



Alaska State Legislature

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Serving West Anchorage

May 2023 Community Council Update

Senate Budget Update — Last month, the Senate Finance Committee introduced a committee substitute (CS) for the state's operating budget, [House Bill 39](#), and capital budget, [Senate Bill 41](#). The CS provides for a 75/25 split of the percent of market value draw from the Permanent Fund Earnings Reserve. 75 percent of the split covers the state budget, including public safety, public education, and public health. 25 percent goes toward a dividend of roughly \$1,300 per resident. This budget is based on a spring revenue forecast of an average of \$73 per barrel for oil in fiscal year 2024. The surplus expected with the CS is approximately \$90 million. This surplus is intended to insulate the budget from negative changes in the projected oil revenue.

Education advocates have been staunch in their support for a raise in education funding this year. After years of maintaining flat funding for education, school districts across the state cannot keep up with the rise in inflation while maintaining our schools' basic functions. The Senate operating budget CS includes an increase to education funding of approximately \$174 million, which is a \$680 increase in the base student allocation formula per student.

The Senate capital budget CS includes approximately \$30 million for major school maintenance and \$32 million for the University of Alaska capital needs. This budget captures as many federal funds possible by providing "matches" to projects when possible.

Pension Plan Legislation — [Senate Bill 88](#) would establish an improved retirement system for public employees and teachers. The legislation would create a new pension system for public employees and teachers and provide an option for current Tier IV employees to convert their defined contribution plan to the new pension (defined benefit) system.

SB 88 has been reviewed thoroughly in the Senate Labor and Commerce Committee. The committee considered and adopted an updated CS. The CS includes new sections about teachers electing to participate in the defined benefit retirement plan created by the legislation. The bill will now be considered in Senate Finance.

Senate Passes Expanded Coverage for New Mothers — Last month, the Senate passed [Senate Bill 58](#), legislation that extends postpartum Medicaid coverage for new mothers from 60 days to 12 months.

Postpartum coverage for new mothers reduces maternal mortality rates and allows for better support for mothers dealing with postpartum depression. Improved health for mothers is directly correlated to increased care and better health for infants and children. This change was recommended by the Alaska Maternal Child Death Review Committee in 2018. In 2020, the American Rescue Plan Act added the option for states to extend postpartum coverage from 60 days to 12 months for eligible beneficiaries for a temporary period. The 2023 Consolidated Appropriations Act made the extension option permanent.