

# LEGISLATIVE UPDATE 2021



# ORGANIZATION OF THE 32<sup>ND</sup> LEGISLATURE

- Senate Majority
  - 14 Republican Senators
- Senate Minority
  - 6 Democrat Senators
- House Majority – Bi-partisan Coalition
  - 20 members, 15 Democrats, 4 independents and 2 Republicans
- House Minority
  - 18 Republican Members

Representative Sara Rasmussen (Anchorage) does not caucus with either group

The Legislature will convene on January 18, 2022

**Potential legislative fly-in dates for City of Unalaska March 2-4, 2022**

## LIMITED BILLS PASSED IN 2021

Select bills of interest to the City of Unalaska;

- HB 63 ALASKA MARINE HIGHWAY OPERATIONS BOARD
  - SB 76 ABANDONED VEHICLES; PRIVATE PROPERTY
  - SB 55 EMPLOYER CONTRIBUTIONS TO PERS
  - HB 182 EXTEND FISHERY RESOURCE LAND TAX CREDIT
  - HB 76 EXTENDING COVID 19 DISASTER EMERGENCY
- Budget bills are of interest but not included in above list.

# BUDGET FY21/FY22 SHORT FISCAL SUMMARY

## Short Fiscal Summary - FY21/FY22 Budget

(\$ Millions) (Non-duplicated Funds)	FY21 Budget	FY22 Enacted	Change in UGF	
	UGF	UGF		
<b>Revenue</b>	<b>4,853.0</b>	<b>4,731.6</b>	<b>(121.4)</b>	<b>-3%</b>
UGF Revenue (Spring 2021 Forecast)	1,571.9	1,662.3	90.4	6%
POMV Draw	3,091.5	3,069.3	(22.2)	-1%
Misc/Adjust/Non-UGF Revenue	189.6	-	(189.6)	
<b>Appropriations</b>	<b>5,318.1</b>	<b>5,303.4</b>	<b>(14.7)</b>	<b>0%</b>
<b>Operating Budget</b>	<b>4,502.1</b>	<b>4,321.5</b>	<b>(180.6)</b>	<b>-4%</b>
Agency Operations	4,009.3	3,907.5	(101.8)	-3%
Statewide Items	446.3	414.0	(32.3)	-7%
Supplemental Appropriations	46.6	-	(46.6)	
<b>Capital Budget</b>	<b>136.0</b>	<b>242.9</b>	<b>106.9</b>	<b>79%</b>
Current Year Appropriations	120.3	242.9	122.6	102%
Supplemental Appropriations	15.7	-	(15.7)	
<b>Permanent Fund</b>	<b>680.0</b>	<b>739.0</b>	<b>59.0</b>	<b>9%</b>
Permanent Fund Dividends	680.0	739.0	59.0	9%
Inflation Proofing/Other Deposits*	-	-		
<b>Pre-Transfer Surplus/(Deficit)</b>	<b>(465.1)</b>	<b>(571.8)</b>		
Statutory Budget Reserve	410.7	(410.7)		
Other Fund Transfers	44.0	(235.4)		
<b>Post-Transfer Surplus/(Deficit)</b>	<b>(919.8)</b>	<b>74.2</b>		
CBR Direct Appropriations	(1,054.7)	-		
Surplus/(Deficit) After Direct CBR Appropriations	134.9	74.2		
<b>Total CBR Draw</b>	<b>(919.8)</b>	<b>74.2</b>		

