

SENATE FINANCE COMMITTEE
February 20, 2025
9:00 a.m.

[9:00:47 AM](#)

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:00 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Mike Cronk
Senator James Kaufman
Senator Jesse Kiehl

MEMBERS ABSENT

Senator Donny Olson, Co-Chair
Senator Kelly Merrick

ALSO PRESENT

Nils Andreassen, Executive Director, Alaska Municipal League; Senator Cathy Giessel.

SUMMARY

^ALASKA MUNICIPAL LEAGUE

[9:01:36 AM](#)

NILS ANDREASSEN, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE, (AML) discussed the presentation, "Condition of Communities" (copy on file). He pointed to slide 2, "About AML - 75th Anniversary!":

The purpose of the Alaska Municipal League is to:

- Safeguard the interests, rights, and privileges of Alaskan municipalities as they may be affected by Federal and State governmental actions.

- Secure cooperation among municipalities of the State in a thorough study of local problems and in the application of efficient methods of local government.
- Provide means whereby municipal officials may interchange ideas, experiences, and obtain expert advice.

The objectives of the Alaska Municipal League are to:

- Perpetuate and develop the League as an agency for the cooperation of municipalities for the practical study of municipal affairs.
- Promote application of the best methods in all branches of municipal service and the discussion of problems of administration.
- Gather and circulate information and experience concerning the most approved methods of municipal administration.
- Secure general and municipal legislation at the state and federal levels which will be beneficial to the municipalities and inhabitants thereof, and to oppose legislation injurious thereto.
- Engage in the study and preparation of uniform ordinances, resolutions, and practices
- Strengthen Alaskan local governments' ability to govern their own affairs and improve the well-being and quality of life of their constituents.

Mr. Andreassen discussed slide 3, "Differences that make a Difference":

- Alaska's local governments are not created equal
- Home rule vs. general law; limited vs. full service
- Choices of some are not obligations of all
- Uneven systems create questions of fairness and inequity
- Tax base, population, and statutory obligations have consequences
- As political subdivisions of the state, the power of partnership means delivery of services that would otherwise be the State's responsibility.
- Additional services are paid by taxpayers or otherwise limit current activities.

[9:07:34 AM](#)

Mr. Andreassen addressed slide 4, "Municipal Lane":

Education

- 34 municipal school districts
- 4 greater than State contribution Public Safety
- 70 with police powers
- 40 with combined budgets \$75 million more than DPS

Transportation

- Public Works
- Road Miles = DOTandPF
- 37 Electric Utilities
- 72 Ports and Harbors
- 112Water/Wastewater

Quality of Life

- 47 Public Libraries
- Parks and Recreation
- Community Pools
- Ice Skating Rinks
- Community Halls

Mr. Andreassen looked at slide 5, "Planning, Platting, and Land Use":

- **Planning:** The process of evaluating the best ways to use land for the public's benefit.
- **Platting:** The process of subdividing land, including recording the plat with the SOA District Recorder.
- **Land use regulation:** The process of creating and enforcing rules for how land can be used.

Costs of Compliance = \$30 million

- Planning Commissions
- Small \$24-60k annually
- Medium \$60-120k annually
- Large \$120-300k annually
- Comprehensive Plans (29.40.030 and .010)
- Small \$50-150k
- Medium \$150-400k (Seward, Nome, Kodiak)
- Large \$500k-\$1M (Mat Su, Anchorage)
- Additional - Land Use Plans (29.40.040), Hazard Mitigation Plans (FEMA), Capital Improvement (State funds), Transportation (MPOs), Economic Development (EDA), Water/Sewer (utilities)
- \$2000-2500 to DNR for survey or platting services

[9:12:19 AM](#)

Mr. Andreassen highlighted slide 6, "Planning, Platting, and Land Use":

State → (AS 29.65) Municipal Entitlement Act

- Vacant, Unappropriated, Unreserved (VUU)
- Certified Entitlement - (AS) 29.65.010
- Patented - deed has been recorded
- Approved - but deed not recorded
- Conditional - State retains management authority
- Selected - lands have been applied for
- Estimated Remaining - what's left, pending survey (29.65.070(a))

Mr. Andreassen noted that the greater access to full entitlement the greater chance the land can be developed by local governments.

