



House Speaker Bryce Edgmon's *Legislative Update*



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March 30th, 2018

House Increases 2018 PFD to \$1600



Debate on the Operating Budget this week reached a new intensity when on Monday an amendment to fund the first full Permanent Fund Dividend in two years passed on the House floor.

The 21-to-19 vote in favor fragmented both the Minority and Majority caucuses and divided the House itself, splintering the consensus necessary to pass the Operating Budget over to the Senate.

Following days of effort to find the votes to pass the bill, it became clear that only a compromise could create a way forward.



Today, the House met again and agreed on a PFD of \$1600. That's \$500 larger than last year's dividend, but less than the amount that the statutory formula would have delivered.

As with most political compromises, this one does not leave me happy. But there are good arguments that the cap will reinforce the sustainability of the PFD program into the future, and the compromise ends an impasse that was preventing passage of a budget that includes funding for the education of our kids, the protection of our communities, and the healthcare of our loved ones.

This outcome may not be what I had wished, but I am confident that the events of this week have sent a strong message that we must bring a fairer approach to solutions for closing the fiscal gap.

Unalaska City School District Board President Tammy Fowler Pound had meetings at the Capitol this week.

My Vote on the Full Dividend

Although today's agreement resulted in the House's \$1600 PFD, on Monday I was among the "yes" votes for the full dividend. I would like to explain why.

It comes down to my conviction that the burden of fixing our budget problems should not fall unfairly upon the shoulders of rural Alaskans, the people who sent me to the Legislature.

PFDs in the past couple of years have been capped at between \$1022 and \$1100. The amounts discussed this year had ranged from about \$1100 in the Senate to \$1250 in the House. The full PFD, if paid out according to the statutory formula, would be in the neighborhood of \$2700.



Capping the PFD contributes to lessening the massive budget deficit the state has been running since 2015—a budget gap that remains at more than \$2 billion today.

However, the dividend cap can also be seen as a tax on Alaskans, and not a fair one. A limited PFD means every man, woman, and child in the state contributes the same amount toward essential services like schools, public safety, roads, and airports, even when some households can barely scrape by while others are making millions of dollars in income.

Economists call this inherent inequity “regressiveness.” In my view, a regressive tax unfairly burdens rural Alaskans in particular.

It has been a central principle for the Alaska House Majority Coalition that the capped dividend should be balanced—for fairness—with a modest progressive tax, one in which lower- and middle-income Alaskans pay a lower percentage of their income than wealthy Alaskans. Out-of-state people making money in Alaska would also contribute.

Last year, our caucus passed exactly such a bill over to the Senate. This measure would have brought fairness to the solution to our fiscal crisis while also diversifying state revenues to create a stronger foundation for healthy economies and a brighter future. However, the Senate rejected it outright.

All signs this year point to the Senate again ignoring any efforts to bring fairness to our budget solutions.

Ahead of Monday’s vote, my thoughts were with the people in the distant, often isolated rural communities I serve—towns and villages where many people depend on the PFD for basic necessities.

With my “yes” vote I hope I made it clear that when it comes to the unfairness of a “PFD-only” solution to the budget deficit, I stand with my HD 37 constituents.



Verner Wilson III,
formerly of
Dillingham,
with Speaker
Edgmon on
Tuesday in the
chambers.



Speaker Edgmon on Monday with school board members from Southwest Region School District, Bristol Bay Borough School District, and Dillingham City School District.



On Tuesday Speaker Edgmon met with additional board members from the Bristol Bay Borough School District, Dillingham City Schools, and the Lake & Peninsula School District.

On Deck Next Week...

Monday

HOUSE FINANCE Monday, April 2, 2018
1:30 PM

HB 268 - OPIOID PRESCRIPTION INFORMATION <public testimony>
HB 221 - WORKFORCE & ED RELATED STATISTICS PROGRAM <public testimony>
HB 400 - FEES FOR FIRE PREVENTION MEASURES <public testimony>

(S)FINANCE Standing Committee*

Apr 02 Monday 3:00 PM
Consideration of Governor's Appointees Regulatory Commission of Alaska:
- Dr. Antony Scott
HB 286 APPROP: OPERATING BUDGET/ LOANS/FUNDS; SB 216 SCHOOL FUNDING FOR CONSOLIDATED SCHOOLS; SB 104 EDUCATION CURRICULUM

Tuesday

(H)COMMUNITY & REGIONAL AFFAIRS

Apr 03 Tuesday 8:00 AM
Confirmation Hearings: Assessment Review Board; SJR 4 AK LEGALLY ACQUIRED IVORY USE EXEMPTION

(H)FINANCE Standing Committee*

Apr 03 Tuesday 10:00 AM

HB 197 COMMUNITY SEED LIBRARIES;
HB 277 BROADBAND INTERNET: NEUTRALITY/REGULATION; HB 41 JOINT PRIME SPONSORSHIP OF BILLS; HB 193 HEALTH CARE; BALANCE BILLING

(H)FISHERIES Special Committee*

Apr 03 Tuesday 10:00 AM
HB 199 FISH/WILDLIFE HABITAT PROTECTION; PERMITS

(H)FINANCE Standing Committee*

Apr 03 Tuesday 1:30 PM
HB 284 APPROP: CAPITAL BUDGET
HB 282 APPROP: CAPITAL BUDGET CONTINGENT ON TAX; HB 129 FISH & GAME: OFFENSES;LICENSES;PENALTIES; HB 240 PHARMACY BENEFITS MANAGERS

(S)COMMUNITY & REGIONAL AFFAIRS

Apr 03 Tuesday 3:30 PM
SB 215 ENHANCED 911:MULTI-LINE TELEPHONE SYSTEMS; HCR 19 GOVERNOR: AK NATIVE LANGUAGES EMERGENCY

Wednesday

(S)EDUCATION

Apr 04 Wednesday 8:00 AM
HB 102 LIMITED TEACHER CERTIFICATES; LANGUAGES

(H)JUDICIARY Standing Committee

Apr 04 Wednesday 1:00 PM
HB 387 AG SCHEDULE CONTROLLED SUBSTANCES; HB 367 NATIVE CORP. LIABILITY FOR CONTAMINATION

Thursday

(H)MISCELLANEOUS MEETING

Apr 05 Thursday 12:00 PM
Lunch & Learn: Improving the Safety, Permanency, & Well-Being of AK's Children

HOUSE FINANCE

Thursday, April 5, 2018 1:30 PM
HB 212 - REAA & SMALL MUNI SCHOOL DISTRICT FUND
HB 219 - CRIM HIST CHECK: ST EMPLOYEES/CONTRACTORS

Friday

(S)EDUCATION

Apr 06 Friday 8:00 AM
SB 188 TEACHERS: BOARD CERTIFICATION INCENTIVES

HOUSE FINANCE

Friday, April 6 1:30 p.m.
HB 231 - CFEC: BD. SALARY;STAFF CLASSIFIED SERVICE; HB 299 - EXTEND: ALCOHOLIC BEVERAGE CONTROL BOARD
HB 217 - RAW MILK SALES; FOOD EXEMPT FROM REGS
Bills Previously Heard or Scheduled

Keep in Contact

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