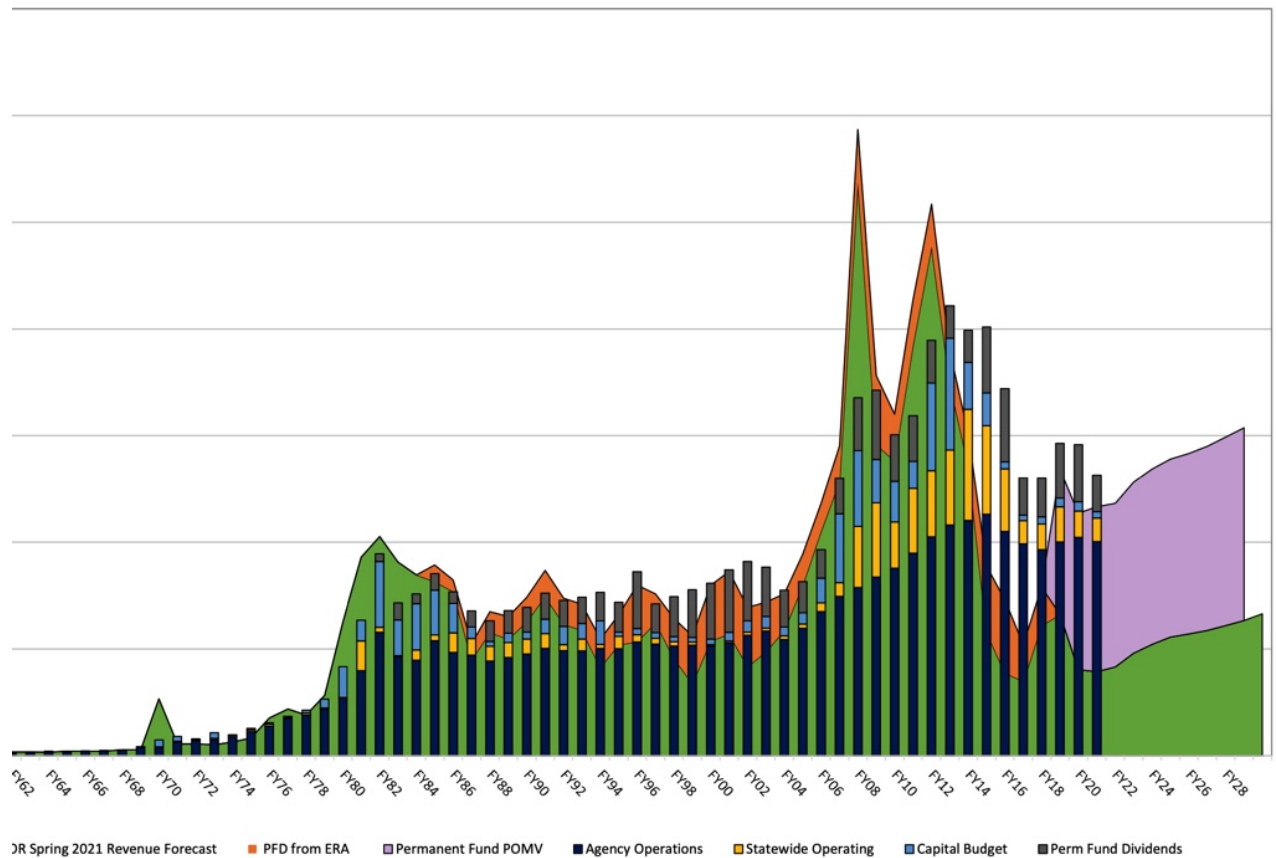
  

Reserve Balances (EOY)		
	FY21	FY22
<b>SBR</b>	410.7	0.0
<b>CBR</b>	1,009.1	1,133.8
<b>ERA</b>	16,340.7	14,899.0

October 1, 2021

\* In FY22 there is an appropriation to transfer \$4 billion from the Permanent Fund earnings reserve account to principal.

