

## May Monthly Report.

From: Chris Hladick, City Lobbyist

Date: June 2, 2022

To: Mayor and City Council

Greetings:

On the 18<sup>th</sup> of May HB 281 passed both houses of the Alaska State Legislature. The bill included operating, capital and supplemental budgets. The Legislature adjourned on time this year; a remarkable feat given the last couple of sessions going overtime multiple times. The budget was built upon an estimate of \$101 per barrel for oil. If oil does not stay at that level the budget could be in serious trouble of eating up reserves. This is a huge gamble on the part of the legislature that oil prices will stay high. Projected money is not money in hand.....

The legislature has not had a capital budget in many years. The deferred maintenance that has built up around the state is unfortunately impressive. It was decided that the finance committees would use school deferred maintenance projects to help catch up rather than create capital budget that would become a Christmas Tree where municipalities would create feeding frenzy. They were not entirely successful.

In the final week of the session the Senate process went off the rails so to speak with amendments for capital being included in the final version of the bill that increased the permanent fund and added capital project money for Nome and Anchorage projects which was ultimately approved. Nome got \$175 million and Anchorage \$200 million. This was quite a coup to get this money included in the budget. The Senate version passed on a 10 to 9 vote when Senator Von Imhoff was not present in Juneau. The bill went to the House where there was a concerted effort to pass the budget as it arrived from the Senate. Ultimately the House settled on a more constrained version, and it went to conference committee (three senators and three representatives) to work out the differences.

The following is a synopsis from a high level:

- \$106 million in savings added to the corpus of the Permanent fund
- \$121 million to reimburse communities for school bond debt funding
- \$38.9 million to replenish the Community Assistance Fund
- \$84 million to repay money owed to REAAs
- A \$60 million one-time increase for K-12 education funding
- Funding for a 50/50 PFD that would amount to \$2,500, which is a similar amount to the House's combined PFD and energy relief proposal
- Power Cost Equalization increases from 500 kWh a month to 750 kWh per month for eligibility

So the bottom line is that Dillingham did not receive funding for the float replacement project. I think it would be best to have representative Edgmon talk to the council about what happened and talk about next year.

My advice for next year is to make a concerted effort to educate the legislature on all things Dillingham. If receptions become reality in Juneau come January of 2023 the City should join with other entities in Dillingham to put on a reception to publicize the community and highlight the city's projects. I think this would pay huge dividends in the end. It would be great to get Bryce's input on this idea.

### **Harbor Float replacement update:**

I am continuing to work on grant opportunities for this project.

1. MARAD: United States Maritime Administration grants. PIPD or Port Infrastructure Development Grants. PN&D has completed the \$11.25 million grant request which includes the floats, utilities, bulkhead repair, and site preparation for the lease lots. The grant was submitted May 16, 2022. We should hear back this Fall whether or not the City of Dillingham is awarded funding.
2. Denali Commission: A request for \$2 million was submitted to the Denali Commission. The request is for matching funds required in the MARAD grant
3. State of Alaska ADOT Ports and Harbors grant. No changes from the last report. The NOFO comes out soon, as previously stated this is a 50/50 match and would only fund the floats or \$5 million. That means the city must come up with \$2.5 million in matching funds. The City would need to seek alternative funding for the utilities. Research needs to be done on the availability of funds from RDA for Harbor utilities.
4. Direct Federal Appropriation: We have requested funding for the Harbor Floats via the portal in Senator Murkowski's office. It is possible to receive this funding via an ear mark which is now called congressionally directed funding (or something close). Will continue to work this issue with Murkowski's office as well.
5. Snag Point Erosion: We have submitted a request for \$36 million to Senator Murkowski's office to construct 2,400 feet of revetment using local rock to protect Snag Point and the sewage lagoon. Robert and I have been working to finalize the wording on the request.

Other projects:

**Corps of Engineers:** There is a backlog of projects nationwide. It's likely that the Corps is not going to pick up a project where the city cannot come up with the match. I have had discussions with staff in Murkowski's office about the problem of matching fund requirements because it's a problem nationwide not just in Alaska. Having matching funds makes the project competitive and thus more likely to get the Corps attention.

**Outer Breakwater at the Harbor:** I am working to identify where the match requirement would come from or approximately \$8 million dollars. Federal dollars cannot be used to match federal grants. However, if Senator Murkowski could get funding into a maintenance budget there might be a chance to get the match requirement taken care of. Abby Lyons is the Murkowski staffer I am working with on this project.

