



**Capitol Report for March 18, 2019**  
**by**  
**Senator Gary Stevens**

Hello from Juneau. With the legislature now in its third month, it is a very active time in the Capitol. While committees debate legislation and consider other matters, most conversations are about the Fiscal Year 2020 budget and the effects it will have throughout the state. I have attended several Senate Finance Committee hearings on the budget with members of the governor's administration and the legislature's finance experts. These meetings are both informative and valuable as we move forward in the process.

The legislature will likely approve the budget by mid-May. When he receives the budget, the governor will not be able to add funds to it, but he does have line-item veto authority. This makes it critical that legislative leaders work with the governor on what spending level he believes is acceptable before the budget is sent to him.

One of the key issues in the budget is the Permanent Fund Dividend (PFD) payment for this year. The governor is proposing cutting \$1.6 billion in FY '20 to balance the budget, while paying eligible Alaskans \$3,000 dividends and shifting many costs to cities and boroughs. The estimated cost of paying a full PFDs is \$1.9 billion.

While there will be some budget reductions, it is unlikely they will be as drastic the governor's proposal. In the end, I believe a compromise will be found somewhere between cutting services and the full PFD.

How we reach that point may depend upon an idea gaining traction in the Senate: a stepdown plan that would put funding reductions in place more gradually over the new few years, rather than all in one fiscal year. This gentler approach will give Alaskans time to adjust to reductions and will likely be more palatable to legislators.

### **New Taxes Not in the Current Plans**

Throughout the session, I have had numerous conversations with constituents who support reinstating a state income tax. These individuals note an income tax offers a way of capturing revenue from out-of-state residents who earn money here but spend it elsewhere. With neither the governor nor a majority of legislators supporting it, an income tax will not pass this year. Likewise, the legislature is not likely to institute a statewide sales tax or revisit the oil tax structure this year.

## **Your Thoughts on the Budget**

Thank you to all who have written and called me about the budget. I appreciate hearing your thoughts on it and the many other matters coming before the legislature.

If your time allows, please add your input to the record during the Finance Committees' public testimony periods on the budget. Please contact the Legislative Information Office near you for information on the Senate and House Finance Committees' schedules. You can find information online at: <http://akleg.gov/index.php>

## **Update on Personnel Legislation**

Senate Bill 22 passed out of the Senate Resources Committee on Monday, February 11th. The bill is awaiting a hearing by the Senate Finance Committee. Passage of the bill will allow large-scale enhancement projects for shellfish. Currently, all such projects are permitted under a research permit and are of limited size and scope.

Senate Bill 53 had its first hearing by the Senate Finance Committee on Wednesday, March 13th. The bill asks the University of Alaska Board of Regents to present a twice-yearly report to the legislature on the state of the national, regional, and programmatic accreditation status of the university. Senate Bill 53 also asks the Regents to report in detail the efforts the university has made to achieve and maintain accreditation, as well as alerting us to any problems on the horizon.

SB 53 is awaiting a second hearing by the Senate Finance Committee.

The Senate Labor and Commerce Committee passed SB 61 on Tuesday, March 5th. The bill would allow the Commercial Fishermen's Fund (CFF) to pay the full deductible, up to \$5,000, when a claim for benefits is made to both the CFF and private Protection and Indemnity policy insurance.

The CFF was created in 1951 to provide for the care of sick and disabled fishermen working in Alaska's fishing fleet.

For more information on these bills and any of my personal legislation, please contact my office.

## **PFD Application Deadline Approaching**

The 2019 Permanent Fund Dividend application period ends Sunday, March 31st. You can apply online through the PFD Division's website at [www.pfd.alaska.gov](http://www.pfd.alaska.gov). If you are applying by mail, I highly encourage you to send your application by certified mail and request a return receipt for your records.

## **Anchor Point and Homer Meetings**

Thanks to all who took time out of their days to join me for public meetings in Anchor Point and Homer on Friday, March 15th. It is always great to visit with you and hear your concerns in person. Thanks also to the staff of the Alaska Islands and Ocean Visitors Center in Homer, and the Chapman School in Anchor Point for allowing us the use of their facilities.

I will be in Kodiak to talk about the budget at a Town Hall Meeting sponsored by the Kodiak Chamber of Commerce on Saturday, March 30th. The event takes place at the Afognak Center on Near Island and begins at 2 pm.

As time allows, I hope to get other District P communities for constituent meetings before session's end. If your travel plans include Juneau while the legislature is in session, please call my office at 486-4925 or toll free at 1-800-821-4925 so we can find a time to meet.