



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Law

CIVIL DIVISION

P.O. Box 110300  
Juneau, Alaska 99811  
Main: 907.465.3600  
Fax: 907.465.2520

April 11, 2025

The Honorable Neal Foster  
Co-Chair, House Finance Committee  
Alaska State Capitol, Room 511  
Juneau, AK 99801

The Honorable Andrew Josephson  
Co-Chair, House Finance Committee  
Alaska State Capitol, Room 505  
Juneau, AK 99801

The Honorable Calvin Schrage  
Co-Chair, House Finance Committee  
Alaska State Capitol, Room 410  
Juneau, AK 99801

Dear Co-Chairs Foster, Josephson, and Schrage:

In light of the House Finance Committee's discussion in its hearing on April 1, 2025, regarding statehood defense funding and the committee's adoption of amendment 66 to HB 53, eliminating the \$500.0<sup>1</sup> temporary increment for statehood defense, I would like to take this opportunity to clarify my testimony before the subcommittee, which I hope will assist legislators in continuing to formulate the budget for FY2026.

**I. Recent Statehood Defense Appropriations**

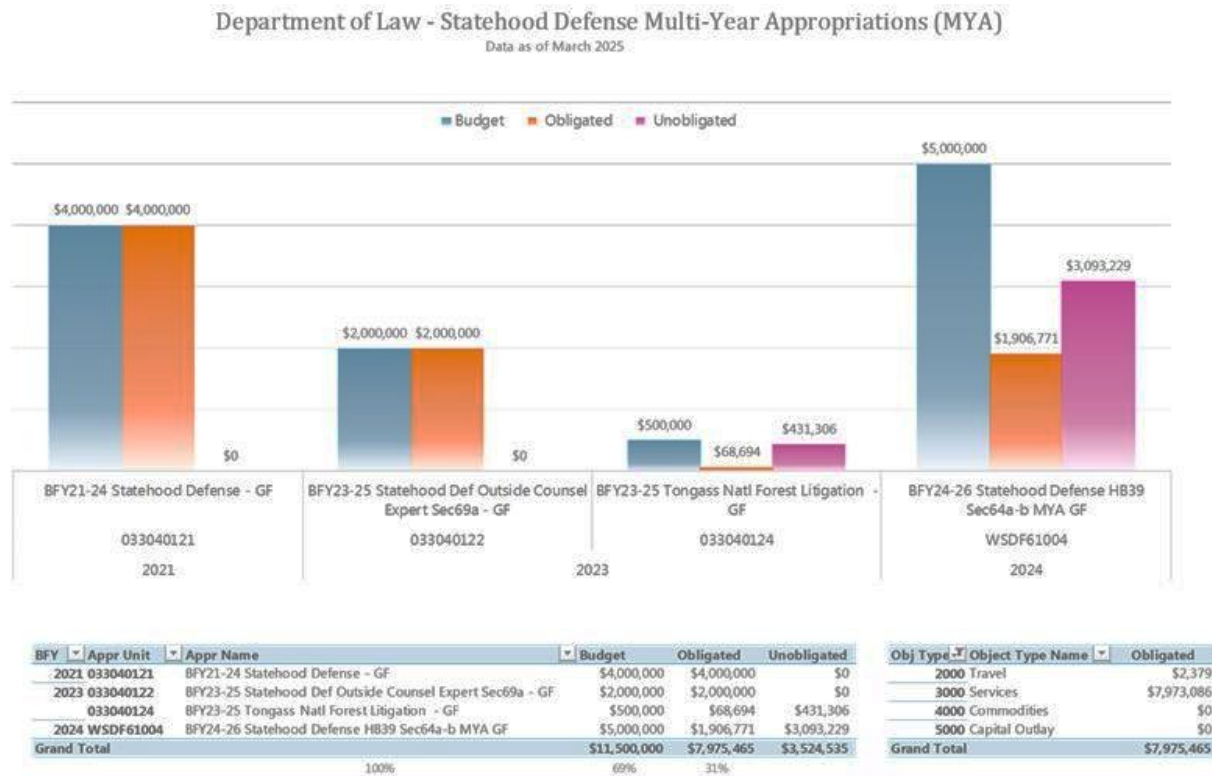
Since FY2021, the legislature has appropriated \$11,500.0 for statehood defense through four successive multi-year appropriations:

- \$4,000.0 FY2021 – 2024
- \$2,000.0 FY2023 – 2025
- \$500.0 FY2023 – 2025 (Tongass National Forest litigation)
- \$5,000.0 FY2024 – 2026

To date, the Department of Law has obligated \$7,975.5 of the statehood defense funds appropriated since FY2021, leaving a remainder of \$3,524.6 in statehood defense unobligated multiyear funding as of March 2025. However, \$431.0 of the unobligated balance is restricted to litigation relating to the Tongass National Forest.

---

<sup>1</sup> All of the dollar figures presented in this document are in thousands unless otherwise noted.



In addition, last year, the legislature approved an increment of \$500.0 to the Department of Law's FY2025 base budget for statehood defense, with the stated intention of additional \$500.0 increments in FY2026 and FY2027, for a total of \$1,500.0 over the three fiscal years. With the adoption of amendment 66, the House Finance Committee removed the second of these \$500.0 base increments.

## II. Looking Forward

Statehood defense litigation has seen an unprecedented increase over historical levels, from an average of 35 to 40 cases four years ago to more than 80 currently pending. The Department of Law is currently funding the majority of these cases with the \$5,000.0 multiyear appropriation for FY2024 through FY2026. In total, the cases currently filed and funded with the multiyear appropriations are estimated to cost \$11,500.0, the amount of the appropriations received so far, but there remain numerous cases that the State still anticipates either filing or having to defend that have not yet occurred, adding up to around an additional \$4,000.0. Some of these cases will need to begin within the next fiscal year.

Despite the change in federal administration, the Department of Law anticipates that statehood defense litigation will likely remain steady or actually increase over the next two to three years.

In fact, we expect that impending policy changes by the Trump administration will draw new lawsuits necessitating the State's involvement to protect its distinct interests going forward.

The federal government may change its litigation position in some pending cases, but that is unlikely to end most cases due to the activity of non-governmental interest groups that have intervened in the litigation. Even where the federal government may now be aligned with the State's position, it is not in our interest to abandon pending cases without obtaining judicial resolution of conflicts that will otherwise certainly recur when the federal administration changes in the future.

We anticipate that after this initial flurry of action and reaction, statehood defense cases will level out at historical levels (30 to 40 cases). However, as the Trump presidency continues, the Department of Law will need the flexibility and funding necessary in the near term to maintain current efforts and to intervene in new lawsuits where necessary to represent the state's interests.

The Department of Law has incurred roughly \$3,000.0 per fiscal year in statehood defense litigation costs since the unprecedented expansion in cases began four and a half years ago. Given this recent trend, without additional statehood defense appropriations going into FY2026, we may draw down the existing multiyear appropriation to dangerously low levels before the end of the upcoming fiscal year, necessitating a supplemental next year in addition to funding for subsequent years to finish out existing litigation. The Department of Law may also have to consider limiting its involvement and advocacy at a time of unprecedented opportunity to make a lasting positive change in the state's economic independence and freedom to manage its resources, as promised at statehood without undue interference from changing federal administrations.

Sincerely,

Cori Mills  
Deputy Attorney General

Enclosure

cc: Alexei Painter, Director, Legislative Finance Division  
Jordan Shilling, Director, Governor's Legislative Office  
Lacey Sanders, Director, Office of Management & Budget