**EOC:** for Lake Road Firehall. Mark Lynch put in for a grant for this project. I have not heard whether it has been funded.

**Fire/EMS/Police station:** The request for \$500,000 would provide for engineering/architectural services to pick this project up and develop a practical alternative for the project. I looked at EDA for this project, but job creation is a high priority which improves the chances of grant award. The more jobs created the more likely the project moves forward. This project will not create new jobs other than some construction jobs but no long-term new jobs.

**Bills of interest:**

Education wins big this year. Forward funding in the amount of \$1 Billion dollars for K-12. Just a small increase to the BSA or Base Student Allocation

SB20 teacher license reciprocity passed.

SB 34 tribal school compacts for five school districts passed.

SB177 and HB299 allows nuclear energy to be included in clean energy goals for Railbelt utilities. There has been lots of talk about small nuclear powerplants but in all the discussions I never heard how much it was going to cost. It is my understanding that a plant would have to be constructed at the Idaho National Laboratory and tested prior to permitting for public use. Maybe the Airforce can get around this requirement but not small utilities.

HB277 financing for commercial building energy improvements

Alaska ADEC bid for primacy regarding assumption of the 404 program failed to receive appropriation other than a \$1 million dollar advance to study what it would take to operate. However, the conference committee did fund state primacy for the federal Resource Conservation and Recovery Act so ADEC will be regulating hazardous and solid waste

HB 411 Municipal tax exemptions and deferrals on economic development properties. Passed house

SB 172: increases residential property exemption from \$50,000 to \$75,000 for municipalities. Did not pass

SB 178: Absentee ballots include option for voter to receive by mail. Did not pass

SB 33: Seafood Product development tax incentives extended. Await transmittal to Gov for sign.

HB 131: Recall petitions must be filed within 365 days of certification by the clerk. Passed

HB 190: Recall of Public Officials, money fund-raised for the recall must be used for recall. Passed

HB 244: Annexation: must be approved by 2/3rds of votes cast by voters residing in the area to be annexed. Did not pass

HB 225: Exempting Seniors from the first \$150,000 in valuation of real property for 65-year-old residents or 60 year old widows. Did not pass

HB74: allowing AHFC (Alaska Housing and Finance Corporation) to bond for water, sewer, highway and aviation projects. Did not pass

HB 75: PERS to charge rate of 22% of base salaries. Did not pass.

HB 371: Broadband equalization, sets up mechanism to equalize broadband cost across the state. Did not pass.

HB 137: Motor Vehicle offices can't close in communities over 850 people. Did not pass.

HB 260: 50/50 POMV for PFD. Did not pass.

HB 281: appropriations budget bill and capital. Passed.

HB 350: School Bond debt reimbursement, returns to original split for bond payments from city. Did not pass.

HB 166: One license plate per vehicle. Did not pass.

HB 171: PFAS. Did not pass.

HB 393: Fishery landing tax surcharge, taxes fisheries businesses .06 cents per pound but provides for exemption if owner is in state of Alaska. Did not pass.

HB 309: APOC Campaign contribution reporting. Did not pass.

HB 376: Strategic Planning required of state agencies. Did not pass.

HB 284: Supplemental Budget

HB 285: GO Bonds for infrastructure. Did not pass.

HB 66: Elections voting ballots. Did not pass.

HB 141: Appropriations. Did not pass.

HB 16: Search and Rescue surplus state property. Did not pass.

HB 188: Seafood product development tax credit. Did not pass.

HB 378: Municipal property tax assessments. Did not pass.

HB 367: Planning Commission appointments. Did not pass.

HB 225: Municipal property tax senior exemption. Did not pass.

HB 50: Municipal regulation of trapping. Did not pass

HB 256: Law enforcement registry use of force, Police Standards council to give yearly report to legislature. Did not pass.

HB 270: Prohibit Police officer shoot at moving vehicle. Did not pass.

HB 381: Repeal ballot measure 2, ranked choice voting. Did not pass.

HB 123: State recognition of Tribes. Transmit to Gov for signature.

SB 119: Oath of office requires public officials to read the State and Federal constitutions and read the declaration of independence. Did not pass.

Any questions don't hesitate to give a call