[9:14:57 AM](#)

Mr. Andreassen displayed slide 7, "School Funding":

- \$530 million in local tax contributions
- Five contribute more than the State
- Own and maintain 76 percent of schools

Mr. Andreassen highlighted that since FY17 municipal school district funding had increased by 13 percent while state funding had decreased. He said that approximately 50 percent of municipal school budgets came from local contributions. He said that the majority of school is the state were often owned and maintained by municipalities and not the state. He pointed to the graph on the right hand side of the slide which illustrated FY23 local contributions as percent of municipal budgets.

[9:17:22 AM](#)

Mr. Andreassen addressed slide 8, "Public Works":

Society of Civil Engineers - 2024 Fact Sheet and 2021 Report

- 1,632 bridges - 8.2 percent structurally deficient
- 30 high-hazard dams, of 184
- \$1.4 billion drinking water need
- \$199 million in wastewater needs
- 37 percent of roads are in poor or fair condition
- Solid waste - C

- 3.4 million passenger trips across municipal, tribal, and nonprofit systems

Ports and Harbors - D+

- 125 ports and harbors - freight, commercial fishing, tourism, etc.
- \$500 million needed for State-transferred assets (circa 2000)

[9:20:02 AM](#)

Co-Chair Stedman spoke to the Harbor Matching Grant Program, which included a 50 percent state match for improvements. Under the program the municipality was then expected to not come back to the legislature to request funds for maintenance but to set up a reserve in their structure to run as enterprise funds. He wondered whether an analysis on the varying responsibilities between the state and municipalities had been conducted.

[9:20:49 AM](#)

Mr. Andreassen replied that such an analysis had not been done. He contended that many of the ports and harbors currently managed by local governments had belonged to the state at one point. He said that those assets came with the agreement that the state would continue to support harbor needs through the grant, which was a 50/50 partnership. He argued that many of the harbors had already needed improvements and that municipalities had made some progress but not to the extent necessary. He shared that municipal budgets could be mined for numbers pertaining to current local obligation.

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Co-Chair Stedman said that the program was an attempt to make the harbors self sufficient without the state being responsible for maintenance or new infrastructure. He believed that the harbor should be paying for itself considering the additional 50 percent provided by the matching grant program.

[9:23:19 AM](#)

Mr. Andreassen discussed slide 9, "Public Safety":

Police Powers

Home Rule City First Class City Second Class City
Registered Under Federal Law

Mr. Andreassen noted the 50 programs throughout the state. He pointed to the smaller inlayed map that showed areas of the state were broken into Local Emergency Planning Districts (LEPD).

[9:24:51 AM](#)

Mr. Andreassen pointed to slide 10, "Quality of Life":

Full-Service Communities

- Pools
- Parks
- Schools
- Trails
- Rec centers
- Cemeteries
- Museums
- Senior centers
- Festivals
- Activities

He noted the bar graph on the slide, which showed the seven aspects of quality of community life:

- As a Place to Work
- As a Place to Retire
- As a Place to Visit
- As a Place for Kids
- Overall Quality of Life
- Your Neighborhood as a Place to Live
- As a Place to Live

[9:26:10 AM](#)

Co-Chair Stedman noted that the graph was a nationwide and thought that it would be helpful to have a similar graph that was more specific to Alaska and things uniquely Alaskan.

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Senator Cronk considered that living free from government interference was more important to people in his districts than the need for museums or any of the other items listed on the slide, i.e., schools, cemeteries, parks, and trails.

[9:28:04 AM](#)

Mr. Andreassen discussed slide 11, "Salary Survey."