**Unrestricted General Fund Revenue / Budget History**  
(millions)



# BUDGET HISTORY

# CAPITAL BUDGET

FY2021 Authorized with Supplementals						FY2022 Enacted (including HB3003)					FY2021 to FY2022	
Revenues	UGF	DGF	Other	Federal	FY2021 Total	UGF	DGF	Other	Federal	FY2022 Total	UGF Change	UGF %
<b>Unrestricted Revenue</b>	<b>1,571.9</b>	-	-	-	<b>1,571.9</b>	<b>1,662.3</b>	-	-	-	<b>1,662.3</b>	<b>90.4</b>	<b>6%</b>
Petroleum	1,160.8	-	-	-	1,160.8	1,286.5	-	-	-	1,286.5	125.7	11%
Non-Petroleum	389.0	-	-	-	389.0	355.0	-	-	-	355.0	(34.0)	-9%
Investment	22.1	-	-	-	22.1	20.8	-	-	-	20.8	(1.3)	-6%
<b>POMV ERA Draw For Government</b>	<b>2,411.5</b>	-	-	-	<b>2,411.5</b>	<b>2,660.3</b>	-	-	-	<b>2,660.3</b>	<b>248.8</b>	<b>10%</b>
Statutory Draw	3,091.5	-	-	-	3,091.5	3,069.3	-	-	-	3,069.3		
Draw Used for PFDs	(680.0)	-	-	-	(680.0)	(409.0)	-	-	-	(409.0)		
<b>Restricted Revenue</b>	-	<b>924.7</b>	<b>880.9</b>	<b>6,621.9</b>	<b>8,427.5</b>	-	<b>948.7</b>	<b>794.5</b>	<b>5,042.7</b>	<b>6,785.9</b>		
<b>Carryforward and Adjustments</b>	<b>95.8</b>	<b>69.5</b>	<b>8.5</b>	<b>948.9</b>	<b>1,122.7</b>	<b>330.7</b>	-	-	-	<b>330.7</b>	<b>234.9</b>	<b>245%</b>
<b>Total Revenue</b>	<b>4,079.2</b>	<b>994.2</b>	<b>889.4</b>	<b>7,570.8</b>	<b>13,533.6</b>	<b>4,653.3</b>	<b>948.7</b>	<b>794.5</b>	<b>5,042.7</b>	<b>11,439.2</b>	<b>574.1</b>	<b>14%</b>
Expenditures	UGF	DGF	Other	Federal	FY2021 Total	UGF	DGF	Other	Federal	FY2022 Total	UGF Change	UGF %
<b>Total Operating</b>	<b>4,570.4</b>	<b>948.7</b>	<b>847.6</b>	<b>5,303.0</b>	<b>11,669.7</b>	<b>4,336.1</b>	<b>892.2</b>	<b>724.3</b>	<b>3,449.3</b>	<b>9,401.9</b>	<b>(234.3)</b>	<b>-5%</b>
<b>Agency Operations</b>	<b>4,016.4</b>	<b>809.4</b>	<b>766.2</b>	<b>4,027.6</b>	<b>9,619.7</b>	<b>3,907.5</b>	<b>747.6</b>	<b>673.1</b>	<b>3,304.1</b>	<b>8,632.3</b>	<b>(108.9)</b>	<b>-3%</b>
Appropriations	4,009.3	810.5	620.7	2,958.4	8,398.8	3,907.5	747.6	673.1	3,304.1	8,632.3	(101.8)	-3%
RPLs	-	-	-	-	-	-	-	-	-	-		
Supplementals	7.2	(1.0)	145.5	1,069.2	1,220.9	-	-	-	-	-		
<b>Statewide Operations</b>	<b>553.9</b>	<b>139.3</b>	<b>81.4</b>	<b>1,275.4</b>	<b>2,050.0</b>	<b>428.6</b>	<b>144.6</b>	<b>51.2</b>	<b>145.2</b>	<b>769.6</b>	<b>(125.3)</b>	<b>-23%</b>
Appropriations	506.7	133.8	98.9	111.0	850.3	428.6	144.6	51.2	145.2	769.6	(78.1)	-15%
RPLs	-	-	-	1,138.8	1,138.8	-	-	-	-	-		
Supplementals	47.2	5.5	(17.5)	25.7	61.0	-	-	-	-	-		
<b>Total Capital</b>	<b>136.0</b>	<b>45.5</b>	<b>41.7</b>	<b>2,267.8</b>	<b>2,491.0</b>	<b>242.9</b>	<b>56.4</b>	<b>70.2</b>	<b>1,593.5</b>	<b>1,963.0</b>	<b>106.9</b>	<b>79%</b>
Appropriations	120.3	25.2	37.4	1,901.6	2,084.5	242.9	56.4	70.2	1,593.5	1,963.0	122.6	102%
RPLs	-	-	0.3	41.9	42.2	-	-	-	-	-		
Supplementals	15.7	20.3	4.0	324.3	364.4	-	-	-	-	-		
<b>Total Appropriations</b>	<b>4,636.2</b>	<b>969.4</b>	<b>757.0</b>	<b>4,970.9</b>	<b>11,333.5</b>	<b>4,579.0</b>	<b>948.7</b>	<b>794.5</b>	<b>5,042.7</b>	<b>11,364.9</b>	<b>(57.3)</b>	<b>-1%</b>
<b>Total Supplementals and RPLs</b>	<b>70.1</b>	<b>24.7</b>	<b>132.4</b>	<b>2,599.9</b>	<b>2,827.2</b>	-	-	-	-	-		
<b>Final Budget</b>	<b>4,706.3</b>	<b>994.2</b>	<b>889.4</b>	<b>7,570.8</b>	<b>14,160.7</b>	<b>4,579.0</b>	<b>948.7</b>	<b>794.5</b>	<b>5,042.7</b>	<b>11,364.9</b>	<b>(127.4)</b>	<b>-3%</b>
Transfer to SBR	325.0	-	-	-	325.0	-	-	-	-	-		
<b>Surplus/(Deficit)</b>	<b>(952.1)</b>	-	-	-	<b>(952.1)</b>	<b>74.3</b>	-	-	-	<b>74.3</b>		
Reserve Balances					PFD per Alaskan							
<b>Statutory Budget Reserve</b>	<b>FY2021</b>		<b>FY2022</b>		<b>Constitutional Budget Reserve</b>	<b>FY2021</b>		<b>FY2022</b>		<b>FY2021</b>	<b>FY2022</b>	
Beginning Balance	0.0		460.0		Beginning Balance	1,435.0		599.9		\$992	\$1,100	
Deposits & Withdrawals	325.0		(410.7)		Earnings & Deposits	42.0		50.5				
Estimated Lapse Appropriation*	135.0		-		Lapse/Sweep to CBR	75.0		**				
End Balance	460.0		49.3		Surplus/(Deficit)	(952.1)		74.3				
					End	599.9		724.7				



