



It has been a busy few weeks in the Alaska Capitol! We voted on the Governor's appointments, passed some and continued work on other crime and public safety legislation, and today named members of a Conference Committee which will be tasked with reconciling the House and Senate Fiscal Year 2020 (FY20) budgets. We are working hard to get all items accomplished in time for adjournment on May 15, the 121st day of session.

OPERATING BUDGET

The Senate passed their version of the operating budget last week. The initial Senate Finance committee substitute (CS), which incorporated the work of the Senate budget subcommittees looked a great deal like the House budget. There was a larger cut to the Marine Highway, for instance, but also full funding of school bond debt reimbursement (instead of the 50% figure in the House's budget). In terms of deficit reduction, protecting savings, and how much of the statutory draw on the Earnings Reserve was left for dividends (without drawing on savings), the House and Senate budgets were effectively interchangeable, according to Legislative Finance Director David Teal in a presentation to the Senate Finance Committee.

After introducing the budget CS, however, the Senate Finance Committee passed a pair of unexpected amendments that made their budget look substantially different. First, they voted to move \$12 billion from the Earnings Reserve into the corpus of the Permanent Fund (where it cannot be touched without a constitutional amendment). Second, they included the full statutory dividend amount, which would be around \$3,000.

On the plus side, sweeping money into the principal of the fund would substantially protect the long-term value of the Permanent Fund by increasing the size of the constitutionally protected portion by more than 25%. It accomplishes this by largely draining the portion of the fund spendable by the legislature. Combined with this year's POMV draw of approximately \$3 billion, the balance of the spendable account (the Permanent Fund Earnings Reserve) would be drawn down to about \$3 billion remaining.

It has yet to be seen how the Senate will propose to fund the \$1.2 billion deficit that appeared when they added \$3,000 PFDs, as they have previously expressed a desire to avoid over-drawing the Earnings Reserve or further draining the Constitutional Budget Reserve; but the Legislature will need to find that \$1.2 billion by drawing on one or the other in order to fund the budget Passed by the Senate.

TRIBAL AFFAIRS COMMITTEE

Tribal Affairs held a joint committee with Community and Regional Affairs. We listened to presentations from those leading the 2020 Census. The Federal Government has not dedicated enough funds for the translation necessary for many of our indigenous language speakers. The House created a resolution urging the Federal Government to fund the Census at a level that will fully take into account the remoteness and uniqueness of our communities. We also unanimously supported and moved SB 78, establishing May 31 as Katie John Day.



Tribal Affairs Committee listens to public testimony regarding Missing and Murdered Indigenous Women. Art display in the backdrop by Amber Webb, who has family ties to Dillingham.

Last week, we heard heartfelt testimony when considering [HR 10](#) which is a resolution to support reauthorization of the Violence Against Women Act. Many called in or testified in-person to share their stories of marginalization as Native people. There was hardly a dry eye in the room as we listened to story after story of missing and murdered Alaska Native women. I couldn't have said it better than the co-chair of the Tribal Affairs Committee has stated, "Disproportionate rates of violence against Alaska Native and American Indian women, inadequate public safety resources that leave abusers unaccountable, and gaps in reporting nationwide contribute to normalizing violence against Indigenous women and recognize them as invisible. I will continue to work alongside tribes, community leaders and advocates, and our Congressional Delegation to find opportunities for solutions and partnerships within the state." Please help bring awareness to this issue by supporting HR 10 and/or by wearing red on Sunday, May 5 which is the [National Day of Awareness for Missing and Murdered Native Women and Girls](#).

FISHERIES

The committee heard and moved along House Resolution 8 which recognizes 2019 as the International Year of the Salmon. We also heard testimony and moved House Bill 116 which is a bill that makes it easier for aquatic farmers and hatcheries to renew their leases. Finally, we heard testimony on House Bill 65, which Governor Dunleavy introduced to cease the longstanding practice of sharing fish taxes with local governments. While today half of those revenues go to local governments and boroughs and frequently makes up a significant portion of their total revenues, under HB 65 100% of fish tax revenue would go to the State. This bill was held in Fisheries and we will continue the discussion next week.