Accounting Clerk

Municipal Range

Low: \$15.00-36.42

High: \$18.00-48.61

State of Alaska

Accounting Clerk (PCN 117072)

Full Time \$20.21-\$21.22 Hourly

Statewide

Average: \$26.25

25th percentile: \$21.91

75th percentile: 29.89

Firefighter

Municipal

Low: \$19.67 - 37.17

High: \$31.25 - 62.02

Statewide

Average: \$53.34

25th percentile: \$40.89

75th percentile: \$62.44

State of Alaska

Seasonal/Long Term Nonperm

\$23.50 - \$33.96

Full Time

\$33.18 - \$42.97

Police Officer

Municipal Range

Low: \$29.96-38.90

High: \$38.21-60.46

Village Police Officer: \$13.87/hr

Public Safety Officer: \$15-18/hr

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Mr. Andreassen addressed slide 12, "Tax Base."

[9:29:52 AM](#)

Mr. Andreassen spoke to slide 13, "Concentration of Tax Revenue." The slide showed a move from \$8 million to \$11 million. He noted that the slides did not reflect whether taxes had gone up or down but rather that the tax base had become diversified.

[9:30:33 AM](#)

Senator Kiehl asked what the percentage represented.

[9:30:43 AM](#)

Mr. Andreassen replied that it was the percentage of all the different taxes that made up the tax base. He agreed to provide more information later.

[9:31:18 AM](#)

Mr. Andreassen highlighted slide 14, "Mandatory Exemptions":

15.7\$ billion in 2023

12.4 percent of total taxable value

Not all jurisdictions appraise exempt categories

The slide showed that mandatory exemptions in 2023 were awarded to: Senior and Disabled Veterans, Nonprofit/Charitable, Hospitals, Education, Tribal or Native Allotment, Churches, Farm Use Land - Deferred, and Cemeteries. The right-hand side of the slide the percentage of property tax base that was subject to S/DV exemption in 2023, by borough.

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Mr. Andreassen displayed slide 15, "Optional Exemptions":

- \$27.4 billion exempted in 2024
- Includes real and personal property, including modeled values.
- Including mandatory exemptions, 34.2 percent of all property is exempt.

The slide offered a pie chart that showed the share of real property that is subject to optional exemptions, and the value of real property real property option exemptions figure for 2024, which included residential, senior, community purpose, and other.

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Co-Chair Hoffman asked about retaining seniors in the state who are living on fixed incomes. He relayed that freezing property taxes for seniors over a certain age was under discussion.

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Co-Chair Stedman added that the effects of inflation on property taxes had sparked the discussion of a freeze for seniors. He stressed that the state was losing too many seniors and that more and more seniors were losing generational homes for failure to pay property taxes.

[9:36:09 AM](#)

Mr. Andreassen replied that AML had investigated the senior exemption history, which had been established in 1972 as a needs-based program. He said that the projected growth for the senior population between now and 2025 was 207 percent.

[9:37:36 AM](#)

Mr. Andreassen addressed slide 16, "Stressed Communities." The slide showed a computer dashboard developed by the Division of Community and Regional Affairs and the Department of Environmental Conservation. The slide showed rural communities involved in the Village Safe Water Program. The slide offered best practice scores. The dashboard was intended to illustrate current capacity indicators in the 196 communities eligible for Village Safe Water funding that choose to participate in Operation and Maintenance Best Practices Dashboard. He noted that since 2016 there has not been much progress on improving best practices for communities. He thought that it was a matter that needed improvements.

[9:39:28 AM](#)

Mr. Andreassen discussed slide 17, "Challenges to Overcome":

- Net Outmigration
- Reduced Purchasing Power
- Old Code

- Workforce
- Housing
- Increased Costs
- Limiting Liability
- Uncertainty
- Working Together

Mr. Andreassen relayed that the chart on the slide did not reflect Alaska but represented the social determinants of health in communities, which included four components; Health and Wellness, Economic Ecosystem, Built Environment, and Social and Civic Infrastructure.

