



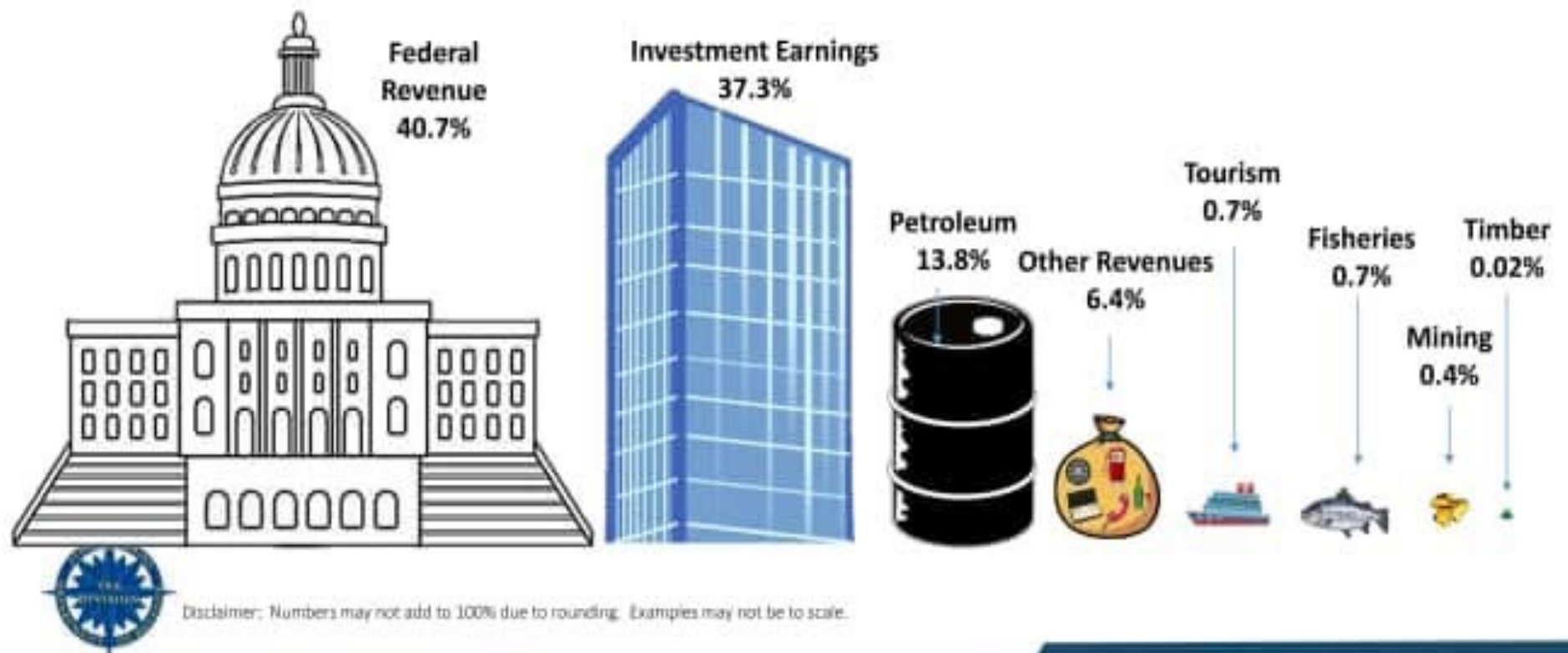
J&H Consulting and JM Walsh and Company

Legislative Update November 2025

Revenue:

Relative Contributions to Total State Revenue: FY 2025

Total State Revenue: \$16.8 Billion



Source: DOR Fall 2024 Revenue Forecast

OPERATING AND CAPITAL BUDGETS:

Although stock market has been posting great returns PFD investment return has not been as high as standard benchmarks.

For FY 26: \$68 a barrel projected in spring revenue forecast and \$68 a barrel is needed to balance budget. First part of FY above forecast but current prices and futures are both below it. If forecast made today average would be \$2 to \$3 below forecast for 2026. For every \$1.00 change in oil prices, it means \$35-40 Million change in state revenue. On 10/28 oil was \$65.90 a barrel.

Until recently there was a \$130 million projected surplus but already spent for fire, Medicaid, matching funds for DOT, and education disparity test. Combining surplus and recent lower oil prices results in a \$120 million projected deficit.