ANCHORAGE MUSEUM: ALASKANS AND SALMON EXHIBIT

The Anchorage Museum opened a new exhibit, *Alaskans and Salmon*, during their First Friday celebration on May 3rd. The exhibit was produced in partnership between the museum and [The Salmon Project](#). The [Salmon Life stories](#) produced by The Salmon Project are the backbone of the exhibit. Bristol Bay (Aleknagik) resident Apayuq Moore is among the Alaskans featured in the exhibit's art. And it's exciting that museum admission will be free Friday and Saturday in celebration of the [North by North Festival!](#)



Representatives of the Central Bering Sea Fishermen's Association CDQ group visiting my office. I appreciate their and many other constituents' engagement on the Board of Fish nominations. From left: Joe Kashevarof, Jeffery Kauffman, Rep. Bryce Edgmon, Heather McCarty, and Phillip Lestenkof

HIGH COST OF EDUCATION

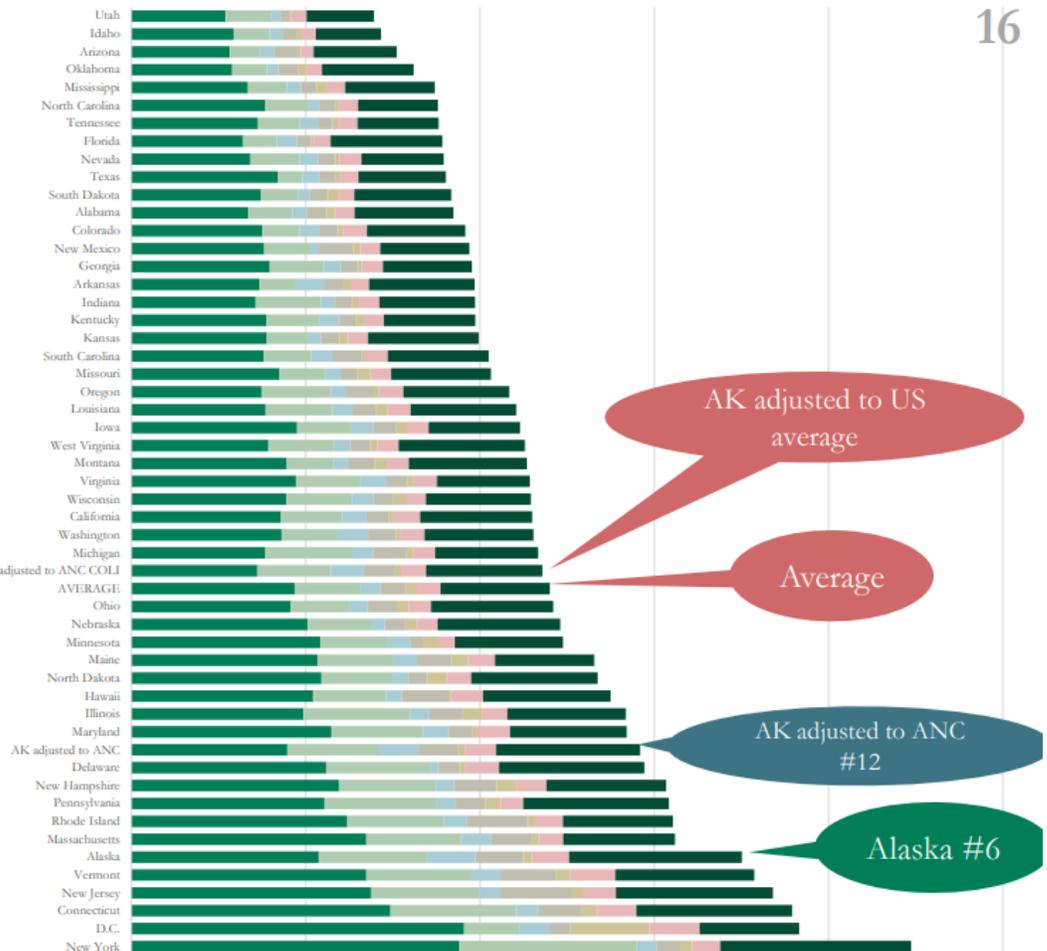
The Education committees recently heard a presentation to help members understand the contributing factors to Alaska's much discussed high cost of education.