[9:40:25 AM](#)

Mr. Andreassen pointed to slide 18, "Net Outmigration":

- What do we do to reverse trends?
- How do communities plan based on projections?
- How do policies respond to different age groups?
- How do policies respond to regional differences?

The slide contained five charts showing the following: Population Age 0 to 19, Alaska, 1980 to 2050; Population Age 20 to 64, Alaska, 1980 to 2050; Population Age 65 plus, Alaska, 1980 to 2050; Population by Alaska Region, 2023 to 2050, and the Alaska Net Migration Rate, 1980 to 2025.

Mr. Andreassen shared that local governments were considering what changes were affecting Alaskan's decisions to stay or leave the state and how to manage the outcomes of those choices.

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Co-Chair Stedman requested the charts be redone to reflect the changes in state population demographics since statehood in 1958.

[9:42:32 AM](#)

Senator Kaufman wondered about the various impacts that could result from populations in each specific age range projected.

[9:43:05 AM](#)

Mr. Andreassen replied tht he would follow up with the committee with a report from the Department of Labor and Workforce Development (DLWD).

[9:43:58 AM](#)

Co-Chair Stedman spoke to the issue of housing in the state. He cited specifically the problem of short-term rentals displacing long-term rentals.

[9:44:41 AM](#)

Mr. Andreassen addressed slide 19, "Reduced Purchasing Power":

- \$30 million in 2017 would be \$39 million today = 25 percent reduction in purchasing power
- Public safety - one officer that was \$80,000 in 2017, is \$120,000 today = 125 fewer officers
- Roads - resurfacing was \$200,000 in 2015, and is now \$300,000 = 50 fewer road miles
- Affects the 89 local governments receiving the least amount of Community Assistance, or the largest three.

The chart contained national numbers. Mr. Andreassen lamented the lack of inflation proofing in community assistance. He said that the reduction in community assistance affected smaller and rural governments differently than larger local governments.

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Co-Chair Stedman believed that educating the newer members of the legislature about the program was critical to staving off cuts to the program.

[9:47:27 AM](#)

Co-Chair Hoffman agreed. He noted that the Senate Finance Committee had worked to reinstate the program after it had been cut by the administration.

[9:47:44 AM](#)

Mr. Andreassen discussed slide 20, "Old Code":

Keeping up with Code

- Late 1970s - development of template code
- 1980s adopted by many
- Standard language without adaptation for local circumstance
- Few changes since then, for many.
- DCRA code library
- All boroughs and home rule cities
- Most first class cities
- 47 of 116, or 40 percent

Mr. Andreassen believed that the old codes could be reviewed and updated to support stressed communities.

[9:49:45 AM](#)

Mr. Andreassen addressed slide 21, "Workforce":

- **Vacancies**
 - 14 percent average for state jobs, according to LegFin = 2,000
 - Local governments range similarly from 10-40 percent, depending on department
 - 2017-2021, average teacher turnover rate was 23 percent
- **Poaching**
 - Increasingly common between local governments and with the state - small pool of public sector employees
- **Nonresident Hire** - State and Local Government
 - Of top 20 occupations, 7 are schools, as much as 14.9 percent
 - **Police** (9.3 percent) and Correctional Officers (6.6 percent)

Mr. Andreassen stated that local governments were exploring many ways to address recruitment and retention challenges.

[9:52:02 AM](#)

Mr. Andreassen looked at slide 22, "Housing":

Local governments part of housing solution

- Subdivision and housing development
- Utilities and access
- Accessory Dwelling Units
- Manufactured homes
- Investment and capital
- Exemptions and abatement

- Workforce housing
- Housing assessments

Key Facts:

Renter households that are extremely low-income

19,545 or 21 percent

Shortage of rental homes affordable and available for extremely low-income renters

-14,722

Average income limit for 4-person extremely low-income household

\$34,690

Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent

\$59,516

Percent of extremely low-income renter households with severe cost burden

64 percent

- Alaska needs an estimated 27,000 housing units over the next 10 years.
- 14,000 new units are needed to address population growth and severe overcrowding.
- 13,500 units need replacement or renovation due to housing condition.
- Over 150,000 housing units were built in the 1970s and 80s.
- Just over 20,000 units have been built since 2010.

