

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450

Governor Mike Dunleavy
STATE OF ALASKA

January 21, 2025

The Honorable Gary Stevens
Senate President
Alaska State Legislature
Capitol Bldg. Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill to increase purchase limits under the Alaska-grown procurement policy and preference. In order to support Alaska businesses and to foster food security in the state, this bill would increase allowable price differentials for the state, municipalities, and school districts to purchase more Alaskan agricultural and fisheries products. Alaskan food producers often face cost barriers to market access and have long advocated for increased institutional purchases as a means to scale up production and keep state dollars circulating in the Alaska economy. Expanding access to institutional markets has also been supported by stakeholder groups and was among the recommendations of the Governor's Food Security and Independence Task Force final report released in February 2023.

When state agencies, municipalities, and school districts that receive state funds purchase agricultural and fisheries products, state law requires that they purchase in-state products so long as those products are priced no more than seven percent higher than equivalent products available from out-of-state sellers. State law further authorizes state agencies and corporations, municipalities, and school districts to purchase in-state products that are priced up to 15 percent higher than out-of-state equivalents.

This bill would increase the purchase price differential for required in-state purchases by state agencies, municipalities, and school districts from seven percent to 10 percent and the differential for permissible in-state purchases from 15 percent to 25 percent.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Enclosure