

# Representative Calvin Schrage

Proudly serving our friends and  
neighbors in House District 12



Dear Friends and Neighbors,

We are just over 90 days into the 2023 Alaska State Legislative Session. The State House has passed out the FY24 operating budget, the Senate is wrapping up the capital budget, and bipartisan members of the House are calling for a fiscal plan. On a personal note, I am proud to let you know that you have a new neighbor in our amazing Abbott Loop - Lower Hillside community, baby Eleanor Schrage!

As always, it is an honor to serve our community and I am here if you have questions, need assistance with an issue you may be facing, or to share your thoughts, ideas, or concerns. You can reach me by email at [Rep.Calvin.Schrage@akleg](mailto:Rep.Calvin.Schrage@akleg), on my personal cell 907-240-8986, or at our office 907-465-4931.



*Rep. Schrage announces the birth of his daughter, Eleanor, during a special order on the House Floor.*

## **FY2024 Operating Budget**

The FY24 Operating Budget passed by the House is largely the same as last year's but faces a daunting \$600 million deficit. Despite calls for deep cuts in recent years from many members now in the House Majority, the only significant cut proposed by the Majority was to reduce the PFD to \$2,600. This makes clear that regardless of party lines or caucuses, there is little appetite for further cuts to state services.

## **Budget Amendment Process**

After an extensive amendment process in both the House Finance Committee and House Floor, the FY24 Operating Budget was passed from the House. The budget passed by the House Majority has a severe budget deficit of roughly \$600,000,000. The Majority proposed to fill this deficit by further draining our Constitutional Budget Reserve savings account which, after years of spending, only holds around \$2 billion dollars. Without a fiscal plan, funding this level of spending from our limited savings is unsustainable and puts at risk essential services Alaskans depend on, such as K-12 education, public safety, health care, infrastructure, and the university system.

## **House Coalition Amendments**

The House Coalition offered a series of amendments that would have balanced the budget while fully funding the essential services Alaskans depend on, all while providing a much-needed increase to K-12 education funding as we work to a long-term BSA increase. Sadly, the House Majority rejected every solution put forward by our Coalition on the House Floor.

Key amendments offered by our coalition members include:

- 75/25 Permanent Fund Dividend base (\$1,300+ for this year) moving toward a 50/50 dividend (\$2,600) if the Legislature takes action on a much needed fiscal plan with new revenue measures.
- \$14 million to fully fund Pre-K.
- \$10 million to expand child care access for Alaskan families.
- \$29 million for K-12 schools to help fund student transportation to and from school.
- \$8 million to help with the implementation of the Reads Act to support student reading and literacy by 3rd grade.
- \$5 million for Municipal Revenue Sharing to support local public safety efforts and other local services.
- \$3 million for domestic violence shelters and prevention efforts.
- \$750 thousand in support of the Parents as Teachers early learning program.
- \$725 thousand for community based grants for seniors and disabled Alaskans.
- \$7 million to increase the Rebase 1115 Waiver rates for behavioral health

- \$490 thousand for the successful statewide Crisis Now intervention program.
- \$5.2 million for the University of Alaska to grow Alaska's workforce capacity.
- \$370 thousand to support the We the People, Alaska History Day, and Kids Voting Civics Education programs.
- \$320 thousand for the Dolly Parton Imagination Library which provides children with access to books free of charge from birth to age five.
- \$625 thousand for the SLED Online Learning Program and Alaska Library Catalog.



Rep. Schrage speaks with representatives Himschoot, Dibert, and Groh on the House Floor.

### **Majority Amendments**

Amendments offered by the House Majority included cutting the University of Alaska budget, adding an additional \$27,350,000 towards oil tax credits, spending \$5 million for the state to take over the federal 404 permitting program, and various other spending. Most of these amendments passed among the 23 to 17 caucus lines.



## **One-Time Education Funding**

At the beginning of the budget process on the floor, the House voted 39-1 to pass an amendment to the budget providing a one-time education funding increase of \$680 per student. Schools, educators, students, and families have been calling for increased funding from the state to keep our schools and classrooms operational. This one-time funding would be an important stop-gap solution despite falling short of the amount many districts, including the Anchorage School District, need to remain at status-quo operations. Days later, the Majority reconsidered this amendment and, along caucus lines, voted to tie the essential education funding to the Constitutional Budget Reserve vote, which requires 3/4 of the House to approve. This procedural maneuver used essential education funding for Alaska's youth as leverage in ongoing budget negotiations. It is my hope that the Senate will remedy this failure and put education funding in the base budget as has been the case until now.

## **Meet Eleanor Schrage!**



## **Base Student Allocation Funding Increase**

Although one-time education funding in this year's budget looks highly likely, our schools require sustainable, predictable funding that is sufficient to provide Alaska's students a high-quality education. Without a meaningful increase to the Base Student Allocation, educators will continue to face annual pink slips, schools will close, and classrooms will continue to grow, harming the education of Alaska's students.