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Mr. Andreassen addressed slide 23, "Increased Costs":

- Heating fuel in 2017 was around 4.49/gallon and in January 2024 was \$6.54.
- "Fuel is a 5th of our budget" - due to high prices, "the city ordered 7,000 gallons less than normal but still paid \$30,000 more"
- Insurance costs are especially impacts to highlight.

Mr. Andreassen spoke to the rising costs of insurance. He spoke to the line graph on the slide, which showed the rise in insurance over the seven years. He said that property insurance had doubled over recent years.

[9:55:29 AM](#)

Mr. Andreassen discussed slide 24, "Limiting Liability." The slide showed a series of bar graphs that illustrated liability frequency and severity by claim type over the last 10 years.

[9:56:26 AM](#)

Mr. Andreassen pointed to slide 25, "Uncertainty":

- Natural disasters
- Cyber attacks
- Federal agency priorities
- Future of federal funding
- State revenue shortfall
- Fisheries
- Tax exempt bonds
- Federal budget
- Economy - inflation, development

"Local government is a balancing act between immediate needs and long-term planning in a constantly evolving landscape."

The slide contained a bar graph that illustrated sources of uncertainty in local policymaking. Respondents who replied to the question included: economic conditions, state/federal funding, state/federal regulation, voter opinion, and constituent groups.

[9:57:24 AM](#)

Mr. Andreassen addressed slide 26, "AML Shared Solutions":

Our shared services are intended to strengthen local governments' capacity.

Financial Success:

Alaska Municipal Financial Solutions
Alaska Municipal League Investment Pool (AMLIP)
Sales Tax Collection Service (STCS)
CashVest
Online Sales Tax
Grant Writing
Public Surplus procurement

Employee Benefits:

Unemployment Insurance
Workshield
Strategic Hiring
Alaska Municipal Health Trust (AMHT)
Nationwide Retirement Solutions
Effective Operations:
Live Healthy Discount Program
Professional Development Academy
Employee Mental Wellness
Reporting and Compliance
Remote Notary Services
Cybersecurity Solutions
Planning

Effective Operations:

Live Healthy Discount Program
Professional Development Academy
Employee Mental Wellness
Reporting and Compliance
Remote Notary Services
Cybersecurity Solutions
Planning

[9:58:40 AM](#)

Mr. Andreassen looked at slide 27, "Role of State Decision-Making":

- Operating Budget
- Community Assistance
- PERS/TRS
- Schools - Finance
- Schools - Facilities
- Capital Budget
- Infrastructure Investment

The slide included a bar graph that showed the top 10 policy areas targeted by Alaska State Regulation in 2023.

[9:59:12 AM](#)

Mr. Andreassen addressed slide 28, "Operating Budget." The slide contained four bar graphs of local government budgets for Fairbanks, Juneau, Anchorage, and the Matanuska-Susitna Borough.

[10:01:18 AM](#)

Mr. Andreassen looked at slide 29, "Community Assistance." He relayed that the program was like a fee for service program in the 1970s and 80s. He said that overtime that had changed, with community assistance disappearing altogether, which resulted in the loss of 8 communities. He stressed that the absence of community assistance directly affected the health of Alaskan communities. He highlighted that community assistance comprised between 10 and 40 percent of half of the communities in the state. He pointed to the bar graph on the slide that showed the diminishment of the assistance overtime.