# 2021 SPECIAL SESSIONS

## First Special Session, May 20 – June 18, 2021: 30 Days

**HB 69**, operating budget  
**HB 70 or SB 50**, capital budget  
**HB 71**, mental health budget  
**HB 72 or SB 52**, \$2 billion appropriation for PFDs  
**HJR 7 or SJR 6**, permanent fund & PFD constitutional amendment

## Second Special Session, June 23 – 28, 2021: 6 Days

**HB 69**, operating & capital budgets

## Third Special Session, Amended Calls, August 16 – September 14, 2021: 30 Days

**HJR 6, SJR 5**, constitutional spending limit  
**HJR 7, SJR 6**, permanent fund, PFD, & PCE constitutional amendment  
**Legislation to increase state revenues**  
**HB 3003/SB 3001, FY 22 appropriations, PFD**  
**SB 3006, telemedicine, telehealth**  
**HB 83/SB 67, multistate nurse licensure compact**

## Fourth Special Session, Starting October 4, 2021

Appropriations for a **supplemental 2021 PFD**  
**An act or acts relating to the PFD program**  
HJR 7, SJR 6, or similar measures relating to a **permanent fund constitutional amendment**  
HJR 6, SJR 5, or similar measures relating to a **constitutional spending limit**  
**An act or acts relating to [a fiscal plan] measures to increase state revenues**

# LONGEST LEGISLATIVE SESSIONS IN ALASKA HISTORY

- Regular sessions and special sessions

- **2021 – 217 days**

- 2017 – 211 days

- 2006 – 188 days

- 2019 – 180 days

- 1981 – 167 days

- 1983 – 162 days

- 1972 – 161 days; 1978 – 161 days

- 2015 – 157 days; 2016 – 157 days

- 1984 – 152 days; 2007 – 152 days

- 1996 – 151 days

- 2008 – 150 days

- 1980 – 148 days

- 1970 – 147 days

- 1982 – 144 days



## REOCCURRING CONCERNS

- Community Assistance
- School Bond Debt Reimbursement
- Reverse Sweep
- PERS/TERS Indebtedness
- Cost Shifting of Essential Services to Local Government
- Shared Taxes
- Permanent Fund Dividend Reduction or Elimination
- School Consolidation
- Alaska Marine Highway Systems
- Repeal of Debt Reimbursement for Capital Projects

## POWER COST EQUALIZATION (PCE)

“Anchorage Superior Court Judge Josie Garton’s order bars the administration from transferring the roughly \$1.1 billion endowment into the hard-to-access Constitutional Budget Reserve through the fund’s annual sweep provision, which requires previous withdrawals from the fund be repaid with money left over in the general fund”. . . . . Now what?