It was interesting to hear that despite some of the rhetoric that has been popular lately, even without adjusting for size, population, or cost of living, Alaska does not pay the most per pupil in the country. In fact, four states and Washington D. C. all average more spending per student than Alaska does with no adjustments. Furthermore, if you adjust for the higher cost of living alone, Alaska averages less per pupil spending than the US average.

Alaska 2016 spending per pupil adjusted to US average living costs

- Instruction employee salaries
- Instruction employee benefits
- Instruction staff support
- Pupil support
- General admin.
- School admin.
- Other

Source: U.S. Census Bureau
2016 Annual Survey of
School System Finances



Once you layer in Alaska's disproportionately high healthcare costs (teacher and other staff healthcare plans make up a huge chunk of education spending), along with Alaska's large number of small and very remote schools (necessitated by our far flung population and constitutional responsibility to provide K-12 education) it becomes apparent that Alaska does have fairly expensive schools but it is not because of mismanagement or high administration costs.

We also learned that our high costs definitely don't come from particularly high per-pupil teacher salaries, as we actually pay teachers 23% below the national average once you adjust for the cost of living. This is turning into an increasingly pressing problem as there is a nationwide teacher shortage and Alaska doesn't produce nearly as many teachers as we need, so we necessarily compete in the national market to attract teachers to Alaska. The resulting difficulty recruiting and retaining teachers is one of several major contributing factors to school performance, as Alaska schools with high staff turnover perform worse.

ON DECK FOR ~~NEXT~~ THIS WEEK

HOUSE COMMITTEES

For a full list of bills with public testimony opportunities, visit <http://akleg.gov/pages/testify.php>. To sign-up for public testimony, contact your [local LIO](#), or call 907-465-4648.

Monday, May 6

8:30 AM	H. & S. Education	Presentation: University of Alaska Teacher Education
9:00 AM	Finance	HB 75: Internet for Schools

Tuesday, May 7

8:00 AM	Comm. & Reg. Affairs	HB 69: Repeal AK Public Broadcasting Commission
8:30 AM	Tribal Affairs	State and Tribal Consultation Opportunities
10:00 AM	Fisheries	HB 99: Nuyakuk Falls Hydroelectric Site
3:00 PM	State Affairs	Governor's 3 Constitutional Amendments: Voter Approval of New Revenue, Permanent Fund Dividends, and an Appropriation Limit

Wednesday, May 8

1:00 PM	Judiciary	HB 142: Native Organizations, VPSO & TANF Programs
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Thursday, May 9

11:15 AM	Joint Armed Services	Presentations from Alaska Military Branches
3:00 PM	State Affairs	Dept. of Public Safety: Missing and Murdered Indigenous Women
3:00 PM	Health & Social Svcs.	Presentation: Substance Abuse Treatment System

SENATE COMMITTEES

The Senate has not scheduled many committee meetings next week and seem to be winding down towards adjournment. With the budget conference committees appointed, the public notice requirements are reduced by what is called the "24-hour rule" which gives the Legislature the flexibility to schedule any committee meetings that become necessary as late as the night before. Daily updated schedules can be found at:

<http://akleg.gov/index.php#tab2>

Monday, May 6

9:00 AM	Finance	HB 106: School Bond Debt Reimbursement Moratorium
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