony -- Bills Previously Heard/Scheduled</p>

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%3DAI%26com%3D%26startDate%3D04%2F22%2F2019%26endDate%3D04%2F27%2F2019%26chamber%3D#tab2>

Bills of Interest:

BILL	SHORT TITLE	PRIME SPONSOR(s)	CURRENT STATUS	DATE
<u>HB 6</u>	DISPLAY OF STATE AND NATIONAL MOTTOS	RAUSCHER	(H) STA	02/20/19
<u>HB 7</u>	SEX EDUCATION	RAUSCHER	(H) EDC	02/20/19
<u>HB 11</u>	PEACE OFFICER RETIREMENT BENEFITS	RAUSCHER	(H) L&C	02/20/19
<u>HB 17</u>	REPEAL CERTIFICATE OF NEED PROGRAM	RAUSCHER	(H) HSS	02/20/19
<u>HB 23</u>	SNOWMOBILE REGISTRATION FEES	NEUMAN	(H) FIN	04/17/19
<u>HB 24</u>	LIMITED TEACHER CERTIFICATES; LANGUAGES	KREISS-TOMKINS	(H) L&C	04/05/19
<u>HB 25</u>	PRIVATE POLICE ORGANIZATIONS	SULLIVAN-LEONARD	(H) CRA	02/20/19
<u>HB 27</u>	REGULATION OF FLAME RETARDANT CHEMICALS	TARR	(H) L&C	02/07/20
<u>HB 28</u>	EQUAL PAY & MINIMUM WAGE ACT	TARR	(H) STA	02/20/19
<u>HB 39</u>	APPROP: OPERATING BUDGET/LOANS/FUNDS	RLS BY REQUEST OF THE GOVERNOR	CHAPTER 1 FSSLA 19	06/28/19
<u>HB 40</u>	APPROP: MENTAL HEALTH BUDGET	RLS BY REQUEST OF THE GOVERNOR	CHAPTER 2 FSSLA 19	06/28/19
<u>HB 41</u>	SHELLFISH PROJECTS; HATCHERIES; FEES	ORTIZ	(S) FIN	05/06/19
<u>HB 42</u>	OUTDOOR ADVERTISING SIGNS	RAUSCHER	(H) TRA	02/20/19
<u>HB 46</u>	APPROP: ERA FOR PAYMENT OF PFD	RLS BY REQUEST OF THE GOVERNOR	(H) STA	02/20/19
<u>HB 47</u>	PFD SUPPLEMENTAL PAYMENT	RLS BY REQUEST OF THE GOVERNOR	(H) STA	02/20/19
<u>HB 61</u>	REPEAL DEBT REIMBURSEMENT: CAP. PROJECTS	RLS BY REQUEST OF THE GOVERNOR	(H) EDC	02/20/19
<u>HB 64</u>	ALCOHOL TAX: APPROP TO COMMUNITY ASSIST.	RLS BY REQUEST OF THE GOVERNOR	(H) HSS	02/20/19

<u>HB 65</u>	FISH TAX: REPEAL MUNI REFUNDS/REV. SHARE	RLS BY REQUEST OF THE GOVERNOR	(H) FSH	02/20/19
<u>HB 66</u>	REPEAL STATE DEBT REIMBURSE. FOR SCHOOLS	RLS BY REQUEST OF THE GOVERNOR	(H) CRA	02/20/19
<u>HB 69</u>	REPEAL AK PUBLIC BROADCASTING COMM.	RLS BY REQUEST OF THE GOVERNOR	(H) CRA	02/20/19
<u>HB 79</u>	PEACE OFFICER/FIREFIGHTER RETIRE BENEFITS	KOPP	(H) FIN	04/03/19
<u>HB 84</u>	WORKERS' COMP: POLICE, FIRE, EMT, PARAMED	JOSEPHSON	(H) L&C	04/26/19
<u>HB 185</u>	REGISTRATION OF BOATS: EXEMPTION	STUTES	(H) TRA	02/07/20
<u>SB 1</u>	REPEAL CERTIFICATE OF NEED PROGRAM	WILSON	(S) FIN	04/10/19
<u>SB 5</u>	PERM. FUND CORP TO MANAGE MUNI ASSETS	STEVENS	(S) CRA	01/16/19
<u>SB 6</u>	PRE-K/ELEM ED PROGRAMS/FUNDING; READING	BEGICH	(S) EDC	01/21/20
<u>SB 19</u>	APPROP: CAPITAL BUDGET; SUPPLEMENTAL	RLS BY REQUEST OF THE GOVERNOR	CHAPTER 3 FSSLA 19	07/08/19
<u>SB 20</u>	APPROP: OPERATING BUDGET/LOANS/FUNDS	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	02/13/19
<u>SB 26</u>	EQUAL PAY & MINIMUM WAGE ACT	BEGICH	(S) L&C	01/18/19
<u>SB 50</u>	EMPLOYMENT TAX FOR EDUCATION FACILITIES	BISHOP	(S) FIN	01/31/20
<u>SB 57</u>	REPEAL MUNI LEVY OF O&G TAX/CREDIT	RLS BY REQUEST OF THE GOVERNOR	(S) CRA	02/13/19
<u>SB 59</u>	REPEAL DEBT REIMBURSEMENT: CAP. PROJECTS	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	02/13/19
<u>SB 62</u>	ALCOHOL TAX: APPROP TO COMMUNITY ASSIST.	RLS BY REQUEST OF THE GOVERNOR	(S) CRA	02/18/19
<u>SB 63</u>	FISH TAX: REPEAL MUNI REFUNDS/REV. SHARE	RLS BY REQUEST OF THE GOVERNOR	(S) CRA	02/18/19
<u>SB 64</u>	REPEAL STATE DEBT REIMBURSE. FOR SCHOOLS	RLS BY REQUEST OF THE GOVERNOR	(S) FIN	04/19/19

<u>SB 74</u>	INTERNET FOR SCHOOLS	HOFFMAN	(H) FIN	05/10/19
<u>SB 103</u>	PFD APPROPRIATIONS; EARNING RESERVE	FINANCE	RETURNED TO (S) RLS	05/02/19
<u>SB 104</u>	APPROPRIATION LIMIT	FINANCE	(S) FIN	04/05/19
<u>SB 130</u>	SEAFOOD PRODUCT DEVELOPMENT TAX CREDIT	STEVENS	(S) RES	01/21/20
<u>SB 145</u>	REGISTRATION OF BOATS: EXEMPTION	MICCICHE	(S) RES	01/21/20

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/>