[10:04:25 AM](#)

Mr. Andreassen pointed to slide 30, "PERS/TRS":

- Recommendations from 2019 - to be updated
- Remove interest charged to PERS arrearages
 - Update salary floor, or remove
 - Remove administrative costs of termination study
 - Develop mechanism for smaller employers to exit
 - Enable employer to pay off their portion of net pension liability
 - Address amortization period, and provide assessment of additional costs
 - State to fund cost of difference between State projected employment and actual vacancy rates

Mr. Andreassen said that local government were focused on the 2008 salary floor that was costing local governments and other employers \$26 million. He said that many considered themselves "prisoners of PERS" largely due to the net pension liability. He wondered whether a different system could be considered. He noted the pie chart on the right which showed how local governments fit in as an employer in the overall system.

[10:07:19 AM](#)

Co-Chair Stedman thought that the issue was who paid the unfunded liability. He said that the termination study was put in place to stop the shift of the liability to the state. He noted that employers in the PERS system were obligated to pay their employees. He expressed great concern for the growing unfunded liability and how it would impact employees. He thought that the mathematical model used by the ARM Board was dysfunctional. He spoke to the

projected contribution rate proposed for the current budget, which was substantial and an increase. He said that there was an interest in reviewing the 22 percent cap. He hoped that the rate could be slowly decreased. He warned that the current course of action was not working. He thought that it was immoral to straddle young Alaskans with liability created in the 70s, 80s, 90s, and 2000s.

[10:12:40 AM](#)

Co-Chair Hoffman agreed.

[10:12:53 AM](#)

Senator Kiehl felt that the cost of the current system pushed down on municipalities and was a cost to local taxpayers. He believed that discussions with the ARM on revamping the system were critical. He stressed the importance of considering the costs to municipalities and who managed the systems.

[10:14:40 AM](#)

Co-Chair Hoffman believed that municipalities needed to be at the table for future talks on the matter.

[10:15:01 AM](#)

Co-Chair Stedman added that the ARM board actuary had presented some calculation to the committee and would be back to present in more detail. He said that the 13 percent of the aggregate city hall payroll going for unfunded liability had to come from somewhere. He believed that issue would have ripples throughout future generations.

[10:16:36 AM](#)

Mr. Andreassen agreed. He said that AML would like to be part of future discussion as local governments and Alaskan taxpayers were currently making up a percentage of the unfunded liability. He noted that when PERS was re-amortized from 2031 to 2039 it shifted \$20 million of the liability to local taxpayers.

[10:17:44 AM](#)

Mr. Andreassen highlighted slide 31, "Public Education":

Recommended and Funded Capital Renewal by Fiscal Year
- DEED 2024 Facilities

- FY 6-year plan = \$1,846,645,049 (\$200M+ AVG)
- 19 districts did not submit 6-year plan / 35 percent
- Plans range from 2 to 6 years
- HB2003 - Evaluation of combination of grant program, GO Bond, and SBDR = 1/3 of all schools benefiting from major maintenance
- FY11-24 - Grants from School Construction and Major Maintenance resulted in an average for school construction of \$52,677,128 (42 percent MSD) and for major maintenance of \$14,017,113 (59 percent MSD). 60 percent of school districts have benefited.
- 13 of 24 municipal districts submitted 112 applications for debt reimbursement = \$803 million (0 since 2016)
- Due to the decreasing amount of eligible debt reimbursement being paid by the state, the statutory calculation for the REEA fund capitalization is also declining each year.

[10:20:01 AM](#)

Mr. Andreassen addressed slide 32, "Public Education":

Finance (FY23 Audited Financials - DEED)

- Every local government contributed beyond the RLC in FY24 = \$240 million
- 18 of 33 provided more than 50 percent additional
- Four have RLC/FVD amounts greater than 45 percent Basic Need
- State takes 75 percent of Impact Aid to reduce its own obligation to meet Basic Need; 100 percent in REAAs
- Non-instructional functions = < 25 percent of costs
- 58 percent is operations and maintenance
- The Alaska School District Cost Study hasn't been updated since 2005

