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City of Unalaska Legislative Report **2/8/25**

This week's legislative updates highlight several crucial discussions and proposals regarding education funding, construction industry challenges, natural gas supply issues, and the Governor's supplemental budget.

Negotiations over education funding have become a central focus, with legislative representatives from both the House and Senate collaborating with the Governor's office to reconcile various proposals. The Governor's bills ([HB 76/SB 82](#)) propose increases in funding for teacher bonuses, correspondence, and technical education (CTE). However, they do not change the existing formula funding levels, which would remain at their current state.

Other proposed legislation includes Representative Himschoot's [HB 69](#), which directly addresses the Base Student Allocation (BSA) by proposing an increase of \$1,080 over the next three years. It also introduces a mechanism for adjusting this amount for inflation in subsequent years, which could provide more stability for funding in the future.

Senator Claman's [SB 46](#), in a contrasting approach, seeks to eliminate the BSA entirely and requires the Legislature and Governor to set education funding on an annual basis, which could lead to more flexible but potentially less stable funding frameworks. The ability to find a consensus among these divergent proposals remains uncertain as discussions progress.

The Associated General Contractors of Alaska expressed significant concerns during hearings in both the House and Senate Transportation Committees concerning the expected downturn in the 2025 construction season. Key points included, Alaska contractors reporting a staggering 50-90% decrease in their Department of Transportation (DOT) project portfolios compared to the previous year. Delays in the Statewide Transportation Investment Plan (STIP) and the postponement of project delivery will result in substantial job losses statewide.

For those interested in detailed discussions, recordings of the House and Senate Transportation Committee hearings are available [here](#).

Critical discussions in the House Energy Committee revolved around looming natural gas shortages in Cook Inlet. Of major significance, Harvest Midstream, a subsidiary of Hilcorp, announced its acquisition of an unused natural gas export terminal from Marathon Petroleum, with projections to supply natural gas by 2028.

Concurrently, Enstar is collaborating with Glenfarne Energy Transition to develop an import facility on the Kenai Peninsula, expected to become operational by 2031.

Both initiatives highlight attempts to bridge the gap in gas supply while working towards long-term solutions in Alaska's energy landscape.

In financial matters, the House and Senate Finance Committees delved into the Governor's budget proposals in addition to the release of his FY25 Supplemental Budget.



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Key details include, a proposed \$459.7 million in funding aimed at continuing essential operations, covering areas like disaster response, medical assistance, legal fees, and correctional facilities. The passing of this supplemental budget requires a three-quarter vote from both the House and Senate, emphasizing the need for bipartisan support.

As legislative discussions evolve on critical issues such as education funding, infrastructure support, energy supply, and budgetary allocations, the coming weeks will be pivotal in determining the future landscape for Alaska's legislative priorities. Stakeholders are urged to stay engaged and informed as negotiations continue and decisions impact various sectors across the state.

Upcoming Schedule

Description	Date, Time & Location
ADAMS 519 -HOUSE FINANCE -- Testimony -- *+ HB78 RETIREMENT SYSTEMS; DEFINED BENEFIT OPT. TELECONFERENCED + Bills Previously Heard/Scheduled TELECONFERENCED	Mon 2/10/25 1:30 PM
GRUENBERG 120 -HOUSE FISHERIES += HB60 PROCURE PREF: AGRIC. & FISH PRODUCTS TELECONFERENCED += HB31 VESSELS: REGISTRATION/DERELICT FUND TELECONFERENCED -- Public Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCED	Tue 2/11/25 10:00 AM
ADAMS 519 -HOUSE FINANCE += HB78 RETIREMENT SYSTEMS; DEFINED BENEFIT OPT. TELECONFERENCED -- Testimony -- Dr. Teresa Ghilarducci + Bills Previously Heard/Scheduled TELECONFERENCED	Tue 2/11/25 1:30 PM

Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
HB 13	Municipal Property Tax Exemptions	GRAY	(H) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (1/22)	
HB 18	Vehicles/boats: Transfer On Death Title	RAUSCHER	(H) TRANSPORTATION at 01:00 PM BARNES 124 (2/13) 02/13/25 1:00 PM in BARNES 124	



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HB 26	Statewide Public & Community Transit Plan	MINA	(H) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (1/22)	
HB 31	Vessels: Registration/derelict Fund	STUTES	(H) -- Public Testimony -- (2/11) 02/11/25 10:00 AM in GRUENBERG 120	
SB 10	Paid Family Leave/wage Replacement Insur.	DUNBAR	(S) REFERRED TO LABOR & COMMERCE (1/22)	