CBR has \$2.94 B as of August 2025.

Political landscape:



THE POOL OF CANDIDATES FOR ALASKA GOVERNOR IN THE 2026 ELECTION INCLUDES, TOP ROW FROM LEFT, TOM BEGICH, CLICK BISHOP, DAVE BRONSON, ADAM CRUM; MIDDLE ROW FROM LEFT, NANCY DAHLSTROM, EDNA DEVRIES, MATT HEILALA, SHELLEY HUGHES; AND BOTTOM ROW FROM LEFT, HENRY KROLL, JAMES PARKIN, TREG TAYLOR AND BERNADETTE WILSON.

RECENT IVAN MOORE POOL HAD BEGICH AND DAHLSTROM AS FINAL ROUND CANDIDATES WITH A BEGICH WIN. ANOTHER POLL HAS B. WILSON WINNING



GOVERNOR'S RACE HAS 13 IN THE RUNNING. SEN. CLAMAN (D) RECENTLY JOINED THE RACE. NEXT YEAR IS AN ELECTION YEAR WHICH WILL IMPACT THE LEGISLATIVE SESSION.



SEVERAL PROMINENT ELECTED OFFICIALS HAVE ANNOUNCED THEIR RETIREMENTS; SEN. STEVENS AND HOFFMAN.



SENS. HUGHES AND CLAMAN RUNNING FOR GOVERNOR AND SEN. SHOWER AS LT. GOV. SENS. SHOWER AND HUGHES ANNOUNCED RETIREMENT LIKELY REP. RAUSCHER MOVES TO SENATE. SOME SHIFT OF HOUSE MEMBERS TO SENATE? NEW HOUSE MEMBERS APPOINTED.

30 DAYS FOR APPOINTMENTS.



Legislation Summary Update:

Short list of bills that are active measures or priority issues. We are tracking more bills than listed here and can provide additional information as requested.

- **HB12 – Free breakfast and lunch in public schools.** (Maxine Dibert (D-Fairbanks). Fiscal note from DEED estimates \$28m annually. The bill has had 2 hearings but has not moved from the Education Committee. There is no Senate companion bill.
- **HB59/SB66 – Tribal Education Compact** (Companion bills). Introduced by the Governor in his continued efforts to establish and integrate tribal compact schools into a shared state/tribe demonstration project. While the governor has been consistent in his efforts, the policy collides with the budget. If enacted, the legislation is estimated to cost \$17m year one and \$12m annually. There would be impacts to existing school districts as students make enrollment selections.
- **HB152 – Education Tax.** (Rep. Galvin) The bill proposes a 4% income tax on wages over \$150,000 and institutes a minimum \$150/year education tax. The accompanying fiscal note reports that estimating new revenue from the bill is ‘highly uncertain.’

Legislation Summary Update:

- ▶ **HB212 - Local Contribution.** HB212 proposes to further define local contribution in AS14.17. This bill should see active engagement during the 2nd Session following the DEED's efforts to change state regulations through the State Board of Education process. Following a strong rejection through the public comment process, the board is expected to 'take no action' and return the regulation approach to the department for further consideration. Defining the terms in statute would deny the board from defining the issue in regulation contrary to statute. The issue is directly related to the issue of federal Impact Aid, the state reducing impact aid districts state funding and the states repeated failures to pass the required disparity test.
- ▶ **SB184 - School Bond Debt Reimbursement.** Introduced by SFIN Committee, the bill failed to pass from the Senate and while still alive, the moratorium on the program passed on July 1 meaning the program is now available for districts to consider. It is not clear if the legislature will move the bill and make retroactive effective dates during the 2nd Session. The moratorium was enacted in prior years with the expressed objective of reducing state debt obligations for a period of time.

CALENDAR

- ▶ Thurs Dec 4 - Commonwealth North: “18th Annual Legislator Meet & Greet” w. leadership presentations and table discussions; 5 to 8:30 p.m., info [HERE](#)
- ▶ Dec 15 - Governor’s Budget Due
- ▶ Tues Jan 20, 2026 - **First Day of Second Session of 34th Alaska State Legislature**
- ▶ **Feb. 15th- Governor’s amended budget deadline**
- ▶ Mon June 1 - 2026 Candidate Filing Deadline
- ▶ Tues Aug 18 - 2026 Primary Election
- ▶ Tues Nov 3 - 2026 General Election



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