# NEW REVENUE FORECAST

Fiscal Year	Millions of Dollars		
	Preliminary Actuals	Preliminary Forecast	
	FY 2021	FY 2022	FY 2023
<b>Unrestricted Revenue Sources</b>			
<b>Unrestricted General Fund Revenue</b>			
1 Investment Revenue	3,120.9	3,090.1	3,389.0
2 Petroleum Revenue <sup>(1)</sup>	1,217.6	2,510.6	2,235.7
3 Non-Petroleum Revenue <sup>(1)</sup>	444.3	374.8	503.9
<b>4 Total Unrestricted General Fund Revenue</b>	<b>4,782.8</b>	<b>5,975.5</b>	<b>6,128.6</b>

**POSSIBLE  
CONSIDERATIONS –  
NEW REVENUES...  
AND THIS IS JUST ON  
THE HOUSE SIDE**

Bill	Short Title	Prime Sponsor(s)
<a href="#">HB 9</a>	INCOME TAX; PFD PAYMENT/CREDIT	REPRESENTATIVE HANNAN
<a href="#">HB 37</a>	INCOME TAX; PERMANENT FUND; EARNINGS RES.	REPRESENTATIVE WOOL
<a href="#">HB 64</a>	FISHERY DEVELOPMENT ASSOC.; ASSESSMENTS	REPRESENTATIVE STUTES
<a href="#">HB 80</a>	SPT FSH HATCHERY FACIL ACCT; SURCHARGE	HOUSE RULES BY REQUEST OF THE GOVERNOR
<a href="#">HB 81</a>	OIL/GAS LEASE:DNR MODIFY NET PROFIT SHARE	HOUSE RULES BY REQUEST OF THE GOVERNOR
<a href="#">HB 90</a>	VEHICLE RENTALS & VEHICLE RENTAL NETWORKS	REPRESENTATIVE WOOL
<a href="#">HB 104</a>	MOTOR FUEL TAX; VEHICLE REG. FEE	REPRESENTATIVE JOSEPHSON
<a href="#">HB 110</a>	AGE FOR NICOTINE/E-CIG; TAX E-CIG.	REPRESENTATIVE HANNAN
<a href="#">HB 121</a>	EDUC.TAX CREDIT: EMPLOYER CHILD CARE COST	REPRESENTATIVE FIELDS
<a href="#">HB 130</a>	CORP. TAX: REMOVE EXEMPTIONS/CREDITS	REPRESENTATIVE WOOL
<a href="#">HB 132</a>	SCHOOL APPRENTICESHIP PROGS; TAX CREDITS	HOUSE LABOR & COMMERCE
<a href="#">HB 133</a>	AK ED SAVINGS PROGRAMS/ELIGIBILITY	HOUSE LABOR & COMMERCE
<a href="#">HB 167</a>	GOLD AND SILVER SPECIE AS LEGAL TENDER	REPRESENTATIVE MCCABE
<a href="#">HB 188</a>	SEAFOOD PRODUCT DEVELOPMENT TAX CREDIT	REPRESENTATIVE STUTES
<a href="#">HB 189</a>	EMPLOYMENT TAX FOR EDUCATION	HOUSE WAYS & MEANS
<a href="#">HB 214</a>	INCOME TAX	HOUSE WAYS & MEANS
<a href="#">HB3005</a>	OIL AND GAS PRODUCTION TAX	REPRESENTATIVE TARR
<a href="#">HB3006</a>	STATE SALES AND USE TAX	REPRESENTATIVE TARR
<a href="#">HB3007</a>	OIL & GAS PER BARREL TAX CREDIT	HOUSE WAYS & MEANS
<a href="#">HB4002</a>	OIL & GAS PER BARREL TAX CREDIT	HOUSE WAYS & MEANS
<a href="#">HB4004</a>	OIL AND GAS PRODUCTION TAX	REPRESENTATIVE TARR

## ELECTIONS 2022

- Governor
- Senators
  - Depends on finalization of redistricting
- House of Representatives
  - All 40 seats up for election

## UNALASKA'S PROPOSED STATE PRIORITIES

- **Stabilization of Commercial Flight at Tom Madsen Airport**
- **Captains Bay Road and Utility Improvements Project**
- **Reliable and High-Speed Internet**
- **Robert Storrs Boat Harbor Improvements**
- **Environmental Remediation**
- **Unalaska Marine Center Cruise Ship Terminal**
- **LCD and UMC Dredging**
- **Solid Waste Gasifier**
- **Makushin Geothermal Interconnection Project**
- **Arctic Port Development in Unalaska**

QUESTIONS?