In both chambers, legislation has been introduced to provide increased funding, including [House Bill 65](#) by Rep. Ortiz and [Senate Bill 52](#) by the Senate Education Committee. Both bills aim to meet the needs of Alaska's education system which has faced years of flat funding in the wake of growing inflation rates, serving as an ever-increasing cut to schools across our state. Our coalition is determined to do all we can to pass a long-term increase to the Base Student Allocation this session.

## **Fiscal Plan**

Alaskans are sick and tired of the boom-and-bust cycle of overspending when oil prices are high and steep cuts when they inevitably go back down. This has only served to drain our state savings and harm essential services, such as education and public safety. After years of inaction and kicking the can down the road, there appears to be support in the Capitol and from the governor to implement a long-term fiscal plan. Encouragingly, during budget debates on the House Floor, members of both caucuses spoke to the need for the Legislature to finally pass a fiscal plan. So far, various proposals for components of a fiscal plan have been introduced in both bodies but in the House, they have so far sat in the House Ways and Means committee without meaningful progress.

Some of the various proposals introduced by legislators in both bodies include:

- Addressing the S-Corp (Hillcorp) corporate tax loophole (+\$190 million)
- 2% sales tax (+\$300 - 900 million, depending on exceptions)
- Motor fuels tax (+\$16-32 million)
- Cap per-barrel tax credits at \$5, down from \$8 (+\$586 million)
- Gaming / gambling (+\$88 million)
- Carbon Credits (+\$10 to 20 million)
- HB 109 - reducing the corporate income tax (-\$330 million less in revenue)
- HB 114 oil and gas production tax (+\$1.3 billion)
- Increased petroleum property tax (+\$290 million)
- HB 156 - High-earner tax (+\$109 million)

- Income tax
  - 2.5% Flat tax (+\$581 million)
  - Graduated tax based on income bracket (+\$700 million)
  - 10% of federal tax liability (+\$350 million)

## Our Bills

- [House Bill 37](#) - **Elections, Voting, Ballots**  
House Bill 37, our legislation to expand voting access for eligible Alaskan voters, is scheduled for its introductory hearing Tuesday, March 28th.
- [House Bill 36](#) - **Campaign Contribution limits for Elections, Recalls, and Referendums**
- [House Bill 73](#) - **DCCED Licensing Investigations**  
House Bill 73 had its first introductory hearing in the House Labor and Commerce Committee earlier this month.

## Below are some additional resources for staying up-to-date and engaged:

**Watch Committee Meetings** – Most committee hearings are broadcast on Gavel Alaska at [360north.org](http://360north.org) or through the Live Now tab on the AK Legislature’s [home page](#). House and Senate floor sessions are also available on Gavel Alaska at [ktoo.org/gavel](http://ktoo.org/gavel).

**Access Budget Materials** – The Office of Management and Budget website has many helpful tools and presentations relating to the state budget. You can find these resources, and more, at [omb.alaska.gov](http://omb.alaska.gov).

**Keep Track of Bills** – If you’re interested in learning more about a bill from this session or from years past, you can learn more at [akleg.gov/basis/Home/BillsandLaws](http://akleg.gov/basis/Home/BillsandLaws). Just type in a bill number in the search bar (ex: HB 234) at the top of the page. You can also text a bill number (ex: HB 234) to 559-245-2529 to enroll in text alerts.

**Use Your Legislative Information Office (LIO)** – LIOs are a great local resource for navigating the legislative process. The staff at the LIO can help you research bills and issues, navigate the state computer system, and participate in committee hearings by providing public testimony. You can chat with LIO staff Monday-Friday between 8:30 AM and 4:00 PM through their new chat interface located in the lower right corner of [akleg.gov](http://akleg.gov).

**Contact the Anchorage LIO** – You can reach the LIO by phone (907-269-0111) or email: [LIO.Anchorage@akleg.gov](mailto:LIO.Anchorage@akleg.gov).

Warmly,  
Representative Schrage

PS - I am honored to serve as your Representative. Please do not hesitate to reach out to me or our office anytime.

### **Contact Representative Calvin Schrage**

#### **Session Contact**

Alaska State Capitol  
Juneau, AK 99801  
(907) 465-4931



Toll Free: (888) 870-4931  
Rep.Calvin.Schrage@akleg.gov

#### **Interim Contact**

1500 W. Benson Blvd.  
Anchorage, AK 99503  
(907) 269-0205



[RepCalvinSchrage](https://www.facebook.com/RepCalvinSchrage)



[@RepSchrage](https://twitter.com/RepSchrage)



[@CalvinSchrage](https://www.instagram.com/CalvinSchrage)