

Key Legislative Issues & Bill Review

**Norm Wooten
Feb. 12, 2017**



**Association of Alaska School Boards
Advocates for Alaska's Youth**

Fiscal Gap

- New House Majority organized around the desire to bridge the fiscal gap facing state government.
- House “bridge” includes possible tax increases and use of Permanent Fund earnings.



House Speaker Bryce Edgmon



Fiscal Gap



Senate President Pete Kelly

- Senate agrees on need to bridge fiscal gap, but departs from House on tax increases as one tool.
- Searching for additional large budget cuts and agreement on use of Permanent Fund earnings.



Fiscal Gap



Gov. Bill Walker

- Governor proposes \$5 billion budget (including \$700 million for PFD) for FY 2018, drawing on:
- \$1.6 billion in recurring revenue
- \$2.5 billion in Permanent Fund earnings
- \$40 million in increased motor fuel taxes
- Narrows fiscal gap to \$892 million in FY 18



K-12 Education

- Foundation Formula funded at \$1.2 billion, including restoration of \$40 million reduced in student transportation and debt reimbursement last year.
- Governor proposes examining “systemic changes” to education & health budgets in 2018.





ALASKA'S *Education* CHALLENGE

“Alaska faces obstacles to student achievement unlike those that exist in any other state in the nation. Alaska’s Education Challenge is to address our student achievement gaps and increase our graduation rates by making sure that every student across our state has equal opportunities to learn and succeed.”

From EED Website announcing series of public hearings in 2017 on K-12 education.



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What Happens in Meantime?

- House of Representatives includes 12 new members and new majority organization.
- Search for balanced budget compromise could extend into June again.
- Would no cut to K-12 be a win?
- Senate majority includes 3 new members but majority organization is essentially unchanged.
- Search for large budget reductions could extend into K-12 education again:
 - PERS-TRS
 - Pupil Transportation
 - Bond debt reimbursement
 - BSA



Retirement Incentive

HB 11

- Retirement Incentive Program for public employees & teachers:
- Allows employers discretion to offer early retirement to employees who are 50 or older; includes use of accrued leave benefits to offset cost of defined benefit retirement.
- *(Status: House State Affairs Committee).*



Rep. Scott Kawasaki, D-Fairbanks



Pre-K Education

HB 52



Rep. Scott Kawasaki, D-Fairbanks

- Redefines elementary schools to include 3-year-olds.
- Fiscal note estimates 5,500 3 & 4 year old students in Alaska.
- Estimated cost: \$51 million/year added to foundation program.
- *Status: House Education Committee*



Reading Proficiency HB 64

- **Creates task force of legislators and educators to recommend reading proficiency programs.**
- **Report back in 2018.**
- **Also see SB 27 (Dunleavy)**
- *Status: House Education Committee*



**Rep. Harriet Drummond, D-
Anchorage**



Limited Teacher Certifications HB 102



**Rep. Jonathan Kreiss-
Tomkins, D-Sittka**

- Expands limited teacher certification program to include Alaska Native language instruction.
- *Status: House Education Committee*



Tax for School Facilities

SB 12

- Establishes employment tax on all wage-earners.
- Graduated from \$50 to \$500 per year, based on size of income.
- Funds to be segregated in treasury for appropriation by Legislature. (Intent is for use in school maintenance).
- *Status: Senate Labor & Commerce Committee*



**Sen. Click Bishop, R-
Fairbanks**