[10:20:48 AM](#)

Mr. Andreassen pointed to slide 33, "Capital Budget":

- Local CIP from FY20-25ish = \$2,835,244,289
- GOV proposed FY26 = \$282 million
- FY23 GO and Rev Bond Debt = \$195 million

- 14 communities
- Municipal Bond Bank = \$1 billion
- New and refunding since 2005
- 2020 and 2021 - largest years (52!)
- Requests to AML FY26 = \$48 million for heavy equipment

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Co-Chair Stedman commented that his district had approximately 27 percent of the debt listed on the slide columns. He said that equated to approximately \$14,000 per resident. He contended that if Anchorage too on the same debt it would cost \$4 billion. He lamented the magnitude of the debt load taken on by his district. He stated that much of the debt was from energy costs.

[10:24:36 AM](#)

Senator Kiehl felt that an additional source of the debt was large dock infrastructure. He said that a large portion of that was like a recent railroad bill. He asked about the bond bank chart and how Anchorage and Matanuska-Susitna fit into the picture.

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Mr. Andreassen agreed to follow up with the committee and explained that AML tracked geo and revenue bond debt for all communities.

[10:26:15 AM](#)

Mr. Andreassen addressed slide 34, "Infrastructure Investment":

- 214 Total Applications
- \$3.6 billion
- 70 Successful
- \$1.3 billion brought to Alaska

[10:27:25 AM](#)

Mr. Andreassen addressed slide 35, "Planning and Community Development":

Strategic Infrastructure Maintenance and Operations

Community Planning and Prioritization
Grant Development and Response
Grant Award, Partnerships, and Match
Procurement and Workforce
Project Management
Grant Reporting and Outcomes
Maintenance and Operations
Asset Management and Sustainability

[10:28:29 AM](#)

Mr. Andreassen discussed slide 36, "Leaning Local - Member Priorities.":

1. State maintains an adequate level of services.
2. Increase State funding for municipal public safety obligations (including police training, operations of Community jails, and prosecutors and public defenders)
3. Cost-shifting of State expenses and programs to municipalities
4. Prompt payments of Community Assistance and other state payments or pass-throughs to municipalities
5. Increase investment in school construction and deferred maintenance (including by providing Base Facilities Allocation)
6. Increase Community Assistance distribution and tie to inflation
7. Increase and inflation-proof the BSA
8. Oppose the transfer of maintenance responsibilities to municipalities as the requirement for transportation projects
9. Reinstate the Municipal Matching Grant program to help match or supplement local and federal funding for water/sewer systems
10. Address opioid epidemic
11. Increase compliance with fisheries bycatch regulations
12. State-funded water and wastewater operator subsidy
13. Sustainability of the Alaska Marine Highway System
14. Increase investment in training and workforce development for residents
15. Increase capital budget to address deferred maintenance (including through mechanisms such as general obligation bonds)
16. Maintain the authority of local governments to tax the extraction or production of local resources

17. Transfer of State land to municipalities
18. PERS/TRS: Return to a defined benefit plan as a significant tool for recruitment and retention
19. Oppose new or expanding mandatory property tax exemptions
20. Clean-up and remediation of PFAS-contaminated sites

Mr. Andreassen relayed that the list reflected issues directly affecting local government.

[10:29:30 AM](#)

Co-Chair Stedman expressed concern for the secondary treatment of wastewater and the potentially high costs associated with the problem. He hoped for a future update on the matter.

[10:30:39 AM](#)

Mr. Andreassen thanked the committee for the opportunity to present, and for their support of AML.

[10:31:35 AM](#)

Co-Chair Hoffman remarked that budget cuts at the national level would directly and negatively affect the state, the breadth of which was yet unknown.

Co-Chair Hoffman stated that the next meeting was scheduled for the following Monday at 9am.

#

ADJOURNMENT

[10:32:13 AM](#)

The meeting was adjourned at 10:32 a.m.