

# GOV. DUNLEAVY CALLS FOR SPECIAL SESSIONS

Governor Dunleavy is following through on his commitment to a multi-part fiscal plan by proclaiming two thirty-day special sessions. The first special session will begin immediately following the last day of the first 121-day session of the 32<sup>nd</sup> Alaska State Legislature.

## **1<sup>st</sup> Special Session Proclamation**

The House took a month to organize. The operating budget, due by July 1 to prevent a government shutdown, is now in the Senate with six days left for it to pass, have the House concur, and compromise any differences in a conference committee. The first special session gives the Legislature ample time to complete their appropriating duties and begin to tackle the elephant in the room – the Permanent Fund Dividend (PFD).

Next year is an election year. It's a well-known fact that difficult decisions are not made in the second session. The time is now to make the tough decisions for Alaska's future. Alaskans need to know their lawmakers, and Governor, will follow the law or change it. Short of a constitutional amendment, we will continue to see the same actions: a dividend decided by political negotiations and an Earnings Reserve Account ready to be depleted, just like the \$17 billion spent from the Constitutional Budget Reserve. This issue has paralyzed the Capitol. The people's work will not be done until the Permanent Fund issue is finally put to rest in the constitution. If we cannot honor our laws, it's time to change them.

The Power Cost Equalization endowment is a fund that has been in limbo for the past several years and is a simple majority vote away from being liquidated. So long as it's a political tool, it cannot be invested in stable pathways. The fund needs predictability and safety from the hands of politicians, which is why it needs to be constitutionalized along with the permanent fund dividend.

## **2<sup>nd</sup> Special Session Proclamation**

Alaska has received an influx of federal dollars through the American Rescue Plan Act. That decision, how to appropriate over \$1 billion one-time federal over two years, will be done after the newly released guidance from the U.S. Treasury Department has been clarified.

Once the PFD and PCE fund are off the table, lawmakers and the administration can roll their sleeves up in August and start addressing long-term solutions to the current fiscal reality of Alaska. Two constitutional amendments were introduced at the beginning of session: one would institute an appropriation limit; the other would prohibit the establishment of a state tax without voter approval. The structural deficit Alaska faces also must be acknowledged through revenue measures. Everything must be on the table.

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## Elements of Special Session Calls:

First special session, Part One, Thursday, May 20, 2021:

- FY22 budget bills
- FY22 Permanent Fund Dividend appropriation bills
- Constitutional amendment addressing the permanent fund, POMV, PFD, and PCE

Second special session, Part Two, Monday, August 2, 2021:

- Constitutional amendments addressing an appropriation limit and voter approval of taxes
- Bills relating to the American Rescue Plan Act
- Forthcoming federal appropriation bills
- Measures to increase state revenues

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