



House Speaker Bryce Edgmon's *Legislative Update*



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House and Senate Pass Compromise Budget, Preventing Government Shutdown



Last night, both the House and the Senate agreed on a package of funding compromises for the Operating Budget following weeks of negotiations. The primary catalyst for the success of our recent talks was lawmakers' shared determination to avoid the government shutdown that would have occurred if we had failed to pass the budget by July 1st.

A lot was at stake. The possible disruption to commercial fisheries management alone could have been catastrophic to harvesters and processors alike, since pulling biologists and techs out of the field would have led to indefinite closures. Licensing, titling, and permitting offices across the state would have been shuttered, bringing a halt to transactions for individuals and businesses on such a level that our already challenged economy would have been further stressed. Thousands of state workers, and in turn private sector workers, would have had their lives turned upside down—financially and otherwise—due to their sudden layoffs.



Speaker Edgmon during Thursday night's floor session with, left, House Minority Whip Mike Chenault (R-Nikiski) and, center, House Majority Leader Chris Tuck (D-Anchorage).

The final budget agreement was a model compromise, in that neither side in the negotiations was entirely happy with the outcome. A highlight from the perspective of the House Majority Coalition was the reversal of the Senate's almost \$70 million cut to K-12 education. As a result, our public schools for Fiscal Year 18 will be fully funded at the same level as this year.

Cuts to the Department of Fish & Game budget were relatively small, with the goal of preserving management and research in the field to ensure as much opportunity for fishing as possible. In the end, the reductions the House and Senate agreed on for ADF&G were less than the cuts outlined by the governor in the budget he put forward last December.

A \$22 million cut to the University of Alaska, proposed by the Senate, was reduced

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to \$8 million. The Senate's cut of \$5 million to Pioneer Homes was eliminated entirely, and other Senate reductions to Health and Social Services were significantly lessened.

Our negotiations on this year's Permanent Fund Dividend resulted in a \$1100 payout. This met more or less in the middle between the \$1000 put forward by the Senate and the \$1250 we in the House were shooting for.

Although everyone here is relieved that we averted a shutdown, we in the House Majority Coalition are very concerned that the job of putting Alaska's finances back on an even keel is not yet done. We still need to pass a Capital Budget, which will pull in more than \$1 billion in federal funding for infrastructure projects. And in order make our economy stable and sustainable for the long term, we still need to put in place a fair and comprehensive fiscal plan.

Following passage of the Operating Budget last night, Governor Walker immediately supplemented his special session proclamation by adding HB111—the oil and gas tax credit reform bill—to the session. Other elements of a robust fiscal plan include a restructuring of the Permanent Fund to provide a secure framework for using some earnings to fund essential services, and instituting broad based revenues to better diversify the state's income and to preserve the quality of the programs and services the state provides.



Speaker Edgmon and Senate President Pete Kelly (R-Fairbanks) during a joint session held in April. Also pictured, in the foreground, House Chief Clerk Crys Jones, left, and Senate Secretary Liz Clark, right.

I'll admit that after 158 days of session work, many of us here are dog-tired and in need of time with our families and in our communities. It is difficult today to predict what more we will accomplish in the three weeks left in the second special session. However, I can tell you that whether it be in the coming days or in a session that may occur in September or October, we intend to work as effectively as possible with the Senate to finish the job.

I believe that the recent spirit of cooperation and bipartisanship that allowed us to agree on the Operating Budget was a very positive

step forward. It showed what we can accomplish together when we just roll up our sleeves and focus on practicalities. The problems still facing the state are really just simple practical challenges, and we have all the tools at hand to solve them. I am looking forward to better collaboration to ensure Alaska's best days are still ahead.

In the meantime, I hope everyone in District 37 is having a great, busy, and profitable summer season.

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